

Annual Report 2010

byco

Branchingout Growth



Branchingout Growth

Growth is in our nature, and we are branchingout into new directions. Stepped into retail business recently and emerging as a challenging new and fastest growing player.

Our aim is to set new standards in production, quality and service. With our focus set, our aims defined and our constant checks in all aspects of our business, we are moving ahead and branchingout growth.

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Vision-Mission

Vision

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.

Mission

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 photograph of a byco gas station. In the foreground, a black fuel nozzle is suspended in the air. To the right, a tall black signpost features the 'byco' logo at the top. Below the logo, the sign displays 'Gasoline 73.16' and 'Diesel 78.53'. A decorative black vine with green leaves is wrapped around the signpost. In the background, a mountain range is visible under a clear sky. A 'byco' sign is also visible on the station's canopy in the upper left.

byco

Our first retail outlet was established in July 2007. We have reached 100 outlets in the last fiscal year, achieving this milestone in merely 3 years.

byco

Gasoline 73.16

Diesel 78.53

Statement of Ethics & Business Practices

Byco 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 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 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 are manufactured and priced competitively and in line with the environmental standards of the Country.
- We proactively invest in our human capital, offer competitive employment terms and provide safe and congenial working environment, and 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 interested parties, subject to any overriding confidentiality.



Amir Abbassciy
Chief Executive Officer

Company Information

Board of Directors

Waqar Hassan Siddique
Chairman
Hamid Imtiaz Hanfi
Vice Chairman
Amir Abbassciy
Director
Matteo Stefanel
Director
Muhammad Raza Hasnani
Director
Aziz Moolji
Director
M. Abdullah Yusuf
Director
Tariq Kirmani
Director
Kashif Shah
Director
Samia Roomi
Director

Compliance Committee of the Board

M. Abdullah Yusuf
Chairman
Hamid Imtiaz Hanfi
Member
Muhammad Raza Hasnani
Member
Jawed Ahmad
Secretary

Strategy & Risk Management Committee of the Board

Tariq Kirmani
Chairman
Amir Abbassciy
Member
Matteo Stefanel
Member
Syed Masood Raza
Secretary

Services and Stakeholders Committee of the Board

Matteo Stefanel
Chairman
Hamid Imtiaz Hanfi
Member
Samia Roomi
Member
Shahana Ahmed Ali
Secretary

Supervisory Secretariat

Hamid Imtiaz Hanfi
Head Supervisory Secretariat
Jawed Ahmad
Head Corporate Compliance
Shahana Ahmed Ali
Head Corporate Services & Company Secretary
Syed Masood Raza
Head Corporate Strategy

Management Committee

Amir Abbassciy
Chief Executive Officer
Mohammad Wasi Khan
President Chemical Manufacturing Business
Zafar Haleem
President Oil Refining Business
Kalim A. Siddiqui
President Petroleum Marketing Business

Imran Farookhi
Head Administration & Human Resource
Wajahat Athar Jafri
Head Commercial
Mansoor Rashid
Head Technical
Roshan Mehri
Head Treasury & Chief Financial Officer

Legal Counsel

Shahana Ahmed Ali
Head Legal

Auditors

Faruq Ali & Co.
Chartered Accountants

Bankers

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

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

Website

www.byco.com.pk

Environment Health and Safety Policy

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

Management Belief

Management Leadership, Participation and Accountability: Our leaders from top management to frontline 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 line to integrate risk management practices into our routine business processes.

Management Role

- **Workers 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.



Your Company accords highest priority to energy conservation.

Environment Health and Safety Policy

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.



Amir Abbasciy
Chief Executive Officer

Striving to constantly improve our EHS performance and management processes



3 million safe man-hours achieved without a Lost Time Injury (LTI)

Financial Highlights

	2010	2009	2008	2007	2006	2005
Profit & Loss Account						
Net Sales	41,088	44,621	35,806	19,329	17,929	9,999
Cost of Sales	40,430	48,530	33,664	19,401	17,304	9,607
Gross Profit/(Loss)	667	(3,909)	2,142	(72)	625	391
Operating (Loss)/Profit	(565)	(4,504)	1,762	(269)	502	295
Financial Expenses	3,026	6,160	1,755	406	286	106
Profit/(Loss) Before Tax	(1,488)	(10,327)	184	(628)	301	182
Profit/(Loss) After Tax	(1,616)	(10,333)	15	(681)	197	111
(Loss)/Earning Per Share Rs. 10/share	(4.12)	(26.35)	0.04	(2.37)	0.80	0.48
Performance Results						
Gross Profit Ratio %	1.62	(8.76)	5.98	(0.37)	3.48	3.92
Profit Before Tax Ratio %	(3.62)	(23.14)	0.51	(3.25)	1.68	1.82
Interest Coverage Ratio Times	0.54	(4.80)	1.39	(0.77)	2.11	2.81
Fixed Assets Turnover Times	2.93	3.02	4.18	3.03	4.82	3.05
Debt Equity Ratio %	(68.86)	200.90	17.56	39.35	37.56	32.87
Current Ratio	0.52	0.72	0.92	1.01	1.07	1.01
Debtors Turnover Ratio Times	5.99	4.91	11.13	17.91	16.20	1.26
Return on Shareholders' Equity %	(38.41)	(398.80)	0.43	(33.84)	7.14	4.33
Inventory Turnover Ratio Times	8.20	11	3	4	4	5

Now with 163 retail outlets we continue to add outlets to enable us to consolidate our market position and have representation in major geographical areas of the country.



Board of Directors

1. Waqar Hassan Siddique
Chairman
 2. Amir Abbasciy
Director
 3. Hamid Imtiaz Hanfi
Vice Chairman
 4. Kashif Shah
Director
 5. Tariq Kirmani
Director
 6. Muhammad Raza Hasnani
Director
 7. Matteo Stefanel
Director
 8. Aziz Moolji
Director
- M. Abdullah Yusuf
Director
- Samia Roomi
Director

Front row: Waqar Hassan Siddique, Amir Abbasciy
Centre row: Hamid Imtiaz Hanfi, Tariq Kirmani, Matteo Stefanel, Aziz Moolji
Back row: Kashif Shah, Muhammad Raza Hasnani



Chief Executive's Team

1. Wajahat Athar Jafri
Head Commercial
2. Mansoor Rashid
Head Technical
3. Kalim A. Siddiqui
President Petroleum Marketing Business
4. Amir Abbasciy
Chief Executive Officer
5. Roshan Mehri
Head Treasury & Chief Financial Officer
6. Mohammad Wasi Khan
President Chemical Manufacturing Business
7. Imran Farookhi
Head Administration & Human Resource



Supervisory Secretariat Team

1. Jawed Ahmad
Head Corporate Compliance
2. Shahana Ahmed Ali
Head Corporate Services & Company Secretary
3. Hamid Imtiaz Hanfi
Head Supervisory Secretariat
4. Syed Masood Raza
Head Corporate Strategy



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 16th Annual General Meeting of your Company to present the Annual Report of Byco Petroleum Pakistan Limited (formerly Boscicor Pakistan Limited) together with the Audited Financial Statements and Auditors' Report thereon for the fiscal year ended June 30, 2010.

Oil Refining Business:

The current financial year in respect of crude oil prices and exchange parity was relatively more stable for the refining industry as compared to the previous year. However, the challenges in respect of depressed refining margins, unfavorable refinery product pricing mechanism, circular debt issues and liquidity crunch continued to haunt the Refining Industry. Your Refinery by the Grace of Allah has faced all the challenges and has shown substantial improvement over the prior period. Although the refinery faced the above mentioned unfavorable and uncontrollable factors, the Company was however able to deliver a gross profit of Rs 667 million as against a gross loss of Rs 3.9 billion in the preceding financial year.

Your Company has exerted significant effort in controlling cost and enhancing efficiency. Energy costs related to the production process within the refinery have declined. This is the result of significant effort by the refinery Management & Engineers to harness waste energy and apply it to productive purpose in the interest of reducing costs. Your Company accords highest priority to energy conservation. Your Refinery has a dedicated energy conservation cell consisting of Managers and Engineers to monitor conservation measures on a day-to-day basis. This monitoring coupled with increased awareness levels amongst the employees, have resulted in continuous lowering of fuel & loss consumption over the years.

Various energy conservation measures undertaken at the Refinery are :

1. Maximization of Crude Preheat by optimization of Heat Exchanger train using Pinch Technology.

Chief Executive's Review

2. Regular Monitoring of oxygen content in Furnace helps in taking necessary corrective actions.
3. Automatic Blow-down control system to optimize the blow-down of the Boilers .
4. Regular soot blowing of the furnaces to improve furnace performance.

Your Refinery is also one of the first in the country to initiate and implement full-fledged automation of its off-site facilities. The facilities comprise of the following.

1. Automation of the tank gauging & inventory management system.
2. Accurate measurement and monitoring of custody transfer operations.

The turnaround operations which had commenced in June were successfully completed. A successful turnaround requires a team effort from every function of the plant, as well as from hundreds of contract workers brought in to assist operations. A turnaround in Refining is required to make the refinery more efficient, more reliable, durable, and safer. By its very nature, a turnaround is rarely smooth. However, thanks to the dedication of our team, our turnaround has been extremely successful. In this recently concluded turnaround, 2nd phase of the debottlenecking study has been implemented and throughput of the Refinery is increased from 30,000 barrels per day to 35,000 barrels per day. Detailed Engineering study is at hand to further debottleneck the constraints in the existing refinery and if economically justifiable, the throughput capacity will be enhanced to 40,000 barrels per day.

Petroleum Marketing Business:

The Petroleum Marketing business has been revitalized with a new vision through the addition of quality human resource. With a rich blend of youth and experience, the Marketing business is an emerging energy leader in the oil marketing sector of Pakistan's economy.



Throughput increased from 30,000 barrels per day to 35,000 barrels per day.



Entered the retail business as fastest growing player.

Among the top five in the industry in a short span.



Chief Executive's Review

Your Company commenced the sale of petroleum products with the establishment of its first retail outlet in July 2007 and reached 100 retail outlets in the last fiscal year achieving the milestone in less than 3 years. Now with 163 retail outlets in our portfolio, we expect to continue adding Outlets, which will enable us to consolidate our market position and have representation within major geographical areas of the country spread from Karachi to Kashmir.

Your Company is the only OMC to be growing at a staggering rate of 208% as compared to other competitors; with a growth of 390% in retail sales and turnover growing by 303% in the last fiscal year.

