

Half Year enclosed report



Bosicor Pakistan Limited



Accounts for the half year ended December 31, 2005

December 31, 2005



Chairman	Mr. Parvez Abbasi
Directors	Mr. Amir Abbassciy (Vice Chairman) Mr. Muhammad Rashid Zahir Mr. Muhammad Mahmood Hussain Syed Arshad Raza Mrs. Uzma Abbassciy Mrs. Samia Roomi
President & CEO	Mr. M. Wasi Khan
Chief Financial Officer	Mr. Asad A. Siddiqui
Corporate Secretary	Syed Abrar Hussain Bokhari
Audit committee	Mr. Muhammad Rashid Zahir - Chairman Mr. Amir Abbassciy - Member Syed Arshad Raza - Member
Registered & Corporate Office	2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi.
Plant	Mouza Kund, Sub Tehsil Gadani Lasbella-Baluchistan
Bankers	Habib Bank Limited National Bank of Pakistan Union Bank Limited Saudi Pak Commercial Bank Limited Bank of Khyber Bank Al-Falah Limited KASB Bank Limited United Bank Limited Faysal Bank Limited Standard Chartered Bank
Auditors	Faruq Ali & Co Chartered Accountants
Legal Advisor	Saleem uz Zaman of Kabraji & Talibuddin
Website	www.bosicor.com.pk

The Board of Directors have the pleasure in presenting the half yearly limited scope reviewed financial statements for the period ended 31st December, 2005.

The refining margin in 2nd quarter of the financial year were not encouraging, although the spreads on High Speed Diesel (HSD) widened but due to the lower price of Naphtha, the over all margins of the refinery came under strain. It is pertinent to mention the reduction in the domestic demand for Motor Gasoline (MS) due to an increase in the use of Compressed Natural Gas (CNG).

The country's oil consumption is 16 million tons per annum, out of this 11 million tons of crude oil is refined each year by the local 5 refineries and the rest of the deficit is met by import of refined products. This situation requires attention on priority basis in order to plug the gap and save valuable foreign exchange of the country, thereby improving the balance of payment position.

We have embarked upon a plan which synergises our strengths with the need of the country. Our immediate plans call for implementing the de-bottlenecking exercise to revamp the existing Refinery's capacity to +30,000 barrels per day, which is now underway with Letter of Credit for key component already been established and completion time now envisaged to be 3rd Quarter, 2006.

Moreover, we are investing in an Isomerization Plant for converting low revenue earning Light Naphtha to MS. Currently the local refineries export Light or Full Range Naphtha, but after this plant is commissioned, the Light Naphtha will be converted to MS and either used within the country or exported at a premium and will in turn earn valuable foreign exchange for the country.

We are also investing in pipelines and storages which will be linked to a Single Buoy Mooring (SBM) being installed by a third party. This SBM will primarily be used by us as well as third parties for import as well as export of Petroleum, Oils and Lubricants (POL). This SBM will be able to cater initially for vessels up to 120,000 Weight Tons (DWT). The benefits of the SBM will be reduced freight costs by chartering in larger and thereby more cost efficient vessels for import as well as export of POL, which will in turn save foreign exchange of the country on its import bill of POL as well as enable the country to earn a higher value on its POL exports.

We are also planning to install as much as 100 petrol pumps in the rural and urban areas in next two years as the company has the license to sell petroleum products. The products for these outlets will be procured from the local Refineries and/or imported, for deficit products. At present an investment of Rs. 500 million has been earmarked and our marketing team has commenced spadework to achieve this in an efficient manner.

FINANCIAL RESULTS

With gratitude to Allah the performance of our company during the period under review was satisfactory. As a result of strenuous efforts of our team, we have been able to earn a gross profit of Rs. 264.094 million.

A claim was filed with Adamjee Insurance Co. Ltd., as disclosed in the last year report, has now been settled in favor of our company.

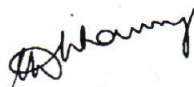
During the period the company's gross sales were Rs. 9.285 billion, while the net sales were Rs. 8.028 billion, with a profit after taxation of Rs. 122.430 million and Earnings per Share of Rs. 0.50.

