

byco

First Fiscal
Quarter Report
September 30, 2011



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Company Information

Board of Directors

Waqar Hassan Siddique
Chairman

Amir Abbassciy
Director

Hamid Imtiaz Hanfi
Vice Chairman

Matteo Stefanel
Director

Muhammad Abdullah Yusuf
Director

Muhammad Raza Hasnani
Director

Uzma Abbassciy
Director

Naseem S. Mirza
Director

Compliance Committee of the Board

Muhammad Abdullah Yusuf
Chairman

Hamid Imtiaz Hanfi
Member

Muhammad Raza Hasnani
Member

Jawed Ahmad
Secretary

Strategy and Risk Management Committee of the Board

Amir Abbassciy
Member

Matteo Stefanel
Member

Iqbal Haris
Secretary

Services and Stakeholders Committee of the Board

Matteo Stefanel
Chairman

Hamid Imtiaz Hanfi
Member

Shahana Ahmed Ali
Secretary

Supervisory Secretariat

Hamid Imtiaz Hanfi
Head Supervisory Secretariat

Jawed Ahmad
Head Compliance

Shahana Ahmed Ali
Head Legal, Services and
Company Secretary

Iqbal Haris
Head of Strategy (Acting)

Corporate Secretariat

Amir Abbassciy
Chief Executive Officer

Mohammad Wasi Khan
Country Business Head
- Chemical Manufacturing
- Petroleum Marketing

Qaiser Jamal
Country Business Head
- Oil Refining

Humayon Shah
Head Administration and
Human Resource

Wajahat Athar Jafri
Head Commercial

Nawaz Ahmed Khan
Head Management
Applications and Systems

Syed Masood Raza
Head Technical

Abdul Ghani
Head Treasury and
Chief Financial Officer

Legal Counsel

Shahana Ahmed Ali
Head Legal

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Barclays Bank PLC, Pakistan
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
KASB Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Standard Chartered Bank (Pakistan) Ltd
Soneri Bank 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
Pakistan

Tel: (92 21) 3242 7012, 3242 6597,
3242 5467

Fax: (92 21) 3242 6752, 3242 8310

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

DIRECTORS' REPORT

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

The Board of Directors of the Company presents their report together with the condensed interim unaudited financial statements for the quarter ended September 30, 2011.

During the period under review the net sales have declined by 32.19% to Rs. 5,348 million as compared to Rs. 7,899 million during the same period last year (SPLY) while the average throughput was also lower by 32% as compared to SPLY. The Company continued facing very significant working capital constraint which resulted in severely limited supplies and disrupted business operations during the quarter ended September 30, 2011. As a result, the Company suffered a gross loss of Rs. 402.649 million as compared to a gross profit of Rs. 12.2 million SPLY.

The Ministry of Petroleum and Natural Resources (MP&NR) approved recovery of crude transportation cost through IFEM Pool which upon resumption of Company's refining operations will result in cost savings to the Company as at present all this transportation cost is borne by the Company itself without any reimbursements from the pool or from the Government.

The Company has successfully negotiated with its bankers' reduction in markup rates by around 200 basis points and reduction in Letter of Credit related charges which will be effective from the next quarter, and has also regularized its forced payments against documents as running finance, upto Rs. 7.65 billion, which are expected to result in financial cost savings to the Company.

On an overall basis, the business operations have remained substantially under-utilized due to working capital constraints which hampered the operations of the refinery and supply of petroleum products to the petroleum marketing business of the Company. Negotiations are currently underway with the Syndicate banks and other financial institutions for conversion of existing syndicated short term financing facilities into term financing and for enhanced working capital lines for import of crude oil and petroleum products. The Company's request is under consideration with the lenders and a positive outcome of the same is expected.

At the same time, the management of your Company is in the process of reviewing its costs, operating expenditures as well as capital expenditures, with a view to optimizing these and efforts in this direction have yielded a saving of Rs. 150 million on per annum.

In conclusion, the Board of Directors would like to express their gratitude for the cooperation extended to the Company by our valued customers, financial institutions and shareholders and for their continued support, confidence and trust in your Company.

