



IMAGINE, INSPIRE, INNOVATE



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Byco Petroleum Pakistan Limited

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COMPANY INFORMATION

Board of Directors

Akhtar Hussain Malik	Chairman
Amir Abbassciy	Director & Chief Executive Officer
Muhammad Mahmood Hussain	Director
Syed Arshad Raza	Director
Mohammad Wasi Khan	Director
Muhammad Yasin Khan	Director
Shah Arshad Abrar	Director

Audit Committee

Muhammad Mahmood Hussain	Chairman
Syed Arshad Raza	Member
Muhammad Yasin Khan	Member

Human Resource and Remuneration Committee

Muhammad Mahmood Hussain	Chairman
Amir Abbassciy	Member
Syed Arshad Raza	Member
Mohammad Wasi Khan	Member
Muhammad Yasin Khan	Member

Services & Stake holders Committee

Muhammad Mahmood Hussain	Chairman
Amir Abbassciy	Member
Akhtar Hussain Malik	Member
Syed Arshad Raza	Member
Mohammad Wasi Khan	Member

Chief Financial Officer

Naeem Asghar Malik

Company Secretary

Majid Muqtadir

Auditors

EY Ford Rhodes Chartered Accountants

Bankers

Allied Bank Limited
Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Citibank N.A.
Faysal Bank Limited
First Women Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Pak-Gulf Leasing Company Limited
Pak Oman Investment Company Limited
Saudi Pak Industrial and Agricultural Investment Company Limited
Standard Chartered Bank (Pakistan) Limited
Soneri Bank Limited
Summit Bank Limited
Silkbank Limited
The Bank of Punjab
The Bank of Khyber
United Bank Limited

Share 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

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Marine Drive, Clifton,
Karachi 75600, Pakistan
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Website

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DIRECTORS' REPORT

For the period ended December 31, 2018

In the name of Allah, the Most Merciful, the Most Benevolent,

We are pleased to present a brief review of the financial results and performance of the Company for the period ended 31st December, 2018.

The Country faced similar foreign exchange challenges in the second Quarter, as were experienced during the first Quarter. During this period, the currency depreciated by 14%. In the absence of any hedging mechanism available from the central bank all companies in the petroleum sector incurred exchange losses. Our Company managed to keep the foreign exchange exposure minimal but this still could not be eliminated and our Company had to incur foreign exchange loss which resulted in a significant drag on our profitability. In the second quarter, after witnessing the highest level of crude prices in October 2018, there was a sharp decline in the following month and this trend continued its downward trajectory leading to the Company booking an inventory loss of PKR 1.1 Billion, though the Company managed to keep the losses minimal by minimizing inventory levels.

The Company recorded gross sales of PKR 123 billion registering a 52% increase from the same period last year. The Company generated gross profit of PKR 1.4 billion (2017: PKR 4.7 billion) and a net profit of PKR 89 million (2017: PKR 2.3 billion). The factors mentioned above (i.e reduced margins and rising cost of materials) were the primary reason for the decline in profits. Earnings per share for the period is Rs. 0.02 compared to Rs. 0.44 last year.

The Board wishes to place on record its gratitude for the cooperation extended by the Government of Pakistan and strategic partners including its customers, financial institutions, suppliers, vendors and shareholders.

For and on behalf of the Board of Directors

Chief Executive Officer

Director

Karachi
February 25th, 2019

ڈائریکٹر رپورٹ

برائے اختتام ششماہی 31 دسمبر 2018

شروع اللہ کے نام سے جو بڑا مہربان نہایت رحم کرنے والا ہے۔

ہم 31 دسمبر 2018 کو ختم ہونے والے مالی سال کے لیے اپنی کمپنی کا مالیاتی جائزہ پیش کرتے ہوئے انتہائی مسرت محسوس کر رہے ہیں۔

دوسری سہ ماہی میں بھی ملک کو غیر ملکی ایکسیج میں اسی طرح کی چیلنجوں اور مشکل صورت حال کا سامنا کرنا پڑا جیسا کہ پہلی سہ ماہی کے دوران تھا۔ اس مدت میں پاکستانی کرنسی کی قدر 14 فیصد تک گھٹ گئی۔ مرکزی بینک کی جانب سے کسی بھی معاشی استحکام کے میکانزم کی غیر موجودگی کے باعث پٹرولیم سیکٹر کی تمام کمپنیوں کو ایکسیج کے دوران نقصان کا سامنا کرنا پڑا۔ ہماری کمپنی نے کوشش کی کہ اس سہ ماہی میں غیر ملکی ایکسیج کو کم سے کم رکھا جائے اور اس میں ہمیں قدرے کامیابی بھی حاصل ہوئی لیکن پھر بھی یہی اسی طرح ختم نہ ہو سکی جس کے باعث ہماری کمپنی کو غیر ملکی ایکسیج میں نقصان اٹھانا پڑا جس نے ہمارے منافع پر کافی گہرا اثر مرتب کیا۔ دوسری سہ ماہی میں، اکتوبر 2018 میں خام تیل کی قیمتوں کے بڑھنے کے بعد اگلے مہینے میں تیزی سے کمی آئی جس کے باعث کمپنی کو 1.1 ارب پاکستانی روپے کی انوینٹری بکنگ کا نقصان اٹھانا پڑا، اگرچہ کمپنی انوینٹری کی سطح کو کم سے کم نقصان کی حد میں رکھنے میں کامیاب رہی۔

