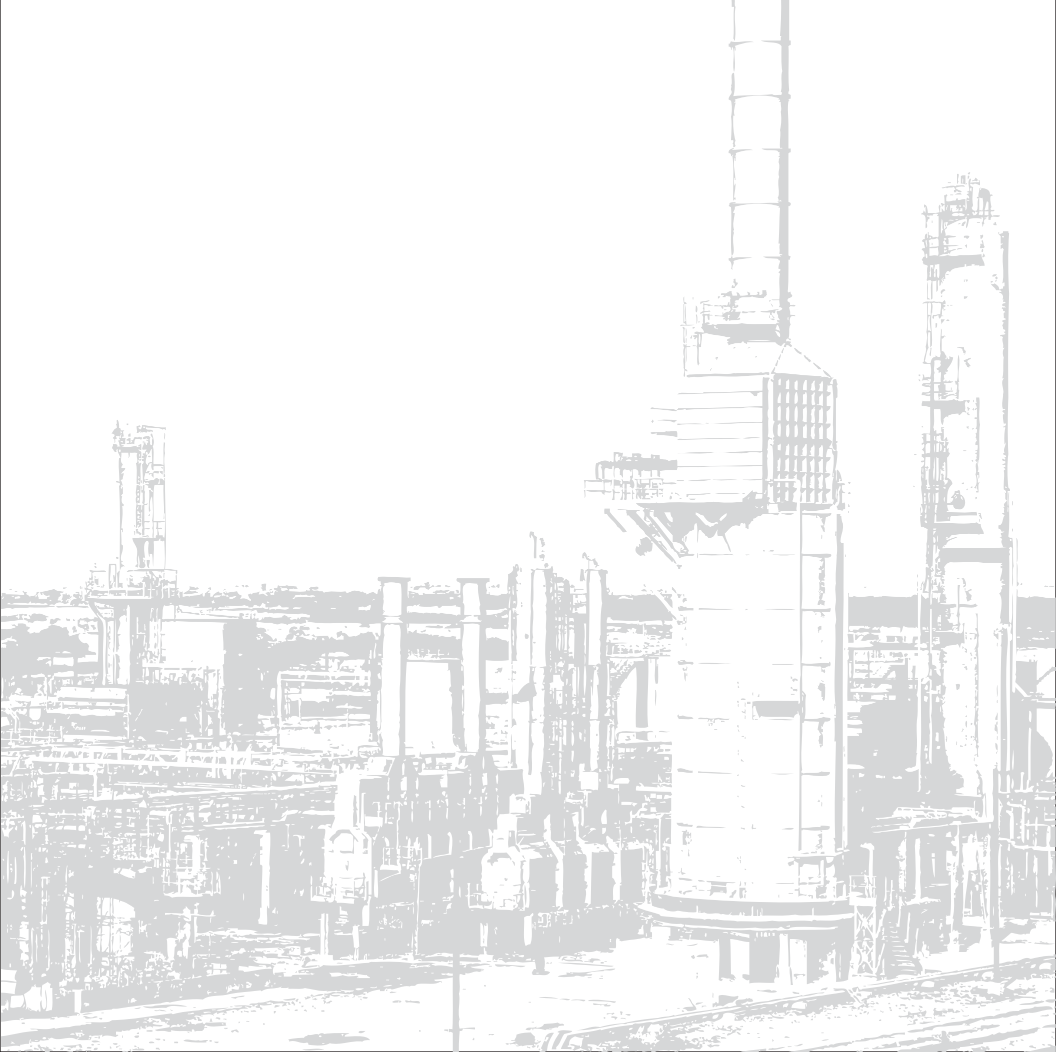
www.byco.com.pk

Byco Petroleum Pakistan Limited
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

HALF-YEAR ENDING | 31 DECEMBER 2014
Byco Petroleum Pakistan Limited

Imagined. Realized.



Contents

Company Information

Board of Directors

Hamid Imtiaz Hanfi
Chairman

Muhammad Raza Hasnani
Vice Chairman

Muhammad Mujtaba Jafarey
Chief Executive Officer

Ovais Mansoor Naqvi
Director

Philip Harris
Director

Diana Brush
Director

Richard Legrand
Director

Javed Akbar
Director

Company Secretary

Shahana Ahmed Ali

Audit Committee

Philip Harris

Muhammad Raza Hasnani

Diana Brush

Strategy &Risk Management Committee

Muhammad Raza Hasnani

Hamid Imtiaz Hanfi

Diana Brush

Services & Stakeholders Committee

Muhammad Raza Hasnani

Hamid Imtiaz Hanfi

Diana Brush

Chief Financial Officer

Muhammad Imran Sheikh

Legal Counsel

Shahana Ahmed Ali

Auditors

Ernst & Young Ford Rhodes
Sidat Hyder
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
Silk Bank Limited
Standard Chartered Bank (Pakistan) Limited
Soneri Bank Limited
Summit Bank Limited
Sindh Bank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Shares Registrar

FAMCO Associates (Pvt) Limited
8-F, Next to Hotel
Faran,Nursery, Block – 6,
P.E.C.H.S.,
Shahrah-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,
Block4, Marine Drive,
Karachi-75600, Clifton,
Pakistan

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

Website

www.byco.com.pk

Directors' Review

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

The Directors of your Company are pleased to present a brief review of the financial results and operations of your Company for the second quarter and half year ended 31st December, 2014.

The current half year witnessed a significant decline in crude and product prices compared to the corresponding quarter where there was generally an increasing trend in prices. During the current six months period, crude oil and product prices witnessed a decrease of approximately 46% compared to an increase of about 11% during same period last year. This declining price trend continued post December 2014 and the prices further dropped by 22% in January 2015. As a result of this declining price, the industry suffered significant inventory losses, which your company was substantially able to shield itself from by taking proactive measures.

In current period, Pak Rupee depreciated by almost 2% against the US$ whereas in corresponding period a significant decline of almost 9% was witnessed.

Despite the above challenges, your Company was able to increase its sales volume by 22% from last year. During the period, the refinery achieved through put of 3.3million barrels compared to 2.8million barrels in corresponding period, a growth of 18%. However, this increase in volume was partly offset by the decline in prices. The net sales for the period under review were recorded at Rs. 44.84 billion depicting an increase of 9.5% from same period last year and the Company earned agross profit of Rs. 569 million in the current period.

