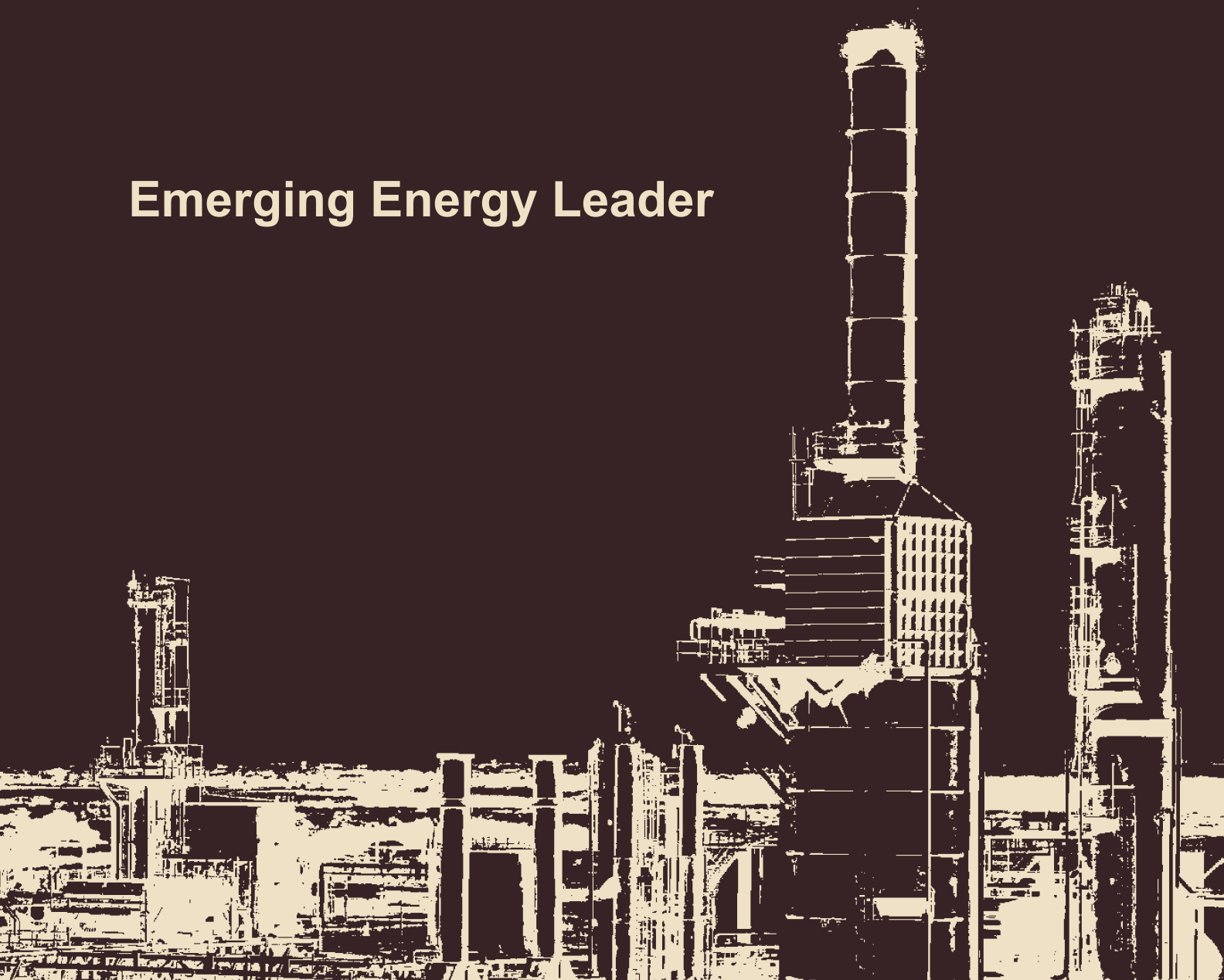




Emerging Energy Leader



Bosicor Pakistan Limited

Annual Report 2009

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A decorative graphic consisting of a grid of colored squares in various shades including orange, grey, yellow, purple, brown, light yellow, blue, and light grey, arranged in a pattern that frames the central text.

V i s i o n

Our Vision is to develop our Company on ethical and professional basis in order to steadily grow and become a valued contributor to the Economy and a respected Corporate Entity.

Our Mission is to proactively invest to develop infrastructure in order to become a single source chain for meeting the Economy's Chemicals, Energy, Petroleum and Petrochemical requirements, thereby provide the best possible returns to our stakeholders.

A decorative graphic consisting of several colored squares arranged in a grid-like pattern. The squares are in various colors including brown, yellow, light blue, orange, red, grey, teal, purple, and dark grey. The word "Mission" is overlaid on this graphic.

M i s s i o n



Environment H&S Policy

We will develop our Company on ethical and professional basis and be a responsible corporate entity with respect to Environment Health & Safety.

Management Belief

Management Leadership, Participation and Accountability: Our leaders, from top management to front-line supervisors, are responsible and accountable for Environment, Health and Safety, its compliance and for managing such risks of their areas. Their active participation includes collaborating across organizational lines to integrate risk management practices into our routine business processes.

Management Role

- **Worker Protection and Wellbeing:** To enable all employees to accept individual responsibility for EHS, implement best practices, and work in partnership to create an ethos of continuous improvement by providing appropriate training & information.
- **Contractor Safety:** To work with and demand compliance from our contractors for adhering to our EHS Policies and Procedures, thereby ensuring high standards for protection of our environment, workers and assets.

Employee Responsibilities

- **Environmental Protection:** Adopt best in class practices that protect the environment, including reducing the quantity of emissions, developing opportunities for recycling, pollution prevention, and efficient use recyclable materials.
- **Emergency Vigilance:** Anticipate emergency situations and be ready to respond appropriately to eliminate harm to the environment, people and property.
- **Continual Improvement:** Strive to constantly improve our EHS performance and management processes by measures, including the following:
 - Benchmarking industry best practices to identify improvement opportunities; and
 - Conducting reviews and auditing our EHS management system and operations to monitor progress and compliance.
 - Incorporating newer generation technology and advance management systems.
 - Learning from events - accidents, close calls and identified substandard conditions.



Statement of Ethics & Business Practices

Bosicor is engaged in the manufacturing of a wide range of petroleum products with the objectives to achieve sustainable productivity, profitability and high standards of care for, environment, health and safety. This entails human resource development, enhancing value addition, implementing conservation measures and growth up-gradation and addition of newer generation technologies. Our Company solemnly believes in the application of business ethics as have been embodied in this document.

- The credibility, goodwill and repute earned is maintained through continued conviction in our corporate values of honesty, integrity, justice and respect for people. Our Company strongly promotes Openness, Professionalism, Teamwork and Trust in its entire business activities.
- Safeguarding of Shareholders' interest and a worthwhile return on equity is an integral part of our business ethics.
- We believe in servicing Customers by providing products, which offer value in terms of environment and price.
- We respect human values, provide congenial working environment, offer competitive terms of employment, develop human resource and provide an equal opportunity for all our employees.
- We believe that profits are the real yardstick to measure our value addition to the economy and is essential for business survival, as it measures efficiency and the value that the customer places on products and services produced by a Company.
- In view of the critical importance of the business and impact on national economy, our Company provides all relevant information concerning its activities to legitimate interested parties, subject to any overriding confidentiality.



Amir Abbassciy
Chief Executive Officer

Company Information

Board of Directors

Amir Abbassciy, *Chairman & CEO*
Hamid Imtiaz Hanfi, *Vice Chairman & 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*
Syed Arshad Raza, *Member*
Ozair Muhammad, *Secretary*

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. Ata-ur-Rehman, *Head of Marketing*
Zafar Ahmed Khan, *Head of Operations*

Zafar Haleem, *President Oil Refining*
Derek Lawler, *VP Technical*
Shamim Anwar, *GM Oil Refining*

Corporate Office

Imran Farookhi, *GM Admin & HR*
Wajahat Athar Jafri, *GM Commercial*
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

Shares' 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 - Pakistan
Tel: (92 21) 111 222 081
Fax: (92 21) 111 888 081

Website

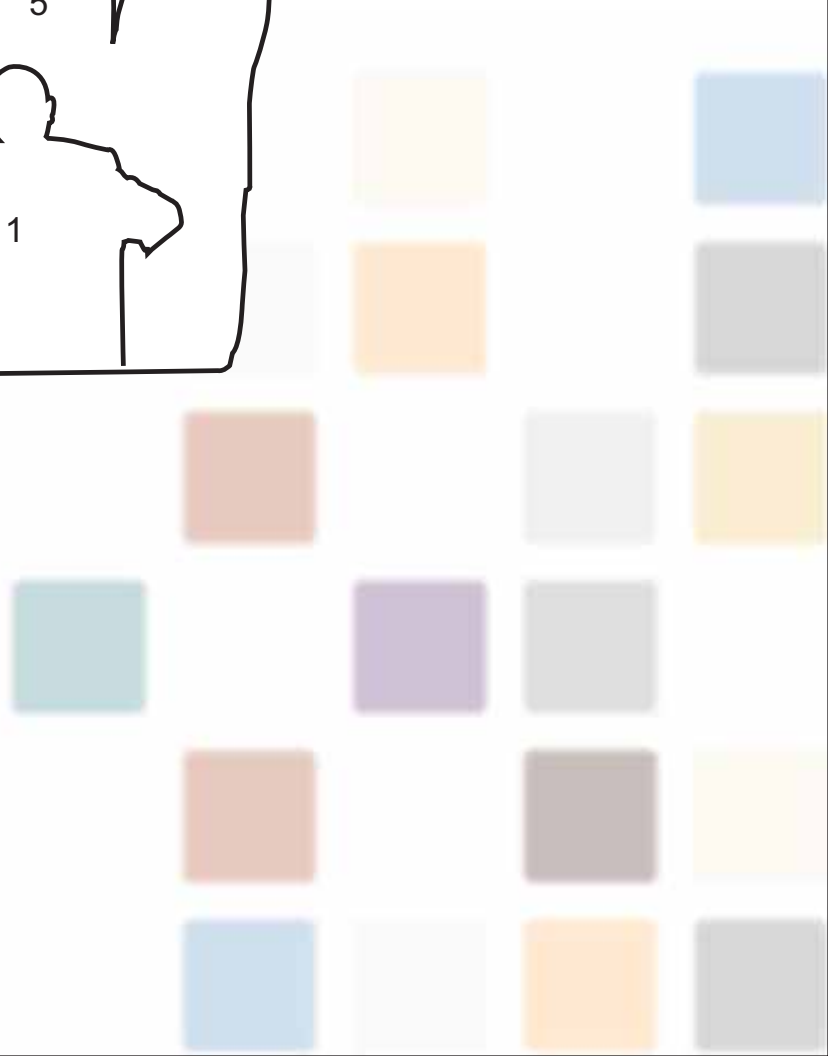
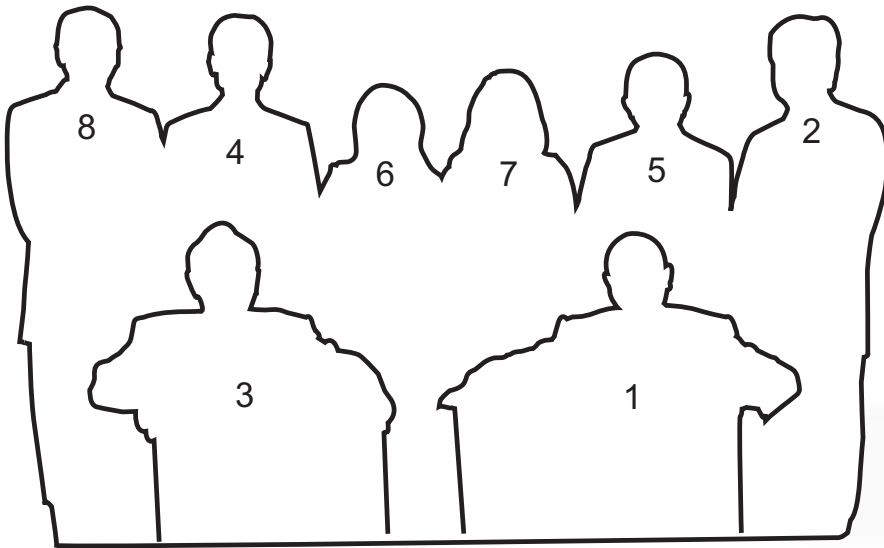
www.bosicor.com.pk



Board of Directors



1. **Amir Abbassciy**, *Chairman & CEO*
2. **Hamid Imtiaz Hanfi**, *Vice Chairman & Director*
3. **Muhammad Rashid Zahir**, *Director*
4. **Syed Arshad Raza**, *Director*
5. **Farooq Ahmed Yamin Zubairi**, *Director*
6. **Samia Roomi**, *Director*
7. **Uzma Abbassciy**, *Director*
8. **Kashif Shah**, *Sponsors' Advisor*



Audit Committee in Session



Sponsors' Advisor



Legal Counsel



Chief Executive's Team



Corporate Secretariat Team



Oil Refining Team



Petroleum Marketing Team



Commercial Team



HR & Admin Team



Management Application Systems Team



Treasury Team





Chief Executive's Review

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

On behalf of the Board of Directors, I am pleased to welcome you all to the 15th Annual General Meeting of your Company to present the Annual Report of Bosicor Pakistan Limited (BPL) together with the Audited Financial Statements and Auditors' Report thereon for the fiscal year ended June 30, 2009.



Oil Refining Business

Last year was one of the most turbulent years in the history of oil refining. The price of Crude Oil rose to its highest level ever, then crashed as the world economy collapsed around the banking crisis. It was an extremely difficult time for the refining sector to operate profitably while maintaining commitments to supply the Pakistan fuels market. The global downturn reduced demand for motor fuel products worldwide resulting in depressed refining margins. During this period there has been a reduction in Diesel demand in the Country, as the transportation sector has witnessed a decline. During this period the Company has balanced the throughput of the refinery in order to minimize its losses while maintaining minimal committed volumes to its Customers. This has resulted in using less of the Refinery capacity than planned.

