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Third Fiscal
Quarter Report
March 31, 2013

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Company Information

Board of Directors

Hamid Imtiaz Hanfi
Chairman

Muhammad Raza Hasnani
Vice Chairman

Ovais Mansoor Naqvi
Director

Adnan Siddiqui
Director

Diana Brush
Director

Philip Harris
Director

Richard Legrand
Director

Audit Committee of the Board

Philip Harris
Chairman

Muhammad Raza Hasnani
Member

Diana Brush
Member

Strategy and Risk Management Committee of the Board

Muhammad Raza Hasnani
Chairman

Hamid Imtiaz Hanfi
Member

Diana Brush
Member

Services and Stakeholders Committee of the Board

Muhammad Raza Hasnani
Chairman

Hamid Imtiaz Hanfi
Member

Diana Brush
Member

Head Finance and Chief Financial Officer

Asad Azhar Siddiqui

Head Legal & Services Company Secretary

Shahana Ahmed Ali

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Barclays Bank Plc, Pakistan
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
KASB Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Silkbank Limited
Standard Chartered Bank (Pakistan) Limited
Soneri Bank Limited
Summit Bank Limited
Sindh Bank Limited
The Bank of Khyber
United Bank Limited

Shares' Registrar

FAMCO Associates (Pvt) Limited
8-F, Next to Hotel Faran
Nursery, Block 6, P.E.C.H.S,
Shahra-e-Faisal, Karachi.

Tel: (92 21) 3438 0101
3438 0102
Fax: (92 21) 3438 0106

Registered Office

9th Floor, The Harbour Front,
Dolmen City, HC-3, Block-4,
Marine Drive, Clifton,
Karachi-75600, Pakistan

Tel: (92 21) 111 222 081
Fax: (92 21) 111 888 081

Website

www.byco.com.pk

DIRECTORS' REPORT

In the name of Allah the Most Merciful and the Most Benevolent.

The Board of Directors of the Company presents their report together with the condensed interim unaudited financial statements for the nine months period ended March 31, 2013.

During the period under review, net sales of the Company increased significantly by 281% to Rs.44,454 million as compared to Rs.11,662 million during the same period last year (SPLY).The Company earned profit before depreciation and amortization, interest and tax of Rs.883 million as compared to Rs.617 million SPLY, and a gross profit of Rs.344 million during this nine month period as compared to the gross loss of Rs.952 million during SPLY.

The significant increase in manufacturing cost is mainly due to increased consumption of fuel oil as production in current period is higher as compared to SPLY, however salaries & benefits decreased by 6 % and staff transport and catering by 14%. Administrative and selling expenses on account of salaries & benefits decreased by 29% and vehicle running expenses decreased by 28% when compared to SPLY. Markup on deferred income decreased by Rs.485 million as receivable of Rs.2.600 billion from PSO adjusted against payable to OGDC by the Company. The Company suffered a net loss after tax of Rs. 2,107 million (SPLY: Rs. 2,261 net loss) which is mainly on account of financial charges amounting to Rs.1,928 million.

During the period under review, though the refinery operated at 55% of its designed capacity, a total of 4,191,120 barrels (19,314 bls per stream day) of crude were processed over a span of 217 stream days.

The Company successfully negotiated re-profiling of its existing banking exposure (in the form of the LC-FPAD, Running Finance facility and Short Term Finance facility) into a Term Finance facility-1 of Rs.17.379 billion with a tenor of 7.5 years. The markup payable on the said re-profiled facility is 1% less as compared to previous debt, resulting in an annualized savings of Rs. 90.04 million to the Company.

Moreover, to realize cashflow timing benefits, markup due on the aforementioned debt exposure upto December 31, 2012 has been deferred as a Term Finance Facility-2 of Rs.1.853 billion with zero markup payable on the said facility and payable post adjustment of principal over a period of 2.5 years. Also, markup payable on the re-profiled Term Finance facility-1 will be accrued (estimated amount Rs.6.32 billion) till principal loan is adjusted and subsequently markup payments will commence (payable over a period of 2.5 years). However, based on the terms of re-profiling agreement, the Company will pay Rs.100 million nominal markup out of the accrued portion in the 1st year and Rs 200 million on annual basis from year 2 onwards till principal loan settlement.

In view of the working capital facility of Rs.15 billion being availed by the company from one of the banks having the existing debt exposure, priority re-profiled debt payment of Rs 3.03 billion will be made with total principal loan and markup paid over a period of 2.5 years, while the remaining debt principal repayments to commence from the 2.5 year (FY15) onwards up to the 7th year (FY19).

The Company has commenced testing and pre-commissioning of its Isomerization Plant, the first such unit installed in the country. This Isomerization Plant will be fed Naphtha from our refinery, as well as Byco Oil Pakistan Limited's new 120,000 bpd Refinery. This Plant will enable the Company to process light Naphtha into low Benzene environmental friendly Motor Gasoline and will yield better returns to the Company due to the significant differential between Naptha and Motor Gasoline prices. Furthermore, this conversion of Naphtha will result into substantial savings in transporting, handling and storage costs to the Company.

