



TOWARDS A SUSTAINABLE FUTURE

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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

Omar Khan Lodhi
Director

Chaudhary Khaqan Saadullah
Khan
Director

Murtaza Hussain
Director

Audit Committee

Muhammad Mahmood
Hussain, Chairman

Syed Arshad Raza
Member

Chaudhary Khaqan Saadullah
Khan
Member

Human Resource and Remuneration Committee

Muhammad Mahmood
Hussain, Chairman

Amir Abbassciy
Member

Syed Arshad Raza
Member

Chaudhary Khaqan Saadullah
Khan
Member

Services & Stakeholders Committee

Akhtar Hussain Malik
Member

Syed Arshad Raza
Member

Chaudhary Khaqan Saadullah
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
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 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
Sindh Bank Limited
The Bank of Punjab
United Bank Limited
The Bank of Khyber

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, Block-4,
Marine Drive, Clifton,
Karachi 75600, Pakistan

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

Website

www.byco.com.pk

Director's Report

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 quarter ended 30th September, 2017.

As intimated earlier, the Company started operating its larger refinery from August 2017 with the newly inducted Crude Charge Heater / Furnace. As a result of increased volume from refining operations, gross revenue for the period increased by 87% to Rs. 41.4 billion. With stable Gross Refinery Margins (GRM), the Company earned Gross Profit of Rs. 2.3 billion compared to Rs. 0.4 billion last year. Profit after tax for the period under review amounted to Rs. 1.2 billion corresponding to earnings per share of Rs. 0.23 compared to Rs. 0.04 last year.

The Company is now subject to lower pricing of HSD products till the time it gets its HSD products Euro II compliant for which efforts are being made to have this on priority. Further, subsequent to the end of the period, the Company had to revise the refinery throughput owing to the furnace oil crisis that the industry faced. However, before the reporting date the reduced throughput was brought back.

The Company continues to maintain highest standards of Health, Safety, Environment and Quality successfully. Focus remained on efficient and safe operations including safety of employees, customers and contractors along with compliance with national standards for production of quality products.

The Board wishes to place on record its gratitude for the co-operation extended by 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
Karachi
January 29th 2018

Director

بائیکو پیٹرولیم پاکستان لمیٹڈ
 ناظمین کی سہ ماہی رپورٹ برائے ختمہ 30 ستمبر 2017
 بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

آپ کی کمپنی کے ناظمین، کمپنی کے مالیاتی نتائج اور کاروائیوں کا مختصر جائزہ برائے سہ ماہی مدت ختمہ 30 ستمبر 2017، باسرت طور پر پیش کرتے ہیں۔

جیسا کہ پہلے مطلع کیا گیا ہے کہ کمپنی نے اسکی بڑی ریفا سٹری پراگست 2017ء سے عمل شروع کر دیا ہے جس میں نئی کروڈ چارج ہیٹر/بھٹی شامل کی گئی ہے۔ ریفا ٹنگ آپریشنز سے حجم میں اضافہ کے نتیجہ میں اس مدت کے لئے 87 فی صد کے تحت 141.4 ارب روپے کا اضافہ ہوا۔ پائیدار گراس ریفا سٹری مارجنز (GRM) سے کمپنی نے 2.3 ارب روپے کا کل منافع کمایا جس کا موازنہ گزشتہ سال کے 10.4 ارب روپے سے کیا جاسکتا ہے۔ زیر نظر مدت کے لئے بعد از ٹیکس منافع 1.2 ارب روپے بحساب 0.23 روپے فی حصص آمدنی حاصل کی جس کا موازنہ گزشتہ سال کے 0.04 سے کیا جاسکتا ہے۔

فی الحال کمپنی کی ڈیزل مصنوعات کم قیمت پر متعین ہیں جب تک اس کی ڈیزل مصنوعات کا معیار یورو II کے مطابق نہ ہو جائے جس کیلئے ترقیاتی بنیادوں پر کوششیں کی جارہی ہیں۔ بعد از اختتام مدت کمپنی نے اپنی ریفا سٹری مقدار پر نظر ثانی کی جسکی وچ فرنس آئل کا بحران تھا جس سے پوری تیل کی صنعت دوچار تھی۔ البتہ رپورٹ کی تاریخ سے قبل اس کی کوآپنی مقدار پر واپس لے لیا گیا۔

کمپنی صحت، تحفظ، ماحول اور اعلیٰ ترین معیارات کو جاری رکھے ہوئے ہے۔ مرکز توجہ موثر اور محفوظ کاروائیاں بشمول ملازمین، صارفین اور ٹھیکیداروں کی حفاظت، تعمیل کے ہمراہ، مصنوعات کی قومی معیار کے مطابق معیاری پیداوار پر رہا۔