For and on behalf of the Board of Directors



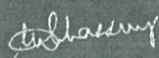
Chief Executive Officer/Director

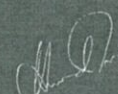
Condensed Interim Balance Sheet

As at September 30, 2011

		Amount in Rs. '000	
		Unaudited Sep 30, 2011	Audited June 30, 2011
ASSETS	Note		
NON CURRENT ASSETS			
Property, plant and equipment	5	18,605,528	18,677,832
Intangible asset		8,133	8,873
Long term Investment - at cost		2,087,115	2,087,115
Long term loan & receivable		2,354,511	2,346,332
Long term deposits		21,062	20,742
CURRENT ASSETS			
Stores and spares		185,826	199,697
Stock in trade		4,632,931	4,113,023
Trade debts - Considered good		7,911,591	6,658,446
Loans and advances - Considered good		970,225	534,149
Trade deposits, prepayments and other receivables		383,409	388,088
Markup accrued		542,189	434,264
Cash and bank balances		665,636	270,559
		15,291,807	12,598,226
		<u>38,368,156</u>	<u>35,739,120</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,200,000,000 (2011: 1,200,000,000) Ordinary		12,000,000	12,000,000
shares of Rs.10/- each			
Issued, subscribed and paid up capital		9,778,587	9,778,587
Accumulated losses		(14,798,388)	(13,770,872)
		(5,019,801)	(3,992,285)
Surplus on revaluation of Property, plant and equipment		5,839,013	5,930,161
NON CURRENT LIABILITIES			
Long term loans - Secured	6	1,095,810	1,506,738
Liabilities against assets subject to finance leases		106,128	124,435
Long term deposits		33,506	33,046
Deferred liabilities		3,208,930	3,207,751
CURRENT LIABILITIES			
Trade and other payables		24,615,177	26,457,206
Accrued markup		524,939	298,700
Running finance under mark-up arrangement		5,790,350	-
Current portion of non current liabilities		1,913,396	1,933,211
Provision for taxation		260,709	240,157
		33,104,570	28,929,274
CONTINGENCIES AND COMMITMENTS	7	-	-
		<u>38,368,156</u>	<u>35,739,120</u>

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


Chief Executive

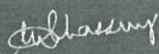

Director

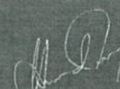
Condensed Interim Profit and Loss Account

For the period ended September 30, 2011-Unaudited

	Amount in Rs. '000	
	3 months ended Jul - Sep 2011	3 months ended Jul - Sep 2010
Net sales	5,347,874	7,899,050
Cost of sales	5,750,523	7,886,782
Gross (loss)/profit	(402,649)	12,268
Operating expenses		
Administrative expenses	199,795	165,840
Selling and distribution expenses	172,270	37,968
	372,065	203,808
Operating loss	(774,714)	(191,540)
Other income	313,208	140,786
	(461,506)	(50,754)
Financial and other charges		
Financial charges	590,365	551,611
Exchange differences - net	95,323	61,036
	685,688	612,647
Loss before taxation	(1,147,194)	(663,401)
Taxation		
Current	20,552	43,569
Deferred	(49,080)	(25,800)
	(28,529)	17,769
Loss after taxation	(1,118,666)	(681,170)
Loss per share - basic & diluted (Rupees)	(1.14)	(1.74)

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


Chief Executive


Director

Condensed Interim Statement of Other Comprehensive Income

For the period ended September 30, 2011-Unaudited

	Amount in Rs. '000	
	3 months ended Jul - Sep 2011	3 months ended Jul - Sep 2010
Net loss for the period after taxation	(1,118,666)	(681,170)
Component of comprehensive income not reflected in equity		
Transfer from surplus on revaluation of		
Property, plant and equipment	140,230	73,714
Related deferred tax	(49,080)	(25,800)
	91,149	47,914
Total comprehensive loss for the period	(1,027,516)	(633,256)
Total comprehensive loss for the period transferred to equity	(1,027,516)	(633,256)