کمپنی نے پچھلے سال کی اس مدت کے دوران والے منافع کے مقابلے میں اس سہ ماہی میں 52 فیصد زائد منافع حاصل کرتے ہوئے 123 ملین پاکستانی روپے کی سیلز ریکارڈ کی۔ کمپنی نے 1.4 ارب پاکستانی روپے (4.7 ارب پاکستانی روپے کا 2017 کا منافع) کا مجموعی منافع اور 89 ملین پاکستانی روپے (2.3 ارب پاکستانی روپے کا 2017 کا خالص منافع) کا نیت منافع حاصل کیا۔ مندرجہ بالا درج کیے گئے عوامل (جیسا کہ مارجن میں کمی اور مواد کی بڑھتی ہوئی قیمتیں) منافع میں کمی کی بنیادی وجہ بنی۔ اس مدت کے لیے فی حصص پر آمدنی کی شرح پچھلے سال کی اسی سہ ماہی کے 0.44 پاکستانی روپے مقابلے میں 0.02 پاکستانی روپے رہی۔

ہم اپنی نیک خواہشات کا اظہار کرتے ہوئے حکومت پاکستان کے تعاون کی کاوشوں کی بھرپور پڈ برائی کرتا ہے اور اس کے ساتھ ہم بہترین کارکردگی، کام کے ساتھ لگن، عزم اور ہمارے ساتھ وابستگی کے لیے ہمارے سرگرم کسٹمر، مالیاتی ادارے، سپلائرز، حصص یافتگان کے بھی شکر گزار ہیں۔

بحکم پورڈ

چیف ایگزیکٹو آفیسر

کراچی

25 فروری 2019

ڈائریکٹر



EY Ford Rhodes
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Independent Auditors' Review Report

To the members of Byco Petroleum Pakistan Limited

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Byco Petroleum Pakistan Limited (the Company) as at 31 December, 2018 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of other comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows, and notes to the financial statements for the six-months period then ended (here-in-after referred to as "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income for the three-months period ended 31 December 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures of the six-months period ended 31 December 2018.

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 statements 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 statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Omer Chughtai.

Chartered Accountants

Place: Karachi
Date: February 25th, 2019

Unconsolidated Condensed Interim Balance Sheet

As at 31 December 2018

(Rupees in '000)

	Note	Dec 31, 2018 (Unaudited)	Jun 30, 2018 (Audited)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	68,500,251	68,715,775
Long term investment		16,931,504	16,931,504
Long term loans and advances		907,707	939,366
Long-term deposits - Assets		34,721	17,044
Deferred taxation	7	1,282,932	1,282,932
		87,657,115	87,886,621
CURRENT ASSETS			
Stores and spares		1,700,088	1,282,943
Stock-in-trade	8	18,130,503	29,391,250
Trade debts	9	4,700,321	5,463,784
Loans and advances		1,291,253	1,360,410
Trade deposits and short-term prepayments		73,948	26,613
Accrued interest		184,428	180,691
Other receivables	10	2,054,780	1,922,192
Taxation - net		765,450	-
Cash and bank balances		561,087	746,096
		29,461,858	40,373,979
Non - current asset held for sale		1,487,500	1,487,500
Total assets		118,606,473	129,748,100
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		53,298,847	53,298,847
Reserves		(28,064,402)	(28,408,677)
Surplus on revaluation of property, plant and equipment		4,235,451	4,490,349
		29,469,896	29,380,519
Contribution against future issue of shares		910,649	841,249
		30,380,545	30,221,768
NON CURRENT LIABILITIES			
Long term financing		13,651,651	13,844,255
Loans from related party		3,935,650	3,936,921
Accrued and deferred markup		7,854,460	8,542,970
Long-term deposits - Liability		237,877	225,017
Deferred liabilities		138,175	274,674
		25,817,813	26,823,837
CURRENT LIABILITIES			
Trade and other payables		33,253,014	58,305,059
Advance from customers		5,036,005	2,789,832
Accrued mark-up		351,421	157,731
Short Term Borrowings - secured		16,242,525	2,322,667
Current portion of non-current liabilities		7,524,123	8,766,174
Unclaimed dividend		1,027	1,027
Taxation - net		-	360,005
		62,408,115	72,702,495
Contingencies and Commitments	11		
Total equity and liabilities		118,606,473	129,748,100

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Unconsolidated Condensed Interim Profit and Loss Account

For the period ended
31 December 2018 (un-audited)

(Rupees in '000)

Note	Six months period ended		Three months period ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
		(Restated)		(Restated)
Gross Sales	123,465,241	81,032,855	57,076,079	39,680,921
Sales tax, discounts & other duties	(23,365,885)	(18,398,633)	(10,691,111)	(8,488,173)
Turnover - net	100,099,356	62,634,222	46,384,968	31,192,748
Cost of sales	12 (98,640,908)	(57,849,951)	(46,607,495)	(28,694,042)
Gross profit /(loss)	1,458,448	4,784,271	(222,527)	2,498,706
Administrative expenses	(430,532)	(403,878)	(198,807)	(185,654)
Selling and distribution expenses	(227,662)	(169,765)	(97,953)	(79,919)
Other expenses	(355,716)	(620,268)	(175,996)	(368,656)
Other income	13 609,892	334,157	403,284	191,036
	(404,018)	(859,754)	(69,472)	(443,193)
Operating profit / (loss)	1,054,430	3,924,517	(291,999)	2,055,513
Finance costs	(1,519,104)	(1,334,494)	(698,870)	(840,585)
(Loss) / profit before taxation	(464,674)	2,590,023	(990,869)	1,214,928
Taxation				
Current	14 -	(239,470)	129,502	(112,156)
Prior	554,051	-	554,051	-
Deferred	-	-	-	-
	554,051	(239,470)	683,553	(112,156)
Net profit / (loss) for the period	89,377	2,350,553	(307,316)	1,102,772
Earnings / (loss) per ordinary share - basic and diluted (Rs.)	0.02	0.44	(0.06)	0.21