The highlights of the accounts for the period ended December 31, 2005 are as follows:

	(Rs. in 000's)
Profit before taxation	189,788
Taxation	
Current	40,141
Deferred	27,217
	67,358
Profit after taxation	122,430

In conclusion, the Board prays to Almighty Allah for continued blessings and would like to extend its gratitude to the shareholders, federal and provincial government authorities and the financial institutions for their continued support, confidence and trust on Bosicor Pakistan Limited and to the Company's Staff for their dedicated efforts.

For and on behalf of the Board of Directors



Amir A. Abbasciy
Vice Chairman & Director

Karachi: 28th February 2006

We have reviewed the annexed balance sheet of Bosicor Pakistan Limited as at December 31, 2005 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "financial statements") for the half-year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the annexed financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Date: 28th February 2006
Place : Karachi

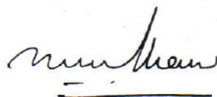
Faruq Ali & Co.
Chartered Accountants

balance sheet

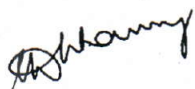
as at Dec 31, 2005 (Unaudited)

		Unaudited December 31, 2005	Audited June 30, 2005
		Rs.'000	
NON CURRENT ASSETS	Note		
Property, plant and equipment	4	3,466,060	3,274,196
Intangible assets		10,353	5,769
Long term deposits and deferred cost		92,671	89,902
CURRENT ASSETS			
Stores and spares		94,150	84,784
Stock-in-trade		3,626,020	1,812,325
Trade debts - unsecured considered good		1,221,643	1,260,162
Loans and advances - Considered good		164,683	19,625
Trade deposits, prepayments, current account balances with statutory authorities and other receivables	5	52,081	28,489
Cash and bank balances		57,278	300,887
		5,215,855	3,506,272
CURRENT LIABILITIES			
Trade and other payables		4,512,614	2,581,418
Accrued markup		35,351	26,793
Short term borrowings - Secured		280,953	760,545
Current portions of non- current liabilities		180,751	53,557
Provision for taxation		40,141	49,995
		5,049,810	3,472,308
NET CURRENT ASSETS		166,045	33,964
NON-CURRENT LIABILITIES			
Term finance certificates		642,857	750,000
Long term loans		308,854	51,563
Liabilities against assets subject to finance lease		50,722	19,219
Deferred taxation		48,705	21,488
CONTINGENCIES AND COMMITMENTS	6	--	-
NET ASSETS		2,683,991	2,561,561
REPRESENTED BY			
SHARE CAPITAL AND RESERVES			
Authorized share capital 360,000,000 (2004: 360,000,000) Ordinary shares of Rs.10/- each		3,600,000	3,600,000
Issued, subscribed and paid-up capital		2,450,652	2,450,652
Unappropriated profit		233,339	110,909
		2,683,991	2,561,561

The annexed notes form an integral part of these accounts.



President & CEO

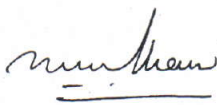


Vice Chairman & Director

profit & loss

account for the half year ended
Dec 31, 2005 (Unaudited)

	3 months Oct - Dec 2005	3 months Oct - Dec 2004	6 months July - Dec 2005	6 months July - Dec 2004
	Rs.'000		Rs.'000	
Gross sales	5,594,601	3,209,260	9,285,738	5,326,357
Sales tax	774,763	413,880	1,257,541	690,023
Net sales	4,819,838	2,795,380	8,028,197	4,636,334
Cost of sales	7 4,667,266	2,616,595	7,764,103	4,406,112
Gross profit	152,572	178,785	264,094	230,222
Operating expenses				
Administrative expenses	32,223	19,818	52,266	30,867
Selling expenses	6,221	9,194	13,196	13,379
Operating Profit	114,128	149,773	198,632	185,976
Other Income	8 85,895	582	93,917	582
	200,023	150,355	292,549	186,558
Financial & other charges	54,328	31,336	102,761	43,713
Profit before taxation	145,695	119,019	189,788	142,845
Taxation				
Current	24,099	13,977	40,141	23,182
Deferred	27,217	34,003	27,217	34,003
	51,316	47,980	67,358	57,185
Profit after taxation	94,379	71,039	122,430	85,660
Earnings per share - basic (Rupees)	9 0.39	0.29	0.50	0.39



