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Consolidated Financial Statements

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COMPANY INFORMATION

Board of Directors

Mohammad Wasi Khan	Chairman
Amir Abbassciy	Director & Chief Executive Officer
Amir Waheed Ahmed	Independent Director
Muhammad Usama Qureshi	Independent Director
Syed Arshad Raza	Director
Uzma Abbasi	Director

Audit Committee

Amir Waheed Ahmed	Chairman
Muhammad Usama Qureshi	Member
Uzma Abbasi	Member

Human Resource and Remuneration Committee

Muhammad Usama Qureshi	Chairman
Syed Arshad Raza	Member
Uzma Abbasi	Member

Risk Management Committee

Amir Abbassciy	Chairman
Muhammad Usama Qureshi	Member
Amir Waheed Ahmed	Member

Chief Financial Officer

Zafar Shahab	
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Company Secretary

Majid Muqtadir	
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Auditors

Yousuf Adil	Chartered Accountants
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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
The Bank of Khyber
The Bank of Punjab
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

The Harbour Front, 9th Floor,
Dolmen City, HC-3, Block-4,
Marine Drive, Clifton,
Karachi 75600, Pakistan
Tel: (92 21) 111 222 081
Fax: (92 21) 111 888 081

Website

www.byco.com.pk

DIRECTORS' REPORT

For the quarter ended September 30, 2021

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 the Company for the quarter ended 30th September, 2021.

The current quarter witnessed severe Pak Rupee depreciation of 8.5% which resulted in exchange losses to all the import-based industries and refineries are no exception to this. Although the exchange movement is included in the ex-refinery price as determined by the Government, the significant Rupee depreciation coupled with rising oil prices created significant stress on the working capital requirements. The free fall of the rupee is continuing to date, however, we expect this will come to a rest subject to the IMF package.

The Government, through Finance Act, 2021, has imposed sales tax @17% on crude oil whereas sales tax on regulated finished products (i.e. Motor Spirit and High-Speed Diesel) has been reduced to 6% and 10% respectively. This anomaly has put additional cash flow stress on the refineries by creating significant sales tax refunds. We, along with all other refineries, have highlighted this with the Government and look forward to an early correction to the same.

However, the margin realization remained low due to the reduction in our refineries throughput on account of the severe monsoon witnessed during the quarter.

The Company recorded net sales of PKR 34.4 billion as compared to PKR 33.4 billion in the same period last year and earned a gross profit of PKR 751 million during the quarter compared to PKR 1.7 billion last year. Operating expense remained in line, however, due to the lower gross profit realisation, the Company incurred a loss after tax of PKR 673 million with a basic loss per share of Rs. 0.13 (Diluted: 0.12) as compared to profit after tax of PKR 453 million with basic/diluted earnings per share of Rs. 0.09 in the same period last year.

While the overall consumption of petroleum products picked up locally and internationally which in turn led to improved margins on MS and HSD. The reason for incurring loss is primarily attributed to lower refineries throughput due to the severity of monsoon in the current quarter, significant Rupee devaluation as explained above, and the anomaly of sales tax refunds. The situation is expected to improve from next quarter as we expect healthy refinery margins with consistent product demand including Furnace Oil.

The Board wishes to place on record its gratitude for the co-operation 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
October 28th 2021

ڈائریکٹرز رپورٹ

برائے اختتام سہ ماہی 30 ستمبر 2021

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

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2021 کو اختتام شدہ سہ ماہی کے لئے مالیاتی نتائج اور کمپنی کی عملی سرگرمیوں کا ایک مختصر جائزہ پیش کرتے ہوئے انتہائی مسرت محسوس کر رہے ہیں۔

موجودہ سہ ماہی میں پاکستانی روپے کی قدر میں 8.5% کی شدید کمی دیکھی گئی جس کے نتیجے میں تمام درآمدات پر مبنی صنعتوں کو زرمبادلہ کے نقصانات ہونے اور ریفرنڈریز بھی اس سے مستثنیٰ نہیں تھیں۔ اگرچہ ایکس ریفرنڈری قیمت میں ایکٹیو ریٹ کی نقل و حرکت شامل ہوتی ہے۔ جیسا کہ حکومت نے طے کیا ہے، لیکن تیل کی بڑھتی ہوئی قیمتوں کے ساتھ ساتھ روپے کی قدر میں کمی نے ورکنگ کپینٹل کی ضروریات پر شدید دباؤ ڈالا۔ روپے کی قدر میں کمی کا سلسلہ تاحال جاری ہے، تاہم ہم امید کرتے ہیں کہ اس میں بہتری آئے گی جو کہ آئی ایم ایف پیسج سے مشروط ہے۔