بورڈ کی تعریف و توصیف اور اظہار تشکر ریکارڈ پر موجود ہے۔ اور کمپنی حکومت پاکستان کے تعاون کی بھی مشکور ہے اور اس تشکر میں بنگالی اہمیت کے حامل شراکت دار، مالیاتی ادارے، قرض دہندگان، سپلائرز، خریدار کسٹمرز اور کمپنی کے حصص یافتگان بھی شامل ہیں۔

برائے اور منجانب بورڈ آف ڈائریکٹرز
 چیف ایگزیکٹو آفیسر
 کراچی

29 جنوری 2018

Unconsolidated Condensed Interim Balance Sheet

As at 30 September 2017

	Notes	Sep 30, 2017 Unaudited	Jun 30, 2017 Audited
----- (Rupees in '000) -----			
NON CURRENT ASSETS			
Property, plant and equipment	6	73,549,472	73,046,950
Long term Investment		16,931,504	16,931,504
Long term Loans and Advances		987,936	947,936
Long-term deposits		16,956	16,956
Deferred taxation		1,282,932	1,282,932
		92,768,800	92,226,278
CURRENT ASSETS			
Stores and spares		516,829	483,884
Stock-in-trade	7	13,239,123	12,582,849
Trade debts	8	5,186,837	4,858,318
Loans and advances		1,050,169	1,056,064
Trade deposits and short-term prepayments		18,858	13,173
Accrued interest		213,985	237,951
Other receivables	9	2,050,889	2,147,976
Cash and bank balances		360,289	249,577
		22,636,979	21,629,792
Total assets		115,405,779	113,856,070
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Authorized share capital 6,000,000,000 (June 2017:6,000,000,000) Ordinary shares of Rs.10/- each		60,000,000	60,000,000
Share capital		53,298,847	53,298,847
Merger Reserves		(21,303,418)	(21,303,418)
Accumulated losses		(10,478,211)	(11,820,649)
		21,517,218	20,174,780
Contribution against future issue of shares		761,129	761,129
		22,278,347	20,935,909
Surplus on revaluation of Property, plant and equipment		4,874,410	4,999,836
NON CURRENT LIABILITIES			
Long term financing		16,727,237	16,288,749
Loans from related parties		6,136,605	6,110,417
Accrued and deferred markup		8,913,224	8,429,727
Long-term deposits		172,375	172,375
Deferred liabilities		366,677	353,514
		32,316,118	31,354,782
CURRENT LIABILITIES			
Trade and other payables		44,140,442	41,875,189
Advance from customers		762,291	2,472,871
Accrued mark-up		562,312	564,213
Short term borrowings - secured		4,371,110	3,371,784
Current portion of non-current liabilities		5,729,001	7,932,303
Taxation - net		371,748	349,182
		55,936,904	56,565,543
Contingencies and Commitments	10		
Total equity and liabilities		115,405,779	113,856,070

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

Chief Executive

Director

Chief Financial Officer

Unconsolidated Condensed Interim Profit and Loss Account

For the period ended 30 September 2017

	Sep 2017	Sep 2016 (Restated)
-----Rupees in '000-----		
Gross turnover	41,351,933	22,073,696
Sales tax, discount and others	(9,910,459)	(5,472,162)
Turnover - net	31,441,474	16,601,534
Cost of Sales	(29,084,497)	(16,238,619)
Gross profit	2,356,977	362,915
Administrative expenses	(226,549)	(208,454)
Selling and distribution expenses	(81,521)	(68,078)
Other expenses	(251,612)	(169,364)
Other income	143,121	932,976
	(416,561)	487,080
Operating profit	1,940,416	849,995
Finance costs	(493,909)	(570,104)
Exchange loss	(102,183)	(32,533)
	(596,092)	(602,637)
Profit before taxation	1,344,324	247,358
Taxation		
Current	(127,314)	(87,038)
Deferred	-	55,595
	(127,314)	(31,443)
Profit after taxation	1,217,010	215,915
Earning per share - (Rupees)		
- Basic / Diluted	0.23	0.04

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

Chief Executive

Director

Chief Financial Officer

Unconsolidated Condensed Interim Statement of Other Comprehensive Income

For the period ended 30 September 2017

	Sep 2017	Sep 2016 (Restated)
	-----Rupees in '000-----	
Profit after taxation	1,217,010	215,915
Other comprehensive income	-	-
Total comprehensive Income for the period	<u>1,217,010</u>	<u>215,915</u>