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Unconsolidated Statement of Other Comprehensive Income

For the period ended
31 December 2018 (un-audited)

(Rupees in '000)

	Six months period ended		Three months period ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
		(Restated)		(Restated)
Net profit / (loss) for the period	89,377	2,350,553	(307,316)	1,102,772
Other comprehensive income	-	-	-	-
Total comprehensive Income/ (loss) for the period	89,377	2,350,553	(307,316)	1,102,772

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Unconsolidated Condensed Interim Cash Flow Statement

For the period ended
31 December 2018 (un-audited)

	(Rupees in '000)	
	31 December 2018	31 December 2017
		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(464,674)	2,590,023
Adjustments for:		
Depreciation	1,670,348	1,359,866
Finance costs	1,519,104	1,334,494
Provision for impairment against doubtful debts	312,762	424,010
Gain on disposal of operating fixed assets	(225,000)	-
Interest income	(347,193)	(318,370)
Provision for gratuity	27,941	26,326
Net cash flow before working capital changes	2,493,288	5,416,349
(Increase) / decrease in current assets		
Stores and spares	(417,144)	(93,866)
Stock in trade	11,260,748	(18,570,623)
Trade debts	763,463	(408,643)
Loans and advances	120,816	(79,228)
Trade deposits and short term prepayments	(65,011)	(24,648)
Other receivables	80,412	144,587
Increase / (decrease) in current liabilities		
Advances from customers	2,246,173	-
Trade and other payables	(25,188,147)	15,506,924
	(11,198,690)	(3,525,497)
Cash (used in) / generated from operations	(8,705,402)	1,890,852
Finance costs paid	(966,744)	(1,282,800)
Income Taxes paid	(571,404)	(216,195)
Gratuity paid	(140,000)	-
Interest income received	30,695	66,667
Net Cash (used in) / generated from operations	(10,352,855)	458,524
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,385,425)	(923,592)
Sale Proceeds against disposal of operating fixed assets	12,000	-
Advance against investment in Shares	(20,000)	(40,000)
Long term deposits - net	12,860	40,747
Net cash used in investing activities	(1,380,565)	(922,845)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loan	(2,371,446)	(2,047,314)
Short term borrowings	13,708,458	2,763,471
Net cash generated from financing activities	11,337,012	716,157
Net (decrease) / increase in cash and cash equivalents	(396,408)	251,836
Cash and cash equivalents - opening	(641,404)	(1,350,423)
Cash and cash equivalents - closing	(1,037,812)	(1,098,587)

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Unconsolidated Condensed Interim Statement of Changes in Equity

For the period ended 31 December 2018 (un-audited)

(Rupees in '000)

	Issued, subscribed and paid up capital	Capital Reserves		Revenue Reserve		Sub-total	Contribution against future issue of shares	Total
		Merger reserve	Other capital reserve	Revaluation surplus on property, plant and equipment	Accumulated Loss (Re-stated)			
Balance as at 1 July 2017 (restated)	53,298,847	(21,303,418)	-	4,999,837	(15,838,471)	21,156,795	761,129	21,917,924
Net profit for the period	-	-	-	-	2,350,553	2,350,553	-	2,350,553
Total comprehensive income for the period	-	-	-	-	-	-	-	-
	-	-	-	-	2,350,553	2,350,553	-	2,350,553
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	-	-	-	(250,842)	250,842	-	-	-
Balance as at 31 December 2017	53,298,847	(21,303,418)	-	4,748,995	(13,237,076)	23,507,348	761,129	24,268,477
Balance as at 1 July 2018	53,298,847	(21,303,418)	3,214,209	4,490,349	(10,319,468)	29,380,519	841,249	30,221,768
Profit for the period	-	-	-	-	89,377	89,377	-	89,377
Total comprehensive income for the period	-	-	-	-	-	-	-	-
	-	-	-	-	89,377	89,377	-	89,377
Revaluation on contribution against future issue of shares	-	-	-	-	-	-	69,400	69,400
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	-	-	-	(254,898)	254,898	-	-	-
Balance as at 31 December 2018	53,298,847	(21,303,418)	3,214,209	4,235,451	(9,975,193)	29,469,896	910,649	30,380,545

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** BYCO Petroleum Pakistan Limited (the Company) was incorporated in Pakistan as a public limited company in January 1995 and was granted a certificate of commencement of business in March 1995. The shares of the Company are listed on Pakistan Stock Exchange Limited. 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. The Company currently operates two business segments namely Oil Refinery Business and Petroleum Marketing Business. The Company has two refineries with an aggregate rated capacity of 155,000 bpd. Petroleum Marketing Business was formally launched in 2007 and has 354 retail outlets across the country.
- 1.2** These unconsolidated condensed interim financial statements are the separate condensed interim financial statements of the Company in which investment in subsidiaries has been accounted at cost less accumulated impairment losses, if any.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2** These unconsolidated condensed interim financial statements of the Company for the half year ended 31 December 2018 are unaudited but subject to limited scope review by the statutory auditors as required by the Listed Companies (Code of Corporate Governance) Regulations, 2017.
- 2.3** The figures of the unconsolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and 2017 have not been reviewed by the external auditors of the Company as they have reviewed the cumulative figures for the half year ended December 31, 2018. These unconsolidated condensed interim financial statements do not include all the information and disclosures as required in the annual unconsolidated financial statements and should be read in conjunction with the Company's annual unconsolidated financial statements for the year ended June 30, 2018.
- 2.4** These condensed interim financial statements are being submitted to the shareholders as required by Section 237 of the Companies Act, 2017.