To achieve the above sales growth, the Company further augmented its supply chain function and focused on selling more motor gasoline and diesel through its own retail stations and furnace oil directly to the Independent Power Producers, including furnace oil to Pakistan State Oil Company Limited for onward supplies to Hub Power Company Limited. There is a significant increase in selling and distribution expenses mainly on account of additional transportation cost for delivery of the products to our customers. However, this additional transport cost has been invoiced and is recoverable through IFEM for motor gasoline and diesel sales through our retail sites and through our Customers for furnace oil.The administrative expenses have been strictly controlled and remained well within the budget.

The Company did incur a net loss after tax of Rs. 1.6billion, attributable entirely to the financial charges most of which represents markup incurred on long term loan which is not currently due or payable.These charges are payable after the settlement of the principal amount and hence, predominantly financial charges have not affected the cash flows of the Company.

The Single Buoy Mooring (SBM) project of our subsidiary company, Byco Terminals Pakistan Limited (BTPL), operated successfully throughout the period and continued to provide support for economical crude oil imports for the Refinery as well as assistance for import of finished petroleum product in the shape of furnace oil. This most recent development is expected to lead to increase in revenues of the company.

The Board wishes to express appreciation and place on record its gratitude for the co-operation extended to your Company by Government of Pakistan and strategic partners including financial institutions, vendors, suppliers, customers and shareholders of your Company.

We would also like to thank our dedicated employees for their commitment towards sustainable operations during these trying times.

For and on behalf of the Board of Directors

Chief Executive Officer
Karachi
February 23, 2015

Auditors' Report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Byco Petroleum Pakistan Limited** (the Company) as at **31 December 2014**, related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity and notes to the accounts (here-in-after referred to as "interim financial information") for the six-month period then ended. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to note 2 to the unconsolidated condensed interim financial statements which indicates that the Company has incurred net loss after taxation of Rs. 1,662.680 million during the six months period ended 31 December 2014, and as of that date, its accumulated losses amounted to Rs. 25,471.019 million. These conditions, along with other matters as set forth in note 2, indicate existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern. However, unconsolidated condensed interim financial statements have been prepared on going concern basis based on the mitigating factors, as more fully explained in note 2 to the unconsolidated condensed interim financial statements. Our conclusion is not qualified in respect of this matter.

Other Matters

The condensed interim financial information of the Company for the six months ended 31 December 2013 and the annual financial statements for the year ended 30 June 2014 were reviewed and audited by another firm of Chartered Accountants, whose review report dated 30 June 2014 and audit report dated 16 December 2014 expressed an unmodified conclusion and unmodified opinion on those statements respectively.

Chartered Accountants
Review Engagement Partner
Riaz A. Rehman Chamdia
Date: 23 February 2015
Place: Karachi

Unconsolidated Condensed Interim Balance Sheet
As at 31 December 2014

	Notes	31 December 2014 (Un-audited)	30 June 2014 (Audited)
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	14,345,492	14,928,448
Long term investment - at cost		5,729,258	5,729,258
Long term deposits		9,521	7,314
		20,084,271	20,665,020
CURRENT ASSETS			
Stores and spares		259,235	204,300
Stock in trade	7	2,277,512	8,777,507
Trade debts - unsecured	8	7,732,419	10,244,919
Loans and advances - considered good	9	1,329,072	742,706
Trade deposits, prepayments and other receivables	10	1,494,564	779,914
Accrued mark-up		522,385	435,052
Cash and bank balances		440,978	472,635
Non-current assets held for sale		16,931,504	16,931,504
		30,987,669	38,588,537
TOTAL ASSETS		51,071,940	59,253,557
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
1,200,000,000 (June 2014:1,200,000,000) Ordinary shares of Rs. 10/- each		12,000,000	12,000,000
Issued, subscribed and paid-up capital			
977,858,737 (June 2014: 977,858,737) Ordinary shares of Rs. 10/- each fully paid in cash		9,778,587	9,778,587
Accumulated losses		(25,471,019)	(24,057,777)
		(15,692,432)	(14,279,190)
Surplus on revaluation of property, plant and equipment		19,081,271	19,330,709
NON-CURRENT LIABILITIES			
Long term financing and accrued-markup	11	13,256,555	14,328,673
Liabilities against assets subject to finance lease		1,384	4,948
Long term deposits		99,979	87,478
Deferred liabilities		1,634,255	1,794,638
		14,992,173	16,215,737
CURRENT LIABILITIES			
Trade and other payables		26,443,368	27,981,013
Accrued mark-up		339,118	416,985
Short term borrowings - secured		1,284,826	6,402,108
Current portion of non-current liabilities		4,161,196	2,670,411
Taxation - net		462,420	515,784
		32,690,928	37,986,301
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		51,071,940	59,253,557

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)
For the six-month period ending 31 December 2014

	Notes	Six-month period ending 31 December 2014	Six-month period ending 31 December 2013	Three-month period ending 31 December 2014	Three-month period ending 31 December 2013
		----------------- (Rupees in '000)			----------------
Gross sales		54,180,770	49,027,722	23,671,616	27,252,977
Sales tax, discount and others		(9,340,999)	(8,085,369)	(4,757,246)	(4,898,653)
Net sales		44,839,771	40,942,353	18,914,370	22,354,324
Cost of sales		(44,270,249)	(40,518,657)	(18,887,663)	(22,881,933)
Gross profit		569,522	423,696	26,707	(527,609)
Administrative expenses		(322,708)	(355,025)	(161,921)	(237,267)
Selling and distribution expenses	13	(882,922)	(442,104)	(272,669)	(157,692)
		(1,205,630)	(797,129)	(434,590)	(394,959)
		(636,108)	(373,433)	(407,883)	(922,568)
Other operating expenses	14	(395,200)	(973,076)	(181,766)	(851,194)
Other income	15	1,111,005	527,529	433,188	213,911
		79,697	(818,980)	(156,461)	(1,559,851)
Finance costs		(1,500,873)	(1,244,946)	(918,340)	(888,745)
Exchange loss		(167,032)	(742,532)	(153,869)	(18,929)
Loss before taxation		(1,588,208)	(2,806,458)	(1,228,670)	(2,467,525)
Taxation					
- Current	16	(238,485)	(221,059)	(90,929)	(126,882)
- Deferred		164,013	812,107	96,856	464,281
		(74,472)	591,048	5,927	337,399
Loss after taxation		(1,662,680)	(2,215,410)	(1,222,743)	(2,130,126)
Lossper ordinary share - basic and diluted (Rupees)		(1.70)	(2.27)	(1.25)	(2.18)

The annexed notes from 1 to 21form an integral part of these condensed interimfinancial statements.