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

Chief Executive

Director

Chief Financial Officer

Unconsolidated Condensed Interim Cash Flow Statement

For the period ended 30 September 2017

	30 Sep 2017	30 Sep 2016 (Restated)
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,344,324	247,358
Adjustments for:		
Depreciation	695,887	694,049
Finance costs	596,092	602,637
Provision for impairment against doubtful debts	193,483	108,525
Interest income	(138,245)	(129,462)
Provision for gratuity	13,163	9,217
Net cash flow before working capital changes	2,704,705	1,532,324
Movement in working capital		
(Increase) / decrease in current assets		
Stores and spares	(32,945)	(37,955)
Stock in trade	(656,274)	(967,951)
Trade debts	(383,757)	2,182,434
Loans and advances	5,895	(2,726)
Trade deposits and short term prepayments	(5,686)	
Other receivables	97,087	(12,189)
Increase / (Decrease) in current liabilities		
Trade and other payables	554,673	2,138,805
	(421,006)	3,300,418
Cash generated from operations	2,283,699	4,832,742
Financial costs paid	(184,498)	(200,384)
Income Taxes paid	(104,748)	(92,681)
Gratuity paid	--	--
Interest income received	33,333	30,130
Net cash from operating activities	2,027,786	4,569,807
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,198,410)	(477,490)
Advance against investment in Shares	(40,000)	(15,000)
Net cash used in investing activities	(1,238,410)	(492,490)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loan	(1,677,991)	(2,158,455)
Short term borrowings net	1,846,326	(1,168,307)
Liabilities against assets subject to finance lease - net	--	(4,362)
Net cash generated from / used in financing activities	168,335	(3,331,125)
Net increase / (decrease) in cash and cash equivalents	957,712	746,193
Cash and cash equivalents - opening	(1,350,423)	(593,141)
Cash and cash equivalents - closing	(392,711)	153,051

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

Chief Executive

Director

Chief Financial Officer

Unconsolidated Condensed Interim Statement of Changes In Equity

For the period ended 30 September 2017

	Issued, subscribed and paid up capital	Merger Reserves	Accumulated Loss	Total	Contribution against future issue of shares	Total
	----- (Rupees in '000) -----					
Balance as at 1 July 2016	9,778,587		(7,944,149)	1,834,438	-	1,834,438
Cancellation of shares held by BOPL	(7,905,101)	--	--	(7,905,101)	--	(7,905,101)
Issuance of shares pursuant to merger	51,425,361	--	--	51,425,361	--	51,425,361
Transfer upon merger	--	--	(3,757,751)	(3,757,751)	761,129	(2,996,622)
Merger Reserve	--	(21,303,418)	--	(21,303,418)	--	(21,303,418)
Total comprehensive income for the period						
Profit for the period	--		215,915	215,915	--	215,915
Incremental depreciation relating to surplus on revaluation of Property, plant and equipment - net of tax	--		496,485	496,485	--	496,485
Balance as at September 30, 2016	53,298,847	(21,303,418)	(10,989,500)	21,005,929	761,129	21,767,058
Balance as at 1 July 2017	53,298,847	(21,303,418)	(11,820,649)	20,174,780	761,129	20,935,909
Total comprehensive income for the period						
Profit for the period	--	--	1,217,010	1,217,010	--	1,217,010
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	--	--	125,427	125,427	--	125,427
Balance as at September 30, 2017	53,298,847	(21,303,418)	(10,478,212)	21,517,217	761,129	22,278,346

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

Chief Executive

Director

Chief Financial Officer

Notes to the Unconsolidated Condensed Interim Financial Statements

For the period ended 30 September 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

Byco Petroleum Pakistan Limited (the Company) was incorporated in Pakistan as a public limited company on 09 January 1995 under the Companies Ordinance, 1984 (Repealed) 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 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 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 305 retail outlets across the country.

Last year, the High Court sanctioned by the High Court of Sindh sanctioned the scheme of merger as fully explained in note 1.2 of the annual financial statements for the year ended June 30, 2017. Pursuant to this sanction, the entire business of Byco Terminals Pakistan Limited (BTPL) and Byco Oil Pakistan Limited (BOPL) vested into the Company with effect from the effective date i.e. close of business June 30, 2016. Consequently, the corresponding results for the previous period presented are restated.

2. GOING CONCERN ASSUMPTION

As at 30 Sep 2017, the Company's accumulated losses amounted to Rs. 10,478.211 million (30 June 2017: Rs.11,820.649) million. Moreover, current liabilities of the Company exceeded its current assets by Rs. 33,299.925 million.