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


Chief Executive

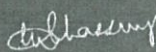

Director

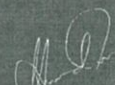
Condensed Interim Cash Flow Statement

For the period ended September 30, 2011-Unaudited

	Note	Amount in Rs. '000	
		3 months ended Jul - Sep 2011	3 months ended Jul - Sep 2010
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(1,147,194)	(663,401)
Adjustments for non cash and other items:			
Depreciation		261,896	157,725
Amortization		739	--
Financial and other charges		685,688	612,647
Cash flow before working capital changes		(198,870)	106,971
Movement in working capital			
<u>(Increase) / decrease in current assets</u>			
Stores and spares		13,871	(134)
Stock in trade		(519,908)	(2,585,767)
Trade debts		(1,253,145)	554,781
Loans and advances		(436,076)	(122,558)
Trade deposits, prepayments and other receivables		42,838	1,032
Mark up accrued		(107,925)	(91,575)
<u>Increase / (decrease) in current liabilities</u>			
Trade and other payables		(1,850,208)	2,821,758
Cash (used in) / generated from operations		(4,110,552)	577,538
Financial charges paid		(459,449)	(281,950)
Income Taxes paid		(38,159)	(13,210)
Deferred Income		50,260	--
Net cash (used in)/flow from operating activities		(4,756,771)	389,349
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(182,839)	(206,200)
Sale proceeds of fixed assets		--	837
Long Term Loan		--	(2,226)
Long term deposits		141	--
Net cash used in investing activities		(182,699)	(207,589)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term loan		(410,929)	(440,762)
Liabilities against assets subject to finance lease - net		(44,874)	(37,513)
Short term borrowings - Net		--	(42,809)
Net cash used in financing activities		(455,803)	(521,084)
Net (decrease)in cash and cash equivalents		(5,395,273)	(339,325)
Cash and cash equivalents at the beginning of the period		270,559	1,036,549
Cash and cash equivalents at the end of the period	8	(5,124,714)	697,224

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


Chief Executive

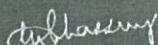

Director

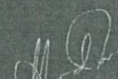
Condensed Interim Statement of Changes In Equity

For the period ended September 30, 2011 - Unaudited

	Amount in Rs. '000		
	Issued, subscribed and paid-up capital	Accumulated Loss	Total
Balance as at July 01, 2010	3,921,044	(11,989,993)	(8,068,949)
Total comprehensive loss for the period	—	(633,256)	(633,256)
Balance as at September 30, 2010	3,921,044	(12,623,249)	(8,702,205)
Balance as at July 01, 2011	9,778,587	(13,770,872)	(3,992,285)
Total comprehensive loss for the period	—	(1,027,516)	(1,027,516)
Balance as at September 30, 2011	9,778,587	(14,798,388)	(5,019,801)

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


Chief Executive


Director

Notes to the Condensed Interim Financial Information

For the period ended September 30, 2011 - Unaudited

1. THE COMPANY AND ITS OPERATIONS

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 shares of the Company are listed on Karachi, Lahore and Islamabad Stock Exchanges. 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 is engaged in the production and sale of petroleum products. Byco Oil Pakistan Limited, a public limited Company incorporated in Pakistan own 86.98% shareholding of the Company.

2. BASIS OF PREPARATION

This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard (IAS - 34), "Interim Financial Reporting" as applicable in Pakistan, and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi, Lahore, and Islamabad Stock Exchanges.

This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2011.

3. ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

- 3.1. The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2011.
- 3.2. The preparation of condensed interim financial information in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and judgment applied by the management in preparation of this condensed interim financial information is same as those applied in preparation of annual financial statements of the Company for the year ended June 30, 2011.

4. GOING CONCERN ASSUMPTION

During the period ended September 30, 2011, the Company incurred a net loss after tax of Rs.1,118 million (Sept 30, 2010: Rs.681 million) and as of that date its accumulated losses of Rs. 14.798 billion (June 30, 2011: Rs. 13.771 billion) have resulted in net capital deficiency of Rs. 5,020 billion (June 30, 2011: Rs. 3,992 billion) and excess of current liabilities over current assets by Rs. 17.812 billion (June 30, 2011: Rs. 16.331 billion). The refinery operations of the Company have substantially declined during the period and have been shut subsequent to the balance sheet date on account of working capital constraints being faced by the Company and as a result thereof, it has been unable to ensure timely payments to its creditors. The conditions indicate existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The condensed interim financial information has been prepared using the going concern assumption, as were applied in the preparation of annual financial statements of the Company for the year ended June 30, 2011, as the management is confident that all these conditions are temporary, not permanent and would reverse in foreseeable future.

During the current period, the Company has successfully negotiated with its bankers' reduction in markup rates by around 200 basis points. This reduction in markup rates will result in financial cost saving and consequently improve the profit & loss and equity position of the Company.