The coming year is expected to be more stable for the refining industry, in terms of commodity price movements but the outlook for refinery margins will remain poor until motor fuel demand rises sufficiently to fill the available refining capacity. New refining capacity has come on-stream in the Indo-Pak sub-continent, Middle East, China and Vietnam that will delay the recovery in margins. All of the incremental growth in demand is expected to be in developing countries including Pakistan where economic growth is expected to continue. Hence, the Refinery will continue to operate at throughput levels that optimises profitability.



The Company has started getting limited quantity of local crude and has successfully blended it with imported crude oil while retaining product quality and yields. This has not only reduced the Refinery's exposure on currency fluctuations but also reduced the demand for foreign exchange. The Company is seeking to increase its allocation of local crude oil and condensate.

Good Maintenance and Operations ensured 100% availability of the 30,000 Barrels per Day (BPD) crude oil processing capacity at the Oil Refining Business (ORB). Other improvements included lower fuel and water usage, increased LPG recovery and further enhancement in the recovery of HSD, while maintaining operations costs below budget. While the immediate outlook of the refining sector, both internationally and locally is not conducive to further investments, the Company is completing studies to increase the processing capacity above 35,000 BPD, to implement as the trading scenario changes for the better.

During the fiscal year, the unprecedented depreciation of Pak Rupee vis-a-vis the US Dollar has led to a significant increase in the liabilities, the Company has had to book against its crude suppliers, by increasing the payment in equivalent Pak Rupees since Hedging against currency fluctuation over Crude Oil and product prices is not available to the Refinery sector. Resultantly, an extra ordinary expense on account of foreign exchange differential loss of Rs. 4.38 billion has been incurred which could have otherwise increased the profit by the same amount. The Company's loss after tax for the full year has therefore been Rs. 10.33 billion as compared to Profit after Tax of Rs. 15.12 million earned last year.



Petroleum Marketing Business

The Petroleum Marketing Business (PMB) formerly known as Oil Marketing Unit has been re launched with a new vision. The business which has developed progressively during the last two years is now growing aggressively. The business after developing 50 retail outlets since its inception and primarily focusing on retail segment is now expanding the canvas by targeting to become a dominant player in the industrial, international and retail segments. Going forward, PMB will be increasing its product portfolio by adding LPG and lubricants as well.



A challenging and aggressive business plan envisages rapid development of retail stations in the major cities and along the highways of Pakistan. The Company will develop these retail outlets with a focus to offer complete range of transportation fuels for the consumers. These Filling Stations will have state-of-the-art equipment and services and will be designed to provide non fuel amenities such as fast food, car-wash, tyre shop, convenience stores, with other innovative concepts being planned.



Plans are also underway to make LPG available at the Filling Stations, as well as to market LPG cylinders with the Company's Brand through a distribution network. The Company is developing plans to launch branded lubricants for the automotive and industrial sectors. They will be available at the Filling Stations as well as in the commercial markets. The Company is exploring various options in this segment, locally as well as internationally.

The Company has been working on the industrial sales by targeting new business segments and developing plans to tap the large industrial customers base. Furthermore, sales of furnace oil to the captive power projects are on-going and PMB is planning to venture into supplying to other power projects under long-term Fuel Supply Agreements in the coming years. The PMB has become a leading supplier for bunker fuels and specialized furnace oil for ocean going vessels.

The International Sales has been a strong and vital component of the overall marketing business and PMB is focusing and planning to cater to the international opportunities available in the region where it can provide petroleum and lubricant products.





With ever-increasing competition in the market today, availability of product is a major challenge for all Oil Marketing Companies (OMCs). Your Company has a distinctive advantage through its Refinery, to meet the product requirement in the south of the Country. However, while we develop infrastructure that will assist in the delivery of product to the consumers at their doorstep, to cater to the fast growing requirements of the business in other parts of the Country, arrangements are being put in place to acquire products through other sources, like the White Oil Pipeline, as well as purchases from other refineries and oil marketing companies.

As PMB is in a ramp-up phase, we are hiring quality human resource who as a cohesive Team are capable of taking this initiative forward.

Construction of additional storage facilities at Mouza Kund Site

Construction work on the new product storage tanks is now complete with 144,000 metric tones of additional capacity available for use. The performance of Crude Processing and Product Shipping areas has improved and can support continuous Refinery operations at above 30,000 BPD.





SBM & Sub-sea Pipeline Project

The Sub-sea Pipeline Project is progressing albeit with some delays. After completion of Sonar survey, Front End Engineering Design and Detail Design, procurement activity commenced and orders for all major equipment have been placed. It is planned to start laying of the pipeline from December, 2009 with expected commissioning of this project by fourth quarter of fiscal year 2010.



Isomerization Unit

The Isomerization Unit increases the Octane of Light Naphtha so that it can be blended into Premium Motor Gasoline (PMG) where it improves the overall quality by increasing the Octane and reducing the Sulphur and Aromatics. Manufacturing PMG from Light Naphtha improves the margin as compared to exporting Light Naphtha. The Isomerization Plant is slated for completion by February 2010. However, this Plant will commence operation when our Associated Company, Bosicor Oil Pakistan Limited (BOPL) starts up its Refinery in July 2010, as its vast quantity of Light Naphtha feed can only be met when the larger Refinery commences operations.



Financing Arrangements

As a consequence of exceptional financial burden arising from unprecedented losses specially during the second quarter of the current fiscal year, the Company prepared a comprehensive financial plan and renegotiated arrangements with a Consortium of leading financial institutions of the Country. Under this arrangement, the Consortium has provided: a) Syndicated Term Finance Facility of Rs 5.7 billion, by converting the Financial Institutions existing exposure of un-funded LC lines; and b) Letters of Credit Facility of up to Rs 12.3 billion to facilitate import of crude oil.

As a gesture of continued support and commitment, the Sponsors of the Company have provided a cash injection of Rs 4.2 billion during this fiscal year, as Sponsors Loans. This financial support has enabled the Company to bridge the required funding gap for completing the projects under construction and in meeting the Company's financial obligations. It is extremely heartening to note that even in these trying times the Sponsoring Shareholders and the Financial Institutions have extended complete and unprecedented support to ensure operations of the Company.



Corporate Social Responsibility

The Company's Community plan, though in its nascent stage has started to make a visible difference to the Community the Company operates in by providing and sponsoring:

- sports and recreational facilities.
- drinking water to the locals living in villages in close proximity to the Mouza Kund Site.
- rehabilitation and construction material in the event of floods and natural calamities.
- medical camps and facilitation.
- job opportunities to local population around the Site, which not only helps the welfare of the people living in the nearby Villages but also helps in cutting Carbon emissions by people not having to be brought from distant locations to work at the Site.





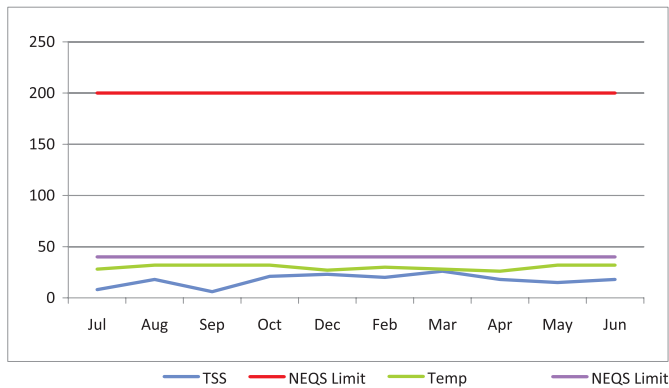
Environment, Health, Safety and Security (EHSS)

The Company has established a strategic framework for EHSS by adopting the following measurable objectives:

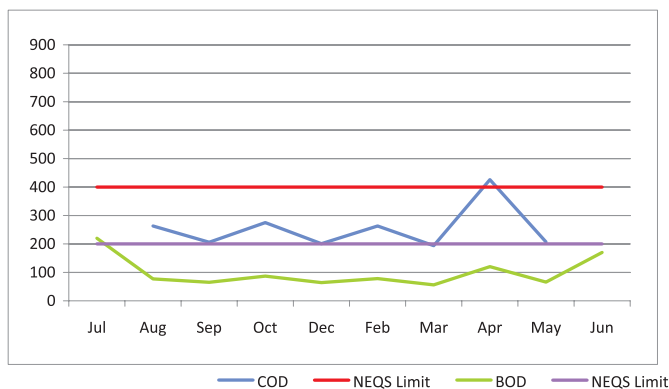
- Eliminating work related injuries and illnesses
- An incident free work place
- Integrating Environment, Health and Safety with Production
- Reporting all types of safety incidents
- Increasing transparency and closer collaboration with the Community the Company operates in

Refinery Effluent Water Analysis Report July-08 to Jun-09

TSS and Temperature Results

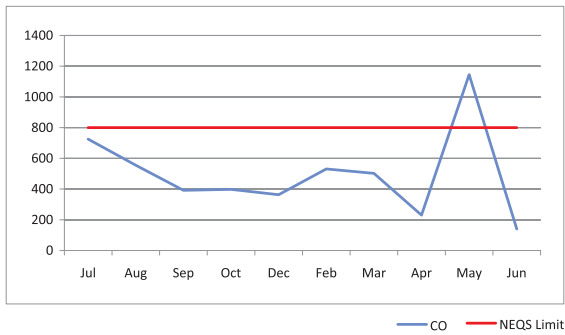


BOD and COD Analysis Report

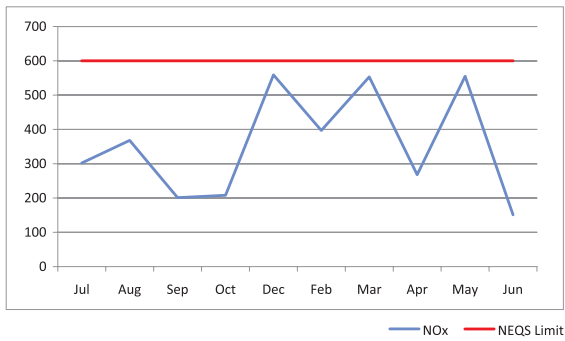


Gaseous Emission Analysis Report

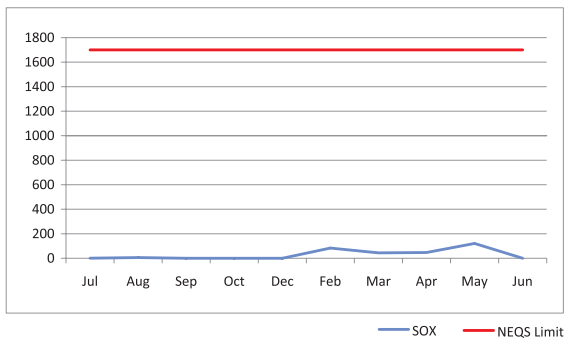
Carbonmonoxide Analysis Report



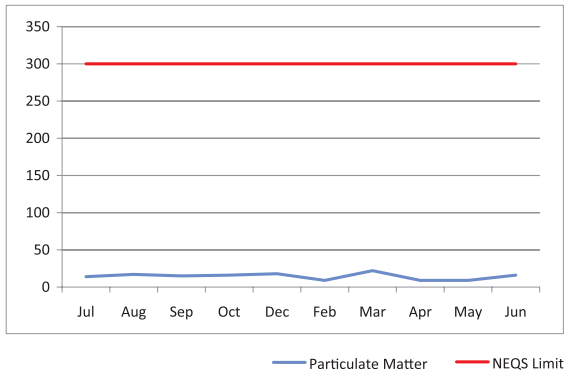
Combined Oxide of Nitrogen Analysis Report



Oxides of Sulfur



Particulate Matter



The Company's Achievements Are:

- 1) The Refinery has achieved 2 Million Safe Man Hours without Lost Time Injury (LTI). The year 2008-2009 was the safest in the Refinery's operational history.
- 2) Monthly Environmental Sampling of gaseous Emission and Effluent Water Analysis Results remained within the NEQS limits.
- 3) In 2009, the Medical Department achieved 100% completion of required annual medical and surveillance assessments and the wellness program continued to assist employees with lifestyle related diseases.
- 4) Live Fire drill conducted for all On-Site Employees and Staff, trained in the usage of fire extinguisher and miscellaneous fire apparatus.
- 5) Introduced periodic housekeeping audits for improved working atmosphere and also helped to standardize hygiene of food for Employees and Contractors.
- 6) New Permit To Work (PTW) system was introduced and implemented as a continual improvement program of EHSS. This Department trained and validated Staff on PTW issuing and accepting authorities. Six PTW refresher training and validation sessions were arranged during the Fiscal Year.
- 7) M/s URS were hired to analyze the effectiveness of Environment, Quality, Health and Safety Management Systems against ISO and OHSAS Standards for certifications.
- 8) M/s Petrochem Services were hired to analyze and where required update the Fire Protection System. A detailed engineering work is presently underway comprising the implementation of the recommendations received.

Continuous improvement in EHS standards is the top priority of the Management and is an overriding measure of performance and in this respect the Company is currently in the process of acquiring ISO and OHSAS certification.





Contribution to National Exchequer

During the current year the Company contributed an amount of Rs. 10.4 billion to the national exchequer through direct and indirect taxes. Export of products, valued at US \$ 72 million has contributed towards improving the Country's balance of payments, while the Refinery has saved a further US \$ 32 million through import substitution by using indigenous Crude Oil.



Management Application Systems

The Company realizes the importance of latest management tools and Information Technology systems. The Company has a state-of-the-art infrastructure with self-powered Data Center with 24/7 service equipped with High End Servers. The standardized integrated infrastructure assists Management Application Systems (MAS) Department to respond effectively to business requirements, thereby supporting business continuity, increasing productivity and ensuring secure access to applications and information.

The IT Network has crossed 300 User Terminals mark and is growing. The MAS Department has developed and maintained a seamless and robust High Speed Broad Band Wireless Radio links to connect the Corporate Offices with the ORB operating at the Mouza Kund Site and PMB operating Country-wide. A well trained team of core competence in their relevant areas provides the Data/Voice/Video Communications, Email and Web services to the End Users and Management.



SAP enterprise resource planning (ERP), one of the leading ERP software is active with strong presence in the Organization since 2006. This has enhanced system efficiencies by providing real time information to the Management for decision making.



Human Resources Development

Our Staff are the most valuable asset.

In order to hire competent & quality resources, a pre-employment IQ test is mandatory which screens participants after assessing them on three dimensions: Intelligence, Comprehension & Analytical abilities.