These conditions indicate existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern, 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 Company earned a profit after tax amounting to Rs. 1,217 million (Operating profit: 6.17%) for the period as compared to a profit after tax of Rs. 216 million (Operating profit: 5.12%) same period last year, showing improvement in the Company's profitability;
- the sales volume of high margin products through marketing arm of the Company has increased by 78% showing improvement in the Company's performance as compared to 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. These factors of PMB segment has been and is expected to yield significant contribution towards the profitability of the Company;
- 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;
- the larger refinery unit of the Company re-commissioned its operations from August 2017 which is expected to enhance the throughput / profitability of the Company in the coming years.
- Further, the parent company has given its commitment to give financial support to the Company as and when required. The support is available during the next financial year and beyond that;
- The management has also prepared financial projections to demonstrate the financial benefits of above measures.

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

3. BASIS OF PREPARATION

3.1 Statement of compliance

During the year ended June 30, 2017, the Government of Pakistan promulgated the Companies Act, 2017 (the "Act") thereby repealing the Companies Ordinance, 1984 ("Repealed Ordinance") effective from May 30, 2017. The Act specified certain treatments and additional requirements for financial statements, however, the Securities and Exchange Commission of Pakistan (SECP) deferred the applicability of the Act on annual and interim financial statements for the periods ending on or before December 31, 2017 vide its circular no. 23 / 2017 dated October 04, 2017 and required that the annual and interim financial statements for the periods ending on or before December 31, 2017 shall be prepared under the provisions or directives of the Repealed Ordinance. Accordingly, the provisions of the Act have not been considered for the preparation of this condensed interim financial information.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the period ended 30 September 2017

This unconsolidated condensed interim financial information of the Company for the period ended 30 Sep 2017 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 (Repealed) . In case where requirements differ, the provisions of or directive issued under the Companies Ordinance, 1984 (Repealed) have been followed.

- 3.2 This unconsolidated 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 2017.
- 3.3 This unconsolidated condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 245 of the Companies Ordinance, 1984 (Repealed).
- 3.4 This unconsolidated condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand.
- 3.5 The comparative balance sheet presented in these unconsolidated condensed interim financial information as at 30 June 2017 has been extracted from the unconsolidated audited financial statements of the Company for the year ended 30 June 2017.

4 ACCOUNTING POLICIES

The accounting policies and the method of computation adopted in the preparation of these unconsolidated 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 2017.

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

5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this unconsolidated condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use 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 unconsolidated condensed interim financial information are the same as those that were applied to the unconsolidated financial statements as at and for the year ended 30 June 2017. 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 2017.

6 PROPERTY, PLANT AND EQUIPMENT

		Amount in Rs. '000	
		Sep 30, 2017 Unaudited	Jun 30, 2017 Audited
Operating fixed assets	6.1	39,792,991	39,002,978
Capital work in progress - at cost		33,756,481	34,043,972
		<u>73,549,472</u>	<u>73,046,950</u>

- 6.1 During the period, the additions in property, plant and equipment amounted to Rs. 1.2 billion.

7 STOCK IN TRADE

		Amount in Rs. '000	
		Sep 30, 2017 Unaudited	Jun 30, 2017 Audited
Raw material	7.1	8,371,887	6,784,377
Finished products	7.2 & 7.3	4,867,236	5,798,472
		<u>13,239,123</u>	<u>12,582,849</u>

- 7.1 This includes raw material in transit amounting to Rs. 4,525.869 million (30 June 2017: Rs. 4,032.88 million) as at the balance sheet date.
- 7.2 Finished products having cost of 2,439.858 million (June 2017: 3,589.267 million) have been written down by Rs. 95.659 million (June 2017: 303.694 million) to net realizable value.
- 7.3 Stock of finished products includes stock held by third parties and related party amounting to Rs. 1,922.662 million (June 2017: Rs. 1,033.413 million) and Rs. 221.088 million (June 2017: Rs. 103.839 million) respectively.

8 TRADE DEBTS - unsecured

- 8.1 This mainly includes Rs. 7,294.205 million (30 June 2017: Rs. 7,553.041 million) due from an OMC and Rs. 247.537 million (30 June 2017: Rs. 224.068 million) due from related party against supplies of products.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the period ended 30 September 2017

8.2 During the period provision was made against doubtful debts amounting to Rs. 193,483 million.

9 OTHER RECEIVABLES - considered good

9.1 This includes Rs. 696 million and Rs. 985 million (30 June 2017: Rs. 706 million and Rs. 994) receivable from related party and Coastal Refinery Limited respectively.

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

The status for contingencies is same as disclosed in unconsolidated financial statements for the year ended 30 June 2017.