High margin aviation fuel export market has been tapped and the Company is importing jet fuel cargoes. For managing this business, the Company had arranged a separate working capital line which is continually available to the Company. This additional business is estimated to contribute towards the profitability of the Company.

Further, the Ministry of Petroleum and Natural Resources (MP&NR) has approved recovery of crude transportation cost through IFEM Pool. Previously IFEM is only applicable to specific POL products. This will result in substantial cost

savings to the Company, as in the past, all this transportation cost was to be borne by the Company itself without any reimbursements from the pool or from the Government.

The Company has realized significant amounts from its receivables subsequent to the quarter end which resulted in reduction of funded amount of working capital lines thereby reducing the financial costs to the Company.

The Company is also in process of reviewing its costs, operating expenditures as well as capital expenditures, with a view to optimize the associated benefits and/or reduce/eliminate such costs, as appropriate. Based on the foregoing, the Company has also evaluated an installment plan in respect of payments to certain creditors.

In order to improve the working capital and to have continuous and sustained operations, the Company has been reinforcing its views to its lenders for additional working capital lines and various meetings have been held during the period with the lenders. The Company is of the view that it has been able to register its views to the lenders who have also been forthcoming. Accordingly, the Company has approached the lenders for conversion of existing syndicated financing facilities and has requested for additional working capital lines. The Company's request is under consideration of the lenders and the Company expects a positive outcome of the same.

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

	Note	Amount in Rs. '000	
		Sep 30, 2011	June 30, 2011
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - At cost less accumulated depreciation	5.1	14,795,163	14,962,881
Capital work in progress - At cost		3,810,365	3,714,951
		<u>18,605,528</u>	<u>18,677,832</u>

	3 months ended	
	July-Sep 2011	July-Sep 2010
5.1 Additions during the period		
Plant and machinery	71,190	3,784
Civil works	6,018	-
Generators	915	782
Furniture and fixtures	2,185	-
Computer and allied	4,427	-
Safety and lab equipment	2,690	-
Vehicles (Leased)	6,753	-
	<u>94,177</u>	<u>4,566</u>

		Amount in Rs. '000	
		Sep 30, 2011	June 30, 2011
6	LONG TERM LOANS		
	From banks		
	Syndicated Loan	140,000	140,000
	Syndicated Term Finance	2,739,524	3,150,452
		2,879,524	3,290,452
	Current portion of long term loans	(1,783,714)	(1,783,714)
		1,095,810	1,506,738

7 CONTINGENCIES AND COMMITMENTS

7.1 CONTINGENCIES

Claims against the Company not acknowledged as debts amounting to Rs. 1,595.718 million (June 2011: 1,520.273 million) mainly comprise of late payment charges on account of delayed payments against crude oil supplies. The Company is of the view that there are no specific contractual arrangements with these suppliers which allow them to claim/recover these charges and hence no provision in respect of the same has been made in these financial statements.

7.2 COMMITMENTS

Commitments in respect of letter of credits other than crude oil amounting to Rs. 9.209 million (30th June 2011: Rs.57.680 million).

		Amount in Rs. '000 3 months ended	
		July-Sep 2011	July-Sep 2010
8	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	665,636	697,224
	Running finance under mark-up arrangement	(5,790,350)	-
		(5,124,714)	697,224
9	TRANSACTION WITH RELATED PARTIES		
	Parent companies:		
	Markup on loan		5,826
	Land lease rentals	12,031	10,938
	Shared expenses	5,460	3,858
	Subsidiary Company		
	Payment of loan	--	104,431
	Purchase of services	57,868	
	Land lease rentals	688	
	Markup income	107,925	91,575
	Associated companies:		
	Purchase of equipment and services	19,291	6,463
	Payment against freight for crude oil shipments	43,526	47,613
	Markup on loan/late payment	43,927	135,668
	Sales of petroleum products	34,570	49,230
	Staff provident fund		
	Payment of employees and Company's contribution	17,887	10,003