Byco Terminals Pakistan Limited's (BTPL) Single Point Mooring (SPM) project has been successfully commissioned in December 2012. With the SPM being on line, substantial cost savings in the form of reduced freight cost, time, operational losses, internal freight and storage charges are being experienced by the Company.

The Economic Coordination Committee (ECC) has approved the recovery of crude oil transportation through Inland Freight Equalization Margin pool (IFEM) which is expected to result in future cost savings for the Company.

Your Company has witnessed significantly challenging times in the last few years primarily due to the 2008 financial crisis. However, with the completion of the Group's related mega projects this year, there will be significant value addition for the Company and the results for the third quarter then ended depicts a turnaround. The management will ensure that this momentum is maintained whilst at the same time focusing on operational excellence, cost management and bottom-line growth.

In conclusion, the Board of Directors would like to express their gratitude for the cooperation extended to the Company by our valued customers, financial institutions, shareholders and employees for their continued support, confidence and trust in the Company.

For and on behalf of the Board of Directors

Chief Executive Officer

Unconsolidated Condensed Interim Balance Sheet
As at March 31, 2013

	Note	Unaudited Mar 31, 2013	Audited Jun 30, 2012
		------Amount in Rs. '000---------	
NON CURRENT ASSETS			
Property, plant and equipment	6	17,805,022	18,372,849
Intangible asset		3,697	5,915
Long term Investment		5,729,258	5,729,258
Long term deposits		9,571	19,387
CURRENT ASSETS			
Stores and spares		170,523	159,280
Stock in trade		8,638,872	2,956,264
Trade debts - Considered good		13,863,091	9,931,045
Loans and advances - Considered good		152,695	394,080
Trade deposits, prepayments and other receivables		944,573	821,454
Markup accrued		274,498	18,923
Cash and bank balances		402,731	202,228
		24,446,983	14,483,274
		47,994,531	38,610,683
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 1,200,000,000(June 2012:1,200,000,000) Ordinary shares of Rs.10/- each		12,000,000	12,000,000
Issued, subscribed and paid up capital		9,778,587	9,778,587
Accumulated losses		(18,330,703)	(16,501,819)
		(8,552,116)	(6,723,232)
Surplus on revaluation of Property, plant and equipment		5,304,536	5,583,119
NON CURRENT LIABILITIES			
Long term payable		18,827,517	-
Liabilities against assets subject to finance leases		29,546	74,736
Long term deposits		50,713	38,913
Deferred liabilities		2,318,532	2,460,110
CURRENT LIABILITIES			
Trade and other payables		28,877,362	25,903,618
Accrued markup		17,506	1,138,196
Short term borrowings - secured		-	7,650,000
Current portion of non current liabilities		843,596	2,441,686
Provision for taxation		277,338	43,537
		30,015,802	37,177,037
COMMITMENTS	7	-	-
		47,994,531	38,610,683

The annexed notes form an integral part of the condensed Unconsolidated interim financial information.

Chief Executive

Director

Unconsolidated Condensed Interim Profit and Loss Account

For the nine months period ended March 31, 2013 (Unaudited)

	Amount in Rs. '000			
	9 months period ended		Quarter Ended	
	Jul-Mar 2013	Jul-Mar 2012	Jan-Mar 2013	Jan-Mar 2012
Net sales	44,453,894	11,661,757	17,756,673	3,333,014
Cost of Sales	44,109,498	12,614,236	17,711,957	3,432,020
Gross profit / (loss)	344,396	(952,479)	44,716	(99,006)
Operating expenses				
Administrative expenses	568,259	402,688	159,336	110,615
Selling and distribution expenses	441,312	280,390	182,798	32,235
	1,009,571	683,078	342,134	142,850
Operating loss	(665,175)	(1,635,557)	(297,418)	(241,856)
Other income	756,300	1,457,747	270,845	810,100
	91,125	(177,810)	(26,573)	568,244
Financial and other charges				
Financial charges	1,927,718	2,049,782	590,841	939,518
Exchange differences - net	185,547	119,747	12,238	15,000
	2,113,265	2,169,529	603,079	954,518
(Loss) before taxation	(2,022,140)	(2,347,339)	(629,652)	(386,274)
Taxation				
Current	235,334	30,769	92,419	1,272
Prior Year	-	33,274	-	-
Deferred	(150,006)	(150,269)	(49,998)	(50,088)
	85,327	(86,226)	42,420	(48,816)
(Loss)/profit after taxation	(2,107,467)	(2,261,113)	(672,072)	(337,458)
(Loss)/profit per share - basic & diluted (rupees)	(2.16)	(2.31)	(0.69)	(0.35)

The annexed notes form an integral part of the condensed Unconsolidated interim financial information.

Chief Executive

Director

Unconsolidated Condensed Interim Statement of Other Comprehensive Income

For the nine months period ended March 31, 2013 (Unaudited)

	Jul-Mar 2013	Jul-Mar 2012	Jan-Mar 2013	Jan-Mar 2012
	Amount in Rs. '000			
Net (loss) after taxation	(2,107,467)	(2,261,113)	(672,072)	(337,458)
Other Comprehensive Income	-	-	-	-
Total comprehensive (loss) for the period transferred to equity	(2,107,467)	(2,261,113)	(672,072)	(337,458)

The annexed notes form an integral part of the condensed Unconsolidated interim financial information.