11 TRANSACTIONS 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:

11.1 Transactions with related parties

	Amount in Rs. '000	
	Jul - Sep 2017	Jul - Sep 2016 (Restated)
	-----Unaudited-----	
Parent company:		
Markup charged	38,881	33,309
Subsidiary Company:		
Other expenses incurred	15,986	11,786
Associated companies:		
Sales of goods and services	1,070,590	--
Purchase of operating fixed assets and services	402	--
Staff provident fund		
Payment of employees and Company's contribution	43,242	10,412
Key Management Personnel		
Salaries and benefits payment	177,543	174,715
	30 September	30 June
	2017	2017
	(Un-audited)	(Audited)

11.2 Balances with related parties

	----(Rupees in '000)----	
	30 September 2017 (Un-audited)	30 June 2017 (Audited)
Parent Company		
Other receivables	-	25,138
Contribution against future issue of shares	761,129	761,129
Accrued markup	315,612	301,869
Loan payable	6,136,605	6,110,417
Subsidiary Company		
Receivable against expenses incurred	696,520	680,534
Associated Companies		
Trade debts	247,537	224,068
Accrued interest	74,858	108,192
Long Term deposit receivable	95	95
Payable against purchases	8,147	8,147
Others		
Payable to key management person	68,508	68,508
Payable to staff provident fund	29,119	46,019

Notes to the Unconsolidated Condensed Interim Financial Statements

For the period ended 30 September 2017

12 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:

	Oil Refining		Petroleum Marketing		Total	
	2017	2016	2017	2016	2017	2016
----- (Rupees in '000) -----						
Sales to ext. customers	19,466,575	9,501,392	11,974,899	7,100,142	31,441,474	16,601,534
Inter-segment sales	11,117,579	6,669,484	--	39,369	11,117,579	6,708,853
Eliminations	(11,117,579)	(6,669,484)	--	(39,369)	(11,117,579)	(6,708,853)
Total revenue	19,466,575	9,501,392	11,974,899	7,100,142	31,441,474	16,601,534
Result						
Segment results - profit	1,699,935	688,751	353,848	201,145	2,053,783	889,896
Finance costs					(596,092)	(602,637)
Other expenses					(251,612)	(169,364)
Interest income					138,245	129,462
Taxation					(127,314)	(31,443)
Profit for the period					1,217,010	215,915
Other Information						
Depreciation	686,101	684,472	9,786	9,577	695,887	694,049

13 Reclassification

Following corresponding figures have been reclassified for better presentation:

From	To	Rs. '000
Long term Loans and Advances	Loans and advances	830,000
Long term financing	Accrued and deferred markup	8,429,727
Selling and distribution expenses	Cost of Sales	99,400
Selling and distribution expenses	Gross turnover	268,120

14 DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was authorised for issue on 29 January, 2018 by the Board of Directors of the Company.

Chief Executive

Director

Chief Financial Officer

Consolidated
Condensed Interim Financial Statement
For the Period Ended September 30, 2017



Consolidated Condensed Interim Balance Sheet

As at 30 September 2017

	Notes	Sep 30, 2017 Unaudited	Jun 30, 2017 Audited
------(Rupees in '000)-----			
NON CURRENT ASSETS			
Property, plant and equipment	6	88,764,051	88,479,753
Long term Loans and Advances		987,936	947,936
Long-term deposits		16,956	16,956
		89,768,943	89,444,645
CURRENT ASSETS			
Stores and spares		516,829	483,884
Stock in trade	7	13,239,123	12,582,849
Trade debts	8	5,186,837	4,858,318
Loans and advances		1,050,169	1,056,064
Trade deposits and short-term prepayments		18,858	13,173
Accrued interest		213,985	237,951
Other receivables	9	1,354,369	1,467,442
Cash and bank balances		360,289	249,577
		21,940,459	20,949,258
Total assets		111,709,402	110,393,903
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Authorized share capital 6,000,000,000 (June 2017:6,000,000,000) Ordinary shares of Rs.10/- each		60,000,000	60,000,000
Share capital		53,298,847	53,298,847
Merger Reserves		(21,303,418)	(21,303,418)
Accumulated losses		(25,633,611)	(26,866,160)
		6,361,818	5,129,269
Contribution against future issue of shares		761,129	761,129
		7,122,947	5,890,398
Surplus on revaluation of Property, plant and equipment		13,201,980	13,254,699
NON CURRENT LIABILITIES			
Long term financing		16,727,237	16,288,749
Loans from related parties		6,136,605	6,110,417
Accrued and deferred markup		8,913,224	8,429,727
Long-term deposits		172,375	172,375
Deferred liabilities		3,500,397	3,678,939
		35,449,838	34,680,207
CURRENT LIABILITIES			
Trade and other payables		44,138,175	41,878,245
Advance from customer		762,291	2,472,871
Accrued mark-up		562,312	564,213
Short term borrowings - secured		4,371,110	3,371,784
Current portion of non-current liabilities		5,729,001	7,932,304
Taxation - net		371,748	349,182
		55,934,637	56,568,599
Contingencies and Commitments	10		
Total equity and liabilities		111,709,402	110,393,903