حکومت نے فنانس ایکٹ 2021 کے تحت خام تیل پر 17% سبز ٹیکس عائد کیا ہے جبکہ ریگولیٹڈ تیار شدہ مصنوعات (یعنی بیورو اور ڈیزل) پر سبز ٹیکس کو کم کر کے پالٹریب 6% اور 10% کر دیا گیا ہے۔ اس بے ضابطگی نے سبز ٹیکس کی خاطر خواہ ریفرنڈری بنا کر ریفرنڈری کے کیش فلو پر مزید دباؤ ڈالا ہے۔ ہم نے دیگر تمام ریفرنڈریوں کے ساتھ مل کر حکومت کے ساتھ اس معاملے کو اجاگر کیا ہے اور اس کی جلد از جلد اصلاح کے منتظر ہیں۔

تاہم، سہ ماہی کے دوران شدید مومن سون کے موسم کی وجہ سے ہماری ریفرنڈریوں کے تھرو پٹ میں کمی ہوئی اور مارجن کی وصولی کم رہی۔

کمپنی نے 34.4 ارب پاکستانی روپے کی خالص فروخت ریکارڈ کی جو کہ پچھلے سال کی اس مدت میں 33.4 ارب پاکستانی روپے تھی اور سہ ماہی میں 751 ملین پاکستانی روپے کا مجموعی منافع حاصل کیا جو کہ گزشتہ سال 1.7 ارب پاکستانی روپے تھا۔ اگرچہ آپریٹنگ اخراجات برابر رہے، تاہم مجموعی منافع کی وصولی میں کمی کی وجہ سے کمپنی کو 673 ملین پاکستانی روپے کے بعد از ٹیکس خسارے کے ساتھ فی حصص بنیادی خسارہ 0.13 روپے (تخلیل شدہ 0.12 روپے) رہا جبکہ اسی مدت میں پچھلے سال کمپنی کو 453 ملین پاکستانی روپے بعد از ٹیکس منافع کے ساتھ 0.09 روپے فی حصص بنیادی/تخلیل شدہ منافع ہوا تھا۔

مقامی اور بین الاقوامی سطح پر تیل کی مصنوعات کی مجموعی کھپت میں اضافہ ہوا جس کے نتیجے میں MS اور HSD پر مارجن میں بہتری آئی۔ موجودہ سہ ماہی میں خسارہ بنیادی طور پر مومن سون کی شدت کی وجہ سے ریفرنڈریوں تھرو پٹ میں کمی، روپے کی قدر میں نمایاں کمزوری، جیسا کہ اوپر بیان کیا گیا ہے، اور سبز ٹیکس ریفرنڈری کی بے ضابطگی کی وجہ سے ہوا۔ اگلی سہ ماہی سے صورتحال میں بہتری کی توقع ہے کیونکہ ہم فرنس آؤٹ سیت دیگر مصنوعات کی مستقل طلب کے ساتھ صحت مند ریفرنڈری مارجن کی توقع کرتے ہیں۔

بورڈ حکومت پاکستان اور سٹریٹیجک پارٹنرز بشمول صارفین، مالیاتی اداروں، سپلائرز، وینڈرز اور شیئرز ہولڈرز کی جانب سے کمپنی کو فراہم کردہ تعاون پر تہ دل سے شکر یہ ادا کرتا ہے۔

برائے و مخاطب بورڈ آف ڈائریکٹرز

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی
28 اکتوبر 2021

Unconsolidated Condensed Interim Statement of Financial Position

As at
Sep 30, 2021

(Rupees in '000)