Though in its infancy stages, the Marketing Business already has attained 5th ranking amongst the industry players in a very short span of time. With a cumulative market share of 2.1% in liquid fuels, the Petroleum Marketing has grown exponentially in terms of market share as compared to previous fiscal year. Following a multipronged strategy entailing rapid expansion in our key segments of Retail, Consumer and International Sales, your Company is making its mark in the industry.

Apart from retail sales your Company's ever increasing and diversified consumer portfolio is also on a fast track growth. Although it has not been long, the marketing business has developed a strong customer base and is expanding every day by acquiring major customers in bunkering and marine business, industrial consumer business, captive power projects, cement, and consumer goods companies. Furthermore we have carved a niche for ourself in the international market by supplying specialized diesel (Ultra Winterized Diesel) and fuel oil (RMG 380) products in growing foreign markets and bunkering businesses. The Company has had the privilege to be the first to introduce these products in Pakistan.

Supply chain mechanism has been strengthened with availability of storages at Keamari, Machike, Ghatti, Chaklala, Shikarpur, Tarujabba and Mehmoodkot in order to meet marketing requirements at various geographical locations. Moreover with entry into the White Oil Pipeline the Company is supplying the refinery's

product across the length and breadth of the country more efficiently. For the first time in the oil industry's history in the country, our petroleum marketing business has entered into an agreement for managing inventory for fuel oil at the customer's doorstep. Moreover your Company has recently accomplished the milestone of importing its first consignment of Diesel and Furnace Oil during the last financial year.

Your Company also endeavors to be a major part of the industry and is involved in molding its business activities to the changing requirements of its customers and providing them with the best possible experience. An essential step in this regard was the launch of the new Byco brand.

An unparalleled brand architecture exercise by international brand consultants has created a position for Byco over and above its competition. This is the first time such an exercise has been undertaken in the country's oil Industry. Through this exercise we aim to strengthen our corporate image by infusing brand-strategy elements and aspects such as positioning and brand persona that allow us to not only compete locally but also at a global level with international giants.

As a result of the new identity, our existing stations will be transformed into state-of-the-art, modern retail outlets across Pakistan providing customers with



Improvement through the addition of quality human resource.

Chief Executive's Review

exclusive and exceptional experience in terms of convenience and enhanced service at all touch points. The new outlets will not only have a vibrant look and feel but would be fully equipped to provide unique experience in terms of fuel and non fuel related services and will be one of their kind in Pakistan, shunning the concept of retail outlets as being monotonous and jaded. We envision being among the top tier oil marketing companies of the country in the near future and in this respect, we are maximizing our thrust on customer reach, market share, providing innovative fueling and energy solutions to our customers, within and outside Pakistan, through differentiated products and services.

Our plans include import of world-class Automotive and Industrial lubricants from UAE that provide superior protection to and improve engine life. These lubricants would be launched with the Byco brand identity during this calendar year (Inshallah).

Your Company is planning to provide a one of its kind LPG auto gas facility at its retail stations, apart from marketing it through cylinders and in bulk, providing greener energy options to our customers and creating a cleaner environment in the country.

All this is just the beginning for your company. With the market opportunities abound, Byco strives to be a source of advancement in the industry and endeavors to soon be counted amongst industry leaders of Pakistan. Being associated with the country's largest upcoming Petrochemical and oil refining complex, Byco has the potential as well as the capability to contribute towards the country's progress and represent Pakistan on the global business arena. We aspire to be an emerging energy leader, Insha Allah, and with Byco Oil Pakistan Limited soon to become the largest refinery of the country and the ever increasing energy demands in the region, the growth prospects for Byco's Petroleum Marketing Business appear vast.

Single Point Mooring:

With commissioning expected in March 2011, the SPM or floating port will be the third liquids port in Pakistan with an ability to handle the bulk of the country's liquid cargoes. All engineering and feasibility studies are

complete and all equipment has been procured and is available on site. Negotiations have been completed with contractors of international repute for installation of Buoy, Pipeline end Manifold. Onshore work for installation of pipeline is already underway and offshore installation will commence shortly. The SPM can be modified to import and export POL Products and will be the cheapest entry point for liquid cargo in to Pakistan. As mentioned in the financial statements, BPPL has transferred its SPM assets to its wholly owned subsidiary "Universal Terminal Limited" and will be accordingly managed under UTL.

Isomerization Unit:

The Isomerization Plant is mechanically completed and will be commissioned with the BOPL Refinery as its vast quantity of Light Naphtha feed can only be met when the larger Refinery commences operations. The Isomerization Plant converts naphtha which is a loss making product for refineries into environment friendly Motor Gasoline, which is a profitable product for refineries.

Financing Arrangements:

In view of the increase in crude oil prices, our Syndicate of Bankers have increased our Letters of Credit facility by Rs 3 billion during the year to facilitate import of crude oil. Our total letters of credit facility now stands at Rs 15.3 billion.

As a gesture of continued support and commitment, the Sponsors of the Company have provided a cash injection of Rs 1.214 billion during the fiscal year, as Sponsors Loans. It is extremely heartening to note that in these trying economic times, the Sponsoring Shareholders and the Financial Institutions have extended complete and unprecedented support to ensure continuous operations of the Company.

Corporate Social Responsibility:

In line with your Company's Social Responsibility Vision, We continued our investment & support in following areas:

Chief Executive's Review

- Timely and generous response to Flood victims of Baluchistan in particular and to other parts of the Country in general.
- Evacuation of local residents during Cyclone PHET, which hit parts of Baluchistan.
- Pirkhus Road repair to facilitate daily commutation of residents of Moza Kund and adjoining areas.
- Industrial Visits of upcoming graduates from well reputed Universities.
- Supply of Drinking Water to Local Residents.
- Medical Relief Camps.
- Arrangements of Sports and recreational activities for local residents.



Timely and generous response to flood victims.

Environment, Health, Safety and Security (EHSS);

During the period under review, significant achievements were made by your Company in EHHS. A few major achievements have been listed below:

- 3 million safe man-hours achieved without a Lost Time Injury (LTI).
- Total Recordable Incident Rate TRIR of 0.347 achieved against 0.8 target, the achieved TRIR is a 113.25% improvement compared to the set target of 0.8.
- The Refinery achieved the milestone of Integrated Management System (IMS) Certification. IMS includes certification of ISO 9001-2008, ISO 14001-2004 and OHSAS 18001-2007 standards.
- 280 Standard Operating Procedures prepared and implemented through Integrated Management System.
- An outsourced training program in five areas include Incident Reporting, IMS Awareness, OHS Risk Assessment, EMS Risk Assessment and Internal Auditing arranged by EHS Department for Management and staff through Integrated Management system.



On site clinic to care for employees' health and well being.

Chief Executive's Review

- All Documents related to Integrated Management System have been made available online thru the IMS Data Share Folder.
- Contractor safety education and training programs developed and implemented to merge contractor safe man into company safe man hours.
- Multi Purpose fire fighting vehicle procured to enhance the emergency response efficiency.
- The Refinery has identified framework to comply with all Environment and Health regulatory requirements. Your Company meets the environmental regulatory obligations throughout the year as set out in the NEQS Limitations.
- A comprehensive Waste Management System has been developed to dispose off the hazardous/Non Hazardous waste generated at ORC-I site.
- 10 sessions of PTW issuer and acceptor testing and validation has been conducted for the Refinery Staff.

Contribution to the National Exchequer:

During the current year, the Company contributed an amount of Rs 4.4 billion to the national exchequer through direct and indirect taxes. Exports of products valued at Rs 8.8 billion has contributed towards improving the Country's balance of payments.

Management Application Systems:

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.

Various reports and enhancements have been done in the system to cater to new Business Process Requirements mainly related to Chart of Account, Material Master Coding, stocking, daily sales and tank lorry master data etc.



Implementation of safety and training programmes.



Major contribution to the national exchequer through direct and indirect taxes

Chief Executive's Review

Following new improvements have been implemented so far:

- New Material Master Coding Structure for the Group.
- Credit Management in SAP for our Marketing Business.
- SAP implementation in Universal Terminal Limited.
- New Chart of Accounts Implementation in Byco Group.
- Budgeting and Controlling in SAP.
- Lubricant Business Enhancement and
- Customer Acknowledgment System.

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
7th December 2010



Enhanced system efficiencies by providing real time information to keep shareholders informed about developments in the Company

Directors' Report

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

The Directors of your Company are pleased to present the Annual Report together with the Audited Financial Statements for the year ended June 30, 2010.

Your Company has witnessed a marginal recovery during the current financial year. Despite all odds, the economic environment has improved. The Pak Rupee has remained stable against the US Dollar and the Crude Prices have also remained stable as compared to the volatility in the prices during the previous year. The Refinery continues to struggle to deliver quality results especially in the absence of a fair product pricing formula, adverse global refining margins and the prevalence of the inter-corporate circular debt resulting in liquidity constraints.

During the year, your refinery Alhamdulillah maintained a clean record of uninterrupted production with an average throughput of 16,233 barrels per day as against 22,894 barrels per day last year. The reasons for this were primarily low throughput during February through May 2010 and a turnaround in the month of June 2010. As regards production, product recoveries improved from 96.7% to 97.12% thereby an increase of 0.15%. High Speed Diesel production yield enhanced from 36.25% to 36.95%, whereas Furnace Oil production decreased from 45.71% to 41.91%. During the year actual production was for 335 stream days as against 308 stream days last year.

Crude prices during the period under review remained stable between the range of \$ 67.99 (September 2009) to \$ 83.45 per barrel as against last year's volatile prices of \$ 39.25 to \$ 131.76 per barrel.

Your Company's petroleum marketing business has been growing very rapidly and reached volumes of 417,082 MT in the current financial year vs. 135,215 MT in the previous year. The year on year growth has been a very impressive 208%. Market share in liquid fuels now stands at 2.1% vs. 0.8% in the previous year. In the financial year commencing on July 2010, our marketing business has successfully climbed to no. 5th

position in terms of market share. During the financial year ended June 30, 2010; the marketing business earned a gross turnover of over Rs 24 billion with a gross profit of Rs 944 million. This business is now reported as an independent business segment within our notes to the financial statements.

During the year under review, your Company acquired 100% shares of a private limited company, Universal Terminal Limited (UTL). UTL was principally engaged in the provision of bulk liquid storage services at within Karachi Port Trust. However, at the date of acquisition and as at June 30, 2010 the operations were closed. Post our acquisition, plans had been drawn up for renovations and up gradations to this terminal to cater to the requirements of our petroleum marketing business. As per the statutory requirements the accounts of UTL have been consolidated with those of BPPL.

