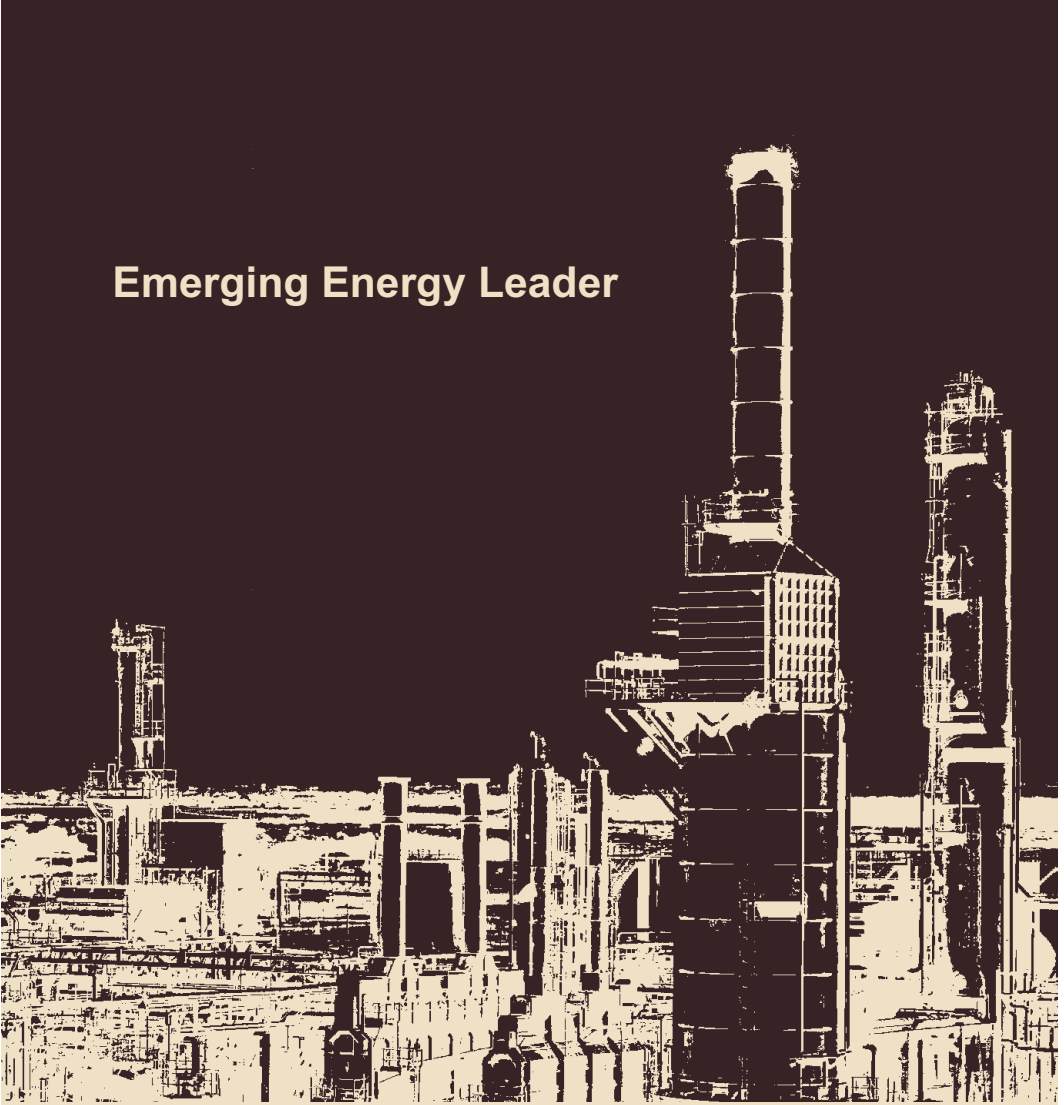




Emerging Energy Leader



Bosicor Pakistan Limited

first fiscal
quarter report
September 30, 2009

Company Information

Board of Directors

Amir Abbassciy, *Chairman & CEO*

Hamid Imtiaz Hanfi, *Director*
Muhammad Rashid Zahir, *Director*
Syed Arshad Raza, *Director*

Farooq Ahmed Yamin Zubairi, *Director*
Samia Roomi, *Director*
Uzma Abbassciy, *Director*