Chief Executive

Director

Unconsolidated Condensed Interim Cash Flow Statement

For the nine months period ended March 31, 2013 (Unaudited)

	Jul-Mar 2013	Jul-Mar 2012
	-----Amount in Rs. '000-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(2,022,140)	(2,347,339)
Adjustments for non cash and other items:		
Depreciation	790,026	792,866
Amortization	2,218	2,218
Financial and other charges	1,927,718	2,049,782
Gain on disposal of assets	(3,976)	(1,368)
Provision for gratuity	10,011	10,880
Net cash flow before working capital changes	703,857	507,039
Movement in working capital		
(Increase) / decrease in current assets		
Stores and spares	(11,243)	31,572
Stock in trade	(5,682,607)	(5,148,390)
Trade debts	(3,932,046)	(986,905)
Loans and advances	241,384	(53,106)
Trade deposits, prepayments and other receivables	(88,624)	(337,517)
Mark up accrued	(255,575)	(536,232)
Increase / (decrease) in current liabilities		
Trade and other payables	10,769,081	9,169,171
Cash generated from operations	1,744,226	2,645,632
Payments for:		
Financial charges	(1,194,822)	(1,057,633)
Income Taxes	(36,028)	(149,710)
Gratuity Paid	(1,582)	--
Deferred Income	--	(18,616)
Cash generated from operations	511,795	1,419,673
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(228,919)	(438,630)
Proceeds from disposal of vehicles	10,695	14,897
Long term deposits - net	21,617	11,557
Loan to subsidiary	--	(13,250)
Net cash used in investing activities	(196,607)	(425,426)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loan	(70,000)	(891,857)
Liabilities against assets subject to finance lease - net	(44,684)	(129,275)
Net cash used in financing activities	(114,684)	(1,021,132)
Net increase / (decrease)in cash and cash equivalents	200,503	(26,885)
Cash and cash equivalents as at 1st July 2012	202,228	270,559
Cash and cash equivalents as at 31 March 2013	402,731	243,674

The annexed notes form an integral part of the condensed Unconsolidated interim financial information.

Chief Executive

Director

Unconsolidated Condensed Interim Statement of Changes In Equity

For the nine months period ended March 31, 2013 (Unaudited)

	Issued, subscribed and paid up capital	Accumulated Loss	Total
	----------Amount in Rs. '000----------		
Balance as at July 01, 2011	9,778,587	(13,770,872)	(3,992,285)
Total comprehensive loss for the period			
Loss for the nine months period ended March 31, 2012		(2,261,113)	(2,261,113)
Incremental depreciation relating to surplus on revaluation of Property, plant and equipment - net deferred tax		279,072	279,072
Balance as at March 31, 2012	9,778,587	(15,752,913)	(5,974,326)
Balance as at July 01, 2012	9,778,587	(16,501,819)	(6,723,232)
Total comprehensive loss for the period			
Loss for the nine months period ended March 31, 2013		(2,107,467)	(2,107,467)
Incremental depreciation relating to surplus on revaluation of Property, plant and equipment - net deferred tax		278,583	278,583
Balance as at March 31, 2013	9,778,587	(18,330,703)	(8,552,116)

The annexed notes form an integral part of the condensed Unconsolidated interim financial information.

Chief Executive

Director

1. LEGAL STATUS AND NATURE OF BUSINESS

Byco Petroleum Pakistan Limited (the Company) was incorporated in Pakistan as a public limited company on 09 January 1995 under the Companies Ordinance, 1984 and was granted a certificate of commencement of business on 13 March 1995. The shares of the company are listed on Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the Company is situated at The Harbour Front, 9th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi – 75600, Pakistan. Byco Oil Pakistan Limited (Holding Company) holds 86.94% shares in the Company. The Holding Company is a wholly owned subsidiary of Byco Industries Incorporated (BII), Mauritius (ultimate Parent Company) The Company is principally engaged in the production, marketing and sale of petroleum products.

The Company currently operates two business segments namely Oil Refinery Business and Petroleum Marketing Business. The Company commenced its crude Oil Refining Business in 2004.The refinery has a rated capacity of 35,000 bpd (barrels per day).Petroleum Marketing Business was formally launched in 2007 and now growing aggressively with 225 retail outlets across the country.

2. GOING CONCERN ASSUMPTION

During the period ended 31 March 2013, the Company incurred a net loss after taxation of Rs. 2,107 million (31 March 2012: Rs. 2,261 million)and as of that date its accumulated losses amounted to Rs. 18,331 million (30 June 2012: Rs. 16,502 million). As at 31 March 2012 total liabilities exceeded total assets by Rs.3,247 million (30 June 2012: 1,140 million) and current liabilities of the Company exceeded its current assets by Rs. 5,569 million (30 June 2012: Rs. 22,694 million).

The conditions indicate existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The unconsolidated condensed interim financial information have been prepared using the going concern assumption as the management is confident that all these conditions are temporary, and would reverse in foreseeable future due to the reasons given below:

- During the period, the Company has successfully established its eleventh crude Letter of credit arrangement with a commercial bank after discharging the previous ten arrangements in time. The average operating throughput of the refinery was 20,152 bpd as compared to 19,314 bpd last year when the refinery could not operate during most part of the year on account of working capital constraints.