Your Company has achieved Gross sales of Rs 48.5 billion and Net sales of Rs 41 billion during the year as compared to Gross and Net sales of Rs 54.7 billion and Rs 44.6 billion respectively for the last year. During the year, the Company's net loss after taxation was Rs 2.98 billion as compared to Rs 10.3 billion in the last year. The Consolidated financial results highlights are as follows:

	Rs '000
Operating Loss	(573,576)
Other Income	742,966
	<u>169,390</u>
Financial Charges	2,335,672
Other Charges	690,460
Loss before taxation	(2,856,742)
Taxation	128,418
Loss after Taxation	(2,985,160)
Un-appropriated loss brought forward	(10,597,517)
	<u>(13,582,677)</u>
Transfer from surplus on revaluation of Property, plant and equipment- net of tax	223,875
Unappropriated loss carried forward	<u>(13,358,802)</u>

Growing at an unprecedented rate without losing focus, branching out in new businesses within the industry.



Directors' Report

Earnings per share:

During the year under review, based on the net loss, the loss per share was Rs 7.61 as compared to a loss of Rs 26.35 per share during the last year. As a result the Directors still cannot recommend payment of dividend for the year ended June 30, 2010.

Auditors' Observations:

Without qualifying their opinion, the auditors have as a matter of emphasis drawn the attention of the members to the following:

- i) In para i) of their report, auditors have expressed their doubts about the use of the going concern assumption in preparation of the 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.
- ii) In para ii) of the report, they have referred to the transfer of certain assets which the parent company has transferred to its wholly owned subsidiary- UTL. Since these assets were secured against the finance facilities obtained by BPPL, therefore BPPL has obtained no objection certificates from its lenders for the above mentioned sale of assets which are subject to creation of charge over these assets by UTL in favour of BPPL's lenders. Subsequent to June 30, 2010, UTL has initiated the legal and corporate formalities to register the charge in favour of parent's lenders.

Future Plans:

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

- Marketing Business is now tapping a high margin aviation fuel export market. First consignment is planned to be imported in December 2010.

- Marketing of Imported Lubricants have started from mid of October 2010.
- Byco is also preparing to launch its own LPG brand.
- The Isomerization Plant is now mechanically completed and will be commissioned with the BOPL refinery.
- SPM: floating port - under UTL Management. All engineering and feasibility studies are completed. Negotiations have been finalized for installation of Buoy, Pipeline End Manifold and pipelines. The SPM can be modified to import and export POL Products and will be the cheapest entry and exit point for liquid cargo in Pakistan.

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 result 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.

Directors' Report

- The meeting of the Audit Committee is held at least once every quarter prior for approval of interim and final financial results of the Company 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.
- Financial highlights for the last six years are summarized on page 8.
- 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 of the year ended June 30, 2010 is as follows:

Byco Petroleum Pakistan Limited - Staff Provident Fund - 2010 Rs 44.217 million (2009-Rs 28.447 Million)

- During the year 5 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	5/5
2. Mr. Hamid Imtiaz Hanfi	5/5
3. Mr. Waqar Hassan Siddique (I)	1/5
4. Mr. Matteo Stefanel (II)	2/5
5. Mr. M. Raza Hasnani (III)	2/5
6. Mr. Aziz Moolji (IV)	0/5
7. Mrs. Samia Roomi	2/5
8. Mrs. Uzma Abbassciy	2/5
9. Mr. Mustafa Ahmed	
Talaat Abdel Wadood (V)	0/5
10. Mr. Tabish Gauhar (VI)	0/5
11. Mr. Muhammad Rashid Zahir	1/5
12. Syed Arshad Raza	3/5
13. Mr. Farooq Ahmed Yamin Zubairi	3/5



Finished products storage tank farms increased in capacity to meet growing needs.

Directors' Report

- (I) Mr. Waqar Hassan Siddique was appointed on 1st March 2010 after 3 Board meetings were completed in place of Syed Arshad Raza, who resigned w.e.f. 1st March 2010.
- (II) Mr. Matteo Stefanel was appointed on 26th April 2010 after 3 Board meetings were completed in place of Mr. Tabish Gauhar, who resigned w.e.f. 26th April 2010.
- (III) Mr. M. Raza Hasnani was appointed on 15th March 2010 after 3 Board meetings were completed in place of Mr. Mustafa Ahmed Talaat Abdel Wadood, who resigned w.e.f. 15th March 2010.
- (IV) Mr. Aziz Moolji was elected on 24th June 2010.
- (V) Mr. Mustafa Ahmed Talaat Abdel Wadood was appointed on 1st March 2010 after 3 Board meetings were completed in place of Mr. Muhammad Rashid Zahir, who resigned w.e.f. 15th March 2010.
- (VI) Mr. Tabish Gauhar was appointed on 1st March 2010 after 3 Board meetings were completed in place of Mr. Farooq Ahmed Yamin Zubairi, who resigned w.e.f. 26th April 2010.

Leave of absence was granted to directors who could not attend the Board Meetings.

Pattern of Shareholding:

- The pattern of shareholding in the Company and additional information as at June 30, 2010 appears on page 100.
- Byco Busient Incorporated, (formerly Boscicor Corporation Limited) continues to hold 55.19% shares and Byco Industries Incorporated hold 12.34% shares, while institutions and banks held 4.88%, and individuals held the balance 27.59%.
- The highest and lowest market prices during 2010 were Rs. 13.27 and Rs. 3.55 per share respectively.
- The details of sale / purchase of shares by the directors, CEO, CFO and Company Secretary and their spouses and minor children during 2009 - 2010 are as below:



BOPL, an associated company of BPPL is reaching completion at a fast pace



Byco takes pride in having the largest capacity crude oil storage tanks in the country.

Directors' Report

Name	Designation	Purchased on	Sold on	No. of Shares
Mr. Waqar Hassan Siddique	Director	15.03.2010 *	-	500
Mr. Matteo Stefanel	Director	24.05.2010 *	-	500
Mr. M. Raza Hasnani	Director	20.03.2010 *	-	500
Mr. Tabish Gauhar	Director	15.03.2010 *	24.05.2010 **	500
Mr. Mustafa Ahmed Talaat Abdel Wadood	Director	15.03.2010 *	20.03.2010 **	500

* On appointment as director

** On ceasing to be a director

Subsequent to year end the following Board changes have taken place:

1. Syed Arshad Raza resigned from the Board w.e.f. August 04, 2010. Mr. Tariq Kirmani was appointed to fill the vacancy for the remainder of the term to expire on June 23, 2013.
2. Mrs. Uzma Abbasciy resigned from the Board w.e.f. August 11, 2010. Mr. M. Abdullah Yusuf was appointed to fill the vacancy for the remainder of the term to expire on June 23, 2013.

The Board wishes to place on record its appreciation and gratitude to the outgoing directors for the valuable services rendered by them and welcome to the new directors on the Board.

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 etc, financial institutions, banks, customers, suppliers and investors of the Company. Your Directors place on record the 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
Director

Karachi
7th December 2010

Statement of Compliance with the Code of Corporate Governance for the year ended 30th June 2010

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 two independent non-executive Directors.
2. The Directors have voluntarily confirmed that none of them is serving as a director in more than ten listed companies, including Byco Petroleum Pakistan Limited (formerly 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 NBF. None of the directors is a member of any of the stock exchanges on which the Company's shares are listed.
4. The Directors were apprised of their duties and responsibilities from time to time.
5. During the year five casual vacancies occurred in the Board of Directors on March 01, 2010, March 15, 2010 and April 26, 2010, which were filled up by the Directors on the same dates.
6. The Board of Directors has 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 has approved and adopted the Vision & Mission Statements, overall corporate strategy and significant policies of the Company.
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 five 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 five 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. Mr. Amir Waheed Ahmed resigned as CFO of the Company and the Board appointed Mrs. Roshan B. Mehri as CFO of the Company with effect from January 01, 2010. Mr. Amir Waheed Ahmed resigned as Company Secretary of the Company and the Board appointed Ms. Shahana Ahmed Ali as Company Secretary of the Company with effect from September 09, 2010.

Statement of Compliance with the Code of Corporate Governance for the year ended 30th June 2010

13. The Directors' report for the year ended June 30, 2010 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 while the Chairman of the Committee is executive Director.
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

Financial Statements

For The Year Ended June 30, 2010

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 **Byco Petroleum Pakistan Limited (Formerly: 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 are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the company's corporate governance procedures and risks.

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 transaction 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 undertaken 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, 2010.

Place: Karachi
Dated: 7 December 2010


Faruq Ali & Company
CHARTERED ACCOUNTANTS

Engagement Partner: Fasih uz Zaman

Auditors' Report to the Members

We have audited the annexed balance sheet of BYCO PETROLEUM PAKISTAN LIMITED (Formerly: Bosicor Pakistan Limited) as at June 30, 2010 and the related profit and loss account, statement of comprehensive income, 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.

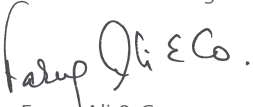
We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, 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) In our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
 - b) 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, except for the change resulted from initial application of amendment to existing standards, as disclosed in note 3.1.1 to the financial statements, with which we concur;
 - 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;
 - c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, 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, 2010 and of the Loss, comprehensive income, its cash flows and changes in equity for the year then ended; and
 - d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.
- without qualifying our opinion we draw attention of the members to:

- i) note 2 to the financial statements which indicates that the company incurred a net loss after tax of Rs.1.616 billion and as of that date its accumulated losses of Rs.11.990 billion have resulted in negative equity of Rs.8.069 billion and its current liabilities exceeded its current assets by Rs.12.735 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;
- ii) and note 4.3.1 to the financial statements which states that company has transferred certain assets to M/s Universal Terminal Limited (wholly owned subsidiary of the company) ('UTL'). Since these assets were secured against the finance facilities obtained by the company therefore the company has obtained no objection certificates from its lenders for the above mentioned sale of assets which are subject to creation of charge over these assets by UTL in their favour. Subsequent to balance sheet date, UTL has initiated the legal and corporate formalities to register the charge in favor of company's lenders.