	Notes	Sep 30, 2021 (Unaudited)	Jun 30, 2021 (Audited)
NON CURRENT ASSETS			
Property, plant and equipment	5	71,763,413	71,511,881
Long term Investment		16,931,504	16,931,504
Long term Loans and Advances		568,232	568,231
Long-term deposits		337,904	337,712
Deferred taxation		642,928	901,548
		90,243,981	90,250,876
CURRENT ASSETS			
Stores and spares		2,124,034	2,081,378
Stock-in-trade	6	23,140,486	33,584,673
Trade debts	7	3,570,393	4,556,175
Loans and advances		1,562,189	1,560,131
Trade deposits and short-term prepayments		58,321	52,427
Accrued interest		375,239	362,032
Other Receivables	8	2,101,506	2,162,185
Taxation - net		1,147,920	1,138,264
Cash and bank balances		1,064,807	2,249,958
		35,144,896	47,747,223
TOTAL ASSETS		125,388,877	137,998,099
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		53,298,847	53,298,847
Reserves		(28,089,622)	(27,547,611)
Surplus on revaluation of Property, plant and equipment		2,983,873	3,115,366
		28,193,097	28,866,602
Contribution against future issue of shares		979,418	979,418
		29,172,516	29,846,020
NON CURRENT LIABILITIES			
Long term financing		21,033,604	21,897,037
Accrued and deferred markup		6,261,329	5,774,166
Long term lease liabilities		1,028,817	1,029,047
Long-term deposits		269,500	269,500
Deferred liabilities		514,232	548,129
Deferred income - government grant		899	3,501
		29,108,382	29,521,380
CURRENT LIABILITIES			
Trade and other payables		43,091,363	54,179,277
Advance from customers		2,373,190	2,851,374
Accrued mark-up		631,088	568,226
Short term borrowings - secured		15,716,116	15,069,500
Current portion of non-current liabilities		5,274,808	5,934,329
Current portion of deferred income - government grant		20,388	26,966
Unclaimed dividend		1,027	1,027
		67,107,979	78,630,699
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		125,388,877	137,998,099

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

Chief Executive Officer

Director

Chief Financial Officer

Unconsolidated Condensed Interim Statement of Profit or Loss

For the period ended
Sep 30, 2021

(Rupees in '000)

	Sep 2021	Sep 2020
Gross turnover	40,196,623	48,416,118
Sales tax, discounts & other duties	(5,737,995)	(14,917,615)
Turnover - net	34,458,628	33,498,503
Cost of sales	(33,707,099)	(31,779,762)
Gross profit	751,529	1,718,741
Administrative expenses	(269,670)	(248,424)
Selling and distribution expenses	(137,941)	(148,351)
Other expenses	(355,767)	(358,056)
Other income	248,138	239,571
	(515,240)	(515,260)
Operating profit	236,289	1,203,481
Finance costs	(651,172)	(750,051)
(Loss) / Profit before taxation	(414,883)	453,430
Current	-	-
Deferred	(258,621)	-
Taxation	(258,621)	-
(Loss) / Profit after taxation	(673,504)	453,430
(Loss) / Earnings per share - Rupees		
- Basic	(0.13)	0.09
- Diluted	(0.12)	0.09

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

Chief Executive Officer

Director

Chief Financial Officer

Unconsolidated Condensed Interim Statement of Comprehensive Income

For the period ended Sep 30, 2021

(Rupees in '000)

	Sep 2021	Sep 2020
(Loss) / Profit after taxation	(673,504)	453,430
Other comprehensive income	–	–
Total comprehensive (loss) / income for the period	(673,504)	453,430

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

Chief Executive Officer

Director

Chief Financial Officer

Unconsolidated Condensed Interim Statement of Changes in Equity

For the period ended Sep 30, 2021

(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 & equipment	Accumulated Loss				
Balance as at 1 July 2020	53,298,847	(21,303,418)	3,214,209	3,641,342	(13,507,304)	25,343,676	857,140	26,200,816	
Total comprehensive income for the period									
Profit for the period	-	-	-	-	453,430	453,430	-	453,430	
Other comprehensive income/(loss) for the period - net of tax	-	-	-	-	-	-	-	-	
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	-	-	-	(131,494)	131,494	-	-	-	
Balance as at September 30, 2020	53,298,847	(21,303,418)	3,214,209	3,509,848	(12,922,380)	25,797,106	857,140	26,654,246	
Balance as at 1 July 2021	53,298,847	(21,303,418)	3,214,209	3,115,366	(9,458,402)	28,866,602	979,418	29,846,020	
Total comprehensive loss for the period									
Loss for the period	-	-	-	-	(673,504)	(673,504)	-	(673,504)	
Other comprehensive income/(loss) for the period	-	-	-	-	-	-	-	-	
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	-	-	-	(131,493)	131,493	-	-	-	
Balance as at September 30, 2021	53,298,847	(21,303,418)	3,214,209	2,983,873	(10,000,413)	28,193,098	979,418	29,172,516	