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

Chief Executive

Director

Chief Financial Officer

Consolidated Condensed Interim Profit and Loss Account

For the period ended 30 September 2017

	Sep 2017	Sep 2016 (Restated)
	-----Rupees in '000-----	
Gross turnover	41,351,933	22,098,841
Sales tax, discount and others	(9,910,459)	(5,472,162)
Turnover - net	31,441,474	16,626,679
Cost of Sales	(29,313,921)	(16,394,451)
Gross profit	2,127,553	232,228
Administrative expenses	(226,549)	(211,463)
Selling and distribution expenses	(81,521)	(167,478)
Other expenses	(251,612)	(169,364)
Other income	143,121	932,976
	(416,561)	384,671
Operating profit	1,710,992	616,899
Finance costs	(493,909)	(570,104)
Exchange loss	(102,183)	(32,533)
	(596,092)	(602,637)
Profit before taxation	1,114,900	14,262
Taxation		
Current	(127,314)	(90,439)
Prior	-	-
Deferred	-	108,532
	(127,314)	18,093
Profit after taxation	987,586	32,355
Earning per share - (Rupees)		
- Basic / Diluted	0.19	0.01

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

Chief Executive

Director

Chief Financial Officer

Consolidated Condensed Interim Statement of Other Comprehensive Income

For the period ended 30 September 2017

	Sep 2017	Sep 2016 (Restated)
	-----Rupees in '000-----	
Profit after taxation	987,586	32,355
Other comprehensive income	-	-
Total comprehensive Income for the period	<u>987,586</u>	<u>32,355</u>

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

Chief Executive

Director

Chief Financial Officer

Consolidated Condensed Interim Cash Flow Statement

For the period ended 30 September 2017

	30 Sep 2017	30 Sep 2016 (Restated)
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,114,900	14,262
Adjustments for:		
Depreciation	914,111	912,273
Finance costs	596,092	602,637
Provision for impairment against doubtful debts	193,483	108,525
Interest income	(138,245)	(129,462)
Provision for gratuity	13,163	9,217
Net cash flow before working capital changes	<u>2,693,505</u>	<u>1,517,452</u>
Movement in working capital		
(Increase) / decrease in current assets		
Stores and spares	(32,945)	(37,955)
Stock in trade	(656,274)	(967,951)
Trade debts	(383,757)	2,182,434
Loans and advances	5,895	(2,726)
Trade deposits and short term prepayments	(5,686)	(110,556)
Other receivables	113,073	(12,189)
Increase / (Decrease) in current liabilities		
Trade and other payables	549,887	2,133,868
	<u>(409,806)</u>	<u>3,184,925</u>
Cash generated from operations	<u>2,283,699</u>	<u>4,702,377</u>
Financial costs paid	(184,498)	(180,575)
Income Taxes paid	(104,748)	(92,681)
Interest income received	33,333	30,130
Net cash from operating activities	<u>2,027,786</u>	<u>4,459,251</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,198,410)	(477,490)
Advance against investment in Shares	(40,000)	(15,000)
Net cash used in investing activities	<u>(1,238,410)</u>	<u>(492,490)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loan	(1,677,991)	(2,158,455)
Short term borrowings net	1,846,326	(1,168,307)
Liabilities against assets subject to finance lease - net	--	(4,362)
Net cash generated from / used in financing activities	<u>168,335</u>	<u>(3,331,125)</u>
Net increase / (decrease) in cash and cash equivalents	<u>957,711</u>	<u>635,637</u>
Cash and cash equivalents - opening	<u>(1,350,422)</u>	<u>(593,141)</u>
Cash and cash equivalents - closing	<u><u>(392,711)</u></u>	<u><u>42,495</u></u>