Place: Karachi
Dated: 7 December 2010

Engagement Partner: Fasih uz Zaman


Faruq Ali & Company
CHARTERED ACCOUNTANTS

Balance Sheet

As at June 30, 2010

	Note	2010 (Rs '000)	2009 (Rs '000)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	14,041,553	14,778,562
Intangible asset	5	15,370	7,079
Long term deposits		58,809	57,360
Long term loan and receivable	6	2,349,273	31,320
Long term investment	7	2,087,115	--
CURRENT ASSETS			
Stores and spares		144,076	152,342
Stock in trade	8	4,927,938	4,487,801
Trade debts - Considered good	9	6,861,842	9,089,974
Loans and advances - Considered good	10	265,521	112,787
Trade deposits, prepayments and other receivables	11	321,474	780,691
Markup accrued	12	39,002	42,432
Cash and bank balances	13	1,036,549	2,078,445
		13,596,402	16,744,472
		32,148,522	31,618,793
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 500,000,000 (2009: 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 losses		(11,989,993)	(10,597,517)
		(8,068,949)	(6,676,473)
Surplus on revaluation of property, plant and equipment	15	3,860,878	4,084,753
NON-CURRENT LIABILITIES			
Loan from sponsors and associates - Unsecured	16	5,000,944	4,023,101
Long term loans - Secured	17	3,290,451	5,158,837
Liabilities against assets subject to finance lease	18	204,979	273,308
Long term deposits	19	16,946	4,446
Deferred liabilities	20	1,511,792	1,621,641
CURRENT LIABILITIES			
Trade and other payables	21	22,180,684	20,397,465
Accrued markup	22	1,415,236	1,071,469
Short term borrowings - Secured	23	508,809	217,549
Current portions of non current liabilities	24	1,977,379	1,442,697
Provision for taxation		249,373	--
		26,331,481	23,129,180
CONTINGENCIES AND COMMITMENTS			
	25	--	--
		32,148,522	31,618,793


Director


Director

As the Chief Executive Officer is for the time being not in Pakistan the accounts have been signed pursuant to Section 241(2) of the Companies Ordinance, 1984, by two directors of the Company duly authorised by the Board of Directors.

Profit and Loss Account

For The Year Ended June 30, 2010

	Note	2010 (Rs '000)	2009 (Rs '000)
Gross sales	26	48,505,745	54,768,489
Less: Government levies	26	(7,408,038)	(10,147,473)
Net sales	26	41,097,707	44,621,016
Cost of sales	27	40,430,407	48,530,050
Gross profit / (loss)		667,300	(3,909,034)
Operating expenses			
Administrative expenses	28	594,539	402,352
Selling and distribution expenses	29	637,710	192,809
		1,232,249	595,161
Operating loss		(564,949)	(4,504,195)
Other income	30	2,103,542	608,740
Financial and other charges		1,538,593	(3,895,455)
Financial charges	31	2,335,660	6,431,727
Other charges	32	690,460	--
		3,026,120	6,431,727
Loss before taxation		(1,487,527)	(10,327,182)
Taxation			
Current year	33	249,373	55,177
Prior year		--	19,422
Deferred		(120,549)	(68,836)
		128,824	5,763
Loss after taxation		(1,616,351)	(10,332,945)
Loss per share - Basic (Rupees)	34.1	(4.12)	(26.35)
Loss per share - Diluted (Rupees)	34.2	(3.57)	(25.74)

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



Director



Director

As the Chief Executive Officer is for the time being not in Pakistan the accounts have been signed pursuant to Section 241(2) of the Companies Ordinance, 1984, by two directors of the Company duly authorised by the Board of Directors.

Cash Flow Statement

For The Year Ended June 30, 2010

	2010 (Rs '000)	2009 (Rs '000)
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(1,487,527)	(10,327,182)
Adjustments for non cash and other items:		
Depreciation and amortization	634,480	485,558
Financial and other charges	3,026,120	6,431,727
Gain on disposal of fixed assets	(1,355,319)	(924)
Provision for gratuity	10,700	7,841
Cash flow before working capital changes	828,454	(3,402,980)
Movement in working capital		
(Increase) / decrease in current assets		
Stores and spares	8,266	(20,089)
Stock in trade	(440,137)	7,446,443
Trade debts	2,228,132	(5,872,057)
Loans and advances	(311,017)	(56,129)
Trade deposits, prepayments and other receivables	(58,353)	(697,700)
Markup accrued	3,430	--
Increase / (decrease) in current liabilities		
Trade and other payables	1,778,017	2,461,376
Cash generated from / (used in) operations	4,036,792	(141,136)
Payments for:		
Financial charges	(1,986,691)	(5,478,845)
Taxes	(172,890)	(217,527)
Net cash generated from / (used in) operating activities	1,877,211	(5,837,508)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(2,653,591)	(2,421,946)
Addition in Intangible assets	(14,788)	--
Sale proceeds of fixed assets	6,059	2,805
Long term deposit	(1,449)	(11,731)
Long term investment	(87,115)	--
Net cash (used in) investing activities	(2,750,884)	(2,430,872)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from sponsors and associates - net	977,843	3,852,961
Repayment of term finance certificates	(107,094)	(214,302)
Repayment of long term loan	(1,238,505)	(340,399)
Liabilities against assets subject to finance lease - Net	(104,227)	(75,481)
Long term deposits	12,500	--
Short term borrowings - Net	291,260	(782,451)
Net cash (used in) / flow from financing activities	(168,223)	2,440,328
Net (decrease) in cash and cash equivalents	(1,041,896)	(5,828,052)
Cash and cash equivalents as at 1st July	2,078,445	7,906,497
Cash and cash equivalents as at 30th June	1,036,549	2,078,445

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


Director


Director

As the Chief Executive Officer is for the time being not in Pakistan the accounts have been signed pursuant to Section 241(2) of the Companies Ordinance, 1984, by two directors of the Company duly authorised by the Board of Directors.

Statement of Changes In Equity

For The Year Ended June 30, 2010

	Issued, subscribed and paid-up capital	Accumulated Losses	Total
		(Rs '000)	
Balance as on July 01, 2008	3,921,044	(392,409)	3,528,635
Total comprehensive loss for the year	--	(10,205,108)	(10,205,108)
Balance as on June 30, 2009	3,921,044	(10,597,517)	(6,676,473)
Total comprehensive loss for the year	--	(1,392,476)	(1,392,476)
Balance as on June 30, 2010	3,921,044	(11,989,993)	(8,068,949)

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



Director



Director

As the Chief Executive Officer is for the time being not in Pakistan the accounts have been signed pursuant to Section 241(2) of the Companies Ordinance, 1984, by two directors of the Company duly authorised by the Board of Directors.

Statement of Comprehensive Income

For The Year Ended June 30, 2010

	2010 (Rs '000)	2009 (Rs '000)
Loss after taxation for the year	(1,616,351)	(10,332,945)
Other comprehensive income:		
Revaluation of property, plant and equipment	--	4,062,989
Related deferred tax	--	(1,422,046)
	--	2,640,943
Transfer from surplus on revaluation of Property, plant and equipment	344,424	196,673
Related deferred tax	(120,549)	(68,836)
	223,875	127,837
Total comprehensive income / (loss) for the year	(1,392,476)	(7,564,165)
Component of comprehensive income not reflected in equity - Net of tax	--	(2,640,943)
Total comprehensive income / (loss) for the year transferred to equity	(1,392,476)	(10,205,108)

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



Director



Director

As the Chief Executive Officer is for the time being not in Pakistan the accounts have been signed pursuant to Section 241(2) of the Companies Ordinance, 1984, by two directors of the Company duly authorised by the Board of Directors.

Notes To The Financial Statements

For The Year Ended June 30, 2010

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 and sale of the petroleum products.

During the period under review, on October 30, 2009 the Byco Industries Incorporated (BII) 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-overs) Ordinance, 2002. The offer has been made by virtue of an agreement between BII and Byco Busient Incorporated (formerly: Boscior Corporation Limited) ('BBI') (holding company) whereby it has been agreed that BBI will transfer its entire shareholding in the company to BII, where the BBI and Abraaj Mauritius Oil and Gas SPV ('Abraaj') hold 60% and 40% shares respectively. The period of acceptance for the offer commenced on December 21, 2009 for fifteen days and ended on January 4, 2010. During the acceptance period 48,373,347 shares were tendered by 406 shareholders. Now BII holds 264,757,258 shares of the company. This has further enhanced strong shareholders' support to the company.

Consequently, BII has become immediate parent of the company by virtue of its 67.52% shareholding in the Company and BBI has become ultimate parent of the company by virtue of its indirect holding to the extent of 55.19%.

Name of the company has been changed to M/s Byco Petroleum Pakistan Limited w.e.f. January 01, 2010 in accordance with the Special resolution passed by the shareholders on December 07, 2009.

2 GOING CONCERN ASSUMPTION

During the year ended June 30, 2010 Company incurred net loss after tax of Rs.1.616 billion (2009: Rs.10.333 billion) and as of that date it has accumulated losses of Rs. 11.990 billion (2009: Rs.10.598 billion) have resulted in net capital deficiency of Rs.8.069 billion (2009: Rs.6.676 billion) and excess of current liabilities over current assets of Rs.12.735 billion (2009: Rs.6.385 billion). The 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. Further, the company's ability to arrange funds from sponsors / associates when required is yet another positive indicator. Accordingly the sponsors have provided funds amounting to Rs. 1.214 billion during the year. The company has not defaulted in any of the installments of its long term loans / lease finance.

Apart from the refinery operations the company is also targeting its Petroleum Market 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 in near future, will enable the company to process naphtha, which will ultimately increase the profit margins of the company, and single buoy mooring (now transferred to wholly owned subsidiary) will reduce the overall 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 was made during the year due to the finalization of an arrangement with Abraaj Capital Limited as more fully explained in note 1 above. Addition of Abraaj as sponsor of the company alongwith BBI shall substantially add to financial strength of BPPL's sponsors 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

Notes To The Financial Statements

For The Year Ended June 30, 2010

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 requirements differ, the provisions of and directives of the Companies Ordinance, 1984 shall prevail.

3.1.1 Initial Application of a standard or an Interpretation

During the current year, the Company has adopted the following new and amended IAS as of July 01, 2009, which has resulted in extended disclosures as described below:

IAS 1 - (Revised) 'Presentation of Financial Statements' (effective January 1, 2009)'

IAS 1 (Revised) prohibits the presentation of items of income and expenses (i.e. 'non-owner changes in equity') in the statement of changes in equity. It requires non-owner changes in equity to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement, the statement of comprehensive income or two statements, the Income statement and the statement of comprehensive income. The company has opted for two statement approach and the financial statements have been prepared under revised disclosure requirement.

IFRS 8, 'Operating segments' was effective from January 1, 2009.