The Company pays special attention on the training and development of its Employees. All new Employees go through a detailed Orientation Training Program. Existing Employees are provided refresher training courses on a regular basis. Theoretical and practical training to fresh engineering graduates is also imparted through Graduate Trainee Engineer program. This familiarizes graduates to the industry practices.

The Company focuses on environment, health, safety and security while striving to achieve operational excellence to energize economic growth.





In conclusion, the Board prays to Almighty Allah for His continued blessings and would like to extend its gratitude to our Shareholders for their support, the Financial Institutions for their confidence and trust, the Ministry of Petroleum and Natural Resources and the Oil and Gas Regulatory Authority for their assistance and the Company's Employees for their sincere and dedicated efforts.

For and on behalf of the Management

Amir Abbasciy
Chief Executive Officer

Karachi:
November 06, 2009

Directors' Report

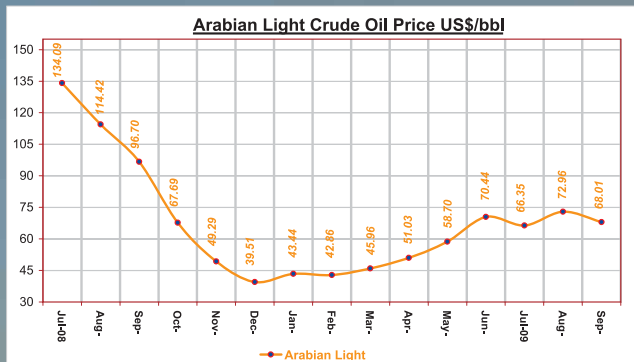
In the name of Allah the Most Merciful and the Most Benevolent.

The Directors of your Company present their annual report together with the audited financial statements and auditors' report thereon for the year ended June 30, 2009.

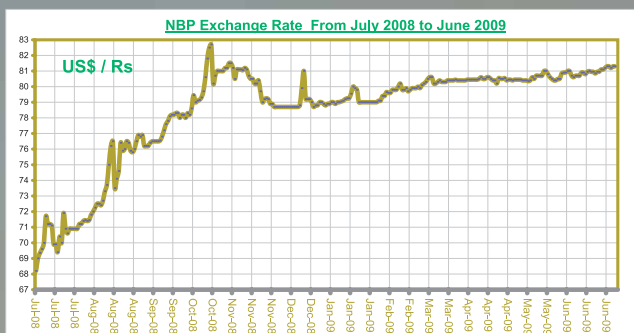


Performance Overview

The year 2008-09 has witnessed tremendous variations in crude oil prices. The price of Iranian Light Crude Oil per barrel varied between US\$ 39.81 to US\$ 134.39 and Arabian Light Crude Oil varied between US\$ 39.51 to US\$ 134.09 during the financial year mainly due to an economic downturn emanating mostly from a collapse of demand in the United States of America and a recession in various world economies. Furthermore, weakening of Rupee against the US\$ resulted in heavy exchange losses. The volatility of crude oil prices and the steep fall in the value of the Pakistani Rupee versus the US Dollar during the year is depicted more vividly in following graphs:



Arabian Light Crude Oil Prices July 2008 to June 2009



Pak Rupee Vs US Dollar Parity July 2008 to June 2009



The crude throughput after revamp remained higher than that of the prior period whereas it was low compared to the installed capacity. The crude oil processed during the financial year came to 7.037 million barrels as compared to 6.188 million barrels processed during last financial year.

The Refinery is still confronted with logistics challenges relating to its crude oil deliveries from the terminal at Port Qasim to the Site as well as shipments from the Refinery to its Customers. Both of these operations are carried out through Bowzers/tank lorries, which remained subject to a significant variations on account of tanker/transporters strikes due to hike in Diesel prices by the Government. This has negatively affected the Crude Oil throughputs and resultantly, petroleum dispatches at various occasions during the year under review.

The Company has achieved Gross Sales of Rs. 54.77 billion and Net Sales of Rs. 44.62 billion during the year as compared to the Gross and Net Sales of Rs. 40.09 billion and Rs. 35.81 billion respectively for the last year. During the year, the Company's net loss after taxation was Rs.10.333 billion as compared to a profit after taxation Rs. 15.121 million in the previous year. The loss after taxation for 2008-09 has arisen primarily due to exchange losses of Rs. 4.4 billion, an operating loss of Rs. 4.5 billion and financial charges of Rs. 1.78 billion. Your Company's performance has been adversely impacted mainly due to highly depressed refining margins, depletion in the value of Pak Rupee and liquidity issues resulting from the Country's circular debt problem.



The crude oil processing remained depressed during the year as the refinery operations were affected in December to February period due to free fall of both crude oil prices and the Pakistani Rupee. Also, the last financial quarter saw unprecedented reduction in margin of HSD over crude oil, thus resulting in negative Gross Refiners' Margin (GRM) over and above inventory losses. In order to minimize losses, your refinery was operated at minimal throughput levels during negative GRM spells. Also, a financial restructuring package was executed between your Company and eight of the leading banks of Pakistan and a Letter of Credit Syndicate was finalized and executed on 28th February 2009.

Due to unprecedented losses incurred during the year, the Company faced severe constraints in meeting its financial obligations on due dates and reasonably managed over-dues through tight cash flow monitoring. At this crucial phase, the Company's Sponsoring Shareholders again showed commitment and endorsed the financial



plan prepared by the Management of the Company and arranged financial support amounting to Rs. 4.2 billion. This enabled the Company to partially meet the required funding gap from the losses. In addition, the Company has successfully executed long term financing arrangement with a consortium of nine leading banks for Syndicated Term Finance Facility of Rs. 5.573 billion to streamline the remaining gap.

Despite heavy losses, your Company was able to bring valuable foreign exchange of US\$ 72 million through export of HSD, PMG and Naphtha. In addition to this, the Company was able to save substantial amount of foreign exchange through import substitution by using local / indigenous crude amounting to US\$ 32 million.

The year under review has therefore ended with an after tax Loss of Rs.10.33 billion as compared to an after tax Profit of Rs.15.12 million earned last year. The financial results highlights are as follows:

	Amount in Rs. '000
Operating loss	(4,504,195)
Other income	337,180
	<u>(4,167,015)</u>
Financial charges	(1,781,425)
Exchange loss	(4,378,742)
	<u>(10,327,182)</u>
Loss before taxation	(10,327,182)
Taxation	(5,763)
	<u>(10,332,945)</u>
Loss after taxation	(10,332,945)
Un-appropriated loss brought forward	(392,409)
Transfer from surplus on revaluation of Property, plant and equipment-net of tax	127,837
	<u>127,837</u>
Un-appropriated loss carried forward	<u>(10,597,517)</u>

During the year actual production in 308 stream / working days was 84.61% of the total 364 planned days. The plant remained shut down for 56 days in period between December - March, 2009 due to non-availability of crude oil. The average production was 22,848 barrels per day against the optimum planned capacity of 30,000 barrels per day.





Earnings Per Share

During the year under review, based on the net loss, the loss per share was Rs. 26.35 as compared to an earning of Rs. 0.04 per share during the last year. As a result the Directors cannot recommend payment of dividend for the year ended June 30, 2009.

Auditors' Observations

Auditors of the Company have modified their report by way of a qualification and a matter of emphasis paragraph as following:

- In para (a) of their report they have expressed their reservations regarding amount receivable from the crude supplier amounting to US\$ 8.493 million equivalent to Rs.690.460 million. They are of the opinion that the same should not be accounted for in the financial statements on account of uncertainties involved therein. The management is of the view that amount being the valid claim will be recovered from supplier in due course of time hence recognition of the same in the financial statements is justified. The details regarding the receivable are more fully explained in note 11.1 to the financial statements.
- In para (f) of the report, auditors have expressed their doubts about the use of the going concern assumption in preparation of financial statements. The auditors' observation is based on some negative indicators like loss after taxation, net current liability position and negative equity. The management is of the view that these conditions are temporary, not permanent and would reverse in foreseeable future. The main reasons for the losses are explained in preceding paragraphs and the mitigating factors are also discussed in note 2 to the financial statements which justify use of going concern assumption in preparation of financial statements.

Future Plans

Your Company is embarked upon a number of initiatives such as:

- Work on the Isomerization Plant is also progressing well. While the mechanical commissioning of the Isomerization Plant is expected in February 2010, it will be commissioning along with our Associated Company, Bosicor Oil Pakistan Limited's larger refinery in July 2010, as it is dependent on receiving certain intermediate raw materials from this larger Refinery.
- Study on de-bottlenecking your Refinery from 30,000 bpd to 35,000-40,000 bpd is also at its advanced stage and the management will try to complete this de-bottlenecking exercise within the current financial year. This will enable your Refinery to reap benefits during periods of positive GRMs.
- Petroleum Marketing Business has emerged as a new horizon for your Company. We have successfully established 50 retail outlets across the country and expect to add 50-100 additional outlets by June 2010. In the month of August 2009, your Refinery achieved overall liquid fuel market share of 1.44% and is now ranked 6th in terms of market share. To ensure uninterrupted supplies to our customers, we are strengthening our supply chain by entering into sale / purchase and hospitality agreements with major suppliers / OMCs across the Country.
- Storage tanks are complete and an additional capacity of 144,000 metric tons is now available with your Company. A new contract has been signed for the construction of one Crude Tank and three Product Tanks, which will enhance the capacity by 68,000 metric tons.



Compliance with the Code of Corporate Governance

As required under the Code of Corporate Governance, Directors are pleased to state as follows:

- The financial statements, prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control and other such procedures, which are in place, are being continuously reviewed by the Internal Audit Function. The process of review will continue and any weakness in controls will be removed.
- The meeting of the Audit Committee is held at least once every quarter prior to approval of interim and final financial results of the Company and as required by the Code.
- The Company's ability to continue as a going concern is explained in more detail in note 2 to the financial statements.
- There has been no material departure from the best practices of corporate governance, as detailed in the Listing Regulations.
- Key operating and financial data for the last six years is summarized on page 89.
- The management of the Company is committed to good corporate governance, and appropriate steps have been taken to comply with best practices.
- The value of investments in the staff retirement funds for the year ended June 30, 2009 is as follows:

Bosicor Pakistan Limited - Staff Provident Fund - 2009
Rs. 40.422 million (2008: Rs. 21.793 million)

- During the year four meetings of the Board of Directors were held. Attendance by each Director was as follows:

Name of Directors	No. of BOD Meetings Attended
1. Mr. Amir Abbassciy	3
2. Mr. Hamid Imtiaz Hanfi	4
3. Mr. M. Rashid Zahir	2
4. Syed Arshad Raza	4
5. Mrs. Samia Roomi	3
6. Mrs. Uzma Abbassciy	2
7. Mr. Farooq Ahmed Yamin Zubairi	3

Leave of absence was granted to Directors who could not attend some of the Board meetings.



Pattern of Shareholding

- The pattern of shareholding in the Company and additional information as at June 30, 2009 appear on page 90.
- Bosicor Corporation Limited (BCL), a company incorporated in Cayman Islands, continues to hold 55.19% shares, while institutions and Banks held 8.85%, and individuals held the balance 35.96%.
- The highest and lowest market prices during 2009 were Rs. 13.27 and Rs. 3.55 per share respectively.
- The Directors, CEO, CFO, Company Secretary, their spouses and minor children did not carry out any transaction in the shares of the Company during the year.

External Auditors

The Company's present auditors, M/s Faruq Ali & Co., Chartered Accountants retire at the conclusion of the Annual General Meeting and being eligible have offered themselves for re-appointment for the next fiscal year.

Acknowledgement

The Board wishes to express appreciation and place on record its gratitude for the faith reposed in and co-operation extended to the Company by the State Government, various Government Agencies/Departments, Financial Institutions, Banks, Customers, Suppliers and Investors of the Company. Your Directors place on record their appreciation of the dedicated and sincere services rendered by the Employees of the Company.

For and on behalf of the Board of Directors

Hamid Imtiaz Hanfi
Vice Chairman

Karachi:
November 06, 2009

Emerging Energy Leader

Review report to the members on statement of compliance with best practices of code of corporate governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Bosicor Pakistan Limited ('the Company') to comply with the Listing Regulations of the respective Stock Exchanges, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Sub-Regulation (xiii a) of Listing Regulation No. 35 (previously Regulation No. 37) notified by the Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated 19 January 2009 requires the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justifications for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

Based on our review nothing has come to our attention, which causes us to believe that the Statement of compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2009.

Dated: 06 November 2009
Karachi:

Engagement Partner: S. Naseem uz Zaman



Faruq Ali & Co.
Chartered Accountants

Statement of compliance with the Code of Corporate Governance for the year ended June 30, 2009

This statement is being presented to comply with the Code of Corporate Governance contained in the Listing Regulations of the stock exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present, the Board includes one independent non-executive Director.
2. The Directors voluntarily confirmed that none of them is serving as a director in more than ten listed companies, including Bosicor Pakistan Limited.
3. The Directors have voluntarily declared that all the resident directors of the Company are registered taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or a NBFIs. None of the directors is a member of any of the stock exchanges on which the Company's shares are listed (unless specifically exempted by Securities and Exchange Commission of Pakistan).
4. The Directors were apprised of their duties and responsibilities from time to time.
5. No casual vacancy occurred in the Board during the year ended June 30, 2009.
6. The Board of Directors adopted a 'Statement of Ethics and Business Practices', which has been signed by all the Directors and Employees of the Company.
7. The Board of Directors approved and adopted a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
8. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other Executive Directors, have been taken by the Board. The roles and responsibilities of the Chairman and Chief Executive have been clearly defined.
9. During the year four meetings of the Board were held which were presided over by the Chairman, and in his absence, by a Director elected by the Board for this purpose and all such meetings were attended by the CFO and Company Secretary. Written notices of the Board Meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of all four meetings were appropriately recorded and circulated in time.
10. The related party transactions have been placed before the Audit Committee and approved by the Board of Directors along with pricing methods for such transactions.
11. The Directors have been provided with copies of the Listing Regulations of the Stock Exchange, the Company's Memorandum and Articles of Association and the Code of Corporate Governance. The Directors were apprised of their duties and responsibilities through various in-house and external orientation courses.