- During the period, the Company has successfully managed to negotiate with their lenders to restructure majority of their loans and accrued mark-up thereof amounting in aggregate to Rs. 19,233 million payable to Syndicate banks into long term loans. The restructuring will reduce the Company's future mark-up cost due to reduction of 100 basis points and deferment in repayment will ensure smooth operations of the Company and lower the burden on working capital lines.

- The State Bank of Pakistan has accepted the restructuring arrangements made by the Syndicate banks and relaxed the requirements of Prudential Regulation “Corporate and Commercial Banking” for the Company. Such relaxation would allow the Company to negotiate better terms with financial institutions for obtaining financing facilities. Accordingly, one of the major local banks has supported and enhanced the working capital lines for import / local purchase of crude oil and petroleum products and extended the letter of credit facility upto an amount of Rs. 14,500 million at more favourable terms, in order to support the working capital requirements of the Company. This arrangement has resulted in substantial savings and has helped the Company to deal with the volatility of international crude oil / product prices, as well as foreign exchange fluctuations.

- Byco Oil Pakistan Limited's refinery as its vast quantity of Light Naphtha feed can only be met when the larger Refinery commences operations. This will enable the Company to process light naphtha into low benzene environmental friendly motor gasoline and is expected to yield better returns to the Company.

- The Company is in the final stages of completing its Isomerisation unit. The Isomerisation unit will convert light Naphtha into Motor Spirit which is a value addition and would increase the profitability margin of the Company. Furthermore, this conversion of light Naphtha would reduce the export of Naphtha. As a result it would bring substantial savings on account of transportation cost, In-transit losses, reduction in handling charges and storage cost and increased future profitability of the Company and increase the sale of Motor Spirit in local market.

- During the period, Byco Terminals Pakistan Limited (BTPL) has successfully commissioned its Single Point Mooring (SPM) project. SPM project would bring substantial cost savings on account of reduced freight cost, lead time, operational losses, In-land freight and storage charges.

- The Economic Coordination Committee (ECC) has approved the recovery of crude oil transportation through Inland Freight Equalization Margin (IFEM) pool which would result in future cost savings for the Company.

- The Holding Company has commissioned the country's largest oil refinery and has successfully completed its initial run of 72 hours. It is now ready to operate on sustainable basis. The operation of Byco Oil Pakistan Limited (BOPL) refinery would bring sustainable cost savings to the Company by taking advantage of synergies and economies of scale.

- Further, the ultimate parent company has given its commitment to give financial support to the Company as and when required. The support is available during the next financial year and beyond that.

- The management has also prepared financial projections to demonstrate the financial benefits of above measures.

The results of the above efforts, activities and actions are expected to contribute significantly towards the profitability, cost reduction, cash flows and equity position of the Company and mitigate the risks involved therefore, the preparation of unconsolidated financial statements on going concern assumption is justified.

3 BASIS OF PREPARATION

This unconsolidated condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the unconsolidated condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2012.

This unconsolidated condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand.

This unconsolidated condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Karachi, Lahore and Islamabad Stock Exchanges and section 245 of the Companies Ordinance, 1984.

4 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this unconsolidated condensed interim financial information are the same as those applied in preparation of the financial statements of the Company for the year ended 30 June 2012.

Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the Company's operations or did not have any significant impact on the accounting policies of the Company.

5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this unconsolidated condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based

on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing this unconsolidated condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2012. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2012.

	Amount in Rs. '000	
	Mar 31, 2013	June 30, 2012
6. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets - At cost less accumulated depreciation	13,189,535	13,966,136
Capital work in progress - At cost	4,615,487	4,406,713
	17,805,022	18,372,849

7 COMMITMENTS

Contingencies

Claims against the Company not acknowledged as debts amounting to Rs. 2,796 million (June 30,2012: 2,365 million) comprise of late payment charges on account of delayed payments against crude oil suppliers. The Company is of the view that there are no specific contractual arrangements with these suppliers which allow them to claim / recover these charges and hence no provision in respect of the same has been made in these financial statements.

Commitments in respect of crude oil, petroleum products and capital expenditures amounting to Rs. 5,506 million (June 30, 2012: Rs 7,048 million).

	9 months ended	
	July-Mar 2013	July-Mar 2012
8 TRANSACTION WITH RELATED PARTIES	Amount in Rs. '000	
Parent companies:		
Land lease rentals	36,094	36,094
Shared expenses	57,128	380,727
Repayment of loan	2,500,000	13,232
Loan received	2,500,000	--
Mark-up expense on loan subsequent payment	12,477	--
Subsidiary Company		
Sales	--	255,677
Services received	129,279	131,232
Land lease rentals	2,063	2,062
Markup income	43,403	543,743
Advance	--	91,819
Payment of loan	--	13,249
Associated companies:		
Purchase of equipments and services	6,373	62,284
Services received	418,508	87,977
Mark-up on loan	--	139,622
Payment of mark-up	--	88,333
Mark-up income	189,426	--
Sales of petroleum products	11,456,510	1,534,754
Staff provident fund		
Payment of employees and Company's contribution	25,513	40,030