The new standard requires a 'management approach', under which segment information is required to be presented on the same basis as that used for internal reporting purposes. Operating segments are determined and presented in a manner consistent with the internal reporting provided to the chief operating decision maker. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. The Company has determined operating segments on the basis of business activities i.e. oil refining and petroleum marketing businesses.

The adoption of the above standard does not have any significant effect on the Company's financial statements other than certain increased disclosures. Furthermore, the adoption of this standard neither has any impact on earnings per share nor does it require the restatement or reclassification of comparative information.

IFRS 8 'Operating Segments' (Amendments) effective January 1, 2010 has been early adopted by the Company. Under the amendment, it has been clarified that a measure of segment assets should be disclosed only if that amount is regularly provided to the chief operating decision-maker. Accordingly, segment assets have not been disclosed in these financial statements as these are not reported to the chief operating decision-maker on a regular basis.

IAS 23 "Borrowing cost (revised)"

Certain amendments to IAS 23, "Borrowing cost" have been published that are applicable to the company's financial statements covering annual period, beginning on or after January 1, 2009. Adoption of these amendments requires the company to capitalize the borrowing cost directly attributable to acquisition, construction or production of a qualifying asset (one that takes substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing borrowing cost has been removed. The adoption of said amendment resulted in additional capitalization of borrowing cost amounting to Rs.176.776 million.

3.1.2 Standards and interpretations that become effective during the year

The following standards (revised or amended) and interpretations become effective for the current financial year but are either not relevant or do not have any material effect on the financial statements of the Company:

IFRS 3 - Business Combinations (Revised)

IFRS 7 - Financial Instruments: Disclosure (Amended)

Notes To The Financial Statements

For The Year Ended June 30, 2010

IFRS 8 -	Operating Segments
IAS 23 -	Borrowing Cost (Revised)
IAS 27 -	Consolidated and Separate Financial Statements (Revised)
IAS 32 -	Financial instruments (Amended of reputable instruments and obligations arising on liquidation)
IAS 39 -	Financial Instruments: Recognition and Measurement (Amended)
IFRIC 15 -	Agreements for the Construction of Real Estate.
IFRIC 16 -	Hedges of a Net Investment in a Foreign Operation
IFRIC 17 -	Distributions of Non-cash Assets to Owners
IFRIC 18 -	Transfers of Assets from Customers

3.1.3 Standards and interpretations issued but not yet effective for the current financial year

The following are the standards and interpretations which have been issued but are not yet effective for the current financial year.

	Effective for period beginning on or after
IAS 24 - Related Party Disclosures (Revised)	January 01, 2011
IAS 32 - Financial Instruments: Presentation - Amendments Relating to Classification of Rights Issues	February 01, 2010
IFRS 2 - Share-based Payment: Amendments relating to Group Cash - settled Share-based Payments Transactions	January 01, 2010
IFRIC 14 - IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (Amendment)	January 01, 2011
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments	July 01, 2010

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:

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

Notes To The Financial Statements

For The Year Ended June 30, 2010

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

The Company operates an un-funded gratuity scheme covering all employees eligible to the benefit. Provisions are made on the basis of actuarial recommendations. The actuarial valuations are carried out with using the Projected Unit Credit Method, as required by International Accounting Standards (IAS-19). 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 is 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 currently.

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.

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.

Notes To The Financial Statements

For The Year Ended June 30, 2010

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 for 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 comprise 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.

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.

Notes To The Financial Statements

For The Year Ended June 30, 2010

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 comparable market to a buyer unrelated to the seller.

3.15 Borrowing costs

Borrowings costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expense in the period in which these are incurred.

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.

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	2010 (Rs '000)	2009 (Rs '000)
4			
PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - At cost less accumulated depreciation	4.1	9,830,513	10,480,610
Capital work in progress - At cost	4.5	4,211,040	4,297,952
		14,041,553	14,778,562

Notes To The Financial Statements

For The Year Ended June 30, 2010

4.1 Operating fixed assets - At cost less accumulated depreciation

Particulars	2010												Book value As at June 30, 2010
	Cost					Depreciation							
	As at July 01, 2009	Additions	Revaluation	Transfers	(Deletions)	As at June 30, 2010	Useful life in years	As at July 01, 2009	Transfers	For the year	On deletions	As at June 30, 2010	
	(Rs '000)					(Rs '000)							
Owned													
Freehold land	631,360	--	--	--	--	631,360	--	--	--	--	--	--	631,360
Leasehold land	700,000	--	--	--	--	700,000	--	--	--	--	--	--	700,000
Plant and machinery	9,675,725	53,268	--	16,500	(310,197)	9,435,296	20	1,391,038	5,363	511,244	(97,597)	1,810,048	7,625,248
Generators	219,685	11,386	--	--	--	231,071	15	33,676	--	18,050	--	51,726	179,345
Building, on freehold land, roads and civil works	210,538	27,837	--	--	--	238,375	25	34,369	--	8,610	--	42,979	195,396
Furniture and fixtures	28,392	1,263	--	--	--	29,655	10	13,427	--	2,579	--	16,006	13,649
Computer and allied	29,261	16,685	--	--	--	45,946	3	22,127	--	7,037	--	29,164	16,782
Safety and lab equipments	44,054	37,655	--	--	--	81,709	5	21,519	--	10,075	--	31,594	50,115
Vehicles	69,511	--	--	8,982	(11,767)	66,726	5	36,128	8,422	10,937	(9,209)	46,278	20,448
Portable cabins	9,199	--	--	--	--	9,199	10	5,963	--	696	--	6,659	2,540
Sub - Total	11,617,725	148,094	--	25,482	(321,964)	11,469,337		1,558,247	13,785	569,228	(106,806)	2,034,454	9,434,883
Leased													
Plant and machinery	287,551	--	--	(16,500)	--	271,051	20	23,170	(5,363)	18,680	--	36,487	234,564
Vehicles	186,340	47,793	--	(8,982)	(5,470)	219,681	5	29,589	(8,422)	40,075	(2,627)	58,615	161,066
	473,891	47,793	--	(25,482)	(5,470)	490,732		52,759	(13,785)	58,755	(2,627)	95,102	395,630
2010	12,091,616	195,887	--	--	(327,434)	11,960,069		1,611,006	--	627,983	(109,433)	2,129,556	9,830,513

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	
	(Rs '000)					(Rs '000)							
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

	2010 (Rs '000)	2009 (Rs '000)
4.2 Depreciation charge for the year has been allocated as follows:		
Administrative and selling	60,628	44,460
Cost of sales	567,355	437,559
	627,983	482,019

Notes To The Financial Statements

For The Year Ended June 30, 2010

4.3 Detail of asset disposed off during the year:

Particulars	Notes	Cost / Revalued Amount	Accumulated Depreciation	Book Value	Sale Proceeds / Disposal Value	Gain	Mode of Disposal	Particulars of Buyer	
								Name	CNIC #
(Rs '000)									
Capital work in Progress:									
Storage tanks Onshore and Offshore Pipeline, Concentring of Pipes, Anodes, Valves, PLEM, Corrosion Monitoring Equipment and related fittings. (SBM)	4.3.1	1,033,265	--	1,033,265	1,482,000	448,735	Based on valuations by independent valuers	Universal Terminal Limited (Wholly owned subsidiary)	N/A
	4.3.1	1,559,144	--	1,559,144	2,077,670	518,526	----- // -----	----- // -----	----- // -----
Sub-total		2,592,409	--	2,592,409	3,559,670	967,261			
Plant and machinery :									
Storage tanks	4.3.1	310,197	97,597	212,600	600,000	387,400	----- // -----	----- // -----	----- // -----
Vehicles:									
Toyota Corolla		879	643	236	280	44	Company policy	Mazahir Hussain	42101-3677960-5
Toyota Corolla		817	163	654	381	(273)	Company policy	Yousuf Khan	37405-8609359-7
Suzuki Cultus		590	266	324	354	30	Company policy	Fiaz Anwar	13101-5600434-3
Suzuki Cultus		590	266	324	354	30	Company policy	Sheikh Jamil Ahmed	42201-0641570-3
Suzuki Cultus		560	439	121	149	28	Company policy	Nadeem Sh	42201-1479617-9
Suzuki Cultus		560	478	82	110	28	Company policy	Muhammad Arshad	42501-1407411-9
Suzuki Cultus		560	448	112	140	28	Company policy	Iqbal Haris	42201-6165740-9
Suzuki Cultus		560	478	82	110	28	Company policy	Rizwan Ali	42201-7181656-3
Suzuki Cultus		590	275	315	344	29	Company policy	Noman Yousuf	42201-0706519-9
Suzuki Cultus		590	275	315	344	29	Company policy	Nawaz Ahmed Khan	42201-2339922-9
Suzuki Cultus		560	504	56	84	28	Company policy	Humayun Yousuf	42201-0496957-9
Toyota Corolla		560	345	215	243	28	Company policy	Ahmed Ariff	42301-4685419-9
Toyota Corolla		1,279	1,145	134	198	64	Company policy	Jawed Ahmed	42201-2343534-3
Suzuki Cultus		590	275	315	344	29	Company policy	Majid Muqtadir	42101-0862222-1
Mitsubishi Lancer		1,099	696	403	458	55	Company policy	Sheikh Ata Ur Rehman	35202-4151634-3
Toyota Corolla		879	672	207	251	44	Company policy	Kamran Lari	42101-1891153-1
Honda Civic		1,288	1,138	150	215	65	Company policy	Muhamad Wasi Khan	42201-0738367-5
Suzuki Cultus		560	551	9	36	27	Company policy	Mustaq Ahmed	42201-0721247-5
Suzuki Cultus		590	305	285	315	30	Company policy	Muhamad Iqbal	42101-1698038-1
Suzuki Cultus		590	305	285	315	30	Company policy	Abdul Sattar	36304-8631552-9
Toyota Corolla		879	726	153	220	67	Company policy	Muhammad Rehan Ashraf	42201-0515855-9
Honda Civic		1,287	1,287	--	64	64	Company policy	Masood Raza	42301-0627214-5
Suzuki Cultus		780	156	624	750	126	Insurance claim	EFU Insurance	
Sub-total		327,434	109,433	218,001	606,059	388,058			
Total - 2010		2,919,843	109,433	2,810,410	4,165,729	1,355,319			
2009		6,536	4,655	1,881	2,805	924			

4.3.1 During the period under consideration these assets have been transferred to Universal Terminal Limited ('UTL') (wholly owned subsidiary) in accordance with the Special Resolution passed by the members in an extra ordinary general meeting held on June 24, 2010. Since these assets were secured against the finance facilities obtained by the company therefore the company has obtained no objection certificates from its lenders for the above mentioned sale of assets which are subject to creation of charge over these assets by UTL in their favour. Subsequent to balance sheet date UTL has initiated the legal and corporate formalities to register the charge in favor of company's lenders to the extent of Rs.2.805 billion.