10. INFORMATION ABOUT BUSINESS 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 businesses. 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 Business		Petroleum Marketing Business		Total	
	3 months July - Sep 2011	3 months July - Sep 2010	3 months July - Sep 2011	3 months July - Sep 2010	3 months July - Sep 2011	3 months July - Sep 2010
----- (Rs in '000) -----						
Revenue						
Net Sales to external customers	1,978,027	1,198,050	3,369,847	6,701,000	5,347,874	7,899,050
Inter-segment sales	1,854,470	1,867,675			1,854,470	1,867,675
Eliminations	(1,854,470)	(1,867,675)			(1,854,470)	(1,867,675)
Total revenue	<u>1,978,027</u>	<u>1,198,050</u>	<u>3,369,847</u>	<u>6,701,000</u>	<u>5,347,874</u>	<u>7,899,050</u>
Result						
Segment results - (loss) / profit	(821,924)	(252,341)	(146,022)	116,951	(967,945)	(135,390)
Un-allocated expenses					--	--
					(967,945)	(135,390)
Interest expense					(475,930)	(620,756)
Interest income					296,681	92,745
Taxation					28,529	(17,769)
Loss for the year					<u>(1,118,666)</u>	<u>(681,170)</u>
Other Information						
Depreciation and amortization	<u>242,478</u>	<u>152,017</u>	<u>20,158</u>	<u>5,708</u>		

11. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial statements were authorized for issue on April 3, 2012 in accordance with the resolution of the Board of Directors of the Company

12. FUNCTIONAL AND PRESENTATION CURRENCY

These condensed interim financial statements are presented in Rupees, which is the group's functional currency. All financial information presented in Rupees been rounded to nearest thousand.


Chief Executive


Director

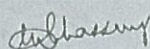
Condensed
Consolidated
Interim
Financial
Information

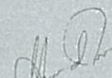
Condensed Consolidated Interim Balance Sheet

As at September 30, 2011

		Amount in Rs. '000	
	Note	Unaudited Sep 30, 2011	Audited June 30, 2011
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	21,907,204	21,986,328
Intangible asset		31,879	32,619
Long term loan		17,280	18,360
Long term deposits		23,635	23,315
CURRENT ASSETS			
Stores and spares		185,826	199,697
Stock in trade		4,632,931	4,113,023
Trade debts - Considered good		7,911,591	6,658,446
Loans and advances - Considered good		773,891	354,853
Trade deposits, prepayments and other receivables		424,175	408,510
Markup accrued		33,012	33,012
Cash and bank balances		666,331	271,254
		14,627,757	12,038,795
		<u>36,607,755</u>	<u>34,099,417</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,200,000,000 (2011:1,200,000,000) Ordinary shares of Rs.10/- each		<u>12,000,000</u>	<u>12,000,000</u>
Issued, subscribed and paid up capital		9,778,587	9,778,587
Accumulated losses		<u>(16,799,554)</u>	<u>(15,665,947)</u>
		(7,020,967)	(5,887,360)
Surplus on revaluation of Property, plant and equipment		5,839,013	5,930,161
NON CURRENT LIABILITIES			
Long term loans - Secured	6	1,095,810	1,506,738
Liabilities against assets subject to finance leases		111,964	130,580
Long term deposits		33,506	33,046
Deferred liabilities		3,366,610	3,365,708
CURRENT LIABILITIES			
Trade and other payables		24,689,671	26,546,558
Accrued markup		524,939	298,700
Running finances under mark up arrangement		5,790,350	-
Current portion of non current liabilities		1,914,710	1,934,527
Provision for taxation		262,149	240,759
		33,181,819	29,020,544
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		<u>36,607,755</u>	<u>34,099,417</u>

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


Chief Executive


Director

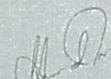
Condensed Consolidated Interim Profit and Loss Statement

For the period ended September 30, 2011 - Unaudited

	Amount in Rs. '000	
	3 months ended Jul - Sep 2011	3 months ended Jul - Sep 2010
Sales	5,347,874	7,899,050
Cost of Sales	5,714,401	7,886,782
Gross (loss)/ Profit	(366,527)	12,268
Operating expenses		
Administrative expenses	217,875	194,270
Selling and distribution expenses	172,270	37,968
	390,145	232,238
Operating loss	(756,672)	(219,970)
Other income	204,595	51,558
	(552,077)	(168,412)
Financial and other charges		
Financial charges	605,321	551,684
Exchange differences	95,323	61,036
	700,644	612,720
Loss before taxation	(1,252,721)	(781,132)
Taxation		
Current	21,390	43,569
Deferred	(49,355)	(25,800)
	(27,965)	17,769
Loss after taxation	(1,224,756)	(798,901)
Loss per share - basic & diluted (Rupees)	(1.25)	(2.04)