- 2.5 These unconsolidated condensed interim financial statements are presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented have been rounded off to the nearest thousand.

3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated 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, 2018, except as follows:

New / revised standards, interpretations and amendments

The Company has adopted the following amendments to IFRS which became effective for the current period:

IFRS 2 Share-based Payments - Classification and Measurement of Share-based Payments Transactions - (Amendment)
IFRS 9 Financial Instruments
IFRS 15 Revenue from Contracts with Customers
IAS 40 Investment Property - Transfers of Investment Property (Amendments)
IFRIC 22 Foreign Currency Transactions and Advance Consideration

The adoption of the above standards and amendments in the accounting standards did not have effect on the accounting policies of the Company except as follows:

3.1 IFRS 15 - Revenue from Contracts with Customers

IFRS 15: Revenue from Contracts with Customers supersedes IAS 11: Construction Contracts, IAS 18: Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company is engaged in oil refinery and petroleum marketing businesses. The Company has assessed that significant performance obligation in contracts with customers are closely related and therefore are discharged at various intervals over the period of the relationship with the relevant customers. Hence, the Company has concluded that it is in compliance with the requirements of the new accounting standard.

3.2 IFRS 9 - Financial Instruments

IFRS 9: Financial Instruments has replaced IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 July 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company has applied IFRS 9 retrospectively, with the initial application date of 1 July 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP). The Company's financial assets mainly includes long term loans and advances, long term deposits, trade debts, advances, trade deposits, other receivables and bank balances.

The adoption of IFRS 9 has fundamentally changed the Company accounting for impairment losses for financial assets by replacing the incurred losses model approach with a forward looking expected credit loss (ECL) approach. Expected Credit Loss (ECL) are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

Considering the nature of the financial assets, the Company has applied the standard's simplified approach and has calculated ECL based on life time ECL as at December 31, 2018 and has concluded that it is in compliance with the requirements of the new accounting standard.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of unconsolidated condensed interim financial information in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affects the application of policies and the reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates and judgments made by management in the preparation of these unconsolidated condensed interim financial statements are the same as those that were applied to the annual unconsolidated financial statements of the Company for the year ended 30 June 2018 except for the changes as disclosed in note 3.2 above.

5 RECLASSIFICATIONS OF CORRESPONDING FIGURES

Following corresponding figures have been reclassified for better presentation:

From	To	(Rupees in '000)
Administrative Expenses	Cost of Sales	4,754
Administrative Expenses	Selling and distribution expenses	9,492

6 PROPERTY, PLANT AND EQUIPMENT

(Rupees in '000)			
	Note	Dec 31, 2018 Unaudited	June 30, 2018 Audited
Operating fixed assets		47,335,170	48,937,972
Capital work in progress - at cost	6.1	21,165,081	19,777,803
		68,500,251	68,715,775

- 6.1 During the period, the additions in property, plant and equipment amounted to Rs. 1,454.822 million (30 June 2018: 3,127.710 million)

7 DEFERRED TAXATION

(Rupees in '000)			
	Note	Dec 31, 2018 Unaudited	June 30, 2018 Audited
Deductible temporary differences arising in respect of:			
- employees retirement benefit		4,472	36,972
- provision for doubtful debts		1,376,095	1,285,394
- recoupable unabsorbed tax depreciation	7.1	3,552,315	1,282,180
- recoupable minimum turnover tax	7.1 & 7.2	1,725,062	2,279,112
		6,657,944	4,883,658
Taxable temporary differences arising in respect of:			
- accelerated tax depreciation		(3,906,856)	(2,028,456)
- surplus on revaluation of property, plant and equipment		(1,468,156)	(1,572,270)
		(5,375,012)	(3,600,726)
		1,282,932	1,282,932

7.1 Deferred tax asset is recognized for tax depreciation and minimum taxes available for carry-forward to the extent of the realization of the related tax benefit through future taxable profits, based on the projections, is probable. As of the date of the unconsolidated condensed interim statement of financial position, deferred tax asset amounting to Rs. 2,461.559 million (30 June 2018: Rs. 3,237.201 million) in respect of unabsorbed tax losses and depreciation has not been recognised in these unconsolidated condensed interim financial statements.

7.2 During the current period, the Company has recognized deferred tax asset on recoupable minimum turnover tax amounting to Rs. 1,725.062 million (30 June 2018: Rs. 2,279.112 million). Out of the total recoupable minimum turnover tax, Rs. 515.784 million relates to the year in which the Company was in a tax loss scenario. In 2013, the High Court of Sindh, in respect of another company, overturned the interpretation of the Appellate Tribunal on Section 113(2)(c) of the Income Tax Ordinance, 2001 and decided that minimum turnover tax cannot be carried forward where there is no tax paid on account of loss for the year or carried forward losses. The Company's management is however of the view, duly supported by the legal advisor, that the above order would not be maintained by the Supreme Court, which the Company intends to approach if required. Accordingly, the Company has recognized deferred tax asset on recoupable minimum turnover tax.