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

Chief Executive Officer

Director

Chief Financial Officer

Unconsolidated Condensed Interim Statement of Cash Flows

For the period ended Sep 30, 2021

(Rupees in '000)

	Sep 30, 2021	Sep 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(414,883)	453,430
Adjustments for:		
Depreciation	976,589	969,538
Finance costs	651,172	750,051
Provision for impairment against doubtful debts	346,837	347,021
Loss/ (Gain) on disposal of assets	—	(46)
Interest income	(240,721)	(231,702)
Provision for gratuity	26,629	17,372
Net cash flow before working capital changes	1,345,622	2,305,664
Movement in working capital		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(42,656)	(56,590)
Stock in trade	10,444,187	1,169,931
Trade debts	857,138	(2,443,713)
Loans and advances	(2,058)	(233,249)
Trade deposits and short term prepayments	(5,894)	2,083
Other receivables	60,679	(102,016)
<i>Increase / (Decrease) in current liabilities</i>		
Advance from customers	(478,184)	(824,992)
Trade and other payables	(10,975,067)	1,653,442
	(141,856)	(835,104)
Cash generated from operations	1,203,766	1,470,560
Finance costs paid	(1,084,475)	(1,061,519)
Income Taxes paid	(9,657)	(10,852)
Gratuity paid	(9,572)	(30,000)
Interest income received	9,320	1,357
Net Cash generated from operations	109,381	369,546
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,228,121)	(732,698)
Sale Proceeds against disposal	—	66
Long term deposits - net	(192)	(1,815)
Net cash used in investing activities	(1,228,313)	(734,447)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loan - net	(712,835)	504,041
Short Term Borrowing	646,616	(1,738,408)
Net cash (used in) financing activities	(66,219)	(1,234,367)
Net (decrease) / increase in cash and cash equivalents	(1,185,151)	(1,599,268)
Cash and cash equivalents - opening	649,958	2,319,220
Cash and cash equivalents - closing	(535,193)	719,952
Cash and cash equivalents comprise of:		
Cash and bank balances	1,064,807	2,136,953
Running finance facility	(1,600,000)	(1,417,001)
	(535,193)	719,952

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

Chief Executive Officer

Director

Chief Financial Officer

Notes to the Unconsolidated Condensed Interim Financial Statements

For the period ended Sep 30, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Byco Petroleum Pakistan Limited (the Company) was incorporated in Pakistan as a public limited company on 09 January 1995 under the 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 Company is a subsidiary of Cnergyico Mu Incorporated, (formerly Byco Industries Incorporated (BII)), Mauritius (the Parent Company). The Holding Company in turn is a subsidiary of Busientco Incorporated (formerly Byco Busient Incorporated (BBI)), Cayman Islands.
- 1.2 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 426 retail outlets across the country as at 30 September 2021.

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 Standards (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified by 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 do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2021.
- 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 These unconsolidated condensed interim financial statements 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.
- 2.5 The comparative balance sheet presented in these unconsolidated condensed interim financial information has been extracted from the unconsolidated audited financial statements of the Company for the year ended 30 June 2021.

3 ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the Company's annual audited financial statements for the year ended June 30, 2021 except as disclosed below:

New / Revised standards, amendments, interpretation and improvements

The Company has adopted the following accounting standards, amendments and interpretation of IFRSs and the improvements to accounting standards which became effective for the current period:

Standards, amendments and interpretation

IFRS 3 - Definition of a Business (Amendments)

IFRS 7, IFRS 9 & IAS 39 - Interest rate benchmark reforms (Amendments)

IAS 1/ IAS 8 - Definition of material (Amendments)

The adoption of the above standards, amendments, interpretation and improvements did not have any effect on the accounting policies of the Company.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

Estimates and judgements 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 2021, except as disclosed otherwise.

5 PROPERTY, PLANT AND EQUIPMENT

		(Rupees in '000)	
	Note	Sep 30, 2021 (Unaudited)	Jun 30, 2021 (Audited)
Operating fixed assets		42,620,532	43,466,979
Capital work in progress - at cost		28,397,167	27,216,293
ROU asset		745,714	828,609
	5.1	71,763,413	71,511,881

- 5.1 During the period, the additions in property, plant and equipment amounted to Rs. 1,228.128 million (Sep 30, 2020:Rs. 732.698 million).