Chief Executive

Director

Unconsolidated Condensed Interim Statement of Other Comprehensive Income (Un-audited)

For the six-month period ending 31 December 2014

	Six-months period ending		Three-months period ending	
	31 December 2014	31 December 2013 (Restated)	31 December 2014	31 December 2013 (Restated)
	Rupees in '000			
Loss after taxation	(1,662,680)	(2,215,410)	(1,222,743)	(2,130,126)
Other comprehensive income - net of taxation	-	-	-	-
Total comprehensive loss for the period	(1,662,680)	(2,215,410)	(1,222,743)	(2,130,126)

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For the six-month period ending 31 December 2014

	Six-month period ending 31 December 2014	Six-month period ending 31 December 2013
	----- (Rupees in '000) ----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,588,208)	(2,806,458)
Adjustments for non cash and other items:		
Depreciation	634,237	495,098
Amortisation	-	1,478
Finance costs	1,500,873	1,244,946
Provision for gratuity	10,889	8,570
Gain on disposal of assets	(218)	(103)
Provision for impairment against doubtful debts	208,068	226,749
Net cash flow before working capital changes	765,641	(829,720)
Decrease / (increase) in current assets		
Stores and spares	(54,935)	(8,003)
Stock in trade	6,499,995	(6,317,932)
Trade debts - unsecured	2,304,432	1,367,576
Mark-up accrued	(87,333)	(100,079)
Loans and advances - considered good	(586,366)	(345,562)
Trade deposits, prepayments and other receivables	(714,650)	296,786
	7,361,143	(5,107,214)
(Decrease) / increase in current liabilities		
Trade and other payables	(1,537,645)	8,559,219
Cash generated from operations	6,589,139	2,622,285
Finance costs paid	(886,357)	(530,555)
Income taxes paid	(291,849)	(26,630)
Gratuity paid	(7,259)	(8,012)
Net cash generated from operating activities	5,403,674	2,057,088
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(52,152)	(50,758)
Proceeds from disposal of vehicles	1,089	546
Long term deposits - net	10,294	17,259
Net cash used in investing activities	(40,769)	(32,953)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term loan	(270,000)	-
Short term borrowings - net	(5,117,282)	(1,136,287)
Liabilities against assets subject to finance lease - net	(7,280)	(29,666)
Net cash used in financing activities	(5,394,562)	(1,165,953)
Net (decrease) / increase in cash and cash equivalents	(31,657)	858,182
Cash and cash equivalents as at the beginning of the period	472,635	560,465
Cash and cash equivalents as at the end of the period	440,978	1,418,647

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Unconsolidated Condensed Interim Statement of Changes In Equity (Un-audited)

For the six-month period ending 31 December 2014

	Issued, subscribed and paid-up capital	Accumulated Loss	Total
	------- (Rupees in '000) -------		
Balance as at 1 July 2013 - restated	9,778,587	(18,445,525)	(8,666,938)
Net loss for the period	-	(2,215,410)	(2,215,410)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	(2,215,410)	(2,215,410)
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax	-	165,252	165,252
Balance as at 31 December 2013	9,778,587	(20,495,683)	(10,717,096)
Balance as at 1 July 2014	9,778,587	(24,057,777)	(14,279,190)
Net loss for the period	-	(1,662,680)	(1,662,680)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	(1,662,680)	(1,662,680)
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax	-	249,438	249,438
Balance as at 31 December 2014	9,778,587	(25,471,019)	(15,692,432)

The annexed notes from 1 to 21form an integral part of these condensed interim financial statements.

Chief Executive

Director

Notes to the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2014

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 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 80.84% (30 June 2014: 80.84%) 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 253 retail outlets across the country.

1.2 These condensed interim financial statements are separate financial statements of the Company in which investments in subsidiaries and associates are accounted for on the basis of direct equity interest and are not consolidated.

2. GOING CONCERN ASSUMPTION

During the period ended 31 December 2014, the Company incurred a net loss after taxation of Rs. 1,662.680 million (31 December 2013: Rs. 2,215.410) and as of that date its accumulated losses amounted to Rs. 25,471.019 million (30 June 2014: Rs. 24,057.777 million). As at 31 December 2014, current liabilities of the Company exceeded its current assets by Rs. 1,703.259 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. These unconsolidated condensed interim financial statements 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:

- The throughput of the refinery was 3.26 million barrels during the six months' period ended 31 December 2014 as compared to 2.77 million barrels in the same period last year, representing an increase of 18%.

- The Company's Petroleum Marketing Business (PMB) has entered into various fuel supply arrangements with different marketable sectors such as Shipping, Power & Energy . High margin aviation fuel export market has also been tapped through these arrangements. Further, during the period, PMB segment has increased their retail business by entering into different dealer financed, semi-financed and company financed agreements for opening of various retail outlets across the country. These factors of PMB segment has been and is expected to yield significant contribution towards the profitability of the Company.

- 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. Further, the Competition Commission of Pakistan has also issued its opinion in favour of the Company in this respect.

- During the period, the Parent company carried out extended trial run of its entire plant in order to operate the refinery on sustainable basis. The operation of Parent Company's refinery would bring sustainable cost savings to the Company by taking advantage of synergies and economies of scale.

- The Company is continuously reviewing its administrative costs, operating expenditures as well as capital expenditures, with a view to optimize the associated benefits through reduction / elimination of such costs as they find appropriate.

- 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 condensed interim financial statements on going concern assumption is justified.

3. BASIS OF PREPARATION

3.1 These unconsolidated condensed interim financial statements of the Company for the half year ended 31 December 2014 have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

3.2 These unconsolidated condensed interim financial statements are unaudited and do not include all the information and disclosures required in the annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements of the Company for the year ended 30 June 2014.

3.3 The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2014 and 2013 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half years ended 31 December 2014 and 2013.