12. The Board has approved the appointment of the CFO, Company Secretary and Head of Internal Audit during the period including their remuneration and terms and conditions of employment, as determined by the CEO.
13. The Directors' report for the year ended 30 June 2009 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The financial statements of the Company were duly endorsed by the CEO and CFO, before approval of the Board.
16. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
17. The Board has formed an Audit Committee. It comprises of three members, two of whom are non-executive Directors including the Chairman of the Committee.
18. The meetings of the Audit Committee were held at least once every quarter prior to approval of quarterly, half yearly and final results of the Company as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
19. The Board has set-up an effective internal audit function which is involved in the Internal Audit activities on full time basis.
20. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan.
21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
22. We confirm that all other material principles contained in the Code have been complied with.

For and on behalf of the Board of Directors



Amir Abbasciy
Chief Executive Officer

Auditors' Report to the Members

We have audited the annexed balance sheet of **BOSICOR PAKISTAN LIMITED** as at June 30, 2009 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) As per note 11.1 to the financial statements the company has recognized receivable from crude supplier amounting to US\$ 8.493 million equivalent to Rs.690.460 million which the company, after the lapse of considerable period of time, is still in the process to decide about seeking remedies available in the agreement with the supplier. Since the realization of aforesaid receivable is dependent upon the outcome of the remedies available to the company which are yet to be sought (as more fully explained in said note) therefore in our opinion the receivable should not be recognized in the financial statements on account of uncertainties involved therein. Had the receivable not been accounted for in the financial statements the loss after tax for the period, cost of sales and exchange difference would have been higher by Rs. 690.460 million, Rs. 647.147 million and Rs.43.313 million respectively.
- b) In our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
- c) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- d) in our opinion and to the best of our information and according to the explanations given to us, except for financial effect of the matter discussed in paragraph (a) above, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2009 and of the Loss, its cash flows and changes in equity for the year then ended; and
- e) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.
- f) without further qualifying our opinion we draw attention of the members to note 2 to the financial statements which indicates that the company incurred a net loss after tax of Rs. 10.333 billion and as of that date its accumulated losses of Rs. 10.598 billion have resulted in negative equity of Rs. 6.676 billion and its current liabilities exceeded its current assets by Rs. 6.385 billion. These conditions, along with other matters as set forth in note 2, indicate the existence of material uncertainty which may cast significant doubt about company's ability to continue as going concern.

Karachi: 06 November 2009

Emerging Energy Leader



Faruq Ali & Co.
Chartered Accountants

Balance Sheet

as at June 30, 2009

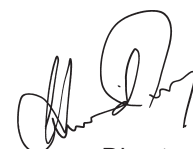
Amounts in Rs '000

	Note	2009	2008
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	14,778,562	8,564,933
Intangible asset	5	7,079	10,618
Long term deposits		57,360	45,629
Long term loan	6	31,320	-
CURRENT ASSETS			
Stores and spares	7	152,342	132,253
Stock in trade	8	4,487,801	11,934,244
Trade debts - Considered good	9	9,089,974	3,217,917
Loans and advances - Considered good	10	112,787	87,978
Trade deposits, prepayments and other receivables	11	780,691	119,094
Markup accrued	12	42,432	42,432
Cash and bank balances	13	2,078,445	7,906,497
		16,744,472	23,440,415
		31,618,793	32,061,595
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 500,000,000 (2008: 500,000,000) Ordinary shares of Rs.10/- each		5,000,000	5,000,000
Issued, subscribed and paid-up capital	14	3,921,044	3,921,044
Accumulated loss		(10,597,517)	(392,409)
		(6,676,473)	3,528,635
Surplus on revaluation of property, plant and equipment	15	4,084,753	1,571,647
NON-CURRENT LIABILITIES			
Loan from sponsor and associates - Unsecured	16	4,023,101	170,140
Term finance certificates - Secured	17	-	107,094
Long term loans - Secured	18	5,158,837	644,340
Liabilities against assets subject to finance lease	19	273,308	182,465
Long term deposits	20	4,446	4,446
Deferred liabilities	21	1,621,641	260,589
CURRENT LIABILITIES			
Trade and other payables	22	20,397,465	23,683,442
Accrued markup	23	1,071,469	124,234
Short term borrowings - Secured	24	217,549	1,000,000
Current portions of non current liabilities	25	1,442,697	605,532
Provision for taxation		-	179,031
		23,129,180	25,592,239
CONTINGENCIES AND COMMITMENTS			
	26	-	-
		31,618,793	32,061,595

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



Chief Executive Officer



Director

Profit and Loss Account

for the year ended June 30, 2009

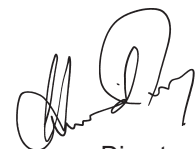
Amounts in Rs '000

	Note	2009	2008
Gross sales	27	54,768,489	40,092,140
Less: Government levies	27	(10,147,473)	(4,286,024)
Net sales	27	44,621,016	35,806,116
Cost of sales	28	48,530,050	33,664,208
Gross (loss) / profit		(3,909,034)	2,141,908
Operating expenses			
Administrative expenses	29	402,352	241,199
Selling and distribution expenses	30	192,809	138,905
		595,161	380,104
Operating (loss) / profit		(4,504,195)	1,761,804
Other income	31	337,180	186,999
		(4,167,015)	1,948,803
Financial and other charges			
Financial charges	32	1,781,425	497,179
Exchange difference - Net	33	4,378,742	1,257,960
Workers profit participation fund		-	9,683
		6,160,167	1,764,822
(Loss) / profit before taxation		(10,327,182)	183,981
Taxation			
Current year	34	55,177	179,031
Prior year		19,422	6,011
Deferred		(68,836)	(16,182)
		5,763	168,860
(Loss) / profit after taxation		(10,332,945)	15,121
(Loss) / earnings per share - Basic and diluted (Rupees)	35	(26.35)	0.04

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



Chief Executive Officer



Director

Cash Flow Statement

for the year ended June 30, 2009

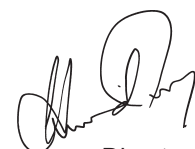
Amounts in Rs '000

	2009	2008
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(10,327,182)	183,981
Adjustments for non cash and other items:		
Depreciation and amortization	485,558	252,861
Financial and other charges	6,160,167	1,764,822
Gain on disposal of fixed assets	(924)	(1,800)
Mark up on advance against future issue of shares	-	(42,432)
Provision for gratuity	7,841	4,418
Cash flow before working capital changes	(3,674,540)	2,161,850
Movement in working capital		
(Increase) / decrease in current assets		
Stores and spares	(20,089)	6,089
Stock in trade	7,446,443	(6,756,822)
Trade debts	(5,872,057)	(2,138,704)
Loans and advances	(56,129)	(973)
Trade deposits, prepayments and other receivables	(697,700)	135,145
Increase / (decrease) in current liabilities		
Trade and other payables	2,461,376	15,258,694
Cash (used in) / generated from operations	(412,696)	8,665,279
Payments for:		
Financial charges	(5,207,285)	(711,156)
Taxes	(217,527)	(104,255)
Net cash (used in) / generated from operating activities	(5,837,508)	7,849,868
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(2,421,946)	(2,333,474)
Sale proceeds of fixed assets	2,805	3,080
Long term deposits	(11,731)	(28,390)
Net cash (used in) investing activities	(2,430,872)	(2,358,784)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds against right issue of shares	-	36,364
Payment of dividend	-	(183)
Loan from sponsors and associates - net	3,852,961	451,983
Repayment of term finance certificates	(214,302)	(214,302)
Repayment of long term loan	(340,399)	(361,753)
Liabilities against assets subject to finance lease - Net	(75,481)	(41,005)
Long term deposits	-	4,446
Short term borrowings - Net	(782,451)	751,000
Net cash generated from financing activities	2,440,328	626,550
Net (decrease) / increase in cash and cash equivalents	(5,828,052)	6,117,634
Cash and cash equivalents as at 1st July	7,906,497	1,788,863
Cash and cash equivalents as at 30th June	2,078,445	7,906,497

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



Chief Executive Officer



Director

Statement of Changes in Equity

for the year ended June 30, 2009

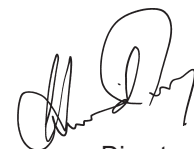
Amounts in Rs '000

	Issued, subscribed and paid-up capital	Accumulated (loss)	Total
Balance as on July 01, 2007	2,450,652	(437,581)	2,013,071
Shares issued during the year	1,470,392	-	1,470,392
Net profit for the year	-	15,121	15,121
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	-	30,051	30,051
Balance as on June 30, 2008	3,921,044	(392,409)	3,528,635
Net loss for the year	-	(10,332,945)	(10,332,945)
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	-	127,837	127,837
Balance as on June 30, 2009	3,921,044	(10,597,517)	(6,676,473)

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



Chief Executive Officer



Director

Notes to the Financial Statements

for the year ended June 30, 2009

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 the Karachi, Lahore and Islamabad Stock Exchanges. The company is engaged in the production, sale and marketing of the petroleum products.

2 GOING CONCERN ASSUMPTION

During the year ended June 30, 2009 Company incurred net loss after tax of Rs. 10.333 billion and as of that date it has accumulated losses of Rs. 10.598 billion (2008: Rs. 0.392 billion) have resulted in net capital deficiency of Rs.6.676 billion and excess of current liabilities over current assets of Rs. 6.385 billion (2008: Rs. 2.151 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 as the management is confident that all these conditions are temporary, not permanent and would reverse in foreseeable future. During the period under consideration 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 cash flows of the company. Further, the company's ability to arrange funds from sponsors / 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 upcoming financial year.

Apart from the refinery operations the Company is also targeting its Petroleum Marketing Business which has visibly improved Company's market position in the oil marketing sector and has also enabled the Company to diversify its revenue stream. Further the Company's projects in progress like Isomerization Plant, which is expected to commence its operations from the third quarter of 2010, will enable the Company to process naphtha, which will ultimately increase the profit margins of the Company, and single buoy mooring will reduce the crude / product transportation costs. Furthermore, the offer to purchase of the Company's share pursuant to the Listed Companies (Substantial Acquisition of Voting Shares and Take-over's) Ordinance, 2002 has been made subsequent to balance sheet date due to the finalization of an arrangement with Abraaj Capital Limited as more fully explained in note 40. Addition of Abraaj as Sponsor of the Company alongwith Bosicor Corporation Ltd., shall substantially add to financial strength and enhance strong shareholder's support to the Company.

All these steps contribute towards favorable conditions and mitigate the risks involved, therefore, the preparation of financial statements using the going concern assumption is justified.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 provision of and directives issued under the Companies Ordinance, 1984. In case requirement differ, the provisions of and directives of the Companies Ordinance, 1984 shall prevail.

Notes to the Financial Statements

for the year ended June 30, 2009

Initial Application of a standard or an Interpretation

The following standards, amendments and interpretations become effective during the current year;

- IFRS 7 - Financial instruments: Disclosures (effective for annual periods beginning on or after 28 April 2008) supersedes IAS 30 - Disclosures in the Financial Statements of Banks and Similar Financial Institutions and the disclosure requirements of IAS 32 - Financial Instruments: Disclosure and Presentation. The application of the standard is not expected to have significant impact on the Company's financial statements other than increase in disclosures.
- IAS 29 - Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 28 April 2008). The Company does not have any operations in Hyperinflationary Economies and therefore the application of the standard is not likely to have an effect on the Company's financial statements.
- IFRIC 13 - Customer Loyalty Programmes (effective for annual periods beginning on or after 01 July 2008) addresses the accounting by entities that operate or otherwise participate in customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. The application of IFRIC 13 is not likely to have an effect on the Company's financial statements.
- IFRIC 14 IAS 19 - The Limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction (effective for annual periods beginning on or after 1 January 2008).
- IFRIC 14 - Clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on minimum funding requirements (MFR) for such asset. The interpretation has no effect on Company's financial statements for the year ended 30 June 2009.

Standards, Interpretations and Amendments not yet effective

The following standards, interpretations and amendments of approved accounting standards are effective for accounting periods beginning from the dates specified below. These standards are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than increase in disclosures in certain cases:

- Revised IAS 1 - Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009).
- Revised IAS 23 - Borrowing costs (effective for annual periods beginning on or after 1 January 2009).
- IAS 27 - Consolidated and separate financial statements (effective for annual periods beginning on or after 1 January 2009).
- Amended IAS 27 - Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009).
- Amendment to IAS 32 - Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009).

Notes to the Financial Statements

for the year ended June 30, 2009

- Amendments to IAS 39 and IFRIC 9 - Embedded derivatives (effective for annual periods beginning on or after 1 January 2009).
- Amendments to IAS 39 - Financial Instruments: Recognition and measurement - Eligible hedged items (effective for annual periods beginning on or after 1 July 2009).
- Amendment to IFRS 2 - Share-based Payment - Vesting Conditions and Cancellations (effective for annual periods beginning on or after 1 January 2009).
- Amendment to IFRS 2 - Share-based Payment- Group Cash-settled Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2010).
- Revised IFRS 3 - Business Combinations (applicable for annual periods beginning on or after 1 July 2009).
- IFRS 4 - Insurance Contracts (effective for annual periods beginning on or after 1 January 2009).
- Amendment to IFRS 7 - Improving disclosures about Financial Instruments (effective for annual periods beginning on or after 1 January 2009).
- IFRS 8 - Operating segments (effective for annual periods beginning on or after 1 January 2009).
- IFRIC 15 - Agreement for Construction of Real Estate (effective for annual periods beginning on or after 1 October 2009).
- IFRIC 16 - Hedge of Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1 October 2008).
- IFRIC 17 - Distributions of Non-cash Assets to Owners (effective annual periods beginning on or after 1 July 2009).
- IFRIC 18 - Transfers of Assets from Customers (to be applied prospectively to transfers of assets from customers received on or after 01 July 2009).

3.2 Basis of preparation

These financial statements have been prepared under the historical cost convention, except for borrowing costs as referred in note 3.15 which have been included in the cost of the relevant assets and also financial assets and liabilities which are stated at fair value and certain fixed assets mentioned in note 15 which are carried at revalued amounts.

The preparation of financial statements 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.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

Notes to the Financial Statements

for the year ended June 30, 2009

- i) Provision for taxes.
- ii) Estimation of residual values and useful lives of property, plant and equipment.
- iii) Staff retirement benefits.