Kashif Shah, *Sponsors' Advisor (by invitation)*
Amir Waheed Ahmed, *Company Secretary*

Audit Sub Committee of the Board

Muhammad Rashid Zahir, *Chairman*
Hamid Imtiaz Hanfi, *Member*
Ozair Muhammad, *Secretary*

Syed Arshad Raza, *Member*

Corporate Secretariat

Hamid Imtiaz Hanfi, *Vice Chairman*
Jawed Ahmad, *VP Compliance*
Syed Masood Raza, *VP Strategy*

Amir Waheed Ahmed, *GM Services*

Presidents & Management Teams

Kalim A. Siddiqui, *President Petroleum Marketing*
Sh. Atta-ur-Rehman, *Head of Marketing*
Zafar Ahmed Khan, *Head of Operations*

Zafar Haleem, *President Oil Refining*
Shamim Anwar, *GM Oil Refining*

Corporate Office

Imran Farookhi, *GM Admin & HR*
Wajahat Athar Jafri, *GM Commercial*
Derek Lawler, *VP Technical*

Roshan Mehri, *GM Treasury*
Amir Waheed Ahmed, *Chief Financial Officer*

Legal Counsel

Shahana Ahmed Ali

Auditors

Faruq Ali & Co. Chartered Accountants

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Al-Falah Limited
Bank Islami Pakistan Limited
Barclays Bank PLC, Pakistan
Habib Bank Limited
Habib Metropolitan Bank Limited

JS Bank Limited
KASB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Khyber
United Bank Limited

Share Registrar

FAMCO Associates (Pvt) Limited
First Floor, State Life Building No. 1A,
I. I. Chundrigar Road, Karachi - 74000

Tel: (92 21) 3242 7012, 3242 6597, 3242 5467
Fax: (92 21) 3242 6752, 3242 8310

Registered Office

2nd Floor, Business Plaza,
Mumtaz Hassan Road,
Karachi-74000

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

Website

www.bosicor.com.pk

Directors' Report

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

The Board of Directors of the Company presents the first quarterly report together with un-audited Financial Statements for the first fiscal quarter ended September 30, 2009.

As the world economy recovers, it was expected that margins would begin to improve for the refining industry. However, the outlook for the refinery margins still remains poor until demand for Gasoil increases sufficiently to account for the refining capacity. As new refining capacity has come on stream in the Indo-Pak sub-continent, Middle East, China and Vietnam, the recovery in Gross Refiners' Margin (GRMs) has not taken place. However, it is expected that in foreseeable future, these GRMs could improve once demand starts to pick-up. In the meantime, the refining sector in Pakistan is looking towards Ministry of Petroleum and Natural Resources (MPNR) to step forward and protect these assets of national importance.

The overall financial conditions and profitability of the refinery sector, in general, continues to be affected by negative GRMs and circular debt with the result that your Refinery has posted a loss in this first quarter of fiscal year 2009-10. The profitability of the refinery has also been affected by a negative impact of US Dollar / Pak Rupee exchange parity against which refineries are not allowed to hedge their foreign currency exposures. In order to minimize operational losses due to these factors, the average throughput was curtailed at an average of 17,500 bpd for first fiscal quarter. As a result of these factors, your Company has suffered an operating loss of Rs. 360 million. The financial charges in this quarter were over Rs. 500 million with Rs. 212 million being incurred on account of exchange losses. This has resulted in a loss after taxation of Rs. 1,065 million during the quarter under review on net sales of Rs. 10,016 million as compared to a loss after taxation amounting to Rs. 2,506 million from net sales amounting to Rs. 19,764 million during the corresponding quarter last year.

In the absence of an appropriate mechanism provided by the Government for the refining sector which could cater to negative GRMs, circular debt, and foreign currency hedging, the refining sector is under financial pressure. Discussions are underway between the MNPR and the refinery sector to come up with a long-term viable pricing mechanism. The Supreme Court of Pakistan has set a date of December 24, 2010 for the MPNR to finalize this pricing mechanism.