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


Chief Executive

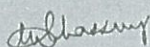

Director

Condensed Consolidated Interim Statement Of Other Comprehensive Income

For the period ended September 30, 2011 - Unaudited

	Amount in Rs. '000	
	3 months ended Jul - Sep 2011	3 months ended Jul - Sep 2010
Net loss for the period after taxation	(1,224,756)	(798,901)
Component of comprehensive income not reflected in equity		
Transfer from surplus on revaluation of		
Property, plant and equipment	140,229	73,714
Related deferred tax	(49,080)	(25,800)
	91,149	47,914
Total comprehensive loss for the period	(1,133,607)	(750,987)
Total comprehensive loss for the period transferred to equity	(1,133,607)	(750,987)

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


Chief Executive

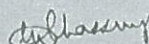

Director

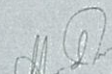
Condensed Consolidated Interim Cash Flow Statement

For the period ended September 30, 2011 - Unaudited

Note	Amount in Rs. 000	
	3 months ended Jul - Sep 2011	3 months ended Jul - Sep 2010
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(1,252,721)	(781,132)
Adjustments for non cash and other items:		
Depreciation	273,718	185,042
Amortization	739	--
Financial and other charges	700,645	612,720
Net cash flow before working capital changes	(277,618)	16,630
Movement in working capital		
<u>(Increase) / decrease in current assets</u>		
Stores and spares	13,871	(137)
Stock in trade	(519,908)	(2,585,767)
Trade debts	(1,276,751)	552,035
Loans and advances	(436,076)	(18,127)
Trade deposits, prepayments and other receivables	38,853	(91,017)
<u>Increase / (decrease) in current liabilities</u>		
Trade and other payables	(1,830,814)	2,835,400
Cash (used in) / generated from operations	(4,288,443)	709,017
Financial charges paid	(474,405)	(282,023)
Income Taxes paid	(38,168)	(14,004)
Deferred income	50,260	--
Net cash (used in) / generated from operating activities	(4,750,757)	412,990
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(187,844)	(239,631)
Sale proceeds of fixed assets	-	837
Long term deposit	141	(2,226)
Net cash used in investing activities	(187,704)	(241,020)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loan	(410,929)	(440,762)
Liabilities against assets subject to finance lease - net	(45,183)	(37,513)
Short term borrowings - net	-	(42,809)
Net cash used in financing activities	(456,112)	(521,084)
Net (decrease) in cash and cash equivalents	(5,394,573)	(349,114)
Cash and cash equivalents at the beginning of the period	270,554	1,046,352
Cash and cash equivalents at the end of the period	8 (5,124,019)	697,238

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


Chief Executive

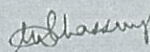

Director

Condensed Consolidated Interim Statement of changes in equity

For the period ended September 30, 2011 - Unaudited

	Amount in Rs. 000		
	Issued, subscribed and paid-up capital	Accumulated Loss	Total
Balance as at July 01, 2010	3,921,044	(13,358,802)	(9,437,758)
Total comprehensive loss for the period	-	(750,987)	(750,987)
Balance as at September 30, 2010	<u>3,921,044</u>	<u>(14,109,789)</u>	<u>(10,188,745)</u>
Balance as at July 01, 2011	9,778,587	(15,665,947)	(5,887,360)
Total comprehensive loss for the period	-	(1,133,607)	(1,133,607)
Balance as at September 30, 2011	<u>9,778,587</u>	<u>(16,799,554)</u>	<u>(7,020,967)</u>

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


Chief Executive


Director

Notes to the Condensed Consolidated Interim Financial Information

For the period ended September 30, 2011 - Unaudited

1. REPORTING ENTITY

The Group comprises of the following companies

Byco Petroleum Pakistan Limited ('BPPL') - Parent Company

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 shares of the company are listed on Karachi, Lahore and Islamabad Stock Exchanges. 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 is engaged in the production and sale of petroleum products. Byco Oil Pakistan Limited, a public limited company incorporated in Pakistan own 86.98% shareholding of the company.