3.3 Staff retirements benefits

Defined contribution plan:

The Company operates an approved contributory provident fund for all the employees eligible under the scheme. Equal monthly contributions are made to the provident fund both by the company and by the employees.

Defined benefit plan

Company introduced unfunded gratuity scheme covering all employees eligible to the benefit w.e.f. July 01, 2007. Provisions are based on actuarial recommendations and service for all employees for the purpose of actuarial valuation has been calculated from July 01, 2007 or actual date of joining; whichever is later. Actuarial valuations are carried out using the projected unit credit method as required by International Accounting Standard 19 "Employee Benefits". The unrecognized actuarial gains or losses at each valuation date are amortized over the average remaining working lives of the employees in excess of 10% of the present value of the defined benefit obligation.

3.4 Property, plant and equipment and depreciation

Owned

These are stated at cost less accumulated depreciation except for the land which is stated at cost and certain fixed assets mentioned in note 15 to the financial statements which are carried at revalued amounts. All expenditures connected with specific assets incurred during installation and construction period are carried under capital work in progress at cost. These are transferred to specific assets as and when these assets are available for use.

Depreciation is charged using the straight line method. On additions depreciation is charged from the month the asset acquired or capitalized and no depreciation is charged in the month of disposal.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any are retired.

Gains and losses on disposal of property, plant and equipment are taken to the income.

An amount equal to the incremental depreciation due to revaluation of property, plant and equipment (net of tax) is transferred from the surplus on revaluation of fixed assets to accumulated loss.

Leased

The company accounts for assets acquired under finance lease by recording the assets and related liability. Assets are recorded at lower of present value of minimum lease payments under the lease agreements and fair value of the assets. The aggregate amount of obligation relating to these assets are accounted for at net present value of liabilities. Assets acquired under the finance leases are depreciated over the useful life of the respective asset in the manner and at the rates applicable to the Company's owned assets. Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of charge on outstanding liabilities.

Notes to the Financial Statements

for the year ended June 30, 2009

3.5 Intangible assets

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and that the cost of such asset can also be measured reliably.

Software under development are carried at cost. Direct cost include the purchase cost and directly attributable cost of preparing the asset for its intended use.

Intangible asset is amortized from the month such asset is put into use on straight line basis over its useful life.

3.6 Stores and spares

These are valued at lower of moving average cost and net realizable value, less provision for obsolescence. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

3.7 Stock in trade

Stock of raw material is valued at lower of cost, determined on first in first out (FIFO) basis, and net realizable value. Raw material in transit is valued at cost comprising invoice value plus other charges incurred thereon accumulated to the balance sheet date.

Stock of finished products are valued at lower of cost and net realizable value. Cost in relation to finished products represents cost of raw material and an appropriate allocation of manufacturing overheads. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated cost necessary to make the sale.

3.8 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice amount less an estimate made of doubtful receivables based on a review of all outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified.

3.9 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprises cash in hand, balance with banks in current, collection and deposits accounts and running finance under mark up arrangements.

3.10 Taxation

Current

Company provides charge for current taxation based on applicable provisions of the Income Tax Ordinance, 2001.

Notes to the Financial Statements

for the year ended June 30, 2009

Deferred

Deferred tax is recognized on all temporary differences between the carrying amounts for financial reporting purposes and the amount used for taxation purposes.

Deferred tax asset is recognized for the carry forward tax losses and available tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

3.11 Trade and other payables

Trade and other payables are carried at cost which is the fair value of consideration to be paid for goods and services.

3.12 Revenue recognition

Local sales: Recognized on dispatch of finished products.

Export sales: Recorded on the basis of products delivered to the tankers and shipped to customers.

3.13 Foreign currency translation

Transactions in foreign currencies are translated to rupees at the exchange rates prevailing at transaction date. Monetary assets and liabilities in Foreign Currency are translated to rupees at the exchange rates prevailing on the balance sheet date.

3.14 Transactions with related parties

The company enters into transactions with related parties for finance, purchase of goods and services and these are priced at an arm's length basis. Prices for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods sold or services rendered in an economically comparables market to a buyer unrelated to the seller.

3.15 Borrowing costs

Borrowings costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of the relevant asset.

3.16 Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

Notes to the Financial Statements

for the year ended June 30, 2009

Amounts in Rs '000

3.17 Financial instruments

All financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial assets include long term and short term deposits, trade debts, loans, advances, accrued markup, other receivables, cash and bank balances. Financial liabilities include subordinated loan, term finance certificates, long term loans, finance lease, short term borrowings, deposits, trade and other payables and accrued markup. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

3.18 Impairment

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is an indication of impairment loss. Any impairment loss arising is recognized as expense in the profit and loss account.

3.19 Off setting of financial assets and liabilities

A financial asset and a financial liability are offset and the net amount is reported in the balance sheet if the company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.20 Dividends and appropriation to general reserve

Dividends and appropriation to general reserves are recognised in the financial statements in the period in which these are approved.

	Note	2009	2008
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - At cost less accumulated depreciation	4.1	10,480,610	6,142,776
Capital work in progress - At cost	4.5	4,297,952	2,422,157
		14,778,562	8,564,933

Notes to the Financial Statements

for the year ended June 30, 2009

Amounts in Rs '000

4.1 Operating fixed assets - At cost less accumulated depreciation

Particulars	2009												Book value As at June 30, 2009
	Cost					Depreciation							
	As at July 01, 2008	Additions	Revaluation	Transfers	(Deletions)	As at June 30, 2009	Useful life in years	As at July 01, 2008	Transfers	For the year	On deletions	As at June 30, 2009	
Owned													
Freehold land	631,360	-	-	-	-	631,360	-	-	-	-	-	-	631,360
Leasehold land	700,000	-	-	-	-	700,000	-	-	-	-	-	-	700,000
Plant and machinery	5,222,323	509,863	3,919,379	24,160	-	9,675,725	20	995,937	5,406	389,695	-	1,391,038	8,284,687
Generators	80,994	10,293	128,398	-	-	219,685	15	20,828	-	12,848	-	33,676	186,009
Building, on freehold land, roads and civil works	210,538	-	-	-	-	210,538	25	25,959	-	8,410	-	34,369	176,169
Furniture and fixtures	27,800	592	-	-	-	28,392	10	10,991	-	2,436	-	13,427	14,965
Computer and allied	22,843	6,418	-	-	-	29,261	3	13,735	-	8,392	-	22,127	7,134
Safety and lab equipments	17,910	2,927	15,212	8,005	-	44,054	5	9,382	1,791	10,346	-	21,519	22,535
Vehicles	51,867	16,059	-	7,122	(5,537)	69,511	5	25,086	5,726	9,771	(4,455)	36,128	33,383
Portable cabins	9,199	-	-	-	-	9,199	10	5,267	-	696	-	5,963	3,236
Sub - Total	6,974,834	546,152	4,062,989	39,287	(5,537)	11,617,725		1,107,185	12,923	442,594	(4,455)	1,558,247	10,059,478
Leased													
Plant and machinery	269,964	49,752	-	(32,165)	-	287,551	20	14,803	(7,197)	15,564	-	23,170	264,381
Vehicles	31,620	162,841	-	(7,122)	(999)	186,340	5	11,654	(5,726)	23,861	(200)	29,589	156,751
	301,584	212,593	-	(39,287)	(999)	473,891		26,457	(12,923)	39,425	(200)	52,759	421,132
2009	7,276,418	758,745	4,062,989	-	(6,536)	12,091,616		1,133,642	-	482,019	(4,655)	1,611,006	10,480,610
2008													
Particulars	Cost					Depreciation						Book value As at June 30, 2008	
	As at July 01, 2007	Additions	Revaluation	Transfers	(Deletions)	As at June 30, 2008	Useful life in years	As at July 01, 2007	Transfers	For the year	On deletions		As at June 30, 2008
Owned													
Freehold land	631,360	-	-	-	-	631,360	-	-	-	-	-	-	631,360
Leasehold land	700,000	-	-	-	-	700,000	-	-	-	-	-	-	700,000
Plant and machinery	4,192,178	1,030,145	-	-	-	5,222,323	20	794,570	-	201,367	-	995,937	4,226,386
Generators	80,994	-	-	-	-	80,994	15	15,403	-	5,425	-	20,828	60,166
Building, on freehold land, roads and civil works	165,797	44,741	-	-	-	210,538	25	19,040	-	6,919	-	25,959	184,579
Furniture and fixtures	27,347	453	-	-	-	27,800	10	8,616	-	2,375	-	10,991	16,809
Computer and allied	17,859	4,984	-	-	-	22,843	3	7,276	-	6,459	-	13,735	9,108
Safety and lab equipments	16,814	1,096	-	-	-	17,910	5	5,198	-	4,184	-	9,382	8,528
Vehicles	45,287	1,522	-	10,204	(5,146)	51,867	5	11,008	7,706	10,238	(3,866)	25,086	26,781
Portable cabins	9,199	-	-	-	-	9,199	10	4,571	-	696	-	5,267	3,932
Sub - Total	5,886,835	1,082,941	-	10,204	(5,146)	6,974,834		865,682	7,706	237,663	(3,866)	1,107,185	5,867,649
Leased													
Plant and machinery	52,246	217,718	-	-	-	269,964	20	9,423	-	5,380	-	14,803	255,161
Vehicles	26,307	15,517	-	(10,204)	-	31,620	5	13,081	(7,706)	6,279	-	11,654	19,966
	78,553	233,235	-	(10,204)	-	301,584		22,504	(7,706)	11,659	-	26,457	275,127
2008	5,965,388	1,316,176	-	-	(5,146)	7,276,418		888,186	-	249,322	(3,866)	1,133,642	6,142,776

4.2 Depreciation charge for the year has been allocated as follows:

Administrative expenses
Cost of sales

2009

2008

44,460

25,351

437,559

223,971

482,019

249,322

Notes to the Financial Statements

for the year ended June 30, 2009

Amounts in Rs '000

4.3 Detail of assets disposed off during the year:

Particulars	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain	Mode of Disposal	Particulars of Buyer
Toyota Corolla	1,189	1,189	-	701	701	Tender	M/s. Bosicor Oil Pakistan Limited (Associated Company)
Toyota Corolla	999	200	799	839	40	Company policy	Mr. Rashid Badruddin (NIC 42201-5744690-5)
Toyota Corolla	849	693	156	212	56	Company policy	Mr. Shamim Anwer (NIC 42201-0259587-1)
Toyota Corolla	939	798	141	212	71	Company policy	Mr. Afzal Chaudhary (NIC 42301-1019425-3)
Suzuki Cultus	560	390	170	179	9	Company policy	Mr. Imran Yousuf (NIC 42201-0891769-7)
Suzuki Cultus	560	390	170	179	9	Company policy	Mr. Shahid Sheikh (NIC 42201-0656444-7)
Suzuki Cultus	555	305	250	262	12	Company policy	Mr. Masroor Sabir (NIC 42000-0510767-7)
Honda City	885	690	195	221	26	Company policy	Mr. Sikander Kasim (NIC 42201-0711226-5)
2009	6,536	4,655	1,881	2,805	924		
2008	5,146	3,866	1,280	3,080	1,800		

4.4 Had there been no revaluation the carrying amount of revalued assets would have been as follows :

	2009	2008
Freehold land	22,260	22,260
Leasehold land	213,200	213,200
Plant and machinery	3,865,040	3,545,380
Generators	46,910	40,765
Building, on freehold land, roads and civil works	147,264	154,241
Safety and lab equipments	11,952	7,355
	4,306,626	3,983,201

4.5 Capital work in progress - At cost

Opening balance		2,422,157	1,310,332
Add : Additions	4.5.1	2,419,004	2,322,906
		4,841,161	3,633,238
Less capitalized in:			
- Owned assets		(493,457)	(1,211,081)
- Leased assets		(49,752)	-
Closing balance		4,297,952	2,422,157
Plant and machinery		4,169,362	2,357,622
Civil and mechanical works		128,590	64,535
		4,297,952	2,422,157

4.5.1 Additions to capital work in progress includes Rs.206.220 million (2008: Rs.146.224 million) borrowing cost capitalized during the year relating to the specific borrowings taken for the projects.

5 INTANGIBLE ASSET

Computer software (ERP Solutions)	10,618	14,157
Less: Amortized during the year	(3,539)	(3,539)
	7,079	10,618

5.1 The computer software is being amortized on straight line basis over the useful life of five years.

Notes to the Financial Statements

for the year ended June 30, 2009

Amounts in Rs '000

		2009	2008
6	LONG TERM LOAN		
	Considered good:		
	Loan to executive - interest free	6.1 32,400	-
	Less: receivable within next twelve months	(1,080)	-
		31,320	-

6.1 Represents interest free loan advanced during the year to an executive of the company under the terms of his employment. The loan is for purchase of house and is repayable in six years with one year grace period. Maximum amount due at the end of any month was Rs.32.400 million. The loan will be secured against lien on title deed of the property purchased, the property will remain in the name of the executive.

7 STORES AND SPARES

Stores and spares	152,342	132,068
Stores in transit	-	185
	152,342	132,253

8 STOCK IN TRADE

Raw material	3,333,945	7,112,584
Stock in transit	-	3,620,815
Finished goods	1,153,856	1,200,845
	4,487,801	11,934,244

8.1 Finished stock has been written down by Rs.246.452 million (2008: NIL) to net realizable value.

9 TRADE DEBTS - Considered good

9.1 Trade debt include receivables amounting to Rs.33.940 million (2008: Rs. 169.439 million) in respect of price differential claims from Ministry of Petroleum, Government of Pakistan.

9.2 The delayed payments from Pakistan State Oil Company Limited carries markup 200 Bps over KIBOR as per the Product Sale & Purchase Agreement.

10 LOANS AND ADVANCES - Considered good

Employees	10.1	6,083	6,231
Suppliers and contractors	10.2	106,704	81,747
		112,787	87,978

10.1 This includes amount of Rs.3.649 million (2008: Rs. 2.654 million) due from executives of the company.

10.2 Included herein a sum of Rs.16.790 million (2008: NIL) advance to associated company M/s. Premier Services (Pvt.) Ltd., for obtaining freight services.