As you are aware our Petroleum Marketing Business was launched with a new vision recently and continues to grow at a rapid pace. We are pleased to share with you that within a short span of a few months we now enjoy an overall liquid fuel market share of 1.44% and are ranked 6th in terms of market share by volume in Pakistan. We have established over 52 retail outlets across the country with plans to add additional 50 - 100 outlets in near future. We have also strengthened our supply chain mechanism to ensure uninterrupted supplies to our Industrial and Retail consumers by entering into sale/purchase and hospitality agreements with major suppliers and Oil marketing companies across the country. With the proposed change in the name of our Organization, a comprehensive branding programme is being planned which will have a further positive impact on future business growth.

A study on debottlenecking of your Refinery to increase its throughput capacity by 5,000 bpd is at an advanced stage. We are trying to complete this within the current financial year and this will enable your Refinery to reap the benefits during periods of positive GRMs.

Work on Isomerization Plant is progressing as per plan, slated for mechanical completion by February 2010. However, the plant will commence operations when our Associated Company, Bosicor Oil Pakistan Limited (BOPL), starts up its refining operations due in July 2010, as our Isomerization plant will also take its Naphtha feed from BOPL.

In conclusion, the Board prays to Almighty Allah for His blessings and extends its gratitude to our Shareholders for their continued support, confidence and trust in your Company and its employees' efforts..

For and on behalf of the Board of Directors



Chairman

Karachi: November 16, 2009

Condensed Interim Balance Sheet

as at September 30, 2009

Amount in Rs. '000

	Note	Unaudited Sep 30, 2009	Audited June 30, 2009
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	15,746,685	14,778,562
Intangible asset		6,193	7,079
Long term deposits		56,710	57,360
Long term loan		29,700	31,320
CURRENT ASSETS			
Stores and spares		141,446	152,342
Stock in trade		5,281,342	4,487,801
Trade debts - considered good		6,261,401	9,089,974
Loans and advances - considered good		149,822	112,787
Trade deposits, prepayments and other receivables		828,952	780,691
Markup accrued		42,432	42,432
Cash and bank balances		969,287	2,078,445
		<u>13,674,681</u>	<u>16,744,472</u>
		<u>29,513,970</u>	<u>31,618,793</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
500,000,000 (June 2009: 500,000,000) Ordinary shares of Rs.10/- each		5,000,000	5,000,000
Issued, subscribed and paid-up capital		3,921,044	3,921,044
Accumulated loss		(11,614,009)	(10,597,517)
		<u>(7,692,965)</u>	<u>(6,676,473)</u>
Surplus on revaluation of property, plant and equipment		4,035,674	4,084,753
NON-CURRENT LIABILITIES			
Subordinated loan from sponsor and associates - unsecured		4,024,251	4,023,101
Long term loans - secured	5	4,718,073	5,158,837
Liabilities against assets subject to finance lease		258,074	273,308
Long term deposits		4,946	4,446
Deferred liabilities		1,595,212	1,621,641
CURRENT LIABILITIES			
Trade and other payables	6	19,214,494	20,397,465
Accrued markup		1,401,187	1,071,469
Short term borrowing - secured		216,000	217,549
Current portion of non-current liabilities		1,739,024	1,442,697
		<u>22,570,704</u>	<u>23,129,180</u>
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		<u>29,513,970</u>	<u>31,618,793</u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.


Chief Executive


Director

Condensed Interim Profit and Loss Account

for the first fiscal quarter ended September 30, 2009 (Unaudited)

Amount in Rs. '000
3 months ended

	July -Sep 2009	Jul - Sep 2008
Net sales	10,016,161	19,763,503
Cost of sales	10,238,628	20,382,289
Gross loss	(222,467)	(618,786)
Operating expenses		
Administrative expenses	111,774	71,662
Selling and distribution expenses	60,150	52,393
	171,925	124,055
Operating loss	(394,391)	(742,841)
Other income	33,909	205,516
	(360,482)	(537,325)
Financial and other charges		
Financial Charges	519,585	242,117
Exchange differences	211,930	1,730,173
	731,515	1,972,290
Loss before taxation	(1,091,998)	2,509,615
Taxation		
Current	-	-
Deferred	(26,427)	(3,963)
	(26,427)	(3,963)
Loss after taxation	(1,065,571)	(2,505,652)
Loss per share - (Rupees)	(2.72)	(6.39)

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.