8 STOCK IN TRADE

(Rupees in '000)			
	Note	Dec 31, 2018 Unaudited	June 30, 2018 Audited
Raw material	8.1	7,288,147	21,081,770
Finished products	8.2 & 8.3	10,842,356	8,309,480
		18,130,503	29,391,250

8.1 This includes raw material in transit amounting to Rs. 2,178.38 million (30 June 2018: Rs. 15,629.89 million) as at the date of unconsolidated condensed interim statement of financial position.

8.2 This includes stock held by third parties amounting to Rs. 7,545.59 million (June 2018: Rs. 3,157.55 million).

- 8.3** Finished products costing Rs. 9,852.362 million (30 June 2018 : Rs. 1,976.668 million) has been written down by Rs. 1,072.467 million (30 June 2018 : Rs. 39.077 million) to net realizable value.

9 TRADE DEBTS

During the period, provision was made against doubtful debts amounting to Rs. 312.762 million (30 June 2018: 810.492 million).

10 OTHER RECEIVABLES

This includes Rs. 789.189 million (30 June 2018: Rs. 847.016 million) and Rs. 998.056 million (30 June 2018: Rs. 943.232 million) receivable from a related party and Coastal Refinery Limited, respectively.

11 CONTINGENCIES AND COMMITMENTS

- 11.1** There are no material changes in contingencies the status from that disclosed in note 29 to the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2018.
- 11.2** The status of commitments is same as disclosed in annual audited unconsolidated financial statements for the year ended 30 June 2018 except for:

(Rupees in '000)

Note	Dec 31, 2018 Unaudited	June 30, 2018 Audited
Commitments for capital expenditure	395,216	509,884

12 COST OF SALES

Includes raw material consumed amounting to Rs. 86,823.498 million (31 December 2017: Rs. 48,245.595 million).

13 OTHER INCOME

Includes gain on disposal of operating fixed assets amounting to Rs. 225 million (31 December 2017: Nil)

14 TAXATION

The tax charge for the current period is NIL as the Company has availed tax credit under section 65B of the Income Tax Ordinance, 2001.

15 TRANSACTION AND BALANCES WITH RELATED PARTIES

The related parties comprise of ultimate parent company, parent company, subsidiary company, associated companies, directors, key management personnel, staff provident fund and staff gratuity 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 during the period are as follows:

15.1 Transactions with related parties

	Note	Six months period ended	
		Dec 31, 2018 Unaudited	Dec 31, 2017 Unaudited
(Rupees in '000)			
Parent company:			
Markup charged		89,993	73,981
Subsidiary Company:			
Other expenses incurred		166	92,234
Product processing charges		74,857	—
Associated companies:			
Sales of goods and services		2,301,396	2,132,066
Purchase of operating fixed assets and services		24,443	60,520
Others			
Post employment benefit Funds		212,485	88,242
Key management personnel remuneration	15.3	47,447	47,540

15.2 Balances with related parties

	Note	(Rupees in '000)	
		Dec 31, 2018 Unaudited	June 30, 2018 Audited
Parent Company			
Contribution against future issue of shares		910,649	841,249
Accrued markup		454,274	364,281
Loan payable		3,935,650	3,936,921
Subsidiary Company			
Receivable against expenses incurred		789,189	847,016
Associated Companies			
Advance against shared services		96,975	119,160
Long Term deposit receivable		—	95
Payable against purchases		53,410	38,904
Others			
Payable to key management person		68,508	68,508
Payable to post employment benefit funds		28,232	138,844

15.3 Key management personnel remuneration corresponding figure in 15.1 note has been revised in line with the new definition of key management personnel under the directives issued by the Securities and Exchange Commission of Pakistan.

16 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2018. There have been no changes in any risk management policies since the year end.

17 FAIR VALUE OF ASSETS AND LIABILITIES

All assets and liabilities of the Company are carried at amortised cost except for freehold land, leasehold land, building on freehold land, roads and civil works, plant and machinery, generators and safety and lab equipment which are measured at revalued amounts, which is the fair value at the date of revaluation less accumulated depreciation and accumulated impairment losses, if any, recognised subsequent to the date of revaluation.

The carrying value of all financial and non-financial assets and liabilities measured at other than amortised cost in these unconsolidated condensed interim financial statements approximate their fair values.

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. 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:

(Rupees in '000)

	Oil Refining Business		Petroleum Marketing Business		Total	
	2018	2017 (Restated)	2018	2017	2018	2017 (Restated)
Net sales to ext. customers	61,948,568	37,324,197	38,150,788	25,310,025	100,099,356	62,634,222
Inter-segment sales	34,937,415	22,961,130	-	-	34,937,415	22,961,130
Eliminations	(34,937,415)	(22,961,130)	-	-	(34,937,415)	(22,961,130)
Total revenue	61,948,568	37,324,197	38,150,788	25,310,025	100,099,356	62,634,222
Result						
Segment results - profit	245,134	3,664,856	817,819	561,559	1,062,953	4,226,415
Finance cost					(1,519,104)	(1,334,494)
Other expenses					(355,716)	(620,268)
Interest income					347,193	318,370
Taxation					554,051	(239,470)
Net profit for the year					89,377	2,350,553
Other Information						
Depreciation	1,617,595	1,322,744	52,753	37,122	1,670,348	1,359,866

19 DATE OF AUTHORIZATION

These unconsolidated condensed interim financial statements have been authorised for issue by the Board of Directors of the Company on **25th February 2019**.