6 STOCK IN TRADE

(Rupees in '000)			
	Note	Sep 30, 2021 (Unaudited)	Jun 30, 2021 (Audited)
Raw material	6.1	16,274,288	26,063,302
Finished products	6.2	6,866,198	7,521,371
		23,140,486	33,584,673

6.1 This includes raw material in transit amounting to Rs. 12,668.670 million (30 June 2021: Rs. 21,961.788 million) as at the balance sheet date.

6.2 This includes finished products held by third parties amounting to Rs. 1,692.152 million (30 June 2021: Rs. 3,163.736 million).

7 TRADE DEBTS

7.1 During the period, provision was made against doubtful debts amounting to Rs. 346.837 million (Sep 30, 2020:Rs. 347.021 million).

8 OTHER RECEIVABLES - considered good

8.1 This includes Rs. 675.657 million and Rs. 1,303.380 million (30 June 2021: Rs. 706.853 million and Rs. 1,234.507 million) receivable from related party and Coastal Refinery Limited respectively.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no material change in the status of contingencies from what is disclosed in note 27 to the annual audited unconsolidated financial statements for the year ended 30 June 2021.

9.2 Commitments

The status for commitments is same as disclosed in unconsolidated financial statements for the year ended 30 June 2021 except for:

(Rupees in '000)		
	Sep 30, 2021 (Unaudited)	Jun 30, 2021 (Audited)
Commitments for capital expenditure	3,349,037	3,175,124

10 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:

10.1 Transactions with related parties

	(Rupees in '000)	
	Jul - Sep 2021	Jul - Sep 2020
	(Unaudited)	
Parent Company:		
Markup charged	15,267	18,822
Subsidiary Company:		
Other expenses incurred	92	83
Product Processing charges	31,288	25,480
Associated companies:		
Purchase of operating fixed assets and services	2,426	39,182
Markup charged	371,896	219,062
Others		
Post employment benefit Funds	48,811	109,213
KMP - Salaries and other benefits	49,585	36,735

10.2 Balances with related parties

	(Rupees in '000)	
	Sep 30, 2021 (Unaudited)	Jun 30, 2021 (Audited)
Parent Company		
Contribution against future issue of shares	979,418	979,418
Accrued markup	734,096	718,829
Loan payable	3,935,650	3,935,650
Subsidiary Company		
Receivable against expenses incurred	675,657	706,853
Associated Companies		
Advance against shared services	62,670	70,069
Payable against purchases	30,470	28,044
Accrued markup	5,257,030	4,885,134
Loan payable	14,831,628	14,831,628
Others		
Payable to key management person	68,508	68,508
Payable to post employment benefit funds	250,414	211,907

11 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 2021. There have been no changes in any risk management policies since the year end.

12 FAIR VALUE OF ASSETS AND LIABILITIES

There were no transfers amongst levels during the period.

13 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. *Sales to external customers includes levy of the intersegment sales.

(Rupees in '000)						
	Oil Refining		Petroleum Marketing		Total	
	2021	2020	2021	2020	2021	2020
Sales to external customers	11,561,841	13,682,379	22,896,787	19,816,124*	34,458,628	33,498,503
Inter-segment sales	22,285,042	15,394,904	-	-	22,285,042	15,394,904
Eliminations	(22,285,042)	(15,394,904)	-	-	(22,285,042)	(15,394,904)
Total revenue	11,561,841	13,682,379	22,896,787	19,816,124	34,458,628	33,498,503
Result						
Segment results - profit / (loss)	1,930	959,333	349,405	370,502	351,335	1,329,835
Finance costs					(651,172)	(750,051)
Other expenses					(355,767)	(358,056)
Interest income					240,721	231,702
Taxation					(258,621)	-
(Loss) / Profit for the period					(673,504)	453,430
Other Information						
Depreciation	911,990	888,885	64,599	80,653	976,589	969,538

All non-current assets of the Company as at September 30, 2021 and 2020 are located in Pakistan.

14 DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was authorised for issue on **28th October 2021** by the Board of Directors of the Company.