3.4 These unconsolidated condensed interim financial statements are being submitted to the shareholders as required by the Listing Regulations of Karachi, Lahore and Islamabad stock exchanges and section 245 of the Companies Ordinance, 1984.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2014 except as follows:

4.1 New, amended and revised standards and interpretations of IFRS

The Company has adopted the following amendments and interpretation of IFRSs which became effective for the current period:

IAS 19 - Employee Benefits - (Amendment) - Defined Benefit Plans: Employee Contributions

IAS 32 - Financial Instruments : Presentation - (Amendment)
- Offsetting Financial Assets and Financial Liabilities

IAS 36 - Impairment of Assets - (Amendment)
- Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 - Financial Instruments: Recognition and Measurement - (Amendment)
- Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 - Levies

The adoption of the above amendments to accounting standards and interpretations did not have any effect on the condensed interim financial statements.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the International Accounting Standards Board (IASB) and are generally effective for current period. The Company expects that such improvements to the standards do not have any impact on the Company's financial statements for the period.

5. ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of condensed interim financial statements in conformity with approved accounting standards, as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of policies and the reported amount of asset, liabilities and income and expenses.

Estimates and judgments made by management in the preparation of these condensed interim financial statements are the same as those that were applied to the annual financial statements of the Company as at and for the year ended 30 June 2014.

	Note	31 December 2014 (Un-audited)	30 June 2014 (Audited)
		------- (Rupees in '000) -------	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1 & 6.2	14,293,394	14,142,134
Capital work-in-progress	6.3	52,098	786,314
		14,345,492	14,928,448

6.1 During the period, additions in operating fixed assets amounted to Rs. 33.003 million (31 December 2013: Rs. 0.826 million).

6.2 During the period assets having a net book value of Rs. 0.871 million (31 December 2013: Rs. 0.443 million) were disposed for Rs. 1.088 million (31 December 2013: Rs. 0.546 million).

6.3 The transfers from Capital work in progress during the period are as under:

	Six-month period ended	
	31 December 2014	31 December 2013
	-------- (Un-audited) --------	
	------- (Rupees in '000) ------	
Plant and machinery	489,286	539
Civil and mechanical works	17,734	-
Generators	6,764	-
Filling Stations	8,907	-
Computer and allied equipments	3,159	-
Safety and lab equipments	227,515	-
	753,365	539

	Note	31 December 2014 (Un-audited)	31 December 2013 (Audited)
		------- (Rupees in '000) ------	
7. STOCK IN TRADE			
Raw material - Crude Oil	7.1	837,603	2,485,043
Finished products	7.2 & 7.3	1,439,909	6,292,464
		2,277,512	8,777,507

7.1 Stocks of raw material includes stock held by the subsidiary company amounting to Rs. 403.159 million (30 June 2014: Rs. 2,011.11 million).

7.2 Finished products having cost of Rs. 1,753.728 million (30 June 2014: Rs. 6,536.343 million) have been written down by Rs. 313.819 million (30 June 2014: Rs. 243.879 million) to net realizable value.

7.3 Stock of finished products includes stock held by third parties amounting to Rs. 516.737 million (30 June 2014: Rs. 1,950.455 million) and stock held by related parties amounting to Rs. 4.442 million (30 June 2014: Rs. 1,115.039 million).

8. TRADE DEBTS - unsecured

This includes Rs. 4,176.371 million (30 June 2014: Rs. 3,970.961 million) due from Pakistan State Oil Company Limited (PSO) against supplies of products and on account of mark-up on delayed payments. The Company had entered into a "sale and purchase of product" agreement with PSO on 5 April 2002 for a period of 10 years. The said agreement states that in the event of late payment of invoices by PSO, the Company would be entitled to recover mark-up from PSO for commercial banks, being the lending rates applicable for short term running finance of Company or PSO whichever is lower. The mark up on delayed payments relates only to purchases made by PSO under agreement dated 02 April 2002, which expired on 02 April 2012. Subsequent to the expiry of the agreement, all purchases made by PSO do not carry any mark up on delayed payment.

9. LOANS AND ADVANCES-considered good

Includes an advance of Rs.1,004.854 million (30 June 2014: Rs. 585.560 million) to the subsidiary company in respect of port facilities.

10. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Includes an amount of Rs. 1,155.762 million (30 June 2014: Rs. 438.642 million) in respect of Inland Freight Equalization Margin (IFEM).

	Note	31 December 2014 (Un-audited)	30 June 2014 (Audited)
		------- (Rupees in '000) ------	
11. LONG TERM FINANCING AND ACCRUED MARK-UP			
Restructured principal and accrued mark-up facilities	11.1	14,920,262	15,123,156
Total deferred mark-up on restructured principal facilities		2,650,625	2,061,298
		17,570,887	17,184,454
Current maturity of restructured principal		(3,949,500)	(2,455,000)
Current maturity of deferred mark-up on restructured principal facilities		(364,832)	(400,781)
		13,256,555	14,328,673

11.1 The restructuring of loans as stated in more detail in note 18 to the unconsolidated financial statements for the year ended 30 June 2014 resulted in substantial modification of the financing terms.

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

The status for contingencies is the same as disclosed in note 26.1 to the annual audited unconsolidated financial statements for the year ended 30 June 2014 except for those mentioned in note 26.1.1which has been amended as follows:

12.1.1 The Company received an order from the Deputy Commissioner Inland Revenue (DCIR), dated 24 October 2014, in respect of tax periods November 2013, December 2013, February 2014 and March 2014, whereby default surcharge of Rs. 60.463 million and penalty amounting to Rs. 31.848 million were levied on late payment of sales tax. However, on the appeal filed by the Company, Comissioner Inland Revenue Appeals (CIRA), in its order dated 18 December 2014, waived the aforementioned default surcharge and penalty. Accordingly, provision for default surcharge and penalty of Rs. 92.311 million made in this respect in the financial statements for the year ended 30 June 2014, has been reversed in these condensed interim financial statements.

Furthermore, the Company received another order from DCIR dated 9 December 2014 for tax periods January 2013 and March 2013 to June 2013, whereby default surcharge of Rs. 488.382 million and penalty amounting to Rs. 37.267 million were levied on late payment of sales tax. The Company filed appeal against the said order with CIRA who, subsequent to the period ended 31 December 2014, in its order dated 7 January 2015 waived the aforementioned default surcharge and penalty. We noted that as at 31 December 2014, provision amounting to Rs. 821.265 million against the above default surcharge and penalty was available in the financial statements. Accordingly, the excess provision amounting to Rs. 295.616 million was reversed in these condensed interim financial statements. Since, this event is a non-adjusting event under International Accounting Standard (IAS) 10 ' Events after the Reporting Period', the Company will reverse the remaining balance of provision amounting to Rs. 525.649 million in the condensed interim financial statements for the quarter ending 31 March 2015.