20 GENERAL

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

Chief Executive Officer

Director

Chief Financial Officer



CONSOLIDATED FINANCIAL STATEMENT



Consolidated Condensed Interim Balance Sheet

As at 31 December 2018

(Rupees in '000)

	Note	Dec 31, 2018 (Unaudited)	Jun 30, 2018 (Audited)
NON CURRENT ASSETS			
Property, plant and equipment	6	82,753,757	83,407,960
Long term loans and advances		907,707	939,366
Long-term deposits		34,720	17,044
		83,696,184	84,364,370
CURRENT ASSETS			
Stores and spares		1,700,087	1,282,943
Stock-in-trade	7	18,130,502	29,391,250
Trade debts	8	4,700,321	5,463,784
Loans and advances		1,291,253	1,360,410
Trade deposits and short-term prepayments		73,948	26,613
Accrued interest		184,428	180,691
Other Receivables	9	1,265,592	1,082,714
Taxation - net		743,956	-
Cash and bank balances		561,088	746,096
		28,651,174	39,534,501
Non - current asset held for sale		1,487,500	1,487,500
Total assets		113,834,858	125,386,371
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		53,298,847	53,298,847
Reserves		(42,611,426)	(42,892,055)
Surplus on revaluation of Property, plant and equipment		12,075,777	12,573,159
		22,763,197	22,979,951
Contribution against future issue of shares		910,649	841,249
		23,673,846	23,821,200
NON CURRENT LIABILITIES			
Long term financing		13,651,651	13,844,255
Loans from related party		3,935,650	3,936,921
Accrued and deferred markup		7,854,460	8,542,970
Long-term deposits - Liability		237,877	225,017
Deferred liabilities		2,057,631	2,293,171
		27,737,268	28,842,334
CURRENT LIABILITIES			
Trade and other payables		33,268,643	58,325,401
Advance from customers		5,036,005	2,789,832
Accrued mark-up		351,421	157,731
Short Term Borrowings - secured		16,242,525	2,322,667
Current portion of non-current liabilities		7,524,123	8,766,174
Unclaimed dividends		1,027	1,027
Taxation - net		-	360,005
		62,423,743	72,722,837
Contingencies and Commitments	10		
Total equity and liabilities		113,834,858	125,386,371

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

Chief Executive Officer

Director

Chief Financial Officer

Consolidated Condensed Interim Profit and Loss Account

For the period ended
31 December 2018

(Rupees in '000)

Note	Six months period ended		Three months period ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
		(Restated)		(Restated)
Gross turnover	123,465,241	81,032,855	57,076,079	39,680,922
Sales tax, discount & other duties	(23,365,885)	(18,398,633)	(10,691,110)	(8,488,174)
Turnover - net	100,099,356	62,634,222	46,384,969	31,192,748
Cost of sales	(99,024,449)	(58,308,419)	(46,795,395)	(28,923,086)
Gross profit / (loss)	1,074,907	4,325,803	(410,426)	2,269,662
Administrative expenses	(430,532)	(403,878)	(198,807)	(185,654)
Selling and distribution expenses	(227,662)	(169,765)	(97,953)	(79,919)
Other expenses	(355,716)	(620,268)	(175,996)	(368,656)
Other income	609,753	334,006	403,146	190,885
	(404,157)	(859,905)	(69,610)	(443,344)
Operating profit / (loss)	670,750	3,465,898	(480,036)	1,826,318
Finance costs	(1,519,104)	(1,334,494)	(698,870)	(840,585)
(Loss) / profit before taxation	(848,354)	2,131,404	(1,178,906)	985,733
Taxation				
Current	(21,494)	(239,470)	117,596	(112,156)
Prior	554,051	–	554,051	–
Deferred	99,043	–	49,521	–
	631,600	(239,470)	721,168	(112,156)
(Loss) / profit after taxation	(216,754)	1,891,934	(457,738)	873,577
Earnings / (loss) per ordinary share - basic and diluted (Rs.)	(0.04)	0.35	(0.09)	0.16

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

Chief Executive Officer

Director

Chief Financial Officer

Consolidated Statement of Other Comprehensive Income

For the period ended
31 December 2018

(Rupees in '000)

	Six months period ended		Three months period ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	(Restated)			
(Loss) / profit after taxation	(216,754)	1,891,934	(457,738)	873,577
Other comprehensive income	-	-	-	-
Total comprehensive Income/ (loss) for the period	(216,754)	1,891,934	(457,738)	873,577

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

Chief Executive Officer

Director

Chief Financial Officer

Unconsolidated Condensed Interim Cash Flow Statement

For the period ended
31 December 2018

(Rupees in '000)