Chief Executive Officer

Director

Chief Financial Officer



CONSOLIDATED FINANCIAL STATEMENT



Consolidated Condensed Interim Statement of Financial Position

As at
Sep 30, 2021

(Rupees in '000)

	Notes	Sep 30, 2021 (Unaudited)	Jun 30, 2021 (Audited)
NON CURRENT ASSETS			
Property, plant and equipment	5	83,722,302	83,692,408
Long term loans and advances		568,232	568,231
Long-term deposits		337,904	337,712
		84,628,439	84,598,351
CURRENT ASSETS			
Stores and spares		2,124,034	2,081,377
Stock-in-trade	6	23,140,486	33,584,673
Trade debts	7	3,570,393	4,556,175
Loans and advances		1,562,189	1,560,131
Trade deposits and short-term prepayments		58,321	52,427
Accrued interest		375,239	362,032
Other Receivables	8	1,453,542	1,464,241
Taxation - net		1,135,253	1,128,766
Cash and bank balances		1,064,807	2,249,958
		34,484,265	47,039,780
TOTAL ASSETS		119,112,703	131,638,131
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		53,298,847	53,298,847
Reserves		(42,924,490)	(42,341,173)
Surplus on revaluation of Property, plant and equipment		9,490,536	9,743,271
		19,864,893	20,700,945
Contribution against future issue of shares		979,418	979,418
		20,844,312	21,680,363
NON CURRENT LIABILITIES			
Long term financing		21,033,604	21,897,037
Accrued and deferred markup		6,261,329	5,774,166
Long term lease liabilities		1,028,806	1,029,047
Long-term deposits		269,500	269,500
Deferred liabilities		514,232	548,129
Deferred income - government grant		899	3,501
Deferred taxation		2,014,252	1,805,479
		31,122,622	31,326,859
CURRENT LIABILITIES			
Trade and other payables		43,129,142	54,179,487
Advance from customers		2,373,190	2,851,374
Accrued mark-up		631,088	568,226
Short term borrowings - secured		15,716,116	15,069,500
Current portion of non-current liabilities		5,274,819	5,934,329
Current portion of deferred income - government grant		20,388	26,966
Unclaimed dividend		1,027	1,027
		67,145,769	78,630,909
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		119,112,703	131,638,131

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

Chief Executive Officer

Director

Chief Financial Officer

Consolidated Condensed Interim Statement of Profit or Loss

For the period ended
Sep 30, 2021

(Rupees in '000)

	Sep 2021	Sep 2020
Gross turnover	40,196,623	48,416,118
Sales tax, discounts & other duties	(5,737,995)	(14,917,615)
Turnover - net	34,458,628	33,498,503
Cost of sales	(33,915,909)	(31,989,024)
Gross profit	542,719	1,509,479
Administrative expenses	(269,670)	(248,424)
Selling and distribution expenses	(137,941)	(148,351)
Other expenses	(355,767)	(358,056)
Other income	248,047	239,488
	(515,331)	(515,343)
Operating profit	27,388	994,136
Finance costs	(651,172)	(750,051)
(Loss) / Profit before taxation	(623,784)	244,085
Taxation		
Current	(3,169)	(7,316)
Deferred	(209,099)	49,521
	(212,268)	42,205
(Loss) / Profit after taxation	(836,052)	286,290
(Loss) / Earnings per share - Rupees		
- Basic	(0.16)	0.05
- Diluted	(0.15)	0.05

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

Chief Executive Officer

Director

Chief Financial Officer

Consolidated Condensed Interim Statement of Other Comprehensive Income

For the period ended Sep 30, 2021

(Rupees in '000)

	Sep 2021	Sep 2020
(Loss) / Profit after taxation	(836,052)	286,290
Other comprehensive income	–	–
Total comprehensive (loss) / profit for the period	(836,052)	286,290

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

Chief Executive Officer

Director

Chief Financial Officer

Consolidated Condensed Interim Statement of Changes in Equity

For the period ended Sep 30, 2021

(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 & equipment	Accumulated Loss				
Balance as at 1 July 2020	53,298,847	(21,303,418)	3,214,209	10,754,216	(28,133,134)	17,830,720	857,140	18,687,860	
Total comprehensive income for the period									
Profit for the period	-	-	-	-	286,290	286,290	-	286,290	
Other comprehensive income/(loss) for the period - net of tax	-	-	-	-	-	-	-	-	
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	-	-	-	(252,736)	252,736	-	-	-	
Balance as at Sep 30, 2020	53,298,847	(21,303,418)	3,214,209	10,501,480	(27,594,108)	18,117,010	857,140	18,974,150	
Balance as at 1 July 2021	53,298,847	(21,303,418)	3,214,209	9,743,271	(24,251,964)	20,700,945	979,418	21,680,363	
Total comprehensive loss for the period									
Loss for the period	-	-	-	-	(836,052)	(836,052)	-	(836,052)	
Other comprehensive income/(loss) for the period	-	-	-	-	-	-	-	-	
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	-	-	-	(252,735)	252,735	-	-	-	
Balance as at Sep 30, 2021	53,298,847	(21,303,418)	3,214,209	9,490,536	(24,835,281)	19,864,893	979,418	20,844,311	