An appeal against the said orders by the CIRA can be filed by the sales tax department in light of the provisions of the Sales Tax Act, 1990.

	Note	31 December 2014 (Un-audited)	30 June 2014 (Audited)
		------- (Rupees in '000) ------	
12.2 Commitments			
12.2.1 Commitment for payments in respect of fixed capital expenditure		34,431	138,974

13. SELLING AND DISTRIBUTION EXPENSES

Includes transportation expense of Rs. 536.718 million (2013: Rs. 292.481 million).

14. OTHER OPERATING EXPENSES

Includes provision for default surcharge amounting to Rs. 187.132 million (2013: Rs.746.327 million).

15. OTHER INCOME

Includes reversal of excess default surcharge recorded in previous year amounting to Rs.387.927million (2013: Rs. Nil) on the basis of tax orders received during the period as fully explained in note12.1.1.

16. TAXATION

Current

The returns of income tax have been filed up to and including tax year 2013. These, except for the those mentioned below, are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001.

Income tax and taxable losses in respect of tax years 2009, 2011, 2012 and 2013 have been assessed by the Deputy Commissioner Inland Revenue under section 122(1) of the Income Tax Ordinance, 2001, whereas return submitted for the tax year 2008 has been amended by the Additional Commissioner Inland Revenue under section 122(5A). The amendments relate to proration of expense against income covered in NTR and FTR, disallowance of unrealized exchange loss and other expenses not allowed under section 21. The management has filed an appeal against the aforesaid notices and, in consultation with its tax advisors, is confident that no major liability is expected to arise.

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	Six-months period ended	
	31 December 2014	31 December 2013
	-------- (Un-audited) --------	
	------- (Rupees in '000) ------	
17.1 Transactions with related parties		
Parent Companies		
Land lease rentals	26,469	24,062
Purchase of goods and services	28,583,820	1,021,168
Sale of goods and services	1,704,251	222,412
Markup charged	383,425	-
Common expenses	143,563	137,462
Subsidiary Company		
Sale of goods and services	129,331	53,912
Storage Services received	185,214	160,473
Mark-up income on fuel supplied	27,748	26,006
Land lease rentals	1,513	1,513
Associated Companies		
Sale of petroleum products	5,352,129	4,651,456
Services received	-	181,556
Purchase of operating fixed assets and services	5,262	419
Mark-up income	109,585	150,730
Staff Provident Fund		
Payment of employees and company's contribution	17,985	23,073
Key Management Personnel		
Salaries and benefits payment	132,987	132,905

	31 December 2014 (Un-audited)	30 June 2014 (Audited)
	------- (Rupees in '000) ------	
17.2 Balances with related parties		
Parent Companies		
Mark-up receivable	18,924	18,924
Security deposits payable	3,646	3,646
Receivable against land lease rent	241,787	215,318
Payable against purchases of goods and services	279,031	68,348
Subsidiary Company		
Receivable against sale of goods and services	742,156	657,972
Mark-up receivable	156,807	129,059
Receivable against land lease rent	12,788	11,275
Advance against purchases of assets and services	1,004,854	585,560
Associated Companies		
Trade debts	1,592,352	2,461,632
Mark-up receivable	346,655	287,069
Payable against purchases of assets and services	19,631	57,426
Advance against purchases of assets and services	8,413	3,583
Security deposit receivable	95	95
Staff Provident Fund		
Payable to staff provident fund	3,915	15

18. OPERATING 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 Business		Petroleum Marketing Business		Total	
	Six-month period ending		Six-month period ending		Six-month period ending	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	----------------------------- (Rupees in '000) -----------------------------					
Revenue						
Net Sales to external customers	21,406,509	23,695,250	23,433,262	17,247,103	44,839,771	40,942,353
Inter-segment sales	20,811,306	8,951,352	-	-	20,811,306	8,951,352
Eliminations	(20,811,306)	(8,951,352)	-	-	(20,811,306)	(8,951,352)
Total revenue	21,406,509	23,695,250	23,433,262	17,247,103	44,839,771	40,942,353
Result						
Segment results - profit / (loss)	(702,808)	(625,397)	782,461	314,083	79,653	(311,314)
Unallocated expenses:						
Other charges					(395,200)	(973,076)
Finance costs					(1,500,873)	(1,244,946)
Exchange loss					(167,032)	(742,532)
Interest income					395,244	465,410
Taxation					(74,472)	591,048
Loss for the period					(1,662,680)	(2,215,410)
Other comprehensive income					-	-
Total comprehensive loss for the period					(1,662,680)	(2,215,410)
Other Information						
Depreciation and amortization	594,213	456,366	40,024	40,210	634,237	496,576

19. RECLASSIFICATION

Following corresponding figures have been reclassified for better presentation:

From	To	(Rupees in '000)
Administrative expense	Selling and distribution expenses	69,849
Long term loans and accrued markup	Current portion of non-current liabilities	200,000

Notes to the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2014

20. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue by the Board of Directors of the Company on 23 February 2015.

21. GENERAL

Figures have been rounded off to the nearest thousand rupees, unless otherwise stated

Chief Executive

Director

Consolidated Condensed Interim Financial Statement

Consolidated Condensed Interim Balance Sheet
As at 31 December 2014

	Notes	(Un-audited) 31 December 2014	(Audited) 30 June 2014
		(Rupees in '000)	
NON CURRENT ASSETS			
Property, plant and equipment	6	37,786,781	38,998,130
Intangible asset		23,746	23,746
Long term receivable - considered good		830,000	830,000
Long term deposits		30,785	28,579
		38,671,312	39,880,455
CURRENT ASSETS			
Stores and spares		259,235	204,298
Stock in trade	7	2,277,513	8,777,507
Trade debts - unsecured	8	6,990,263	9,596,672
Loans and advances - Considered good		1,168,223	1,014,543
Trade deposits, prepayments and other receivables	9	1,855,580	818,363
Mark-up accrued		365,578	305,993
Cash and bank balances		440,978	473,535
		13,357,370	21,190,911
		52,028,682	61,071,366
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,200,000,000 (June 2014:1,200,000,000) 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		(28,565,015)	(26,873,272)
		(18,786,427)	(17,094,685)
Surplus on revaluation of Property, plant and equipment		14,352,733	15,091,908
NON CURRENT LIABILITIES			
Long term financing and accrued mark-up	10	13,256,555	14,328,673
Liabilities against assets subject to finance leases		1,383	4,948
Long term deposits		99,979	87,478
Deferred liabilities		6,454,116	6,878,205
		19,812,034	21,299,304
CURRENT LIABILITIES			
Trade and other payables		27,206,716	28,754,247
Accrued mark-up		690,969	758,013
Short term borrowings - secured		4,113,674	8,723,108
Current portion of non current liabilities		4,163,057	3,015,742
Taxation - net		475,926	523,729
		36,650,342	41,774,839
Contingencies and Commitments	11		
		52,028,682	61,071,366