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

Chief Executive

Director

Chief Financial Officer

Consolidated Condensed Interim Statement of Changes In Equity

For the period ended 30 September 2017

	Issued, subscribed and paid up capital	Merger Reserves	Accumulated Loss	Total	Contribution against future issue of shares	Total
----- (Rupees in '000) -----						
Balance as at 1 July 2016	9,778,587	-	(25,469,576)	(15,690,989)	-	(15,690,989)
Cancellation of shares held by BOPL	(7,905,101)	--	--	(7,905,101)	--	(7,905,101)
Issuance of shares pursuant to merger	51,425,361	--	--	51,425,361	--	51,425,361
Transfer upon merger	--	--	(3,757,751)	(3,757,751)	761,129	(2,996,622)
Merger Reserve	--	(21,303,418)	--	(21,303,418)	--	(21,303,418)
Total comprehensive income for the period						
Profit for the period	--	--	32,355	32,355	--	32,355
Incremental depreciation relating to surplus on revaluation of Property, plant and equipment - net of tax	--	--	241,570	241,570	--	241,570
Balance as at September 30, 2016	<u>53,298,847</u>	<u>(21,303,418)</u>	<u>(28,953,402)</u>	<u>3,042,027</u>	<u>761,129</u>	<u>3,803,156</u>
Balance as at 1 July 2017	53,298,847	(21,303,418)	(26,866,160)	5,129,269	761,129	5,890,398
Total comprehensive income for the period						
Profit for the period	--	--	987,586	987,586	--	987,586
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	--	--	244,962	244,962	--	244,962
Balance as at September 30, 2017	<u>53,298,847</u>	<u>(21,303,418)</u>	<u>(25,633,612)</u>	<u>6,361,817</u>	<u>761,129</u>	<u>7,122,946</u>

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

Chief Executive

Director

Chief Financial Officer

Notes to the Consolidated Condensed Interim Financial Statements

For the period ended 30 September 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

The "Group" consists of:

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 Companies Ordinance, 1984 (Repealed) 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 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 Holding Company currently operates two business segments namely Oil Refinery 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 305 retail outlets across the country.

Last year, the High Court sanctioned by the High Court of Sindh sanctioned the scheme of merger as fully explained in note 1.2 of the annual financial statements for the year ended June 30, 2017. Pursuant to this sanction, the entire business of Byco Terminals Pakistan Limited (BTPL) and Byco Oil Pakistan Limited (BOPL) vested into the Holding Company with effect from the effective date i.e. close of business June 30, 2016. Consequently, the corresponding results for the previous period presented are restated.

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

BIPL was incorporated in Pakistan as a private limited company on 14 May 2014 under the repealed Ordinance and it is a wholly owned subsidiary of the Holding Company. The registered office of BIPL is situated at Rooms 406 and 407, 4th Floor, Islamabad Stock Exchange Towers, 55-B, Jinnah Avenue, Islamabad. BIPL is principally engaged in blending, refining and processing of petroleum naphtha to produce petroleum products such as premium motor gasoline.

2. GOING CONCERN ASSUMPTION

As at 30 Sep 2017, the Group's accumulated losses amounted to Rs. 25,633.611 million (30 June 2017: Rs. 26,866.160) million. Moreover, current liabilities of the Group exceeded its current assets by Rs. 33,994.178 million.

These conditions indicate existence of material uncertainty which may cast significant doubt about the Group's ability to continue as going concern, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. These consolidated 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 Group earned a profit after tax amounting to Rs. 987 million (Operating profit: 5.44%) for the period as compared to a profit after tax of Rs. 32 million (Operating profit: 3.71%) same period last year, showing improvement in the Group's profitability;
- the sales volume of high margin products through marketing arm of the Group has increased by 78% showing improvement in the Group's performance as compared to same period last year;
- The Group'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. These factors of PMB segment has been and is expected to yield significant contribution towards the profitability of the Group;
- 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;
- the larger refinery unit of the Group re-commissioned its operations from August 2017 which is expected to enhance the throughput / profitability of the Group in the coming years.
- Further, the parent company of the Holding Company has given its commitment to give financial support to the Group 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 Group and mitigate the risks involved therefore, the preparation of consolidated financial statements on going concern assumption is justified.

Notes to the Consolidated Condensed Interim Financial Statements

For the period ended 30 September 2017

3 BASIS OF PREPARATION

3.1 Statement of compliance

During the year ended June 30, 2017, the Government of Pakistan promulgated the Companies Act, 2017 (the "Act") thereby repealing the Companies Ordinance, 1984 ("Repealed Ordinance") effective from May 30, 2017. The Act specified certain treatments and additional requirements for financial statements, however, the Securities and Exchange Commission of Pakistan (SECP) deferred the applicability of the Act on annual and interim financial statements for the periods ending on or before December 31, 2017 vide its circular no. 23 / 2017 dated October 04, 2017 and required that the annual and interim financial statements for the periods ending on or before December 31, 2017 shall be prepared under the provisions or directives of the Repealed Ordinance. Accordingly, the provisions of the Act have not been considered for the preparation of this condensed interim financial information.

This consolidated condensed interim financial information of the Group for the period ended 30 Sep 2017 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 (Repealed) . In case where requirements differ, the provisions of or directive issued under the Companies Ordinance, 1984 (Repealed) 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 2017.
- 3.3 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 vide section 245 of the Companies Ordinance, 1984 (Repealed).
- 3.4 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.
- 3.5 The comparative balance sheet presented in these consolidated condensed interim financial information as at 30 June 2017 has been extracted from the consolidated audited financial statements of the Group for the year ended 30 June 2017.