Total consideration for the above assets is Rs.4,159.670 million which will be settled as issuance of 200 million shares of Rs.10/- each accumulating to Rs.2.000 billion and balance amount is payable on deferred basis as explained in note 6.2 to the financial statements.

Notes To The Financial Statements

For The Year Ended June 30, 2010

	Note	2010 (Rs '000)	2009 (Rs '000)
4.4			
Had there been no revaluation the carrying amount of revalued assets would have been as follows :			
Freehold land		22,260	22,260
Leasehold land		213,200	213,200
Plant and machinery		3,529,754	3,865,040
Generators		53,565	46,910
Building, on freehold land, roads and civil works		167,924	147,264
Safety and lab equipments		45,051	11,952
		4,031,754	4,306,626
4.5			
Capital work in progress - At cost			
Opening balance		4,297,952	2,422,157
Add : Additions	4.5.1	2,533,054	2,419,004
		6,831,006	4,841,161
Less : Plant and machinery sold to Universal Terminal Limited		(2,592,409)	--
Less : capitalized in			
- Owned assets		(27,557)	(493,457)
- Leased assets		--	(49,752)
		4,211,040	4,297,952
Closing balance		4,211,040	4,297,952
Plant and machinery		4,133,057	4,169,362
Civil and mechanical works		77,983	128,590
		4,211,040	4,297,952
4.5.1			
Additions to capital work in progress includes Rs.387.040 million (2009: Rs.206.220 million) borrowing cost capitalized during the year relating to the specific borrowings taken for the projects and Rs.176.776 million relating to general borrowings capitalized using average borrowing rate of 15.50%.			
	Note	2010 (Rs '000)	2009 (Rs '000)
5			
INTANGIBLE ASSET			
Computer software (ERP Solutions)		7,079	10,618
Addition during the year		14,788	--
Less: Amortized during the year		(6,497)	(3,539)
		15,370	7,079
5.1			
The computer software is being amortized on straight line basis over the use life of five years.			
6			
LONG TERM LOAN AND RECEIVABLE			
Considered good:			
Loan to executive - interest free	6.1	31,320	32,400
Less: receivable within next twelve months		(6,480)	(1,080)
		24,840	31,320
Subsidiary			
Receivable against sale of assets	6.2	2,159,670	--
Long term loan to subsidiary	6.3	164,763	--
		2,349,273	31,320

Notes To The Financial Statements

For The Year Ended June 30, 2010

- 6.1 Represents interest free loan 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.
- 6.2 Represents receivable from Universal Terminal Limited against sale of assets. Amount is unsecured and is receivable in eleven (11) equal semi annual installments commencing from June 2012 and carries markup @ 3% over six months KIBOR. The receivable alongwith markup is convertible into shares at the option of the Company. The receivable is inferior to the rights of present secured financial institutions that are lenders to the UTL and such financial institutions that may be lenders to the UTL in the future.
- 6.3 Represents unsecured long term loan to subsidiary against the total limit of Rs.300 million, which carries markup @ 4% over 6 Months KIBOR. The loan is receivable in lump sum after five years. The receivable is inferior to the rights of present secured financial institutions that are lenders to the UTL and such financial institutions that may be lenders to the UTL in the future.

	Note	2010 (Rs '000)	2009 (Rs '000)
7 LONG TERM INVESTMENT			
Investment in subsidiary Universal Terminal Limited 4,503,000 shares of Rs.10/- each @ Rs.19.35 per share	7.1	87,115	--
Deposit for issuance of shares	7.2	2,000,000	--
		2,087,115	--

- 7.1 During the year, company acquired 100% shares of M/s Universal Terminal Limited (UTL) from all of its shareholders for a consideration of Rs. 87.105 million. The effective control was obtained on February 17, 2010. This acquisition has brought about expansion and diversification of company's business as UTL's was engaged in provision of bulk storage services of petroleum products however, its operations are presently closed.

The cost of acquisition and its allocation to fair values of identifiable assets acquired and liabilities assumed are as follow:

	2010 (Rs '000)	2010 (Rs '000)
Cost of acquisition		87,115
Identifiable assets acquired and liabilities assumed		
Property, plant and equipment	162,800	
Long term security deposits	931	
Advance income tax	633	
Bank balances	10	
Long term loan	(77,885)	
Deferred taxation	(22,816)	
Accrued liabilities	(304)	
		63,369
Goodwill arising on acquisition		23,746
Cost of acquisition net of cash acquired		87,105

Notes To The Financial Statements

For The Year Ended June 30, 2010

7.2 Represents consideration receivable from Universal Terminal Limited (wholly owned subsidiary) as 200 million shares of Rs.10 each against sale of assets (refer note 4.3.1)

	2010 (Rs '000)	2009 (Rs '000)
8 STOCK IN TRADE		
Raw material	1,488,779	3,333,945
Finished products	3,439,159	1,153,856
	4,927,938	4,487,801

8.1 Finished stock has been written down by Rs. 11.917 million (2009: Rs.246.452 million) to net realizable value.

9 TRADE DEBTS - Considered good

9.1 Trade debt include receivables amounting to Rs.21.169 million (2009: Rs.33.940 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.

	Note	2010 (Rs '000)	2009 (Rs '000)
10 LOANS AND ADVANCES - Considered good			
Employees	10.1	7,228	6,083
Suppliers and contractors	10.2	258,293	106,704
		265,521	112,787

10.1 This includes amount of Rs.6.602 million (2009: Rs.3.649 million) due from executives of the company.

10.2 Included herein is a sum of Rs.25 million (2009: Rs.16.790 million) advance to associated company.

	Note	2010 (Rs '000)	2009 (Rs '000)
11 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Deposits		6,373	2,507
Pre-payments		37,819	2,842
Current account balances with statutory authorities:			
Advance Income tax		234,334	61,444
Inland freight equalization margin		13,260	--
Receivable from Associated undertakings against Land lease rent		29,688	23,438
Receivable from crude supplier	11.1	--	690,460
		321,474	780,691

11.1 This represented \$ 8.493 million recorded as receivable 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 was 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. The amount has been written off in the financial statements as the same is not likely to be recovered.

Notes To The Financial Statements

For The Year Ended June 30, 2010

12 MARKUP ACCRUED

This includes Rs.33.012 million (2009: Rs.42.432 million) being markup receivable from associated companies in respect of settlement of advance against future issue of shares and also includes a sum of Rs.5.990 million receivable from Universal Terminal Limited (wholly owned subsidiary).

	Note	2010 (Rs '000)	2009 (Rs '000)
13 CASH AND BANK BALANCES			
Cash in hand		60	68
Cash at banks	13.1		
- Current account		772,070	229,885
- Deposit account	13.2	264,419	1,848,492
		1,036,549	2,078,445

13.1 Cash at bank include Rs.729.261 million (2009: Rs.1,556.222 million) kept under lien against the letter of credit facilities obtained from banks.

13.2 Deposit accounts carry markup at the rates ranging from 6% to 10% (2009: 8% to 10%) per annum.

		2010 (Rs '000)	2009 (Rs '000)
14 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
392,104,396 (2009: 392,104,396) Ordinary shares of Rs.10/- each fully paid in cash.		3,921,044	3,921,044

14.1 264,757,258 shares are held by Byco Industries Incorporated (immediate parent) representing 67.52% shareholding in the company [2009: 216,383,911 shares were held by Byco Busient Incorporated (formerly: Bosicor Corporation Limited) representing 55.19% shareholding in the company]. The detailed note on change in shareholding is given in note 1 to the financial statements.

		2010 (Rs '000)	2009 (Rs '000)
15 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Surplus on revaluation of Property, plant and equipment - Opening		4,084,753	1,571,647
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			
- disposal of fixed assets - Net of tax		(29,156)	--
- incremental depreciation charged during the year - Net of tax		(194,719)	(127,837)
Surplus on revaluation of Property, plant and equipment - Closing		3,860,878	4,084,753

During the last year 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 was December 17, 2008. The surplus arising from revaluation is Rs.4,062.989 million. The entire closing balance of surplus on revaluation of Property, plant and equipment is not available for distribution to shareholders.

Notes To The Financial Statements

For The Year Ended June 30, 2010

PARTICULARS	W.D.V. of assets before revaluation	Revalued Amount	Revaluation Surplus
		(Rs '000)	
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

	Note	2010 (Rs '000)	2009 (Rs '000)
16 LOAN FROM SPONSORS AND ASSOCIATES - Unsecured			
From associated undertakings	16.1	3,242,679	3,776,000
From sponsors	16.2	1,758,265	247,101
		5,000,944	4,023,101

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 alongwith 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 loans have been obtained from sponsors (parent and ultimate parent), 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 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. These loans, alongwith outstanding markup, if any, are convertible into ordinary shares of Rs.10 each at par value, at the option of lenders.

	Note	2010 (Rs '000)	2009 (Rs '000)
17 LONG TERM LOANS - Secured			
From banks			
Term finance - I	17.1	59,670	119,340
Term finance - II	17.2	25,000	75,000
Syndicated Loan	17.3	279,999	420,000
Syndicated Term Finance	17.4	4,794,166	5,753,000
From related party (associated financial institution)			
Term finance - II	17.5	--	30,000
		5,158,835	6,397,340
Less: Current maturity			
banks		1,868,384	1,208,503
related party		--	30,000
	24	1,868,384	1,238,503
		3,290,451	5,158,837

Notes To The Financial Statements

For The Year Ended June 30, 2010

- 17.1 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.
- 17.2 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 @ 3% over 6 month average KIBOR payable semi-annually.
- 17.3 The loan has been obtained from syndicate of banks and financial institutions with Allied Bank Limited as a Trustee. 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. 22.615 million (2009: Rs.33.923 million) from related party (associated financial institution) on account of debt swap from Faysal Bank Limited to Saudi Pak Industrial and Agricultural Company (Pvt.) Ltd.
- 17.4 The loan has been obtained from syndicate of banks and financial institutions with Habib Bank Limited as a Trustee. 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 principal amount.
- 17.5 This has been fully repaid during the year.