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

Chief Executive

Director

Consolidated Condensed Interim Profit and Loss Account (Un-audited)

For the six-month period ending 31 December 2014

	Notes	Six-month period ending 31 December 2014	Six-month period ending 31 December 2013	Three-month period ending 31 December 2014	Three-month period ending 31 December 2013
		------------------ Rupees in '000			------------------
Gross sales		54,459,851	48,973,810	24,062,159	27,316,976
Sales tax, discount and others		(9,378,167)	(8,085,369)	(5,074,836)	(5,016,564)
Net sales		45,081,684	40,888,441	18,987,323	22,300,412
Cost of Sales		44,614,740	40,384,260	19,001,887	22,747,536
Gross profit / (Loss)		466,944	504,181	(14,564)	(447,124)
Administrative expenses		374,368	380,813	190,077	193,206
Selling and distribution expenses	12	882,922	442,104	272,669	227,541
		1,257,290	822,917	462,746	420,747
		(790,346)	(318,736)	(477,310)	(867,871)
Other charges	13	(395,200)	(973,076)	(181,767)	(851,194)
Other income	14	1,101,207	500,950	437,034	187,332
		(84,337)	(790,862)	(222,042)	(1,531,733)
Financial charges		1,648,596	1,245,215	995,962	889,014
Exchange loss		186,495	742,532	170,503	18,929
		1,835,091	1,987,747	1,166,465	907,943
Loss before taxation		(1,919,428)	(2,778,609)	(1,388,507)	(2,439,676)
Taxation					
Current		244,046	220,669	93,701	126,492
Deferred		(169,563)	(810,075)	(102,406)	(462,249)
		74,483	(589,406)	(8,705)	(335,757)
Net Loss after taxation		(1,993,910)	(2,189,203)	(1,379,801)	(2,103,919)
(Loss) per share - basic and diluted (Rupees)		(2.04)	(2.24)	(1.41)	(2.15)

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

Chief Executive

Director

Consolidated Condensed Interim Statement of Other Comprehensive Income (Un-audited)

For the six-month period ending 31 December 2014

	Jul - Dec 2014	Jul - Dec 2013
	----- (Rupees '000) -----	
Net loss after taxation	(1,993,910)	(2,189,203)
Other comprehensive income - net of taxation	-	-
Total comprehensive loss for the period	(1,993,910)	(2,189,203)

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

Chief Executive

Director

Consolidated Condensed Interim Cash Flow Statement (Un-audited)
For the six-month period ending 31 December 2014

	Jul - Dec 2014	Jul - Dec 2013
	----- (Rupees '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,919,428)	(2,778,609)
Adjustments for:		
Depreciation	837,681	522,054
Amortization	--	1,478
Financial and other charges	1,648,596	1,245,886
Provision for impairment against doubtful debts	208,068	226,749
Gain on disposal of assets	(218)	(103)
Provision for gratuity	15,936	8,570
Net cash flow before working capital changes	790,635	(773,975)
Movement in working capital		
(Increase) / decrease in current assets		
Stores and spares	(54,935)	(8,003)
Stock in trade	6,499,995	(6,317,932)
Trade debts - unsecured	2,398,341	1,140,827
Loans and advances - considered good	(153,680)	(345,562)
Trade deposits, prepayments and other receivables	(1,037,217)	198,271
Mark up accrued	(59,585)	69,633
Increase in current liabilities		
Trade and other payables	(1,547,531)	9,239,518
	6,045,388	3,976,753
Cash generated from operations	6,836,023	3,202,777
Payments for:		
Financial charges	(1,081,294)	(531,495)
Income Taxes	(291,962)	(27,020)
Gratuity	(7,259)	(8,012)
Net cash from operating activities	5,455,508	2,636,250
CASH FLOWs FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(341,825)	(670,482)
Proceeds from disposal of vehicles	1,089	546
Long term deposits - net	10,294	17,259
Net cash used in investing activities	(330,442)	(652,677)
CASH FLOW FROM FINANCING ACTIVITIES		
Rapayment of long term loan	(270,000)	--
Loan to BOPL	(2,137)	(240,000)
Short term borrowings net	(4,878,206)	(843,981)
Employees retirement benefits	--	1,323
Liabilities against assets subject to finance lease - net	(7,280)	(30,675)
Net cash used in financing activities	(5,157,623)	(1,113,333)
Net increase / (decrease) in cash and cash equivalents	(32,557)	870,240
Cash and cash equivalents at beginning of period	473,535	558,520
Cash and cash equivalents at end of period	440,978	1,428,760

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

Chief Executive

Director

Consolidated Condensed Interim Statement of Changes In Equity (Un-audited)
For the six-month period ending 31 December 2014

	Issued, subscribed and paid up capital	Accumulated Loss	Total
	------- (Rupees in '000) -------		
Balance as at 1 July 2013 - restated	9,778,587	(20,948,134)	(11,169,547)
Total comprehensive income for the period ended 31 December 2013			
Loss for the period ended 31 December 2013	--	(2,189,203)	(2,189,203)
Incremental depreciation relating to surplus on revaluation of Property, plant and equipment - net deferred tax	--	165,252	165,252
Balance as at December 31, 2013	9,778,587	(22,972,085)	(13,193,498)
Balance as at 1 July 2014 as previously reported	9,778,587	(21,078,274)	(11,299,687)
Total comprehensive loss for the period ended 31 December 2014			
Loss for the period ended 31 December 2014	--	(1,993,910)	(1,993,910)
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax	--	302,168	302,168
Balance as at 31 December 2014	9,778,587	(28,565,014)	(18,786,427)

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

Chief Executive

Director

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2014

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 (the Parent Company) holds 80.84% (30 June 2014: 80.84%) shares in the Company. The Parent Company is a wholly owned subsidiary of Byco Industries Incorporated (BII), Mauritius (the 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 250 retail outlets across the country.