9 INFORMATION ABOUT BUSINESS SEGMENTS

For management purposes, the Company has determined following reportable operating segments on the basis of business activities i.e. oil refining and petroleum marketing businesses. Oil refining business is engaged in crude oil refining and selling of refined petroleum products to oil marketing companies. Petroleum marketing business is engaged in trading of petroleum products, procuring products from Oil refining business as well as from other sources. The quantitative data for segments is given below:

	Oil Refining		Petroleum Marketing		Total	
	July to Mar		July to Mar		July to Mar	
	2013	2012	2013	2012	2013	2012
	(Rupees in '000)					
Net Sales to external customers	25,219,200	2,328,494	19,234,694	9,333,263	44,453,894	11,661,757
Inter-segment sales	16,043,673	3,122,695			16,043,673	3,122,695
Eliminations	(16,043,673)	(3,122,695)			(16,043,673)	(3,122,695)
Total revenue	25,219,200	2,328,494	19,234,694	9,333,263	44,453,894	11,661,757
Result						
Segment results - (loss) / profit	(892,434)	(1,406,238)	142,306	(328,293)	(750,128)	(1,734,531)
Un-allocated expenses						--
					(750,128)	(1,734,531)
Interest expense					(1,922,317)	(2,021,019)
Interest income					650,305	1,408,211
Taxation					(85,327)	86,227
Loss for the year					(2,107,467)	(2,261,112)
Other Information						
Depreciation and amortization	726,849	242,478	65,395	20,158		

10 DATE OF AUTHORIZATION FOR ISSUE

The fianacial statements were authorised for issue on 26 September, 2013 in accordance with the resolution of the Board of Directors of the Company.

11 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Rupees, which is the group's functional currency. All financial information presented in Rupees been rounded to nearest thousand.

12 RECLASSIFICATION

Comparative figures have been reclassified wherever necessary to facilitate comparision and appropriate presentation.

Consolidated Condensed Interim Financial Statement

Consolidated Condensed Interim Balance Sheet

As at March 31, 2013

	Note	Unaudited March 31, 2013	Audited June 30, 2012
		----------Amount in Rs. '000---------	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	23,598,704	24,086,360
Intangible asset		27,443	29,661
Long term deposits		32,694	42,511
CURRENT ASSETS			
Stores and spares		170,521	159,280
Stock in trade		8,638,872	2,956,264
Trade debts - unsecured		13,586,860	9,336,319
Loans and advances - considered good		48,190	278,890
Trade deposits, prepayments and other receivables		1,367,035	913,816
Markup accrued		212,833	221,194
Cash and bank balances		407,643	201,523
		24,431,954	14,067,286
		48,090,795	38,225,818
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,200,000,000(June 2012:1,200,000,000) Ordinary shares of Rs.10/- each		12,000,000	12,000,000
Issued, subscribed and paid up capital		9,778,587	9,778,587
Accumulated losses		(20,839,185)	(18,959,448)
		(11,060,598)	(9,180,861)
Surplus on revaluation of property, plant and equipment		5,304,536	5,583,119
NON CURRENT LIABILITIES			
Long term financing - secured		18,930,473	-
Liabilities against assets subject to finance leases		33,097	79,305
Long term deposits		50,713	38,913
Deferred liabilities		2,336,777	2,478,835
CURRENT LIABILITIES			
Trade and other payables		29,360,421	26,181,273
Accrued markup		209,479	1,187,278
Short term borrowings - secured		1,800,000	9,368,914
Current portion of non current liabilities		845,690	2,443,367
Provision for taxation		280,207	45,675
		32,495,797	39,226,507
Contingencies and commitments	8	-	-
		48,090,795	38,225,818

The annexed notes form an integral part of the condensed consolidated interim financial information.

Chief Executive

Director

Consolidated Condensed Interim Profit and Loss Account

For the nine months period ended March 31, 2013 (Unaudited)

	Nine months period ended		Quarter ended	
	Jul-Mar 2013	Jul-Mar 2012	Jan-Mar 2013	Jan-Mar 2012
	Amount in Rs. '000			
Net sales	44,681,000	11,467,359	17,964,312	3,278,363
Cost of Sales	44,280,027	12,545,965	17,882,663	3,438,095
Gross profit / (loss)	400,973	(1,078,606)	81,649	(159,732)
Operating expenses				
Administrative expenses	627,967	461,708	193,030	131,043
Selling and distribution expenses	441,312	280,391	182,798	32,235
	1,069,279	742,099	375,828	163,278
Operating (loss)/profit	(668,306)	(1,820,705)	(294,179)	(323,010)
Other income	710,834	911,942	256,869	480,934
	42,528	(908,763)	(37,310)	157,924
Financial and other charges				
Financial charges	1,928,576	2,054,786	591,413	944,014
Exchange differences	185,548	119,747	12,239	15,000
	2,114,124	2,174,533	603,652	959,014
(Loss) / Profit before taxation	(2,071,596)	(3,083,296)	(640,962)	(801,090)
Taxation				
Current	235,334	32,075	92,909	1,632
Prior Year	-	33,274	-	-
Deferred	(148,610)	(151,096)	(48,120)	(50,365)
	86,724	(85,747)	44,789	(48,733)
(loss) / Profit after taxation	(2,158,320)	(2,997,549)	(685,751)	(752,357)
(Loss) / Profit per share - basic & dilutive (Rupees)	(2.21)	(3.07)	(0.70)	(0.77)

The annexed notes form an integral part of the condensed consolidated interim financial information.