Universal Terminal Limited ('UTL') - Subsidiary

UTL was incorporated in Pakistan on June 14, 2002 as a private limited company under the Companies Ordinance, 1984 and converted into Public Limited Company on May 24, 2010. BPPL acquired 100% shares of UTL by virtue of share purchase agreement dated February 17, 2010 (acquisition date). The registered office of UTL is situated at 9th Floor, The Harbour Front, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi - 75600. UTL is principally engaged in the provision of bulk storage services of petroleum products.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information have been prepared in accordance with the requirements of International Accounting Standard (IAS - 34), "Interim Financial Reporting" as applicable in Pakistan, and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed consolidated interim financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi, Lahore, and Islamabad Stock Exchanges.

This condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended June 30, 2011.

3. BASIS OF CONSOLIDATION

Subsidiary are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights, if any, that are currently exercisable are taken into account. However, potential voting rights that are not currently exercisable are not included in determination of the proportions of profit or loss and changes in equity attributable to the Group.

The financial statements of the subsidiary are included in the consolidated financial statements. The accounting policies of subsidiaries are changed when necessary to align them with those adopted by the Group. The assets and liabilities of the subsidiaries are consolidated on a line-by-line basis and the carrying amount of the investment in subsidiaries is eliminated against the subsidiaries' share capital and pre-acquisition reserves. All intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements.

4. GOING CONCERN ASSUMPTION

During the period ended September 30, 2011, the Parent Company (BPPL) incurred a net loss after tax of Rs.1,118 million (Sept 30, 2010: Rs.681 million) and as of that date its accumulated losses of Rs. 14.798 billion (June 30, 2011: Rs. 13.771 billion) have resulted in net capital deficiency of Rs. 5.020 billion (June 30, 2011: Rs. 3.992 billion) and excess of current liabilities over current assets by Rs. 17.812 billion (June 30, 2011: Rs. 16.331 billion). The refinery operations of the Parent Company have substantially declined during the period and have been shut subsequent to the balance sheet date on account of working capital constraints being faced by the Parent Company and as a result thereof, it has been unable to ensure timely payments to its creditors.

The conditions indicate existence of material uncertainty which may cast significant doubt about the Parent Company's ability to continue as going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The condensed consolidated interim financial information has been

prepared using the going concern assumption, as were applied in the preparation of annual financial statements of the Parent Company for the year ended June 30, 2011, as the management is confident that all these conditions are temporary, not permanent and would reverse in foreseeable future.

During the current period, the Parent Company has successfully negotiated with its bankers' reduction in markup rates by around 200 basis points. This reduction in markup rates will result in financial cost saving and consequently improve the profit & loss and equity position of the Group.

High margin aviation fuel export market has been tapped and Parent Company is importing jet fuel cargoes. For managing this business, the Parent Company had arranged a separate working capital line which is continually available to the Parent Company. This additional business is estimated to contribute towards the profitability of the Group.

Further, the Ministry of Petroleum and Natural Resources (MP&NR) has approved recovery of crude transportation cost through IFEM Pool. Previously IFEM is only applicable to specific POL products. This will result in substantial cost savings to the Parent Company, as in the past, all this transportation cost was to be borne by the Parent Company itself without any reimbursements from the pool or from the Government.

The Parent Company has realized significant amounts from its receivables subsequent to the quarter end which resulted in reduction of funded amount of working capital lines thereby reducing the financial costs to the Group. The Group is also in process of reviewing its costs, operating expenditures as well as capital expenditures, with a view to optimize the associated benefits and/or reduce/eliminate such costs, as appropriate. Based on the foregoing, the Group has also evaluated installment plans in respect of payments to certain creditors.

In order to improve the working capital and to have continuous and sustained operations, the Parent Company has been reinforcing its views to its lenders for additional working capital lines and various meetings have been held during the period with the lenders. The Parent Company is of the view that it has been able to register its views to the lenders who have also been forthcoming. Accordingly, the Parent Company has approached the lenders for conversion of existing syndicated financing facilities and has requested for additional working capital lines. The Parent Company's request is under consideration of the lenders and it expects a positive outcome of the same.