Subsidiary Companies

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, Harbour Front Tower, 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 developed an offshore jetty (Single Point Mooring) along with the pipelines for facilitating movement of petroleum products. The "Buoy" which is an integral part of SPM facility is owned by Coastal Refinery Limited with whom BTPL is in agreement regarding its operation at agreed terms.

BTPL is a wholly owned subsidiary of the Company by virtue of share purchase agreement dated 17 February 2010.

ii) Byco Isomerization Pakistan (Private) Limited (BIPL)

BIPL was incorporated in Pakistan as a private limited company on 14 May 2014 under the Companies Ordinance, 1984. The registered office of BIPL is proposed to be situated in Islamabad Capital Territory. BIPL will principally be engaged in blending, refining and processing of petroleum naphta to produce petroleum products such as premium motor gasoline.

BIPL is a wholly owned subsidiary of the Company. Furthermore, the Company intends to sell Isomerization plant to BIPL against issuance of shares.

2. GOING CONCERN ASSUMPTION

During the period ended 31 Dec 2014, the Company incurred a net loss after tax of Rs. 1,994 million (2013: loss of Rs. 2,189 million) and as of that date its accumulated losses amounted to Rs. 28,565 million (2014: Rs. 26,873 million). As at 31 December 2014, current liabilities of the Company exceeded its current assets by Rs. 23,292.972 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 consolidated financial statements 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:

- The throughput of the refinery was 3.26 million barrels as compared to 2.77 million barrels representing an increase of 18% from same period last year.

- The Company's Petroleum Marketing Business (PMB) has entered into various fuel supply arrangements with different marketable sectors such as Shipping, Power & Energy . High margin aviation fuel export market has also been tapped through these arrangements. Further, during the period, PMB segment has increased their retail business by entering into different dealer financed, semi-financed and company financed agreements for opening of various retail outlets across the country. These factors of PMB segment has been and is expected to yield significant contribution towards the profitability of the Company.

- 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. Further, the Competition Commission of Pakistan has also issued its opinion in favour of the Company in this respect.

- During the period, the Parent company carried out extended trial run of its entire plant in order to operate the refinery on sustainable basis. The operation of Parent Company's refinery would bring sustainable cost savings to the Company.

- The Group is continuously reviewing its administrative costs, operating expenditures as well as capital expenditures, with a view to optimize the associated benefits through reduction / elimination of such costs as they find appropriate.

- 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 consolidated financial statements on going concern assumption is justified.

3 BASIS OF PREPARATION

3.1 Statement of compliance

This consolidated condensed interim financial information of the Company for the period ended 31 December 2014 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provision of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directive issued under the Companies Ordinance, 1984 have been followed.

3.2 This consolidated condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 June 2014.

3.3 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 vide section 245 of the Companies Ordinance, 1984.

3.4 This consolidated 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.

3.5 The comparative balance sheet presented in these consolidated condensed interim financial information as at 30 June 2014 has been extracted from the consolidated audited financial statements of the Company for the year ended 30 June 2014.

4 ACCOUNTING POLICIES

The accounting policies and the method of computation adopted in the preparation of these consolidated condensed interim financial information are the same as those applied in the preparation of the financial statements of the Company for the year ended 30 June 2014.

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2014 except as follows:

4.1 New, amended and revised standards and interpretations of IFRS

The Company has adopted the following amendments and interpretation of IFRSs which became effective for the current period:

IAS 19:	Employee Benefits - (Amendment) - Defined Benefit Plans: Employee Contributions
IAS 32:	Financial Instruments : Presentation - (Amendment) Offsetting Financial Assets and Financial Liabilities
IAS 36:	Impairment of Assets - (Amendment) Recoverable Amount Disclosures for Non-Financial Assets
IAS 39:	Financial Instruments: Recognition and Measurement - (Amendment) Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21:	Levies

The adoption of the above amendments to accounting standards and interpretations did not have any effect on the condensed interim financial statements.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the International Accounting Standards Board (IASB) and are generally effective for current period. The Company expects that such improvements to the standards do not have any impact on the Company's financial statements for the period.

5. 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 judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements 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.

Judgments and estimates made by the management in the preparation of this consolidated condensed interim financial information are the same as those that were applied to the consolidated financial statements as at and for the year ended 30 June 2014. 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 2014.

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2014

	Note	31 December 2014 (Un-audited)	30 June 2014 (Audited)
		------- (Rupees in '000) -------	
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - at cost less accumulated depreciation and impairment		37,420,343	37,974,154
Capital work in progress - at cost		366,438	1,023,976
		37,786,781	38,998,130

	Note	------- (Rupees in '000) -------	
7. STOCK IN TRADE			
Raw material - Crude Oil		837,603	2,485,043
Finished products	7.1	1,439,909	6,292,464
		2,277,512	8,777,507

7.1 Finished products having cost of Rs. 1,753.728 million (30 June 2014: Rs. 6,536.343 million) have been written down by Rs. 313.819 million (30 June 2014: Rs. 243.879 million) to net realizable value.

8. TRADE DEBTS

8.1 This includes Rs. 4,176.371 million (30 June 2014: Rs. 3,970.961 million) due from Pakistan State Oil Company Limited (PSO) against supplies of products and on account of mark-up on delayed payments. The Company had entered into a "sale and purchase of product" agreement with PSO on 5 April 2002 for a period of 10 years. The said agreement mentions that in the event of late payment of invoices by PSO, the Company would be entitled to recover mark-up from PSO for the period of delay on daily compounding basis at one percent above normal lending rate of commercial banks, being the lending rates applicable for short term running finance of Company or PSO whichever is lower. The mark up on delayed payments relates only to purchases made by PSO under agreement dated 02 April 2002, which expired on 02 April 2012. Subsequent to the expiry of the agreement all purchases made by PSO do not carry any mark up on delayed payment.

9 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Included herein is an amount of Rs. 1,155.762 million (30 June 2014: 438.642 million) in respect of Inland Freight Equalization Margin (IFEM).