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

Chief Executive Officer

Director

Chief Financial Officer

Consolidated Condensed Interim Cash Flow Statement

For the period ended Sep 30, 2021

(Rupees in '000)

	Sep 30, 2021	Sep 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(623,784)	244,085
Adjustments for:		
Depreciation	1,198,263	1,191,212
Finance costs	651,172	750,051
Provision for impairment against doubtful debts	346,837	347,021
Loss / (Gain) on disposal of assets	–	(46)
Interest income	(240,721)	(231,702)
Provision for gratuity	26,629	17,372
Net cash flow before working capital changes	1,358,395	2,317,993
Movement in working capital		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(42,656)	(56,590)
Stock in trade	10,444,187	1,169,931
Trade debts	857,138	(2,443,713)
Loans and advances	(2,058)	(233,249)
Trade deposits and short term prepayments	(5,894)	1,250
Other receivables	41,895	(71,246)
<i>Increase / (Decrease) in current liabilities</i>		
Advance from customers	(478,184)	(824,992)
Trade and other payables	(10,969,057)	1,611,175
	(154,630)	(847,434)
Cash generated from operations	1,203,766	1,470,559
Finance costs paid	(1,084,475)	(1,061,517)
Income Taxes paid	(9,657)	(10,852)
Gratuity paid	(9,572)	(30,000)
Interest income received	9,320	1,357
Net cash generated from operating activities	109,381	369,547
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,228,121)	(732,698)
Sale Proceeds against disposal	–	66
Long term deposits - net	(192)	(1,815)
Net cash used in investing activities	(1,228,313)	(734,448)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loan - net	(712,835)	504,041
Short Term Borrowing	646,616	(1,738,408)
Net cash used in financing activities	(66,219)	(1,234,367)
Net (decrease) / increase in cash and cash equivalents	(1,185,151)	(1,599,268)
Cash and cash equivalents - opening	649,958	2,319,220
Cash and cash equivalents - closing	(535,193)	719,952
Cash and cash equivalents comprise of:		
Cash and bank balances	1,064,807	2,136,953
Running finance facility	(1,600,000)	(1,417,001)
	(535,193)	719,952

The annexed notes form an integral part of these consolidated Condensed Interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

Notes to the Consolidated Condensed Interim Financial Statements

For the period ended Sep 30, 2021

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 Holding Company are listed on Pakistan Stock Exchange. The Holding Company is a subsidiary of Cnergyco Mu Incorporated, (formerly Byco Industries Incorporated (BII)), Mauritius (the Parent Company). The Holding Company in turn is a subsidiary of Busientco Incorporated (formerly Byco Busient Incorporated (BBI)), Cayman Islands (the Ultimate Parent Company).

The Holding 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 426 retail outlets across the country as at 30 Sep 2021.

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

These consolidated 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 Standards (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified by 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 consolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Group for the year ended June 30, 2021.

- 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 These consolidated condensed interim financial statements 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 has been extracted from the consolidated audited financial statements of the Group for the year ended 30 June 2021.

3 ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the Group's annual audited financial statements for the year ended June 30, 2021 except as disclosed below:

New / Revised standards, amendments, interpretation and improvements

The Group has adopted the following accounting standards, amendments and interpretation of IFRSs and the improvements to accounting standards which became effective for the current period:

Standards, amendments and interpretation

IFRS 3 - Definition of a Business (Amendments)

IFRS 7, IFRS 9 & IAS 39 - Interest rate benchmark reforms (Amendments)

IAS 1/ IAS 8 - Definition of material (Amendments)

The adoption of the above standards, amendments, interpretation and improvements did not have any effect on the accounting policies of the Group.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

Estimates and judgements made by management in the preparation of these consolidated condensed interim financial statements are the same as those that were applied to the annual consolidated financial statements of the Group for the year ended 30 June 2021, except as disclosed otherwise.