Chief Executive


Director

Condensed Interim Cash Flow Statement

for the first fiscal quarter ended September 30, 2009 (Unaudited)

Amount in Rs. '000
3 months ended

	July -Sep 2009	Jul - Sep 2008
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(1,091,998)	(2,509,616)
Adjustments for non-cash charges and other items:		
Depreciation and amortization	158,118	76,854
Financial and other charges	731,515	242,117
(Gain) on disposal of asset(s)	-	(82)
Cash flow before working capital changes	(202,365)	(2,190,726)
Movement in working capital		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	10,896	(8,999)
Stock in trade	(793,541)	5,759,120
Trade debts	2,828,573	(1,831,510)
Loans and advances	(35,415)	(109,495)
Trade deposits, prepayments and other receivables	(26,451)	(61,165)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	(1,182,971)	(2,130,999)
Cash flow from / (used in) operations	598,726	(573,775)
Payments for:		
Financial charges	(401,797)	(221,695)
Taxes paid	(21,761)	(72,840)
Net cash flow from / (used in) operating activities	175,167	(868,310)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,123,556)	(263,609)
Proceeds from disposal of asset(s)	-	433
Long term deposits-net	1,150	(10,256)
Net cash used in investing activities	(1,122,406)	(273,432)
CASH FLOW FROM FINANCING ACTIVITIES		
Short term financing - net	(1,549)	1,500,000
Loan from sponsor and associates - net	1,150	-
Repayment of obligation under finance leases	(9,542)	(12,325)
Repayment of term finance certificates	(107,143)	(107,094)
Repayment of long term loans	(44,835)	(49,823)
Net cash used in financing activities	(161,919)	(1,330,758)
Net (decrease)/increase in cash and cash equivalents	(1,109,158)	189,016
Cash and cash equivalents at the beginning of the period	2,078,445	7,906,497
Cash and cash equivalents at the end of the period	969,287	8,095,513

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.


Chief Executive


Director

Condensed Interim Statement of Changes in Equity

for the first fiscal quarter ended September 30, 2009 (Unaudited)

Amount in Rs. '000

	Issued, subscribed and paid up capital	Accumulated (Loss)	Total
Balance as at July 01, 2008	3,921,044	(392,409)	3,528,635
Net loss for the period	–	(2,505,652)	(2,505,652)
Transfer from surplus on revaluation of property, plant and equipment - net of tax	–	7,360	7,360
Balance as at September 30, 2009	<u>3,921,044</u>	<u>(2,890,701)</u>	<u>1,030,343</u>
Balance as at July 01, 2009	3,921,044	(10,597,517)	(6,676,473)
Net loss for the period	–	(1,065,571)	(1,065,571)
Transfer from surplus on revaluation of property, plant and equipment - net of tax	–	49,079	49,079
Balance as at September 30, 2009	<u>3,921,044</u>	<u>(11,614,009)</u>	<u>(7,692,965)</u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.



Chief Executive



Director

Notes to and Forming Part of the Condensed Interim Financial Statements for the first fiscal quarter ended September 30, 2009 (Unaudited)

1 STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan as a Public Limited Company on January 9, 1995 and was granted a certificate of commencement of business on March 13, 1995. The Company is quoted on the Karachi, Lahore and Islamabad Stock Exchanges. The Company is engaged in production, sale and marketing of petroleum products.

2 GOING CONCERN ASSUMPTION

During the quarter ended Sept 30, 2009 Company incurred net loss after tax of Rs. 1.065 billion and as of that date it has accumulated losses of Rs. 11.614 billion (June 30, 2009: Rs. 10.597 billion) have resulted in net capital deficiency of Rs. 7.693 billion and excess of current liabilities over current assets of Rs. 8.896 billion (June 30, 2009: Rs. 6.385 billion). These conditions indicate the 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. The financial statements have been prepared using going concern assumption since the management is confident that all these conditions are temporary, not permanent and would reverse in foreseeable future. During the year ended June 30, 2009, the Company successfully finalized the letter of credit facility of Rs. 12.300 billion with consortium of banks which enabled the Company to ensure adequate supplies of Crude Oil to the Refinery. The Company is also in process to enhance its existing Letter of Credits limit to Rs.20 billion which will enable the Company to operate at the full refining capacity. The Company has also been able to convert its existing outstanding Letter of Credits amounting to Rs.5.753 billion into long term loan, which had a positive effect on Company's cash flows. Further, the Company's ability to arrange funds from sponsors and associates when required, is yet another positive indicator. Accordingly, the sponsors have further agreed to provide funds up to Rs.1 billion by the end of this financial year.