	Note	31 December 2014 (Un-audited)	30 June 2014 (Audited)
		------- (Rupees in '000) ------	
10 LONG TERM LOANS AND ACCRUED MARK-UP			
Restructured principal and accrued mark-up	10.1	14,920,262	15,123,156
Total deferred mark-up on restructured principal		2,650,625	2,061,298
Long Term Financing		342,116	342,116
		17,913,003	17,526,570
Current maturity of restructured principal		(3,949,500)	(2,455,000)
Current maturity of long term financing		(342,116)	(342,116)
Current maturity of deferred mark-up on restructured principal		(364,832)	(400,781)
		13,256,555	14,328,673

10.1 The restructuring of loans as mentioned in more detail in note 17 to the consolidated financial statements for the year ended 30 June 2014 resulted in substantial modification of the financing terms.

11. Contingencies

The status for contingencies is same as disclosed in consolidated financial statements for the year ended 30 June 2014.

11.1 The Company received orders from Deputy Commissioner Inland Revenue for tax periods January 2010, July 2010 to June 2011, July 2012 to October 2012, and December 2012, whereby default surcharge of Rs. 213.035 million and penalty amounting to Rs. 14.634 million were levied on late payment of sales tax . The Company filed appeals against the said orders with Appellate Tribunal Inland Revenue (ATIR) who in its order dated 16 April 2014 waived the aforementioned default surcharge and penalty.

Further, the Company received orders from Deputy Commissioner Inland Revenue in respect of tax periods from April 2013 to December 2013, January 2014 to April 2014, and May 2014 whereby default surcharge of Rs. 41.847 million and penalty of Rs. 318.108 million were levied on the Company. However, on the appeal filed by the Company, the Commissioner Inland Revenue Appeals (CIRA) has waived the default surcharge amounting to Rs 10.683 million and also waived the penalty on late payment of sales tax amounting to Rs.318.108 million.

An appeal can be filed against the said orders by the ATIR and CIRA can be filed by the sales tax department in light of the provisions of the Sales Tax Act, 1990.

12. SELLING AND DISTRIBUTION EXPENSES

12.1 Included herein transportation expense of Rs. 536.718 million (2013: Rs. 292.481 million).

13 OTHER CHARGES

13.1 Included herein provision for default surcharge amounting to Rs. 187.132 million (2013: Rs. 746.327 million).

14 OTHER INCOME

14.1 Included herein reversal of excess default surcharge recorded in previous years amounting to Rs. 387.928 million on the basis of tax orders received during the period as fully explained in note 11.1.

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)
For the six-month period ending 31 December 2014

		July-Dec 2014	July-Dec 2013
15	**RELATED PARTIES**		
	Transactions:		
	Parent companies:		
	Land lease rentals	26,469	24,062
	Purchase of goods and services	28,583,820	1,021,168
	Sale of goods and services	2,095,289	222,412
	Markup charged by parent company	383,425	--
	Markup charged to parent company	27,061	8,464
	Common expenses	169,407	149,317
	Associated companies:		
	Sale of petroleum products & services	5,375,388	4,651,456
	Services received	10,345	181,556
	Purchase of operating fixed assets and services	5,262	419
	Mark-up income	109,585	150,730
	Staff provident fund		
	Payment of employees and Company's contribution	19,881	23,073
	Key Management Personnel		
	Salaries and benefits payment	164,521	164,420
	Balances		
	Parent companies:		
	Mark-up receivable	45,985	27,387
	Security deposits payable	3,646	3,646
	Receivable against land lease rent	241,787	188,849
	Payable against purchases of goods and services	373,471	--
	Receivable against purchases of goods and services	345,706	972,091
	Advance against purchases of goods and services	--	26,918
	Loan to Parent company	400,000	250,000
	Advance received against future rentals	--	128,100
	Associated Companies		
	Trade debts	1,596,093	262,072
	Mark-up receivable	346,655	35,372
	Security Deposit Receivable	95	--
	Payable against purchases of assets and services	23,957	2,560,860
	Advance against purchases of assets and services	8,413	--
	Loan payable	282,803	--
	Staff Provident Fund		
	Payable to staff provident fund	12,098	3,644

16 OPERATING SEGMENTS

For management purposes, the Group has determined following reportable operating segments on the basis of business activities i.e. oil refining business, petroleum marketing businesses and petroleum storage services. 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 provision of bulk petroleum storage services of petroleum products. The quantitative data for segments is given below:

	2014				
	Oil Refining Business	**Petroleum Marketing Business**	**Petroleum Storage Services**	**Elimination**	**Total**
	(Rupees in '000)				
Revenue					
Net sales to external customers	**21,352,045**	**23,358,752**	**370,887**	-	**45,081,684**
Inter-segment transfer	**20,865,770**	**74,509**	**185,214**	**(21,125,493)**	-
Total revenue	**42,217,815**	**23,433,261**	**556,101**	**(21,125,493)**	**45,081,684**
Result					
Segment results - (loss) / profit	**(755,186)**	**694,788**	**(237,539)**	-	**(297,937)**
Other charges					**(395,200)**
Interest expense					**(1,648,596)**
Interest income					**422,305**
Taxation					**(74,483)**
Loss for the year					**(1,993,910)**
Other Information					
Depreciation and amortization	**594,213**	**40,024**	**203,444**	--	**837,681**

	2013				
	Oil Refining Business	Petroleum Marketing Business	Petroleum Storage Services	Elimination	Total
	(Rupees in '000)				
Revenue					
Net Sales to external customers	23,641,338	17,247,103	-	-	40,888,441
Inter-segment transfer	9,005,264	-	39,000	(9,044,264)	-
Total revenue	32,646,602	17,247,103	39,000	(9,044,264)	40,888,441
Result					
Segment results - (loss) / profit	(503,922)	314,083	(66,776)	-	(256,615)
Other charges					(973,076)
Financial Charges					(1,987,747)
Interest income					438,829
Taxation					589,406
Loss for the year					(2,189,203)
Other Information					
Depreciation and amortization	454,888	41,688	26,956	-	523,532

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2014

17 RECLASSIFICATION

Following corresponding figures have been reclassified for better presentation:

From	To	(Rupees in '000)
Unconsolidated condensed interim profit and loss account		
Administrative expense	Selling and distribution expenses	69,848
Unconsolidated condensed interim Balance Sheet		
Long term loans and accrued mark-up	Current portion of non current liabilities	200,000

18. DATE OF AUTHORIZATION FOR ISSUE

The consolidated condensed interim financial information was authorised for issue on 23 February 2015 by the Board of Directors of the Company.

Chief Executive

Director