President & CEO



Vice Chairman & Director

cash flow

statement for the half year ended
Dec 31, 2005 (Unaudited)

6 months
ended Dec. 31,
2005

6 months
ended Dec. 31,
2004

Rs.'000

CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation	189,788	142,845
Adjustments for non-cash charges and other items:		
Depreciation	158,751	173,229
Financial charges	93,445	43,713
Amortization of deferred cost	257	-
Loss / (gain) on disposal of vehicle	72	(416)
Operating profit before working capital changes	442,313	359,371

Working capital changes

(Increase)/Decrease in current assets		
Stores and spares	(9,367)	56,638
Stock in trade	(1,813,695)	(610,205)
Trade debts - unsecured considered good	38,518	(169,832)
Loan and advances	(145,057)	(165,672)
Trade deposits, prepayments, current account balances with statutory authorities and other receivables	(23,543)	71,322
Increase/(Decrease) in current liabilities		
Trade and other payables	1,931,193	770,647
Cash generated from operations	420,362	312,269
Financial charges paid	(84,887)	(26,767)
Taxes paid	(50,044)	(10,322)

Net cash flow from operating activities

CASH FLOW FROM INVESTING ACTIVITIES

Fixed capital expenditure	(302,630)	(458,490)
Intangible asset	(4,583)	-
Proceeds from disposal of vehicle	232	475
Long term deposits and deferred costs	(3,025)	(56,330)
Net cash used in investing activities	(310,006)	(514,345)

Net cash used in investing activities

CASH FLOW FROM FINANCING ACTIVITIES

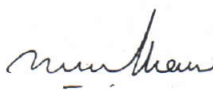
Repayment of short term financing	(365,000)	(69,951)
Loans from Sponsors and Associated Undertakings	-	(28,698)
Right shares issued	-	267,129
Repayment of obligation under finance lease	(30,068)	(17,783)
Long term loans	290,625	(412,015)
Term finance certificates	-	459,000
Net cash used in financing activities	(104,443)	197,682

Increase/(decrease) in cash & cash equivalents

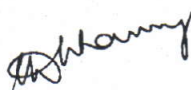
Cash and cash equivalents at the beginning of the period

Cash and cash equivalents at the end of the period

(129,018)	(41,483)
140,342	59,545
11,324	18,062



President & CEO



Vice Chairman & Director

Statement of changes in **equity** for the half year ended
Dec 31, 2005 (Unaudited)

	Issued, subscribed and paid up capital	Unappropriated Profit	Total
	Rs.'000		
Balance as at July 01, 2004	1,750,466	--	1,750,466
Reght shares issued	700,186	--	700,186
Net profit for the period	--	85,660	85,660
Balance as at December 31, 2004	2,450,652	85,660	2,536,312
Balance as at July 01, 2005	2,450,652	110,909	2,561,561
Net profit for the period	--	122,430	122,430
Balance as at December 31, 2005	2,450,652	233,339	2,683,991



President & CEO



Vice Chairman & Director

1. Status and nature of business

The Company was incorporated in Pakistan as a Public Limited Company on January 09, 1995 and was granted a certificate of commencement of business on March 13, 1995. The company is quoted on the Karachi and Lahore Stock Exchanges. The principal business of the company is refining and selling of the petroleum products. The company has started commercial operations from 1st July 2004.

2. Basis of preparations

These financial statements are unaudited and have been prepared in accordance with the requirements of section 245 of the Companies Ordinance 1984 and International Accounting Standard 34 (IAS 34) "Interim Financial Reporting".

3. Accounting policies

The accounting policies adopted for the preparation of these six monthly accounts are the same as those applied in the preparation of the accounts for the preceding year ended 30 June 2005.