Chief Executive

Director

Consolidated Condensed Interim Statement Of Other Comprehensive Income

For the nine months period ended March 31, 2013 (Unaudited)

	Nine months period ended		Quarter ended	
	Jul-Mar 2013	Jul-Mar 2012	Jan-Mar 2013	Jan-Mar 2012
	Amount in Rs. '000			
Net (loss) / profit after taxation	(2,158,320)	(2,997,549)	(685,751)	(752,357)
Other Comprehensive Income				
Total comprehensive income/(loss) for the period transferred to equity	(2,158,320)	(2,997,549)	(685,751)	(752,357)

The annexed notes form an integral part of the condensed consolidated interim financial information.

Chief Executive

Director

Consolidated Condensed Interim Cash Flow Statement

For the nine months period ended March 31, 2013 (Unaudited)

	Nine months period ended	
	Jul - Mar 2013	Jul - Mar 2012
	-------Amount in Rs. '000-------	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(2,071,596)	(3,083,296)
Adjustments for:		
Depreciation	898,045	828,980
Amortization	2,218	2,218
Financial and other charges	1,928,576	2,054,786
Provision for gratuity	10,011	10,880
Gain on disposal of assets	(3,976)	(1,369)
Net cash flow before working capital changes	763,278	(187,801)
Movement in working capital		
(Increase) / decrease in current assets		
Stores and spares	(11,243)	31,572
Stock in trade	(5,682,607)	(5,148,390)
Trade debts-unsecured	(4,040,827)	(753,591)
Markup accrued	(255,575)	--
Loans and advances-considered goods	(89,635)	56,249
Trade deposits, prepayments and other receivables	(75,087)	(373,738)
Increase / (decrease) in current liabilities		
Trade and other payables	11,005,403	9,099,604
Cash generated from operations	1,613,707	2,723,905
Payments for:		
Financial charges	(1,195,680)	(986,441)
Income Taxes	(36,028)	(149,726)
Defered income	-	(18,616)
Payment for gratuity	(1,582)	-
Net cash generated from operating activities	380,417	1,569,122
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(275,361)	(1,958,969)
Sale proceeds of fixed assets	10,695	14,896
Long term deposit	21,617	(8,443)
Net cash used in investing activities	(243,049)	(1,952,516)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loan	(70,000)	(691,856)
Liabilities against assets subject to finance lease - Net	(45,290)	(130,162)
Short term loan	184,042	1,183,738
Net cash used in financing activities	68,752	361,720
Net increase / (decrease) in cash and cash equivalents	206,120	(21,674)
Cash and cash equivalents at beginning of period	201,523	271,254
Cash and cash equivalents at end of period	407,643	249,580

The annexed notes form an integral part of the condensed consolidated interim financial information.

Chief Executive

Director

Consolidated Condensed Interim Statement Of Changes In Equity

For the nine months period ended March 31, 2013 (Unaudited)

	Issued, subscribed and paid-up capital	Accumulated Loss	Total
	Amount in Rs. '000		
Balance as at July 01, 2011	9,778,587	(15,665,947)	(5,887,360)
Total comprehensive loss for the period			
Loss for the nine months period ended March 31, 2012	-	(2,997,549)	(2,997,549)
Incremental depreciation relating to surplus on revaluation of Property, plant and equipment - net deferred tax	-	279,071	279,071
Balance as at March 31, 2012	9,778,587	(18,384,425)	(8,605,838)
Balance as at July 01, 2012	9,778,587	(18,959,448)	(9,180,861)
Total comprehensive loss for the period			
Loss for the nine months period ended March 31, 2013	-	(2,158,320)	(2,158,320)
Incremental depreciation relating to surplus on revaluation of Property, plant and equipment - net deferred tax	-	278,583	278,583
Balance as at March 31, 2013	9,778,587	(20,839,185)	(11,060,598)

The annexed notes form an integral part of the condensed consolidated interim financial information.

Chief Executive

Director

1. LEGAL STATUS AND NATURE OF BUSINESS

The "Group" consists of:

Holding Company

i) Byco Petroleum Pakistan Limited (the Company)

The Company was incorporated in Pakistan as a public limited company on 09 January 1995 under the Companies Ordinance, 1984 and was granted a certificate of commencement of business on 13 March 1995. The shares of the company are listed on Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the Company is situated at The Harbour Front, 9th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi – 75600, Pakistan. Byco Oil Pakistan Limited (Holding Company of the Company) holds 85.44% (30 June 2012: 86.94%) shares in the Company. The Holding Company is a wholly owned subsidiary of Byco Industries Incorporated (BII), Mauritius (ultimate Parent Company). The Company is principally engaged in the production, marketing and sale of petroleum products.