18 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2010 Lease Payments		2009 Lease Payments	
	Minimum	Present Value (Rupees in '000)	Minimum	Present Value (Rupees in '000)
Less than one year	142,020	108,995	117,229	97,100
One to five years	300,436	204,979	365,249	273,308
Total minimum lease payments	442,456	313,974	482,478	370,408
Less: Financial charges allocated to the future period	128,482	--	112,070	--
Present value of minimum lease payments	313,974	313,974	370,408	370,408
Less: Transferred to current maturity	108,995	108,995	97,100	97,100
	204,979	204,979	273,308	273,308

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 March 2015. Financing rates ranging from 14.37% to 17.10% per annum (2009: 11.95% to 19.66% 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.

Notes To The Financial Statements

For The Year Ended June 30, 2010

	Note	2010 (Rs '000)	2009 (Rs '000)
19 LONG TERM DEPOSITS			
Related parties (associated companies)	19.1	3,646	3,646
Others		13,300	800
		16,946	4,446
19.1			
This represent security deposit received from associated companies against land lease rent.			
20 DEFERRED LIABILITIES			
Deferred taxation	20.1	1,488,833	1,609,382
Employees retirements benefits	20.2	22,959	12,259
		1,511,792	1,621,641
20.1 Deferred taxation			
Deferred tax liability arising due to accelerated tax depreciation		916,718	895,279
Deferred tax liability arising due to finance lease transactions		28,580	17,753
Deferred tax assets arising out of staff gratuity, available tax losses and credits		(4,948,054)	(3,863,642)
		(4,002,756)	(2,950,610)
Deferred tax asset not recognised		4,002,756	2,950,610
		--	--
Deferred tax liability relating to surplus on revaluation of property, plant and equipment		1,488,833	1,609,382
		1,488,833	1,609,382
20.2 Employees retirements benefits			
Staff gratuity:			
Movement in balance			
Opening balance		12,259	4,418
Charge for the year	20.2.1	10,700	7,841
		22,959	12,259
20.2.1 Charge for the year			
Current service cost		8,938	7,399
Interest cost		1,762	442
		10,700	7,841
20.2.2 Balance sheet reconciliation			
Present value of defined benefit obligations		23,225	12,584
Unrecognised actuarial (losses)		(266)	(325)
		22,959	12,259

Notes To The Financial Statements

For The Year Ended June 30, 2010

		2010	2009
20.2.3 Principal actuarial assumption			
		12 % per annum	12 % per annum
Expected rate of increase in salaries			
		14 % per annum	14 % per annum
Discount factor used			
		60 years	60 years
Normal retirement age of employees			
	Note	2010 (Rs '000)	2009 (Rs '000)
21 TRADE AND OTHER PAYABLES			
Foreign bills payable		2,212,812	10,129,814
Forced PADs	21.1	8,951,107	5,472,161
Creditors for services	21.2	603,573	547,925
Creditors for supplies		5,256,777	1,408,070
Advances from customers		327,995	210,812
Payable to staff provident fund		--	2,753
Accrued expenses		11,219	842
Withholding tax deductions payable		11,411	5,282
Dividend Payable		1,146	1,146
Workers profit participation fund	21.3	42,475	37,273
Sales tax, petroleum development levy and federal excise duty payable		4,748,204	2,581,387
Advance against lease finance		13,965	--
		22,180,684	20,397,465
21.1 These represent overdue letter of credits in respect of import of crude. Markup @ 15.13% to 15.79% (2009: @ 17%) has been accrued on Forced PADs.			
21.2 This includes amount of Rs.2.431 million (2009: 6.300 million) due to associated companies.			
21.3 Workers profit participation fund			
Opening balance		37,273	31,626
Markup on workers profit participation fund		5,202	5,647
		42,475	37,273
22 ACCRUED MARKUP			
This includes amount of Rs.0.752 million (2009: Rs.1.450 million) payable to associated financial institution, Rs.595.258 million (2009: Rs.267.831 million) payable to associated companies and Rs.7.207 million (2009: Rs.1.285 million) payable to holding company.			
	Note	2010 (Rs '000)	2009 (Rs '000)
23 SHORT TERM BORROWINGS - Secured			
From banks - Secured			
Short term loan	23.1	466,000	216,000
Temporary book overdraft		42,809	1,549
		508,809	217,549

Notes To The Financial Statements

For The Year Ended June 30, 2010

23.1 The above facility has been obtained from a commercial bank against the available limit of Rs. 466 million (2009: 216 million) for the purpose of import of Raw materials. The facility carries mark up @ 1 month KIBOR plus 1.5 % (2009 : @ 1 month KIBOR plus 3 %) 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 Byco Busient Incorporated (formerly: Bosicor Corporation Limited) (Ultimate Holding Company).

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

	Note	2010 (Rs '000)	2009 (Rs '000)
24			
CURRENT PORTIONS OF NON CURRENT LIABILITIES			
Term finance certificates		--	107,094
Long term loans	17	1,868,384	1,238,503
Liabilities against assets subject to finance leases	18	108,995	97,100
		1,977,379	1,442,697

25 CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

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

25.2 Commitments

Commitments in respect of capital expenditures amount to Rs.72.236 million (2009: Rs.715.440 million).

		2010 (Rs '000)	2009 (Rs '000)
26			
SALES			
Gross Sales			
Local		39,728,946	49,250,757
Export		8,776,799	5,517,732
		48,505,745	54,768,489
Less:			
Sales Tax		(4,895,482)	(5,829,954)
Sales Discount		(91,537)	--
Excise duty and petroleum levy		(2,421,019)	(4,317,519)
		(7,408,038)	(10,147,473)
		41,097,707	44,621,016
27			
COST OF SALES			
Opening stock of raw material		3,333,945	7,112,584
Add : Purchases		39,555,503	43,552,329
Available for use		42,889,448	50,664,913
Closing stock of raw material		(1,488,779)	(3,333,945)
Raw material consumed		41,400,669	47,330,968

Notes To The Financial Statements

For The Year Ended June 30, 2010

	Note	2010 (Rs '000)	2009 (Rs '000)
27.1 Manufacturing expenses			
Salaries, wages and other benefits	27.2	218,655	191,872
Staff transportation and catering		49,345	44,515
Stores and spares		69,384	44,675
Crude oil inspection and clearing charges		12,972	17,729
Insurance		43,836	22,516
Industrial gases and chemicals		4,254	7,058
Fuel, power and water		263,592	310,491
Repairs and maintenance		71,277	54,419
Communications		1,834	1,724
Traveling and conveyance		168	126
Rent, rates and taxes		351	5,252
Security		5,121	5,393
Vehicle running		6,897	6,772
Technical fee		--	1,992
Depreciation	4.2	567,355	437,559
Total manufacturing expenses		1,315,041	1,152,093
Cost of goods manufactured		42,715,710	48,483,061
Opening stock of finished products		1,153,856	1,200,845
Closing stock of finished products		(3,439,159)	(1,153,856)
Cost of goods sold		40,430,407	48,530,050

27.2 Included herein is a sum of Rs. 14.704 million (2009: Rs.11.222 million) in respect of staff retirement benefits.

	Note	2010 (Rs '000)	2009 (Rs '000)
28 ADMINISTRATIVE EXPENSES			
Salaries, allowances and other benefits	28.1	321,045	173,760
Vehicle running		21,418	15,123
Repairs and maintenance		14,816	23,190
Insurance		10,427	5,932
Fee and subscriptions		12,893	10,277
Utilities		4,816	5,126
Legal and professional		32,372	15,106
Traveling and conveyance		19,659	14,076
Advertisements and subscriptions		10,057	1,019
Rent, rates and taxes		16,402	55,659
Sales tax penalties due to late payments		24,585	30,224
Printing and stationary		7,123	1,324
Auditors' remuneration	28.2	1,985	1,391
SAP maintenance costs		19,664	--
Depreciation	4.2	60,628	44,460
Others		10,152	2,146
Amortization of intangible asset	5	6,497	3,539
		594,539	402,352

Notes To The Financial Statements

For The Year Ended June 30, 2010

28.1 Included herein is a sum of Rs.4.890 million (2009: Rs.9.867 million) in respect of staff retirement benefits.

	2010 (Rs '000)	2009 (Rs '000)
28.2 Auditors' remuneration		
Statutory audit	1,000	750
Half yearly review	375	250
Certifications	315	350
Audit of consolidated financial statements	250	--
Out of pocket expense	45	41
	1,985	1,391
29 SELLING AND DISTRIBUTION EXPENSES		
Transportation	197,312	27,746
Products handling charges	32,789	28,835
Wharf age on export sales	6,697	9,878
Transportation on export sales	58,808	42,390
Commission on export sales	291,869	59,994
Export development surcharge	22,985	15,030
Rent, rates and taxes	11,387	4,373
Retailing and branding	15,497	--
Others	366	4,563
	637,710	192,809
30 OTHER INCOME		
Income from financial assets		
Interest income	632,635	553,970
Mark up on long term loan to subsidiary	5,990	--
Income from non financial assets		
Gain on disposal of fixed assets	1,355,319	924
Joining income	35,650	6,900
Others	30,111	--
Gantry charges	--	3,196
Scrap sales	87	--
Land lease rent	43,750	43,750
	2,103,542	608,740
31 FINANCIAL CHARGES		
Markup on:		
- Finance leases	41,567	53,391
- Term finance certificates	3,493	27,895
- Long term loans	1,113,381	185,688
- Short term borrowings and forced PADs	520,397	1,434,534
- Running finances	--	9,634
- Crude purchases	12,461	272,222
- Sponsor's loan	5,922	1,285
Markup on WPPF	5,202	5,647
Bank charges	6,372	2,400
Export charges	1,655	1,309
Exchange difference - Net	608,472	4,378,742
Loan arrangement fee	16,738	58,980
	2,335,660	6,431,727

Notes To The Financial Statements

For The Year Ended June 30, 2010

32 OTHER CHARGES

Represents receivable from crude supplier written off during the year.

33 TAXATION - Current

The assessment of the company deemed to have been finalized upto tax year 2009.

33.1 Relationship between accounting loss and tax expense for the year

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, as well as minimum tax under section 113 of the Income Tax Ordinance, 2001 based on turnover. Therefore there is no relationship between accounting loss and tax expense for the period.