Apart from the refinery operations, the Company is also targeting to boost its Petroleum Marketing Business which has visibly improved Company's market position in the Oil Marketing Sector and also enabled the Company to diversify its revenue stream. Further the Company's Projects in progress like Isomerization Plant, which is expected to commence operation by July 2010, will enable the Company to process Naphtha and will ultimately improve the profit margins, whereas the Single Buoy Mooring Project will reduce the Crude oil/Products transportation costs. Furthermore, the offer to purchase of the Company's share pursuant to the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Ordinance, 2002 has been made subsequent to balance sheet date due to the finalization of an arrangement with Abraaj Capital Limited. Addition of Abraaj as Sponsor to the Company alongwith Bosicor Corporation shall substantially add to financial strength and enhance strong shareholders' support to the Company.

3 BASIS OF PREPARATIONS

These condensed interim 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 "Interim Financial Reporting".

Amount in Rs. '000

4 PROPERTY PLANT AND EQUIPMENT

	Note	Sep 30, 2009	June 30, 2009
Operating fixed assets - at cost less accumulated depreciation	4.1	10,336,237	10,480,610
Capital work in progress - at cost		5,410,448	4,297,952
		<u>15,746,685</u>	<u>14,778,562</u>
4.1 Additions during the period			
Plant and machinery		-	559,615
Generators		4,985	10,293
Safety and laboratory equipments		-	2,927
Computer and allied		2,445	6,418
Furniture and fixtures		40	592
Vehicles		3,600	178,900
		<u>11,070</u>	<u>758,745</u>

Amount in Rs. '000

	Sep 30, 2009	June 30, 2009
5 LONG TERM LOANS		
From Banks		
Term Finance - I	75,000	75,000
Term Finance - II	89,505	119,340
Syndicated Loan	420,000	420,000
Syndicated Term Finance	5,753,000	5,753,000
From related party		
Term Finance	15,000	30,000
	6,352,505	6,397,340
Current portion of long term loans		
Banks	1,619,432	1,208,503
Related party	15,000	30,000
	1,634,432	1,238,503
	4,718,073	5,158,837
6 TRADE AND OTHER PAYABLES		
Foreign bills payable	8,190,780	10,129,814
Forced PADs	4,050,821	5,472,161
Creditors for services	666,629	585,198
Creditors for supplies	2,770,872	1,408,070
Advances from customers	355,861	210,812
Payable to staff provident fund	3,448	2,753
Accrued expenses	727	842
Withholding tax deductions payable	6,855	5,282
Dividend payable	1,146	1,146
Payable to statutory authorities	3,167,355	2,581,387
	19,214,494	20,397,465
7 CONTINGENCIES AND COMMITMENTS		
Commitments in respect of Capital expenditure amounting to Rs.354.70 million (June 30, 2009 : 715.44 million)		

7 CONTINGENCIES AND COMMITMENTS
Commitments in respect of Capital expenditure amounting to Rs.354.70 million (June 30, 2009 : 715.44 million)

	3 months ended	
	July-Sep, 2009	July-Sep, 2009
8 TRANSACTION WITH RELATED PARTIES		
Holding Company		
Receipt of loan	146,151	-
Repayment of loan	-	-
Mark up on loan	1,086	1,671
Associated Companies		
Purchase of assets and services	26,805	665
Rent	115	87
Receipt of loans	-	-
Repayment of loans	160,001	19,688
Markup on loans	159,001	4,205
Payment against freight for crude oil shipments	90,511	276,555
Land lease rentals	10,938	10,938
Staff Provident Fund		
Employees' and Company's contribution	9,606	6,397

9 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on 16th November 2009 in accordance with the resolution of the Board of Directors of the Company.

10 GENERAL

These financial statements are presented in rupees and figures have been rounded off to nearest thousand rupees.



Chief Executive



Director



Bosicor Pakistan Limited

Corporate Office:
2nd Floor, Business Plaza
Mumtaz Hassan Road
Karachi, Pakistan



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