The Company currently operates two business segments namely Oil Refinery Business and Petroleum Marketing Business. The Company commenced its crude Oil Refining Business in 2004. The refinery has a rated capacity of 35,000 bpd (barrels per day). Petroleum Marketing Business was formally launched in 2007 and now growing aggressively with 225 retail outlets across the country.

Subsidiary Company

i) Byco Terminals Pakistan Limited (BTPL)

BTPL was incorporated in Pakistan as a private limited company on 14 June 2002 under the Companies Ordinance, 1984. BTPL has been converted from Private Limited Company to Public Limited Company on 24 May 2010. The registered office of BTPL is situated at 9th Floor, The Harbour Front, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi. BTPL is principally engaged in the provision of bulk storage services of petroleum products. BTPL has constructed a single point mooring facility that has brought logistical advances in importing crude oil by enabling larger size crude oil vessels to sail and berth without loss of time which generally lead to demurrages. BTPL is a wholly owned subsidiary of the Company by virtue of share purchase agreement dated 17 February 2010.

2. **GOING CONCERN ASSUMPTION**

During the period ended 31 March 2013, the Company incurred a net loss after taxation of Rs. 2,107 million (31 March 2012: Rs. 2,261 million)and as of that date its accumulated losses amounted to Rs. 18,331 million (30 June 2012: Rs. 16,502 million). As at 31 March 2012 total liabilities exceeded total assets by Rs.3,247 million (30 June 2012: 1,140 million) and current liabilities of the Company exceeded its current assets by Rs. 5,569 million (30 June 2012: Rs. 22,694 million).

The conditions indicate existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The unconsolidated condensed interim financial information have been prepared using the going concern assumption as the management is confident that all these conditions are temporary, and would reverse in foreseeable future due to the reasons given below:

- During the period, the Company has successfully established its eleventh crude Letter of credit arrangement with a commercial bank after discharging the previous ten arrangements in time. The average operating throughput of the refinery was 20,152 bpd as compared to 19,314 bpd last year when the refinery could not operate during most part of the year on account of working capital constraints.

- During the period, the Company has successfully managed to negotiate with their lenders to restructure majority of their loans and accrued mark-up thereof amounting in aggregate to Rs. 19,233 million payable to Syndicate banks into long term loans. The restructuring will reduce the Company's future mark-up cost due to reduction of 100 basis points and deferment in repayment will ensure smooth operations of the Company and lower the burden on working capital lines.

- The State Bank of Pakistan has accepted the restructuring arrangements made by the Syndicate banks and relaxed the requirements of Prudential Regulation "Corporate and Commercial Banking" for the Company. Such relaxation would allow the Company to negotiate better terms with financial institutions for obtaining financing facilities. Accordingly, one of the major local banks has supported and enhanced the working capital lines for import / local purchase of crude oil and petroleum products and extended the letter of credit facility upto an amount of Rs. 14,500 million at more favourable terms, in order to support the working capital requirements of the Company. This arrangement has resulted in substantial savings and has helped the Company to deal with the volatility of international crude oil / product prices, as well as foreign exchange fluctuations. Byco Petroleum Pakistan Limited's refinery as its vast quantity of Light Naphtha feed can only be met whenlarger Refinery commences operations. This will enable the Company to process light naphtha into low benzene environmental friendly motor gasoline and is expected to yield better returns to the Company.

- The Company is in the final stages of completing its Isomerisation unit. The Isomerisation unit will convert light Naphtha into Motor Spirit which is a value addition and would increase the profitability margin of the Company. Furthermore, this conversion of light Naphtha would reduce the export of Naphtha. As a result it would bring substantial savings on account of transportation cost, In-transit losses, reduction in handling charges and storage cost and increased future profitability of the Company and increase the sale of Motor Spirit in local market.

- During the period, Byco Terminals Pakistan Limited (BTPL) has successfully commissioned its Single Point Mooring (SPM) project. SPM project would bring substantial cost savings on account of reduced freight cost, lead time, operational losses, In-land freight and storage charges.

- The Economic Coordination Committee (ECC) has approved the recovery of crude oil transportation through Inland Freight Equalization Margin (IFEM) pool which would result in future cost savings for the Company.

- The Holding Company has commissioned the country's largest oil refinery and has successfully completed its initial run of 72 hours. It is now ready to operate on sustainable basis. The operation of Byco Oil Pakistan Limited (BOPL) refinery would bring sustainable cost savings to the Company by taking advantage of synergies and economies of scale.

- Further, the ultimate parent company has given its commitment to give financial support to the Company as and when required. The support is available during the next financial year and beyond that.

- The management has also prepared financial projections to demonstrate the financial benefits of above measures.

The results of the above efforts, activities and actions are expected to contribute significantly towards the profitability, cost reduction, cash flows and equity position of the Company and mitigate the risks involved therefore, the preparation of unconsolidated financial statements on going concern assumption is justified.

3. BASIS OF PREPARATION

This consolidated condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the consolidated condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended 30 June 2012.

This consolidated condensed interim financial information is presented in Pakistan Rupees which is also the Group's functional currency and all financial information presented has been rounded off to the nearest thousand.

This consolidated condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Karachi, Lahore and Islamabad Stock Exchanges and section 245 of the Companies Ordinance, 1984.