	December 31, 2018	December 31, 2017
		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(848,354)	2,131,404
Adjustments for:		
Depreciation	2,110,104	1,796,315
Finance costs	1,519,104	1,334,494
Provision for impairment against doubtful debts	312,762	424,010
Gain on disposal of assets	(225,000)	–
Interest income	(347,193)	(318,370)
Provision for gratuity	27,941	26,326
Net cash flow before working capital changes	2,549,363	5,394,179
Movement in working capital		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(417,144)	(93,866)
Stock in trade	11,260,748	(18,570,623)
Trade debts	763,463	(408,643)
Loans and advances	120,816	(79,228)
Trade deposits and short term prepayments	(57,473)	(24,648)
Other receivables	22,585	236,821
<i>Increase / (Decrease) in current liabilities</i>		
Advance from customers	2,246,173	–
Trade and other payables	(25,192,857)	15,502,160
	(11,253,690)	(3,438,027)
Cash generated (used in) / generated from operations	(8,704,327)	1,956,152
Finance costs paid	(966,746)	(1,282,801)
Income Taxes paid	(571,404)	(216,195)
Gratuity paid	(140,000)	–
Interest income received	30,695	66,667
Net cash (used in) / generated from operating activities	(10,351,782)	523,823
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,386,501)	(988,892)
Sale Proceeds against disposal	12,000	–
Advance against investment in Shares	(20,000)	(40,000)
Long term deposits - net	12,860	40,747
Net cash used in investing activities	(1,381,641)	(988,145)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loan	(2,371,446)	(2,047,315)
Short Term Borrowing	13,708,458	2,763,471
Net cash generated from financing activities	11,337,012	716,156
Net (decrease) / increase in cash and cash equivalents	(396,409)	251,834
Cash and cash equivalents - opening	(641,404)	(1,350,421)
Cash and cash equivalents - closing	(1,037,813)	(1,098,587)

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

Chief Executive Officer

Director

Chief Financial Officer

Consolidated Condensed Interim Statement of Changes in Equity

For the period ended 31 December 2018

(Rupees in '000)

	Issued, subscribed and paid up capital	Capital Reserves		Revenue Reserve		Sub-total	Contribution against future issue of shares	Total
		Merger reserve	Other capital reserve	Revaluation surplus on property, plant and equipment	Accumulated Loss (Re-stated)			
Balance as at 1 July 2017 (restated)	53,298,847	(21,303,418)	-	13,254,699	(30,883,982)	14,366,146	761,129	15,127,275
Total comprehensive income for the period								
Net profit for the period	-	-	-	-	1,891,934	1,891,934	-	1,891,934
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	-	-	-	(52,719)	244,962	192,243	-	192,243
Balance as at December 31, 2017	53,298,847	(21,303,418)	-	13,201,980	(28,747,086)	16,450,323	761,129	17,211,452
Balance as at 1 July 2018	53,298,847	(21,303,418)	3,214,209	12,573,159	(24,802,846)	22,979,951	841,249	23,821,200
Total comprehensive income for the period								
(Loss) / Profit for the period	-	-	-	-	(216,754)	(216,754)	-	(216,754)
Revaluation on contribution against future issue of shares							69,400	69,400
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	-	-	-	(497,382)	497,382	-	-	-
Balance as at December 31, 2018	53,298,847	(21,303,418)	3,214,209	12,075,777	(24,522,217)	22,763,198	910,649	23,673,847

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

Chief Executive Officer

Director

Chief Financial Officer

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 The "Group" consist of:

Holding Company

i) Byco Petroleum Pakistan Limited (the Holding Company)

The Holding Company was incorporated in Pakistan as a public limited company on 09 January 1995 under the repealed Companies Ordinance, 1984 and was granted a certificate of commencement of business on 13 March 1995. The shares of the Company are listed on Pakistan Stock Exchange.

The Holding Company currently operates two business segments namely Oil Refinery Business and Petroleum Marketing Business. The Holding Company has two refineries with an aggregate rated capacity of 155,000 bpd. Petroleum Marketing Business was formally launched in 2007 and has 354 retail outlets across the country.

Subsidiary Company

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

BIPL was incorporated in Pakistan as a private limited company under the repealed Companies Ordinance, 1984 on 14 May 2014. BIPL is a wholly owned subsidiary of the Holding Company. BIPL is principally engaged in blending, refining and processing of petroleum naphtha to produce petroleum products such as premium motor gasoline.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This consolidated condensed interim financial information of the Group for the period ended 31 December 2018 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 Act, 2017. In case where requirements differ, the provisions of or directive issued under the Companies Act, 2017 have been followed.

2.2 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 2018.

2.3 This consolidated condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange and section 237 of the Companies Act, 2017.

2.4 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.

- 2.5 The comparative balance sheet presented in these consolidated condensed interim financial information as at 30 June 2018 has been extracted from the consolidated audited financial statements of the Group for the year ended 30 June 2018.

3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated 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, 2018, except as follows:

New / revised standards, interpretations and amendments

The Company has adopted the following amendments to IFRS which became effective for the current period:

IFRS 2 Share-based Payments – Classification and Measurement of Share-based Payments Transactions - (Amendment)

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contracts with Customers

IAS 40 Investment Property – Transfers of Investment Property (Amendments)

IFRIC 22 Foreign Currency Transactions and Advance Consideration

The adoption of the above standards and amendments in the accounting standards did not have effect on the accounting policies of the Company except as follows:

3.1 IFRS 15 - Revenue from Contracts with Customers

IFRS 15: Revenue from Contracts with Customers supersedes IAS 11: Construction Contracts, IAS 18: Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company is engaged in oil refinery and petroleum marketing businesses. The Company has assessed that significant performance obligation in contracts with customers are closely related and therefore are discharged at various intervals over the period of the relationship with the relevant customers. Hence, the Company has concluded that it is in compliance with the requirements of the new accounting standard.