Notes to the Financial Statements

for the year ended June 30, 2009

Amounts in Rs '000

11. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	2009	2008
Deposits	2,507	7,168
Pre-payments	2,842	10,681
Current account balances with statutory authorities:		
Advance Income tax	61,444	97,547
Inland freight equalization margin	-	3,698
Receivable from Associated undertakings against Land lease rent	23,438	-
Receivable from Crude Supplier 11.1	690,460	-
	780,691	119,094

11.1 This represents \$ 8.493 million due from BP Singapore Pte limited (BP) in respect of a difference in price charged by BP as against the pricing clause contained in the relevant agreement for the purchase and sale of crude oil. Company had contractually agreed to lift a shipment of crude in August 2008 which it was unable to do so. Subsequently this cargo was lifted in September 2008. The receivable is in respect of the price charged by BP, whereby BP has charged Company for the relevant shipment as per the August 2008 Official Selling Price; whereas as per the pricing clause contained in the Agreement, the price charged should have been as per the month in which the bill of lading for the subject cargo is dated i.e. September 2008. Although Company has paid under protest, the price charged by BP; it considers the above amount to be recoverable from BP. The Company is in process to seek remedies available in terms of the Agreement and Local and International Statute including but not limited to referring the matter to competent Courts.

12 MARKUP ACCRUED

This represents markup receivable from associated companies in respect of settlement of advance against future issue of shares.

13 CASH AND BANK BALANCES

Cash in hand		68	100
Cash at banks			
- Current accounts		229,885	1,418,427
- Deposit accounts 13.1		1,848,492	6,487,970
		2,078,445	7,906,497

13.1 Cash at bank include Rs. 1,556.222 million (2008: Rs. 6,163.915 million) kept under lien against the letter of credit facilities obtained from banks.

Deposit accounts carry markup at the rates ranging from 8% to 10% (2008: 8% to 10%) per annum.

Notes to the Financial Statements

for the year ended June 30, 2009

Amounts in Rs '000

	2009	2008
14 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
392,104,396 (2008: 392,104,396) Ordinary shares of Rs.10/- each fully paid in cash.	3,921,044	3,921,044
14.1 216,383,911 shares (2008: 216,383,911 shares) are held by Bosicor Corporation Limited (holding company) representing 55.19% (2008: 55.19%) shareholding in the company.		
15 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
Surplus on revaluation of Property, plant and equipment - Opening	1,571,647	1,601,698
Surplus arising due to revaluation of Property, plant and equipment	4,062,989	-
Related deferred tax liability	(1,422,046)	-
Transfer to accumulated loss in respect of incremental depreciation charged during the year - Net of tax	(127,837)	(30,051)
Surplus on revaluation of Property, plant and equipment - Closing	4,084,753	1,571,647

During the year under review Plant & Machinery, Generators & Safety and lab equipments owned by the Company has further been revalued by independent valuer M/s.Asif Associates (pvt.) Limited, International freight forwarder, customs clearance agents, Mucaddams, Surveyors and Evaluators using prevailing market value being the basis of revaluation. The effective date of revaluation is December 17, 2008. The surplus arising from revaluation is Rs. 4,063 million. The entire closing balance of surplus on revaluation of Property, plant and equipment is not available for distribution to shareholders as per fourth schedule of the Companies Ordinance, 1984.

PARTICULARS	W.D.V. of assets before revaluation	Revalued Amount	Revaluation Surplus
Plant and machinery	4,377,521	8,296,900	3,919,379
Generators	67,102	195,500	128,398
Safety and lab equipments	7,688	22,900	15,212
	4,452,311	8,515,300	4,062,989

Notes to the Financial Statements

for the year ended June 30, 2009

Amounts in Rs '000

		2009	2008	
16	LOAN FROM SPONSOR AND ASSOCIATES - Unsecured			
	From associated undertakings	16.1	3,776,000	-
	From Sponsor			
	Fresh loan	16.2	247,101	-
	Previous loan	16.3	-	170,140
			4,023,101	170,140

16.1 This represents unsecured loans from associated undertakings and carries markup ranging from 6 Months KIBOR plus 4.0% to 4.5% per annum. These loans along with markup are repayable in five years. These loans are inferior to the rights of present secured financial institutions that are lenders to the Company and such financial institutions that may be lenders to the Company in the future. However, these loans will rank superior to any existing or future shareholder loans, credits or advances made to the Company by any of its shareholders either individually or collectively.

16.2 The foreign currency loan has been obtained from holding company, and carries markup @ 1 Month LIBOR plus 1% per annum payable semiannually. The loan along with markup is repayable in five years. The repayment period can be extended to further period or periods. The loan is inferior to the rights of present secured financial institutions that are lenders to the Company and such financial institutions that may be lenders to the Company in the future. However, the loan will rank superior to any existing or future shareholder loans, credits or advances made to the Company by any of its shareholders either individually or collectively.

16.3 The loan has been fully repaid during the year.

17 TERM FINANCE CERTIFICATES - Secured

Term finance certificates		107,094	321,396
Less: Current maturity	25	(107,094)	(214,302)
		-	107,094

These represent privately placed term finance certificates (TFCs) with a face value of Rs. 5,000 each, which have been fully subscribed (including green shoe option of Rs. 250 million). The tenor of the TFCs is 5 years including grace period of 18 months and carries markup @ 550 bps plus 6 Months KIBOR (floor: 9%, cap:13%) payable semi annually and are secured by first charge, ranking pari passu over all present and future fixed assets of the company with 25% margin.

Notes to the Financial Statements

for the year ended June 30, 2009

Amounts in Rs '000

		2009	2008
18	LONG TERM LOANS - Secured		
	From banks		
	Term finance	18.1 -	16,667
	Term finance - I	18.2 119,340	179,010
	Term finance - II	18.3 75,000	125,000
	Syndicated Loan	18.4 420,000	560,000
	Syndicated Term Finance	18.5 5,753,000	-
	From related party (associated financial institution)		
	Financial Institution		
	Term finance	18.6 -	14,062
	Term finance - II	18.7 30,000	90,000
		6,397,340	984,739
	Less: Current maturity		
	banks	1,208,503	266,336
	related party	30,000	74,063
		1,238,503	340,399
		5,158,837	644,340

- 18.1** The facility is secured against first charge, ranking pari passu over present and future plant and machinery. The facility is payable in six equal semi-annually installments commencing from April 2006. The facility carries markup @ 3% over 6 month average KIBOR payable semi-annually.
- 18.2** The facility is secured against first charge, ranking pari passu over present and future fixed assets. The tenor of financing is five years including a grace period of One year and is repayable in eight equal semi-annual installments starting from the 19th month of first disbursement. The facility carries markup @ 2.5% over 6 month average KIBOR payable semi-annually.
- 18.3** The facility is secured against first charge, ranking pari passu over present and future fixed assets. The tenor of financing is five years including a grace period of One year and is repayable in eight equal semi-annual installments starting from the 19th month of first disbursement. The facility carries markup @ 3% over 6 month average KIBOR payable semi-annually.
- 18.4** The loan has been obtained from syndicate of banks and financial institutions with Allied Bank Limited as an Agent. The facility is secured against first hypothecation charge, ranking pari passu over present and future fixed assets. The tenor of financing is five years and is repayable in ten semi-annual installments starting from the 7th month of first disbursement. The facility carries markup @ 3% over 6 month average KIBOR payable alongwith the principle amount. This Includes amount of Rs.33.923 million (2008: NIL) from related party (associated financial institution) on account of debt swap from Faysal Bank Limited to Saudi Pak Industrial and Agricultural Company Ltd.
- 18.5** The loan has been obtained from syndicate of banks and financial institutions with Habib Bank Limited as an Agent. The facility is secured against first hypothecation charge, ranking pari passu over present and future fixed assets of the Company. The tenor of financing is four years and is repayable in 42 monthly installments of Rs.136.976 million with a Grace period of 6 month starting from the 7th month of first disbursement. The facility carries markup @ 3% over 1 month KIBOR payable alongwith the principle amount.

Notes to the Financial Statements

for the year ended June 30, 2009

Amounts in Rs '000

- 18.6** The facility is secured against first charge, ranking pari passu on plant and machinery. The facility is payable in 16 equal quarterly installments starting from June 2005. The facility carries markup @ 3.5% over 6 month average KIBOR payable quarterly.
- 18.7** The facility is secured against first charge, ranking pari passu on present and future fixed assets. The facility is payable in 10 equal quarterly installments starting from September 2007. The facility carries markup @ 3% over 6 month average KIBOR payable quarterly.

19 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2009		2008	
	Lease Payments		Lease Payments	
	Minimum	Present Value	Minimum	Present Value
Less than one year	117,229	97,100	77,587	50,831
One to five years	365,249	273,308	220,225	182,465
Total minimum lease payments	482,478	370,408	297,812	233,296
Less: Financial charges allocated to the future period	112,070	-	64,516	-
Present value of minimum lease payments	370,408	370,408	233,296	233,296
Less: Transferred to current maturity	97,100	97,100	50,831	50,831
	273,308	273,308	182,465	182,465

The Company entered into lease agreement with various leasing companies to acquire plant and machinery and vehicles. The rentals under these lease agreements are payable monthly / quarterly up to February 2013. Financing rates ranging from 11.95 % to 19.66 % per annum (2008: 10.03% to 17.17% per annum) have been used as discounting factors. The cost of operating and maintaining the leased assets is borne by the Company. The Company intends to exercise its option to purchase the leased assets at the residual values of assets upon the completion of the respective lease periods.

		2009	2008
20 LONG TERM DEPOSITS			
Related parties (associated companies)	20.1	3,646	3,646
Others		800	800
		4,446	4,446

20.1 This represent security deposit received from associated companies against land lease rent.

Notes to the Financial Statements

for the year ended June 30, 2009

Amounts in Rs '000

		2009	2008
21	DEFERRED LIABILITIES		
	Deferred taxation	21.1 1,609,382	256,171
	Employees retirements benefits	21.2 12,259	4,418
		1,621,641	260,589
	21.1 Deferred taxation		
	Deferred tax liability arising due to accelerated tax depreciation	895,279	820,495
	Deferred tax liability arising due to finance lease transactions	17,753	14,641
	Deferred tax assets arising out of staff gratuity, available tax losses and credits	(3,863,642)	(1,128,699)
		(2,950,610)	(293,563)
	Deferred tax asset not recognised	2,950,610	293,563
		-	-
	Deferred tax liability relating to surplus on revaluation of property, plant and equipment	1,609,382	256,171
		1,609,382	256,171
	21.2 Employees retirements benefits		
	Staff gratuity:		
	Movement in balance		
	Opening balance	4,418	-
	Charge for the year	21.2.1 7,841	4,418
		12,259	4,418
	21.2.1 Charge for the year		
	Current service cost	7,399	3,631
	Interest cost	442	182
	Past service cost to be recognized	-	605
		7,841	4,418
	21.2.2 Balance sheet reconciliation		
	Present value of defined benefit obligations	12,584	4,418
	Unrecognised actuarial (losses)	(325)	-
		12,259	4,418
	21.2.3 Principal actuarial assumption		
	Expected rate of increase in salaries	12 % per annum	10 % per annum
	Discount factor used	14 % per annum	10 % per annum
	Normal retirement age of employees	60 years	60 years

Notes to the Financial Statements

for the year ended June 30, 2009

Amounts in Rs '000

		2009	2008
22	TRADE AND OTHER PAYABLES		
	Foreign bills payable	10,129,814	22,905,676
	Forced PADs	22.1 5,472,161	-
	Creditors for services	22.2 547,925	115,085
	Creditors for supplies	1,408,070	111,894
	Advances from customers	210,812	103,512
	Payable to staff provident fund	2,753	-
	Accrued expenses	842	3,749
	Withholding tax deductions payable	5,282	3,157
	Dividend Payable	1,146	1,146
	Workers profit participation fund	22.3 37,273	31,626
	Payable to Statutory Authorities	2,581,387	407,597
		20,397,465	23,683,442

22.1 These represent overdue letter of credits in respect of import of crude. Markup @ 17% has been accrued on Forced PADs.

22.2 This includes amount of Rs. 6.300 million (2008: Rs. 0.299 million) due to associated company.

22.3 Workers profit participation fund

Opening balance	31,626	19,867
Provision for the year	-	9,683
Markup on workers profit participation fund	5,647	2,076
	37,273	31,626

23 ACCRUED MARKUP

This includes amount of Rs. 1.450 million (2008:Rs. 0.995 million) payable to associated financial institution, Rs. 267.831 million (2008: NIL) payable to associated companies and Rs. 1.285 million (2008: Rs. 18.731 million) payable to holding company.

24 SHORT TERM BORROWINGS - Secured

From banks - Secured		
Bills discounting facility	-	1,000,000
Short term loan	24.1 216,000	-
Temporary bank overdraft	1,549	-
	217,549	1,000,000

Notes to the Financial Statements

for the year ended June 30, 2009

Amounts in Rs '000

24.1 The facility has been obtained from a commercial bank against the available limit of Rs. 216 million for the purpose of import of raw materials. The facility carries mark up @ 1 month KIBOR plus 1.5 % payable quarterly in arrears. The finance facility is secured against a Standby Letter of Credit (SBLC) issued by Credit Agricole (Suisse) SA, Geneva, Switzerland. The applicant of SBLC is M/s Bosicor Corporation Limited (Holding Company).

24.2 There were no facilities from the banks / financial institutions that remained un-availed at the balance sheet date.

		2009	2008
25	CURRENT PORTIONS OF NON CURRENT LIABILITIES		
	Term finance certificates	17 107,094	214,302
	Long term loans	18 1,238,503	340,399
	Liabilities against assets subject to finance leases	19 97,100	50,831
		1,442,697	605,532

26 CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

There were no significant contingencies at the balance sheet date which need to be disclosed in the financial statements.

26.2 Commitments

Commitments in respect of capital expenditures amount to Rs. 715.440 million (2008: Rs. 332.011 million).