4. Property, plant and equipment

Dec 31, 2005 June 30, 2005
Rs. '000

Operating fixed assets	4.1	3,298,909	3,157,589
Capital work in progress		167,151	116,607
		<u>3,466,060</u>	<u>3,274,196</u>

4.1 Addition and disposals during the period**Additions****Owned**

Lease hold land	213,200	--
Building, roads and civil works	--	133,189
Plant and machinery	26,343	3,139,033
Generators	--	54,275
Furniture, fixtures and equipments	2,733	7,240
Computer and allied	2,893	1,745
Safety and lab equipments	3,053	7,667
Vehicles	3,864	2,235
	<u>252,086</u>	<u>3,345,384</u>

Leased

Plant and machinery	46,500	91,221
Vehicles	1,789	8,253
	<u>48,289</u>	<u>99,474</u>
	<u>300,375</u>	<u>3,444,858</u>

4. Property, plant and equipment

	Dec 31, 2005	June 30, 2005
	Rs. '000	
Vehicles	929	77
Computer and allied	-	87
	<u>929</u>	<u>164</u>

5. Long Term Loans

During the period company availed term finance facilities from National Bank of Pakistan (NBP) and Allied Bank Limited (ABL) amounting to Rs.100 million and Rs.200 million respectively. Repayment terms and markup rates are as follows:

	NBP	ABL
- Tenor	3 years	5 years
- Grace period	NIL	1 year
- Repayment	6 Semiannual Installments	8 Semiannual Installments
- Markup rates	6 Months KIBOR + 3% p.a.	6 Months KIBOR + 3% p.a

6. Contingencies and Commitments

6.1 There is no material change in the contingencies since the last audited financial statements except for the settlement of insurance claim with M/s Adamjee Insurance Co. Ltd. as disclosed in note 8 to the financial statements.

6.2 Commitments in respect of :

- letter of credits amounts to Rs. NIL (June 30, 2005: Rs.850 million)
- Capital expenditures Rs.780 million (June 30, 2005: Rs.200 million)
- Intangible asset Rs.6 million (June 30, 2005: Rs.9 million)

7. COST OF SALES

	3 months Oct - Dec 2005	3 months Oct - Dec 2004	6 months Jul - Dec 2005	6 months Jul - Dec 2004
Opening stock of raw material	1,399,879	927,617	1,336,717	803,362
Purchases	6,153,006	2,847,091	9,278,189	4,792,491
Available for use	7,552,885	3,774,708	10,614,906	5,595,853
Closing stock of raw material	(2,904,874)	(1,137,551)	(2,904,874)	(1,137,551)
Raw material consumed	4,648,011	2,637,157	7,710,032	4,458,302
Manufacturing expenses	152,566	141,444	300,420	224,404
Cost of goods manufactured	4,800,577	2,778,601	8,010,452	4,682,706
Opening stock of finished products	587,835	234,017	474,797	119,429
Closing stock of finished products	(721,146)	(396,023)	(721,146)	(396,023)
	4,667,266	2,616,595	7,764,103	4,406,112

8. OTHER INCOME

This includes Rs.83.700 million in respect of insurance claim on account of loss of profit arising and from breakdown in production during the year ended June 30, 2004. This also includes Rs.6.117 million paid by sponsors to the company against loss suffered by the company on the land, which was transferred in the names of the sponsors during the year ended June 30, 2002.

	3 months Oct - Dec 2005	3 months Oct - Dec 2004	6 months Jul - Dec 2005	6 months Jul - Dec 2004
	Rs.'000		Rs.'000	
9. Earnings Per Share - Basic				
Profit after taxation	94,379	71,039	122,430	85,660
	Number of Shares		Number of Shares	
Weighted average number of ordinary shares	245,065,000	245,065,000	245,065,000	217,836,000
	Rupees		Rupees	
Earning per share - Basic	0.39	0.29	0.50	0.39

notes to the accounts for the half year ended Dec 31, 2005 (Unaudited)

December 31, 2005 December 31, 2004

10. Cash and Cash Equivalents

Rs.'000

Running finances	(45,954)	(208,725)
Cash and bank balances	57,278	226,787
	<u>11,324</u>	<u>18,062</u>

11. Transaction with related parties

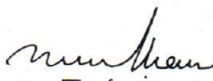
Purchase of operating assets	1,949	1,204
Funds from sponsors & associated undertaking	—	249,561
Repayment of loans to group companies & associates	9,375	278,259
Rent	175	175
Payment against services (freight for crude oil)	106,601	--

12. Date of authorization of issue

The financial statements were authorized for issue on 28th February 2006 by the Board of Directors of the company

13. General

13.1 Figures have been rounded off to the nearest thousand of rupee.



President & CEO



Vice Chairman & Director

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Bosicor Pakistan Limited

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