5 PROPERTY, PLANT AND EQUIPMENT

(Rupees in '000)		
Note	Sep 30, 2021 (Unaudited)	Jun 30, 2021 (Audited)
Operating fixed assets	54,579,421	55,647,506
Capital work in progress - at cost	28,397,167	27,216,293
ROU asset	745,714	828,609
5.1	83,722,302	83,692,408

- 5.1 During the period, the additions in property, plant and equipment amounted to Rs. 1,228.128 million (Sep 30, 2020:Rs. 732.698 million).

6 STOCK IN TRADE

(Rupees in '000)		
Note	Sep 30, 2021 (Unaudited)	Jun 30, 2021 (Audited)
Raw material	6.1 16,274,288	26,063,302
Finished products	6.2 6,866,198	7,521,371
	23,140,486	33,584,673

- 6.1 This includes raw material in transit amounting to Rs. 12,668.670 million (30 June 2021: Rs. 21,961.788 million) as at the balance sheet date.
- 6.2 This includes finished products held by third parties amounting to Rs. 1,692.152 million (30 June 2021: Rs. 3,163.736 million).

7 TRADE DEBTS

- 7.1 During the period, provision was made against doubtful debts amounting to Rs. 346.837 million (Sep 30, 2020:Rs. 347.021 million).

8 OTHER RECEIVABLES - considered good

- 8.1 This includes Rs. 1,303.380 million (30 June 2021: Rs. 1,234.507 million) receivable from Coastal Refinery Limited.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no material change in the status of contingencies from what is disclosed in note 26 to the annual audited consolidated financial statements for the year ended 30 June 2021.

9.2 Commitments

The status for commitments is same as disclosed in annual audited consolidated financial statements for the year ended 30 June 2021 except for:

(Rupees in '000)

	Sep 30, 2021 (Unaudited)	Jun 30, 2021 (Audited)
Commitments for capital expenditure	3,349,037	3,175,124

10 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:

10.1 Transactions with related parties

(Rupees in '000)

	Jul - Sep 2021	Jul - Sep 2020
	(Unaudited)	
Parent Company:		
Markup charged	15,267	18,822
Associated companies:		
Purchase of operating fixed assets and services	2,426	39,182
Markup charged	371,896	219,062
Others		
Post employment benefit Funds	48,811	109,213
Key management personnel remuneration	49,585	36,735

10.2 Balances with related parties

(Rupees in '000)

	Sep 30, 2021 (Unaudited)	Jun 30, 2021 (Audited)
Parent Company		
Contribution against future issue of shares	979,418	979,418
Accrued markup	734,096	718,829
Loan payable	3,935,650	3,935,650
Associated Companies		
Advance against shared services	62,670	70,069
Payable against purchases	30,470	28,044
Accrued markup	5,257,030	4,885,134
Loan payable	14,831,628	14,831,628
Others		
Payable to key management person	68,508	68,508
Payable to post employment benefit funds	250,414	211,907

11 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Group activities expose it to a variety of financial risks. These consolidated 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 Group for the year ended 30 June 2021. There have been no changes in any risk management policies since the year end.

12 FAIR VALUE OF ASSETS AND LIABILITIES

There were no transfers amongst levels during the period.

13 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. *Sales to external customers includes levy of the intersegment sales.

(Rupees in '000)

	Oil Refining		Petroleum Marketing		Total	
	2021	2020	2021	2020	2021	2020
Sales to external customers	11,561,841	13,682,379	22,896,787	19,816,124*	34,458,628	33,498,503
Inter-segment sales	22,285,042	15,394,904	–	–	22,285,042	15,394,904
Eliminations	(22,285,042)	(15,394,904)	–	–	(22,285,042)	(15,394,904)
Total revenue	11,561,841	13,682,379	22,896,787	19,816,124	34,458,628	33,498,503
Result						
Segment results - profit / (loss)	(206,971)	749,989	349,405	370,502	142,435	1,120,491
Finance costs					(651,172)	(750,051)
Other expenses					(355,767)	(358,056)
Interest income					240,721	231,701
Taxation					(212,268)	42,205
(Loss) / Profit for the period					(836,052)	286,290
Other Information						
Depreciation	1,133,664	1,110,560	64,599	80,652	1,198,263	1,191,212

All non-current assets of the Company as at September 30, 2021 and 2020 are located in Pakistan.

14 DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue on **28th October 2021** by the Board of Directors of the Group.

Chief Executive Officer

Director

Chief Financial Officer



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Byco Petroleum Pakistan Limited

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