27 SALES

Gross Sales			
Local		49,250,757	36,023,035
Export		5,517,732	4,069,105
		54,768,489	40,092,140
Less:			
Sales Tax		(5,829,954)	(3,983,932)
Excise duty and Petroleum Development Levy		(4,317,519)	(302,092)
		(10,147,473)	(4,286,024)
		44,621,016	35,806,116

Notes to the Financial Statements

for the year ended June 30, 2009

Amounts in Rs '000

		2009	2008
28 COST OF SALES			
Opening stock of raw material		7,112,584	4,343,029
Add : Purchases		43,552,329	36,010,389
Available for use		50,664,913	40,353,418
Closing stock of raw material		(3,333,945)	(7,112,584)
Raw material consumed		47,330,968	33,240,834
28.1 Manufacturing expenses			
Salaries, wages and other benefits	28.2	191,872	151,496
Staff transportation and catering		44,515	32,622
Stores and spares		44,675	51,646
Crude oil inspection and clearing charges		17,729	13,605
Insurance		22,516	30,087
Industrial gases and chemicals		7,058	3,459
Fuel, power and water		310,491	222,441
Repairs and maintenance		54,419	42,757
Communications		1,724	894
Traveling and conveyance		126	115
Rent, rates and taxes		5,252	1,104
Security		5,393	5,444
Vehicle running		6,772	5,550
Technical fee		1,992	4,635
Depreciation	4.2	437,559	223,971
Total manufacturing expenses		1,152,093	789,826
Cost of goods manufactured		48,483,061	34,030,660
Opening stock of finished goods		1,200,845	834,393
Closing stock of finished goods		(1,153,856)	(1,200,845)
Cost of goods sold		48,530,050	33,664,208

28.2 Included herein is a sum of Rs. 11.222 million (2008: Rs. 7.260 million) in respect of staff retirement benefits.

Notes to the Financial Statements

for the year ended June 30, 2009

Amounts in Rs '000

		2009	2008	
29	ADMINISTRATIVE EXPENSES			
	Salaries, allowances and other benefits	29.1	173,760	115,196
	Vehicle running		15,123	10,417
	Repairs and maintenance		23,190	7,852
	Insurance		5,932	2,666
	Fee and subscriptions		10,277	7,465
	Utilities		5,126	4,754
	Legal and professional		15,106	25,036
	Traveling and conveyance		14,076	10,779
	Advertisements and subscriptions		1,019	3,618
	Rent, rates and taxes		85,883	11,282
	Printing and stationary		1,324	5,676
	Auditors' remuneration	29.2	1,391	821
	Depreciation	4.2	44,460	25,351
	Others		2,146	6,747
	Amortization of intangible asset	5	3,539	3,539
			402,352	241,199

29.1 Included herein is a sum of Rs. 9.867 million (2008: Rs. 6.416 million) in respect of staff retirement benefits.

29.2 Auditors' remuneration

Statutory audit	750	500
Half yearly review	250	125
Certifications	350	150
Out of pocket expense	41	46
	1,391	821

30 SELLING AND DISTRIBUTION EXPENSES

Insurance	-	2,774
Transportation	27,746	42,400
Products handling charges	28,835	12,334
Wharfage on export sales	9,878	5,377
Transportation on export sales	42,390	38,429
Commission on export sales	59,994	25,039
Export development surcharge	15,030	9,660
Rent, rates and taxes	4,373	-
Others	4,563	2,892
	192,809	138,905

Notes to the Financial Statements

for the year ended June 30, 2009

Amounts in Rs '000

	2009	2008
31 OTHER INCOME		
Income from financial assets		
Profit on deposits	282,410	100,128
Mark up on advance against future issue of shares	-	42,432
Income from non financial assets		
Gain on disposal of fixed assets	924	1,800
Scrap sales	-	3,217
Joining income	6,900	11,000
Gantry charges	3,196	6,547
Land lease rent	43,750	21,875
	337,180	186,999
32 FINANCIAL CHARGES		
Markup on:		
- Finance leases	53,391	25,478
- Term finance certificates	27,895	55,905
- Long term loans	185,688	19,546
- Short term borrowings and forced PADs	1,162,974	18,292
- Running finances	9,634	12,279
- Crude purchases	272,222	341,504
- Sponsor's loan	1,285	18,731
Markup on WPPF	5,647	2,076
Bank charges	2,400	1,818
Export charges	1,309	1,550
Loan arrangement fee	58,980	-
	1,781,425	497,179
33 EXCHANGE DIFFERENCE - Net		
<p>This mainly represents exchange difference arising due to settlement of foreign currency liabilities in respect of Import of Crude Oil during the period and the same are on account of unprecedented depreciation of Pak Rupee against US Dollar during first quarter of financial year.</p>		
34 TAXATION - Current		
<p>The assessment of the company deemed to have been finalized upto tax year 2008.</p>		
34.1 Relationship between accounting loss and tax expense for the year		
<p>The current year provision is based on tax payable by the company under presumptive tax regime, whereby the tax collected from proceeds against export sales is final tax. Therefore there is no relationship between accounting loss and tax expense for the period.</p>		

Notes to the Financial Statements

for the year ended June 30, 2009

Amounts in Rs '000

	2009	2008
35 (LOSS) / EARNINGS PER SHARE - Basic and diluted		
There is no dilutive effect on the basic (loss) / earnings per share of the company, which is based on:		
Net (loss) / profit after taxation	(10,332,945)	15,121
	Number	
Weighted average number of ordinary shares	392,104,400	387,212,733
(Loss) / earnings per share - Basic and diluted (Rupees)	(26.35)	0.04

36 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise holding company, associated undertakings, directors, key management personnel and staff provident fund. Remuneration and benefits to chief executive, directors and key management personnel under terms of their employment are disclosed in note 37 to the financial statements. Transaction with related parties, other than those which have been specifically disclosed elsewhere in these financial statements, are as follows: -

Holding company:		
Receipt of loan	242,936	487,510
Repayment of loan	170,140	-
Payment on behalf of holding company	-	35,527
Adjustment of advance against future issue of shares	-	300,000
Markup on loan	20,566	18,731
Associated companies:		
Purchase of operating fixed assets	6,594	3,291
Services received	62,659	20,604
Sale of vehicle	701	1,814
Payment of rent	459	350
Receipt of loans	3,850,999	-
Repayment of loan and lease liabilities	160,370	145,446
Payment against services (freight for crude oil)	963,344	820,025
Markup on borrowings and leases	284,669	30,474
Markup (income)	-	42,432
Security deposits	-	3,646
Land lease rentals	43,750	21,875
Staff provident fund		
Payment of employees and company's contribution	28,447	18,954

Notes to the Financial Statements

for the year ended June 30, 2009

Amounts in Rs '000

37 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the accounts for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company was as follows:

	Chief Executive		Directors		Executives		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Managerial remuneration	4,396	4,217	6,851	7,044	93,252	60,168	104,499	71,429
Provident fund	380	422	120	-	7,632	5,018	8,132	5,440
Housing and utilities	2,198	2,109	3,425	3,522	46,626	30,085	52,249	35,716
Leave passage	460	312	-	-	5,741	3,675	6,201	3,987
	7,434	7,060	10,396	10,566	153,251	98,946	171,081	116,572
Number of persons	2	1	2	2	63	48	67	51

The Chief Executive, Directors and certain executives are provided company maintained vehicles.

Directors have not claimed any meeting fee.

38 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The board of directors has the overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

38.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The Company's credit risk is primary attributable to its receivables and balances with banks.

The carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	2009	2008
Trade debts	9,089,974	3,217,917
Deposits, accrued markup, loans and other receivables	125,737	101,460
Cash and Bank balances	2,078,445	7,906,497
	11,294,156	11,225,874

Notes to the Financial Statements

for the year ended June 30, 2009

Amounts in Rs '000

The Company manages credit risk of receivables through the monitoring of credit exposures and continuous assessment of credit worthiness of its customers. The company believes that it is not exposed to any major concentration of credit risk as it operates in an essential products industry, its customers are credit worthy and dealing banks possess good credit ratings.

	2009	2008
The aging of trade debts at the reporting dates was:		
Not past due	326,293	551,138
Past due 0-30 days	4,743,989	2,641,344
Past due 30-150 days	3,237,591	10,498
Past due 150 days	782,101	14,937
	<u>9,089,974</u>	<u>3,217,917</u>

Based on past experience the management believes that no impairment allowance is necessary in respect of trade debts past due as over 80% of trade debts have been recovered subsequent to the balance sheet date and for rest of the trade debts management believes that the same will be recovered in short course of time. Company's trade debts comprise a major balance receivable from M/s Pakistan State Oil Co. Ltd. which have a good track record with the Company. The credit quality of the Company's receivable can be assessed with their past performance of no default. The credit quality of the Company's banks can be assessed by their external credit ratings:

Name of Bank	Rating Agency	Rating	
		Short term	Long term
Habib Bank Limited	JCR-VIS	A-1+	AA+
United Bank Limited	JCR-VIS	A-1+	AA+
Allied Bank Limited	PACRA	A1+	AA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
JS Bank Limited	PACRA	A1	A
Standard Chartered Bank	PACRA	A1+	AAA
Barclays Bank PLC	S&P	A-1+	AA-

Notes to the Financial Statements

for the year ended June 30, 2009

Amounts in Rs '000

38.2 Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements. The following are the contractual maturities of the financial liabilities, including estimated markups:

	Carrying Amounts	Contractual Cash flows	Six months or less	Six to tweleve months	One to two years	Two to five years
2009						
Financial liabilities						
Loans	10,420,441	15,928,391	1,151,583	1,793,519	3,311,145	9,672,144
Term finance certificates	107,094	110,672	110,672	-	-	-
Lease liabilities	370,408	482,478	58,615	58,615	146,756	218,493
Deposits	4,446	4,446	-	-	-	4,446
Trade and other payables	17,599,984	18,065,118	18,065,118	-	-	-
Short term borrowings	217,549	225,293	225,293	-	-	-
Accrued markup	1,071,469	1,071,469	1,071,469	-	-	-
	29,791,391	35,887,867	20,682,749	1,852,134	3,457,901	9,895,083
2008						
Financial liabilities						
Loans	1,154,879	1,379,109	371,790	195,920	361,008	450,391
Term finance certificates	321,396	352,799	117,663	121,021	114,115	-
Lease liabilities	233,296	297,812	38,794	38,794	74,317	145,907
Deposits	4,446	4,446	-	-	-	4,446
Trade and other payables	23,169,176	23,169,176	23,169,176	-	-	-
Short term borrowings	1,000,000	1,004,598	1,004,598	-	-	-
Accrued markup	124,234	124,234	124,234	-	-	-
	26,007,427	26,332,174	24,826,255	355,735	549,440	600,744

All the financial liabilities of the company are non derivative financial liabilities. The contractual cash flows relating to the above financial liabilities have been determined on the basis of markup rates effective as at June 30, 2009.

38.3 Market Risk

Market risk is a risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of financial instruments. The Company is exposed to currency risk and interest rate risk only.

Notes to the Financial Statements

for the year ended June 30, 2009

Amounts in Rs '000

38.3.1 Currency risk

Foreign currency risk arises mainly where receivables and payables exists due to transactions in foreign currencies. The financial instruments of the Company exposed to currency risk were as follows:

	2009	2008
Loans from Sponsors	(247,101)	(170,140)
Markup on loans	(1,285)	(18,731)
Foreign creditors	(10,129,814)	(22,905,676)
Receivable from crude supplier	690,460	-
	<u>(9,687,740)</u>	<u>(23,094,547)</u>

The following significant exchange rate has been applied:

USD to PKR (Reporting date rate in Rupees)	<u>81.30</u>	<u>68.20</u>
USD to PKR (Average rate in Rupees)	<u>78.89</u>	<u>62.77</u>

Sensitivity analysis

At reporting date, if PKR had strengthened by 10% against the US Dollar with all other variables held constant loss / profit for the year would have been lower / higher by the amounts shown below, mainly as a result of foreign exchange gain on translation of foreign currency liabilities.

Effect on loss / profit	<u>968,774</u>	<u>2,309,445</u>
-------------------------	----------------	------------------

The 10% weakening of the PKR against US Dollar would have had an equal but opposite impact on the loss / profit for the year on the basis that all other variables remain constant.

38.3.2 Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates primarily to the following:

Fixed rate instruments at carrying amounts:

Financial Assets		
Balance with banks	1,848,492	6,487,970
Financial liabilities		
Term finance certificates	107,094	321,396

(Term finance certificates carry variable markup rate but due to the cap on rate of 13% per annum, the liability has been considered as fixed rate instrument)

Notes to the Financial Statements

for the year ended June 30, 2009

Amounts in Rs '000

	2009	2008
Variable rate instruments at carrying amounts:		
Financial liabilities		
Loans	10,420,441	1,154,879
Lease liabilities	370,408	233,296
Short term borrowings	216,000	1,000,000
Trade payables	5,509,434	31,626
	16,516,283	2,419,801

Fair value sensitivity analysis for fixed rate instruments:

The Company does not account for any fixed rate financial assets at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments:

A change of 100 basis points in interest rates at the reporting date would have increased / decreased loss/profit for the year by the amounts shown below:

Effect on loss / profit due to change of 100 bps

Increase	82,846	27,412
Decrease	82,846	27,412

The effective interest / mark up rates for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

38.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction. The carrying values of financial instruments reflected in these financial statements approximate their fair values.

38.5 Capital risk management

The Company's prime objective when managing capital is to safe guard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Notes to the Financial Statements

for the year ended June 30, 2009

	US Barrels in '000	
	2009	2008
39 CAPACITY AND ANNUAL PRODUCTION		
Designed annual refining capacity (at 330 days)	9,900	9,900
Attainable annual refining capacity (at 330 days)	9,900	7,020
Actual throughput during the year	7,168	6,188
%age of actual throughput on attainable capacity	72%	88%

Company is facing the crude handling and storage constraints which restricted the maximum capacity utilization. Further the plant remained shut down during third quarter for over a month. The Company's projects e.g. construction of storage tanks and single buoy mooring are already in process to cater the crude handling and storage constraints being faced by the Company.

40 EVENTS AFTER REPORTING PERIOD

On October 30, 2009 the Byco Industries Incorporated (BII) has made public announcement of offer to purchase up to 136,510,046 shares of the company at a price of Rs.10/- per share pursuant to Listed Companies (Substantial Acquisition of Voting Shares and Take-over's) Ordinance, 2002. The offer has been made by virtue of an agreement between BII and Bosicor Corporation Limited (BCL) (holding company) whereby it has been agreed that BCL will transfer its entire shareholding in the company to BII, where the BCL and Abraaj Mauritius Oil and Gas SPV hold 60% and 40% shares respectively. This will further enhance strong shareholder's support to the Company.