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 Group for the year ended 30 June 2017. Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the Group's operations or did not have any significant impact on the accounting policies of the Group.

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 2017. 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 2017.

6	PROPERTY, PLANT AND EQUIPMENT	Note	Amount in Rs. '000	
			Sep 30, 2017 Unaudited	Jun 30, 2017 Audited
	Operating fixed assets	6.1	55,007,570	54,435,781
	Capital work in progress - at cost		33,756,481	34,043,972
			88,764,051	88,479,753

- 6.1 During the period, the additions in property, plant and equipment amounted to Rs. 1.2 billion.

7	STOCK IN TRADE	Note	Amount in Rs. '000	
			Sep 30, 2017 Unaudited	Jun 30, 2017 Audited
	Raw material	7.1	8,371,887	6,784,377
	Finished products	7.2 & 7.3	4,867,236	5,798,472
			13,239,123	12,582,849

Notes to the Consolidated Condensed Interim Financial Statements

For the period ended 30 September 2017

- 7.1 This includes raw material in transit amounting to Rs. 4,525.869 million (30 June 2017: Rs. 4,032.88 million) as at the balance sheet date.
- 7.2 Finished products having cost of 2,439.858 million (June 2017: 3,589.267 million) have been written down by Rs. 95.659 million (June 2017: 303.694 million) to net realizable value.
- 7.3 Stock of finished products includes stock held by third parties and related party amounting to Rs. 1,922.662 million (June 2017: Rs. 1,033.413 million) and Rs. 221.088 million (June 2017: Rs. 103.839 million) respectively.

8 TRADE DEBTS - unsecured

- 8.1 This mainly includes Rs. 7,294.205 million (30 June 2017: Rs. 7,553.041 million) due from an OMC and Rs. 247.537 million (30 June 2017: Rs. 224.068 million) due from related party against supplies of products.
- 8.2 During the period provision was made against doubtful debts amounting to Rs. 193.483 million.

9 OTHER RECEIVABLES - considered good

- 9.1 This includes Rs. 985 million (30 June 2017: Rs. 994) 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 2017.

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:

	Amount in Rs. '000	
	Jul - Sep 2017	Jul - Sep 2016 (Restated)
11.1 Transactions with related parties		
Parent company:	-----Unaudited-----	
Markup charged	38,881	33,309
Associated companies:		
Sales of goods and services	1,070,590	--
Purchase of operating fixed assets and services	402	--
Staff provident fund		
Payment of employees and Company's contribution	43,242	20,813
Key Management Personnel		
Salaries and benefits payment	177,543	174,715
	30 September 2017 (Un-audited)	30 June 2017 (Audited)
11.2 Balances with related parties		
	(Rupees in '000)	
Parent Company		
Other receivables	-	25,138
Contribution against future issue of shares	761,129	761,129
Accrued markup	315,612	301,869
Loan payable	6,136,605	6,110,417
Associated Companies		
Trade debts	247,537	224,068
Accrued interest	74,858	108,192
Long Term deposit receivable	95	95
Payable against purchases	8,147	8,147
Others		
Payable to key management person	68,508	68,508
Payable to staff provident fund	29,119	46,019

Notes to the Consolidated Condensed Interim Financial Statements

For the period ended 30 September 2017

12 OPERATING SEGMENTS

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	Oil Refining		Petroleum Marketing		Total	
	2017	2016	2017	2016	2017	2016
	----- (Rupees in '000) -----					
Sales to ext. customers	19,466,575	9,501,392	11,974,899	7,100,142	31,441,474	16,626,679
Inter-segment sales	11,117,579	6,669,484	--	39,369	11,117,579	6,708,853
Eliminations	(11,117,579)	(6,669,484)	--	(39,369)	(11,117,579)	(6,708,853)
Total revenue	19,466,575	9,501,392	11,974,899	7,100,142	31,441,474	16,626,679
Result						
Segment results - profit	1,470,512	455,655	353,848	201,145	1,824,360	656,800
Finance costs					(596,092)	(602,637)
Other expenses					(251,612)	(169,364)
Interest income					138,245	129,462
Taxation					(127,314)	18,093
Profit for the period					987,586	32,355
Other Information						
Depreciation	904,325	902,696	9,786	9,577	914,111	912,273

13 Reclassification

Following corresponding figures have been reclassified for better presentation:

From	To	Rs. '000
Long term Loans and Advances	Loans and advances	830,000
Long term financing	Accrued and deferred markup	8,429,727
Selling and distribution expenses	Cost of Sales	99,400
Selling and distribution expenses	Gross turnover	268,120

14 DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue on 29 January, 2018 by the Board of Directors of the Company.

Chief Executive

Director

Chief Financial Officer



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