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

		Amount in Rs. '000	
	Note	Sep 30, 2011	June 30, 2011
5	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets - At cost less accumulated depreciation	15,326,634	15,526,412
	Capital work in progress - At cost	6,580,570	6,459,916
		21,907,204	21,986,328
		3 months ended	
		July-Sep 2011	July-Sep 2010
5.1	Additions during the period		
	Plant and machinery	71,190	3,784
	Civil work	6,018	-
	Generators	915	782
	Furniture and fixtures	2,185	-
	Computer and allied	5,093	-
	Safety and lab equipment	2,690	-
	Vehicles (Leased)	6,753	-
		94,843	4,566

		Amount in Rs. '000	
		Sep 30, 2011	June 30, 2011
6	LONG TERM LOANS		
	From banks		
	Syndicated Loan	140,000	140,000
	Syndicated Term Finance	2,739,524	3,150,452
		2,879,524	3,290,452
	Current portion of long term loans	(1,783,714)	(1,783,714)
		1,095,810	1,506,738

7 CONTINGENCIES AND COMMITMENTS

7.1 CONTINGENCIES

Claims against the company not acknowledged as debts amounting to Rs. 1,595.718 million (June 2011: 1,520.273 million) mainly comprise of late payment charges on account of delayed payments against crude oil supplies. The company is of the view that there are no specific contractual arrangements with these suppliers which allow them to claim/recover these charges and hence no provision in respect of the same has been made in these condensed consolidated interim financial statements.

7.2 COMMITMENTS

Commitments in respect of letter of credits other than crude oil amounting to Rs. 9.209 million (30th June 2011: Rs.57.680 million).

		Amount in Rs. '000	
		3 months ended	
		July-Sep 2011	July-Sep 2010
8	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	666,331	697,224
	Running finance under mark-up arrangement	(5,790,350)	-
		(5,124,019)	697,224

		3 months ended	
		July-Sep 2011	July-Sep 2010
9	TRANSACTION WITH RELATED PARTIES		
	Parent companies:		
	Markup on loan	--	5,826
	Land lease rentals	12,031	10,938
	Shared expenses	5,460	3,858
	Subsidiary Company:		
	Payment of loan	--	104,431
	Purchase of services	57,868	-
	Land lease rentals	688	-
	Markup income	107,925	91,575
	Associated companies:		
	Purchase of equipments and services	19,291	6,463

10. INFORMATION ABOUT BUSINESS SEGMENTS

For management purposes, the Group has determined following reportable operating segments on the basis of business activities i.e. oil refining, petroleum marketing businesses and petroleum storage services. 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. UTL is engaged in the provision of bulk storage services of petroleum products. The quantitative data for segments is given below:

	Oil Refining Business		Petroleum Marketing Business		Petroleum Storage Services		Total	
	3 months July - Sep 2011	3 months July - Sep 2010	3 months July - Sep 2011	3 months July - Sep 2010	3 months July - Sep 2011	3 months July - Sep 2010	3 months July - Sep 2011	3 months July - Sep 2010
----- (Rs. in '000) -----								
Revenue								
Net Sales to external customers	1,978,027	1,198,050	3,369,847	6,701,000			5,347,874	7,899,050
Inter-segment sales	1,854,470	1,867,675			57,834	--	1,912,304	1,867,675
Eliminations	(1,854,470)	(1,867,675)			(57,834)	--	(1,912,304)	(1,867,675)
Total revenue	1,978,027	1,198,050	3,369,847	6,701,000	--	--	5,347,874	7,899,050
Result								
Segment results - (loss) / profit	(821,924)	(252,341)	(146,023)	116,951	17,355	(26,082)	(950,591)	(161,472)
Un-allocated expenses							--	--
							(950,591)	(161,472)
Interest expense							(490,886)	(620,829)
Interest income							188,756	1,170
Taxation							27,965	(17,769)
Loss for the year							(1,224,756)	(798,900)
Other information								
Depredation and amortization	242,478	152,017	20,158	5,708	11,822	27,317		

11. DATE OF AUTHORIZATION FOR ISSUE

The condensed consolidated interim financial statements were authorized for issue on April 3, 2012 in accordance with the resolution of the Board of Directors of the Company

12. FUNCTIONAL AND PRESENTATION CURRENCY

These condensed consolidated interim financial statements are presented in Rupees, which is the group's functional currency. All financial information presented in Rupees been rounded to nearest thousand.


Chief Executive


Director

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