41 DATE OF AUTHORIZATION FOR ISSUE


The financial statements were authorized for issue on 06 November 2009 in accordance with the resolution of the Board of Directors of the Company.

42 FUNCTIONAL AND PRESENTATION CURRENCY

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



Chief Executive Officer



Director

Financial Statistical Summary

Rupees in million

	2009	2008	2007	2006	2005	2004
INVESTOR INFORMATION						
Share capital	3,921	3,921	2,451	2,451	2,451	1,750
Shareholders' Equity	(6,676)	3,529	2,013	2,759	2,562	-
Property plant and equipment	14,779	8,565	6,388	3,719	3,274	3,148
Intangible Assets	7	11	14	18	6	-
Long Term Deposits & Deferred Cost	57	46	17	5	90	14
Long term investment	-	-	300	-	-	29
Trade debts	9,090	3,218	1,079	1,107	888	924
Stock in trade	4,488	11,934	5,177	3,909	1,812	924
Total Current Assets	16,744	23,440	8,524	7,376	3,506	2,001
Total Current Liabilities	23,129	25,592	8,470	6,870	3,472	1,957
Working Capital	(6,385)	(2,152)	54	506	34	6
Short term borrowings	218	1,000	249	600	761	142
Current Portion of Long Term Liabilities	1,443	606	610	290	54	38
Non Current Liabilities	11,080	1,369	1,723	1,036	842	1,417
Sponsor's Loan	4,023	170	-	453	-	600
Profit & Loss Account						
Net Sales	44,621	35,806	19,329	17,929	9,999	
Cost of Sales	48,530	33,664	19,401	17,304	9,607	
Gross Profit/(Loss)	(3,909)	2,142	(72)	625	391	
Operating (Loss)/Profit	(4,504)	1,762	(269)	502	295	
Financial Expenses	6,160	1,755	406	286	106	
Profit/(Loss) Before Tax	(10,327)	184	(628)	301	182	
Profit/(Loss) After Tax	(10,333)	15	(681)	197	111	
(Loss)/Earning Per Share	Rs. 10/share	(26.35)	0.04	(2.37)	0.80	0.48
PERFORMANCE RESULTS						
Gross Profit Ratio	%	(8.76)	5.98	(0.37)	3.48	3.92
Profit Before Tax Ratio	%	(23.14)	0.51	(3.25)	1.68	1.82
Interest Coverage Ratio	Times	(4.80)	1.39	(0.77)	2.11	2.81
Fixed Assets Turnover	Times	3.02	4.18	3.03	4.82	3.05
Debt Equity Ratio	%	200.90	17.56	39.35	37.56	32.87
Current Ratio		0.72	0.92	1.01	1.07	1.01
Debtors Turnover Ratio	Times	4.91	11.13	17.91	16.20	11.26
Return on Shareholders' Equity	%	(398.80)	0.43	(33.84)	7.14	4.33
Inventory Turnover Ratio	Times	11	3	4	4	5

Pattern of Shareholding

As at June 30, 2009

Size of Holding		No. of Shareholders	No. of Shares Held
From	To		
1	100	578	43,168
101	500	2,379	1,021,048
501	1000	3,132	2,982,358
1001	5000	6,623	18,841,107
5001	10000	2,020	15,941,584
10001	15000	675	8,578,638
15001	20000	505	9,164,774
20001	25000	262	6,115,882
25001	30000	171	4,862,268
30001	35000	109	3,593,416
35001	40000	88	3,371,007
40001	45000	64	2,757,939
45001	50000	109	5,361,000
50001	55000	36	1,907,290
55001	60000	32	1,857,760
60001	65000	24	1,511,741
65001	70000	15	1,020,660
70001	75000	27	1,991,906
75001	80000	18	1,406,033
80001	85000	12	998,961
85001	90000	7	616,000
90001	95000	10	930,220
95001	100000	50	4,988,226
100001	105000	11	1,124,800
105001	110000	10	1,082,700
110001	115000	4	451,000
115001	120000	10	1,191,000
120001	125000	9	1,112,127
125001	130000	6	772,560
130001	135000	2	270,000
135001	140000	6	824,703
140001	145000	4	573,540
145001	150000	9	1,349,900
150001	155000	6	911,300

Pattern of Shareholding

As at June 30, 2009

Size of Holding		No. of Shareholders	No. of Shares Held
From	To		
155001	160000	1	156,500
160001	165000	1	164,460
165001	170000	6	1,009,059
170001	175000	4	691,800
175001	180000	3	529,734
180001	185000	3	554,900
185001	190000	1	188,100
190001	195000	1	194,806
195001	200000	16	3,192,106
200001	205000	1	201,400
210001	215000	2	422,400
215001	220000	1	215,200
220001	225000	2	449,500
225001	230000	1	230,000
230001	235000	2	464,100
235001	240000	3	717,963
245001	250000	3	750,000
250001	255000	1	255,000
260001	265000	1	261,343
265001	270000	1	268,000
280001	285000	1	281,200
285001	290000	1	289,000
290001	295000	1	293,600
295001	300000	4	1,196,000
300001	305000	2	607,000
305001	310000	2	614,360
310001	315000	1	312,500
315001	320000	1	320,000
345001	350000	2	700,000
355001	360000	1	360,000
365001	370000	2	736,000
375001	380000	2	760,000
380001	385000	1	382,500
395001	400000	2	800,000

Pattern of Shareholding

As at June 30, 2009

Size of Holding		No. of Shareholders	No. of Shares Held
From	To		
400001	405000	1	402,000
405001	410000	2	817,800
415001	420000	1	419,780
425001	430000	1	427,000
435001	440000	1	440,000
445001	450000	1	450,000
450001	455000	1	453,020
470001	475000	1	473,500
520001	525000	1	523,500
550001	555000	1	552,200
590001	595000	1	590,500
595001	600000	3	1,800,000
650001	655000	1	651,783
660001	665000	1	664,500
750001	755000	1	752,101
780001	785000	2	1,564,916
810001	815000	1	811,800
995001	1000000	1	1,000,000
1000001	1005000	1	1,004,000
1085001	1090000	1	1,090,000
1110001	1115000	1	1,113,000
1115001	1120000	1	1,118,528
1190001	1195000	1	1,195,000
2110001	2115000	1	2,110,900
2505001	2510000	1	2,509,930
2740001	2745000	1	2,741,000
3350001	3355000	1	3,353,500
5335001	5340000	1	5,336,500
13255001	13260000	1	13,258,580
216380001	216385000	1	216,383,911
TOTAL		17,134	392,104,396

Pattern of Shareholding

As at June 30, 2009

Shareholders' Category	No. of Shareholders	No. of Shares	Percentage %
Associated Companies, Undertakings and Related Parties	1	216,383,911	55.1853
Directors, CEO their Spouses and minor children	8	389,026	0.0992
Executives	9	645,173	0.1645
Banks, Development Finance Institutions, Non-Banking Finance Institutions	15	4,508,980	1.1499
Modarabas & Mutual Funds	12	1,876,000	0.4784
Insurance Companies	6	265,200	0.0676
Others	149	28,025,348	7.1474
Individuals	16,934	140,010,758	35.7075
TOTAL	17,134	392,104,396	100.00

ADDITIONAL INFORMATION		
Shareholders' Category	No. of Shareholders	No. of Shares held
Associated Companies, Undertakings and Related Parties		
Bosicor Corporation Limited	1	216,383,911
Directors, CEO their spouses and minor children		
Mr. Amir Abbassciy	2	102,126
Mr. Hamid Imtiaz Hanfi	1	268,000
Mr. M. Rashid Zahir	1	1,600
Syed Arshad Raza	1	5,600
Mrs. Uzma Abbassciy	1	5,600
Mrs. Samia Roomi	1	5,600
Mr. Farooq Ahmed Yamin Zubairi	1	500
Executives	9	645,173
Banks, Development Financial Institutions & Non-Banking Finance Institutions	15	4,508,980
Modarabas and Mutual Funds	12	1,876,000
Insurance Companies	6	265,200
Others	149	28,025,348
Individuals	16,934	140,010,758
TOTAL	17,134	392,104,396
Shareholders holding 10% or more voting interest		
Bosicor Corporation Limited	1	216,383,911

Notice of Annual General Meeting

Notice is hereby given that the 15th Annual General Meeting of Bosicor Pakistan Limited will be held on Monday, November 30, 2009 at 9:30 a.m. at Moosa G. Desai Auditorium, Institute of Chartered Accountants of Pakistan (ICAP), Clifton, Karachi to transact the following business:

ORDINARY BUSINESS:

1. To confirm minutes of the 14th Annual General Meeting of the Company held on October 30, 2008.
2. To receive, consider and adopt the Audited Financial Statements for the year ended June 30, 2009 together with the Directors' and Auditors' report thereon.
3. To appoint Auditors for the year 2009-10 and fix their remuneration. The present auditors M/s Faruq Ali & Co., Chartered Accountants, retire and offer themselves for reappointment.
4. To transact any other business as may be placed before the meeting with the permission of the Chair.

SPECIAL BUSINESS:

1. To consider and, if thought fit, to change the name of the Company and pass the following Resolution as Special Resolution:

“RESOLVED THAT the name of the Company be changed from Bosicor Pakistan Limited to Byco Petroleum Pakistan Limited and to amend / alter the Memorandum of Association of the Company and for this purpose Clause 1 of the Memorandum of Association of the Company be substituted with the following:

1. The name of the Company is BYCO PETROLEUM PAKISTAN LIMITED.

FURTHER RESOLVED THAT the Articles of Association of the Company be amended, so as to change the name of the Company, wherever appearing from Bosicor Pakistan Limited to Byco Petroleum Pakistan Limited.

The statement under Section 160(1) (b) of the Companies Ordinance, 1984 relating to the special business is annexed with this notice to the members.

By Order of the Board



Amir Waheed Ahmed
Company Secretary

November 06, 2009
Karachi

Notes:

1. The Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, November 24, 2009 to Monday, November 30, 2009 (both days inclusive) for the purpose of the Annual General Meeting.
2. Only those persons whose names appear in the Register of Members of the Company as at November 23, 2009 are entitled to attend and participate in and vote at the Annual General Meeting.
3. A member of the Company entitled to attend and vote may appoint another member as his / her proxy to attend and vote instead of him / her. Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of the holding of the Meeting.
4. An instrument of proxy applicable for the Meeting (in which you can direct the proxy how you wish him to vote) is being provided with the notice sent to members.
5. Members are requested to notify immediately changes, if any, in their registered address.
6. CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting:

- i) In case of individuals, the account holder or sub-account holder shall authenticate his / her identity

by showing his / her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.

- ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies:

- i) In case of individuals, the account holder or sub-account holder shall submit the proxy form as per the above requirement.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy to the Company.

Statement under section 160(1) (b) of the Companies Ordinance, 1984

This statement sets out the material facts concerning the Special Business to be transacted at the Annual General Meeting of the Company to be held on November 30, 2009.

Change of Company's Name

Bosicor Corporation Limited ("BCL") is the sponsoring company and presently holds 216,383,911 shares (55.19%) of Bosicor Pakistan Limited ("The Company"). BCL have established an off-shore holding company by the name of BYCO INDUSTRIES INCORPORATED ("BII") and it holds 60% shares of BII and the balance shares, i.e. 40%, are held by Abraaj Mauritius Oil and Gas SPV Limited.

BCL has entered into an agreement for the transfer of 216,383,911 shares (55.19%) of Bosicor Pakistan Limited from BCL to BII in exchange of one share each of BII for each share of the Company transferred to BII. In line with above arrangement, BII has launched a Public Announcement of Offer ("PAO") dated 28th October 2009 to acquire additional up to 136,510,046 shares of Bosicor Pakistan Limited, comprising 34.81% of the issued share capital of the Company. In order to more clearly reflect the Company's relationship with BII and to benefit therefrom, the Board of Directors' propose that the name of the Company be changed to BYCO PETROLEUM PAKISTAN LIMITED. There will be no change in the entity or operations of the Company by this change of corporate name. The text of the special resolutions required for this purpose is set out in the notice convening the Annual General Meeting.

Bosicor Pakistan Limited

ADMISSION SLIP

The Fifteenth Annual General Meeting of Bosicor Pakistan Limited will be held on Monday, November 30, 2009 at 9:30 am at Moosa G. Desai Auditorium, Institute of Chartered Accountants of Pakistan (ICAP), Clifton, Karachi.

Kindly bring this slip duly signed by you for attending the Meeting.

Company Secretary

Name _____

Shareholder No. _____ Signature _____

Note:

- i) The signature of the shareholder must tally with the specimen signature on the Company's record.
- ii) Shareholders are requested to hand over duly completed admission slips at the counter before entering the Meeting premises.

CDC Account Holders / Proxies / Corporate Entities:

- a) The CDC Account Holder / Proxies shall authenticate his / her identity by showing his / her original Computerized National Identity Card (CNIC) or Original passport at the time of attending the Meeting.
- b) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the Meeting (unless it has been provided earlier).

This Admission Slip is Not Transferable

Bosicor Pakistan Limited

Form of Proxy 15th Annual General Meeting

I / We _____

of _____

being member(s) of Bosicor Pakistan Limited holding _____

ordinary shares hereby appoint _____

of _____ or failing him / her _____

of _____ who is / are also member(s) of Bosicor Pakistan Limited as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the Fifteenth Annual General Meeting of the Company to be held on November 30, 2009 and at any adjournment thereof.

As witness my / our hand / seal this _____ day of _____ 2009

Signed by the said _____

in the presence of 1. _____

2. _____

Folio / CDC Account No.

**Signature on
Revenue Stamp
of Appropriate
Value**

This signature should agree with the specimen registered with the Company.

Important:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company at 2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi, not less than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he / she himself / herself is a member of the Company, except that a corporation may appoint a person who is not a member.
3. If a member appoint more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders / Corporate Entities:

In addition to the above the following requirements have to be met:

- i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iii) The proxy shall produce his / her original CNIC or original passport at the time of the Meeting.
- iv) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

AFFIX
CORRECT
POSTAGE

The Company Secretary
Bosicor Pakistan Limited
2nd Floor, Business Plaza, Mumtaz Hassan Road,
Karachi – 74000, Pakistan



Bosicor Pakistan Limited

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



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