3.2 IFRS 9 - Financial Instruments

IFRS 9: Financial Instruments has replaced IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 July 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company has applied IFRS 9 retrospectively, with the initial application date of 1 July 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP). The Company's financial assets mainly includes long term loans and advances, long term deposits, trade debts, advances, trade deposits, other receivables and bank balances.

The adoption of IFRS 9 has fundamentally changed the Company accounting for impairment losses for financial assets by replacing the incurred losses model approach with a forward looking expected credit loss (ECL) approach. Expected Credit Loss (ECL) are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

Considering the nature of the financial assets, the Company has applied the standard's simplified approach and has calculated ECL based on life time ECL as at December 31, 2018 and has concluded that it is in compliance with the requirements of the new accounting standard.

4 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.

Judgements 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 2018. The Group'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 2018.

5 RECLASSIFICATIONS OF CORRESPONDING FIGURES

Following corresponding figures have been reclassified for better presentation:

From	To	(Rupees in '000)
Administrative Expenses	Cost of Sales	4,754
Administrative Expenses	Selling and distribution expenses	9,492

6 PROPERTY, PLANT AND EQUIPMENT

(Rupees in '000)			
	Note	Dec 31, 2018 Unaudited	June 30, 2018 Audited
Operating fixed assets		61,657,000	63,497,878
Capital work in progress - at cost	6.1	21,096,757	19,910,082
		82,753,757	83,407,960

- 6.1 During the period, the additions in property, plant and equipment amounted to Rs. 1,386.498 million.

7 STOCK IN TRADE

(Rupees in '000)			
	Note	Dec 31, 2018 Unaudited	June 30, 2018 Audited
Raw material	7.1	7,288,147	21,081,770
Finished products	7.2 & 7.3	10,842,356	8,309,480
		18,130,503	29,391,250

- 7.1 This includes raw material in transit amounting to Rs. 2,178.38 million (30 June 2018: Rs. 15,629.89 million) as at the balance sheet date.
- 7.2 This includes stock held by third parties amounting to Rs. 7,545.59 million (June 2018: Rs. 3,157.55 million).
- 7.3 Finished products costing Rs. 9,852.362 million (30 June 2018 : Rs. 1,976.668 million) has been written down by Rs. 1,072.467 million (30 June 2018 : Rs. 39.077 million) to net realizable value.

8 TRADE DEBTS

- 8.1 During the period, provision was made against doubtful debts amounting to Rs. 312.762 million (December 31, 2017:Rs. 424.01 million).

9 OTHER RECEIVABLES - considered good

- 9.1 This includes Rs. 998.056 million (30 June 2018: Rs. 943.232 million) receivable from Coastal Refinery Limited.

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

The status for contingencies is same as disclosed in consolidated financial statements for the year ended 30 June 2018.

10.2 Commitments

The status for commitments is same as disclosed in consolidated financial statements for the year ended 30 June 2018 except for:

(Rupees in '000)			
	Note	Dec 31, 2018 Unaudited	June 30, 2018 Audited
Commitments for capital expenditure		395,126	509,884

11 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of ultimate parent Company, parent Company, associated companies, directors, key management personnel, staff provident fund and staff gratuity 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 during the period are as follows:

		(Rupees in '000)	
	Note	Jul - Dec 2018	Jul - Dec 2017
		(Restated)	
11.1 Transactions with related parties			Unaudited
Parent Company:			
Markup charged		89,993	73,981
Associated companies:			
Sales of goods and services		2,301,396	2,132,066
Purchase of operating fixed assets and services		24,443	60,520
Others			
Post employment benefit Funds		212,485	88,242
Key management personnel remuneration	11.3	47,447	47,540

		(Rupees in '000)	
		Dec 31, 2018 Unaudited	June 30, 2018 Audited
11.2 Balances with related parties			
Parent Group			
Contribution against future issue of shares		910,649	841,249
Accrued markup		454,274	364,281
Loan payable		3,935,650	3,936,921
Associated Companies			
Advance against shared services		96,975	119,160
Long Term deposit receivable		-	95
Payable against purchases		53,410	38,904
Others			
Payable to key management person		68,508	68,508
Payable to post employment benefit funds		28,232	138,844

11.3 This has been revised in line with the new definition of key management personnel under the directives issued by the Securities and Exchange Commission of Pakistan.

12 OPERATING SEGMENTS

For management purposes, the Group has determined following reportable operating segments on the basis of business activities i.e. oil refining and petroleum marketing. 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:

(Rupees in '000)

	Oil Refining Business		Petroleum Marketing Business		Total	
	2018	2017	2018	2017	2018	2017
Sales to ext. customers	61,948,568	37,324,197	38,150,788	25,310,025	100,099,356	62,634,222
Inter-segment sales	34,937,415	22,961,130	–	–	34,937,415	22,961,130
Eliminations	(34,937,415)	(22,961,130)	–	–	(34,937,415)	(22,961,130)
Total revenue	61,948,568	37,324,197	38,150,788	25,310,025	100,099,356	62,634,222
Result						
Segment results - profit	328,549	3,206,237	350,724	561,559	679,273	3,767,796
Finance cost					(1,519,104)	(1,334,494)
Other expenses					(355,716)	(620,268)
Interest income					347,193	318,370
Taxation					631,600	(239,470)
(Loss) / profit for the year					(216,753)	1,891,934
Other Information						
Depreciation	2,057,350	1,759,193	52,753	37,122	2,110,104	1,796,315

13 DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue on **25th February 2019** by the Board of Directors of the Group.

14 GENERAL

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

Chief Executive Officer

Director

Chief Financial Officer