4. BASIS OF CONSOLIDATION

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its

activities. In assessing control, potential voting rights, if any, that are currently exercisable are taken into account. However, potential voting rights that are not currently exercisable are not included in determination of the proportions of profit or loss and changes in equity attributable to the Group.

The financial statements of the subsidiary are included in the consolidated financial statements. The accounting policies of subsidiaries are changed where necessary to align them with those adopted by the Group. The assets and liabilities of the subsidiaries are consolidated on a line-by-line basis and the carrying amount of the investment in subsidiaries is eliminated against the subsidiaries' share capital and pre-acquisition reserves. All intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements.

5. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in preparation of the financial statements of the Company for the year ended 30 June 2012.

Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the Company's operations or did not have any significant impact on the accounting policies of the Company.

6. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this consolidated condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing this consolidated condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2012. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2012.

	Amount in Rs. '000	
	Mar 31, 2013	June 30, 2012
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets - At cost less accumulated depreciation	18,983,217	14,377,321
Capital work in progress - At cost	4,615,487	9,709,039
	23,598,704	24,086,360

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

Claims against the Parent not acknowledged as debts amounting to Rs. 2,796 million (June 30,2012: 2,365 million) comprise of late payment charges on account of delayed payments against crude oil suppliers. The Company is of the view that there are no specific contractual arrangements with these suppliers which allow them to claim / recover these charges and hence no provision in respect of the same has been made in these financial statements.

The finances obtained by the Parent are secured against the assets of the Subsidiary. For the purpose, a charge for a sum of Rs. 2.628 billion has been registered by the Subsidiary in favor of BPPL's lenders.

8.2 Commitments

Commitments in respect of crude oil, petroleum products and capital expenditures amounting to Rs. 5,506 million (June 30, 2012: Rs 7,048 million).

9. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of parent companies, subsidiary company, associated companies, directors, key management personnel and staff provident fund. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. Details of transactions and balances with related parties are as follows:

	9 months ended	
	July-Mar 2013	July-Mar 2012
	Amount in Rs. '000	
Parent Companies		
Land lease rentals	36,094	36,094
Shared expenses	57,128	380,727
Repayment of loan	2,500,000	12,232
Loan received	2,500,000	-
Mark-up expense on loan and subsequent payment	12,477	-
Associated Companies		
Purchase of equipments and services	6,373	62,284
Services received	418,508	87,977
Mark-up on loan	-	139,622
Payment of mark-up	-	88,333
Mark-up income	189,426	-
Sales of petroleum products	11,456,510	1,537,754
Receipt of short term loan-CUSP	-	47,500
Consultancy services from associated company	-	1,808
Staff Provident Fund		
Payment of employees and company's contribution	25,513	40,030

10. INFORMATION ABOUT BUSINESS SEGMENTS

For management purposes, the Company has determined following reportable operating segments on the basis of business activities i.e. oil refining and petroleum marketing businesses. Oil refining business is engaged in crude oil refining and selling of refined petroleum products to oil marketing companies. Petroleum marketing business is engaged in trading of petroleum products, procuring products from Oil refining business as well as from other sources. BTPL is engaged in the provision of bulk storage services of petroleum products. The quantitative data for segments is given below:

	Oil Refining		Petroleum Marketing		Petroleum Storage		Total	
	July to Mar		July to Mar		July to Mar		July to Mar	
	2013	2012	2013	2012	2013	2012	2013	2012
	(Rupees in '000)							
Revenue								
Net Sales to external customers	25,219,200	2,328,494	19,234,694	9,138,865	227,105	-	44,681,000	11,467,359
Inter-segment sales	16,043,673	3,122,695	-	194,398	129,279	130,606	16,172,952	3,447,699
Eliminations	(16,043,673)	(3,122,695)	-	(194,398)	(129,279)	(130,606)	(16,172,952)	(3,447,699)
Total revenue	25,219,200	2,328,494	19,234,694	9,138,865	227,105	-	44,681,000	11,467,359
Result								
Segment results - (loss) / profit	(892,434)	(1,406,238)	142,306	(522,691)	(2,593)	9,251	(752,721)	(1,919,678)
Un-allocated expenses							-	-
							(752,721)	(1,919,678)
Interest expense							(1,925,776)	(2,026,023)
Interest income							606,901	862,405
Taxation							(86,724)	85,747
Loss for the year							(2,158,320)	(2,997,549)
Other Information								
Depreciation and amortization	726,849	242,487	65,395	20,158	108,019	36,114		

11. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorised for issue on 26 September, 2013 in accordance with the resolution of the Board of Directors of the Company.

12. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Rupees, which is the group's functional currency. All financial information presented in Rupees been rounded to nearest thousand.

13. RECLASSIFICATION

Comparative figures have been reclassified wherever necessary to facilitate comparision and appropraite presentation.

Byco Petroleum Pakistan Limited

The Harbour Front, 9th Floor, Dolmen City
HC-3, Block 4, Marine Drive, Clifton
Karachi - 75600, Pakistan

T: +92.21 111 222 081
F: +92.21 111 888 081
W: byco.com.pk

www.byco.com.pk

Design & Printed by Union Packages +92.21.32625325-26

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