	2010 (Rs '000)	2009 (Rs '000)
34 LOSS PER SHARE - Basic and diluted		
34.1 Loss per share - Basic		
Net loss after taxation	(1,616,351)	(10,332,945)
	Number	
Weighted average number of ordinary shares	392,104,400	392,104,400
Loss per share - Basic (Rupees)	(4.12)	(26.35)
34.2 Loss per share - Diluted		
Net loss after taxation	(1,616,351)	(10,332,945)
Dilutive effect - net of tax	3,849	835
	(1,612,502)	(10,332,110)
	Number	
Weighted average number of ordinary shares	392,104,400	392,104,400
Dilutive effect	59,118,466	9,298,423
	451,222,866	401,402,823
Loss per share - Diluted (Rupees)	(3.57)	(25.74)

35 TRANSACTIONS AND BALANCES 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 36 to the financial statements. Transaction with related parties, other than those which have been specifically disclosed elsewhere in these financial statements, are as follows: -

Notes To The Financial Statements

For The Year Ended June 30, 2010

	Note	2010 (Rs '000)	2009 (Rs '000)
35.1 Transactions with related parties			
Parent companies:			
Receipt of loan		1,485,881	242,936
Repayment of loan		--	170,140
Markup on loan		5,922	20,566
Subsidiary company:			
Investment		87,115	--
Short term advance		164,763	--
Mark up income		5,990	--
Disposal of assets		4,159,670	--
Associated companies:			
Purchase of operating fixed assets		4,216	6,594
Services received		293,495	62,659
Sale of fixed assets		--	701
Payment of rent		--	459
Receipt of loans		--	3,850,999
Repayment of loan and lease liabilities		533,320	160,370
Payment against services (freight for crude oil)		379,444	963,344
Markup on borrowings and leases		592,895	284,669
Land lease rentals		43,750	43,750
Shared expenses		30,136	--
Late payment income		7,935	--
Staff provident fund			
Payment of employees and company's contribution		44,217	28,447
35.2 Balances with related parties			
Parent companies:			
Long term loans	16	1,758,265	247,101
Markup payable	22	7,207	1,285
Subsidiary company:			
Long term receivable as deferred payment	6.2	2,159,670	--
Deposit for shares	7.2	2,000,000	--
Long term loan	6.3	164,763	--
Markup receivable	12	5,990	--
Associated companies:			
Long term loans	16	3,242,679	3,776,000
Markup payable	22	596,010	269,281
Receivable from Associated undertakings against			
Land lease rent	11	29,688	23,438
Markup receivable	12	33,012	42,432
Staff provident fund	21	--	2,753

Notes To The Financial Statements

For The Year Ended June 30, 2010

36 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		Executive		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	(Rs '000)							
Managerial remuneration	19,222	4,396	12,400	6,851	144,862	93,252	176,484	104,499
Provident fund	--	380	1,240	120	12,273	7,632	13,513	8,132
Housing and utilities	10,092	2,198	6,200	3,425	67,970	46,626	84,262	52,249
Leave passage	823	460	1,153	--	9,404	5,741	11,380	6,201
	30,137	7,434	20,993	10,396	234,509	153,251	285,639	171,081
Number of persons	1	2	1	2	88	63	90	67

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

Directors are not taking any meeting fee.

37 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.

37.1 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:

	2010 (Rs '000)	2009 (Rs '000)
Trade debts	6,861,842	9,089,974
Deposits, accrued markup, loans and other receivables	147,132	125,737
Bank balances	1,036,489	2,078,377
	8,045,463	11,294,088

Notes To The Financial Statements

For The Year Ended June 30, 2010

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.

	2010 (Rs '000)	2009 (Rs '000)
The aging of trade debts at the reporting dates was:		
Not past due	664,052	326,293
Past due 0-30 days	421,851	4,743,989
Past due 30-150 days	2,090,789	3,877,591
Past due 150 days	3,685,150	782,101
	6,861,842	9,729,974

Based on past experience the management believes that no impairment allowance is necessary in respect of trade debts past due as 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, however, due to circular debt, receivable from PSO has increased, for which Ministry of Petroleum and Natural Resources has taken initiative for payment of the same. 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-

37.2 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:

Notes To The Financial Statements

For The Year Ended June 30, 2010

	Carrying Amounts	Contractual Cash flows	Six months or less (Rs '000)	Six to twelve months	One to two years	Two to five years
2010						
Financial liabilities						
Loans	10,159,779	13,218,411	1,578,624	1,483,348	2,709,541	7,446,898
Lease liabilities	313,974	442,456	69,773	69,132	101,183	202,368
Deposits	16,946	16,946	--	--	--	16,946
Trade and other payables	17,093,074	17,853,918	17,853,918	--	--	--
Short term borrowings	508,809	541,251	541,251	--	--	--
Accrued markup	1,415,236	1,415,236	1,415,236	--	--	--
	29,507,818	33,488,218	21,458,801	1,552,480	2,810,724	7,666,212

	Carrying Amounts	Contractual Cash flows	Six months or less (Rs '000)	Six to twelve 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	17,559,984	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

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 effect as at June 30.

37.3 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.

37.3.1 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:

	2010 (Rs '000)	2009 (Rs '000)
Loans	(1,758,265)	(247,101)
Markup on loans	(7,207)	(1,285)
Foreign creditors	(2,212,812)	(10,129,814)
Receivable from crude supplier	--	690,460
	(3,978,284)	(9,687,740)
The following significant exchange rate has been applied:		
USD to PKR (Reporting date rate in Rupees)	85.60	81.30
USD to PKR (Average rate in Rupees)	84.17	78.89

Notes To The Financial Statements

For The Year Ended June 30, 2010

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.

	2010 (Rs '000)	2009 (Rs '000)
Effect on loss	397,828	968,774

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.

37.3.2 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:

	2010 (Rs '000)	2009 (Rs '000)
Fixed rate instruments at carrying amounts:		
Financial Assets		
Balance with banks	264,419	1,848,492
Financial liabilities		
Term finance certificates	--	107,094

(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)

	2010 (Rs '000)	2009 (Rs '000)
Variable rate instruments at carrying amounts:		
Financial liabilities		
Loans	10,159,779	10,420,441
Lease liabilities	313,974	370,408
Short term borrowings	466,000	216,000
Trade payables	8,993,582	5,509,434
	19,933,335	16,516,283

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.

Notes To The Financial Statements

For The Year Ended June 30, 2010

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:

	2010 (Rs '000)	2009 (Rs '000)
Effect on loss / profit due to change of 100 BPs		
Increase	18,792	82,846
Decrease	18,792	82,846

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

37.4 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.

37.5 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.

38 INFORMATION ABOUT BUSINESS SEGMENTS

38.1 For management purposes, the Company has determined following reportable operating segments on the basis of business activities i.e. oil refining and petroleum marketing businesses. Oil refining business is engaged in crude oil refining and selling of refined petroleum products to oil marketing companies. Petroleum marketing business is engaged in trading of petroleum products, procuring products from Oil refining business as well as from other sources. The quantitative data for segments is given below:

	Oil Refining Business	Petroleum Marketing Business	Eliminations	Total
(Rs '000)				
Revenue				
Net Sales to external customers	16,859,948	24,237,759	--	41,097,707
Inter-segment sales	16,824,154	--	(16,824,154)	--
Total revenue	33,684,102	24,237,759	(16,824,154)	41,097,707
Result				
Segment results - (loss) / profit	(1,348,285)	943,738	--	(404,547)
Un-allocated expenses				(19,182)
				(423,729)
Interest expense				(1,702,423)
Interest income				638,625
Taxation				(128,824)
Loss for the year				(1,616,351)
Other Information				
Depreciation and amortization	623,650	10,830	--	

Notes To The Financial Statements

For The Year Ended June 30, 2010

	2010 (Rs '000)
38.2 Geographical information	
Revenue from external customers	
Pakistan	32,320,908
United Arab Emirates	1,658,465
Taiwan	455,205
Oman	289,769
India	161,254
Afghanistan	6,212,106
	41,097,707

The revenue information above is based on the location of customers.

All non-current assets of the Company at 30 June 2010 are located in Pakistan. The detail of segment assets have not been disclosed in these financial statements as these are not reported to the chief operating decision maker on a regular basis.

38.3 Revenues of Rs.12.487 billion and Rs.6.212 billion are derived from two customers.

38.4 Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions between third parties.

38.5 During the current period petroleum market business has been identified as reportable segment. During the last year it did not satisfy the criteria for reportability, and necessary information for the comparative is not available, therefore the information about operating segments is presented for current period only.

	2010 Us Barrels in '000	2009
39 CAPACITY AND ANNUAL PRODUCTION		
Designed annual refining capacity (at 330 days)	9,900	9,900
Actual throughput during the year	5,383	7,168
%age of actual throughput on attainable capacity	54%	72%

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 period of two months. The company's projects e.g. construction of storage tanks which is now completed and single buoy mooring that has been transferred to UTL will cater the crude handling and storage constraints being faced by the company.

Notes To The Financial Statements

For The Year Ended June 30, 2010

40 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary to facilitate comparison. Significant reclassification was exchange difference amounting to Rs.4.379 billion previously presented separately in profit and loss account have now been reclassified under financial charges. The reclassification has been made for better presentation.

41 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on 7 December 2010 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 been rounded to nearest thousand.



Director



Director

As the Chief Executive Officer is for the time being not in Pakistan the accounts have been signed pursuant to Section 241(2) of the Companies Ordinance, 1984, by two directors of the Company duly authorised by the Board of Directors.

Auditors' Report to the Members

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of BYCO PETROLEUM PAKISTAN LIMITED (Formerly: Boscicor Pakistan Limited) ("the Parent Company") and its subsidiary (hereinafter collectively referred as 'the Group') as at June 30, 2010 and the related consolidated profit and loss account, consolidated statement of other comprehensive income, consolidated cash flows statement and consolidated statement of changes in equity together with the notes to and forming part thereof, for the year then ended.

The financial statements are the responsibility of the Parent Company's management. Our responsibility is to express an opinion on these financial 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 the above said statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the consolidated financial statements present fairly the financial position of the Group as at June 30, 2010 and the results of its operations, its comprehensive income, its cash flows and changes in equity for the year then ended in accordance with the approved accounting standards as applicable in Pakistan without qualifying our opinion we draw attention of the members to:

- i) note 2 to the financial statements which indicates that the group incurred a net loss after tax of Rs.2.985 billion and as of that date its accumulated losses of Rs.13.359 billion have resulted in negative equity of Rs.9.438 billion and its current liabilities exceeded its current assets by Rs.12.718 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 parent company's ability to continue as going concern;
- ii) and note 4.6 to the financial statements which states that parent company has transferred certain assets to its subsidiary. Since these assets were secured against the finance facilities obtained by the parent therefore the parent has obtained no objection certificates from its lenders for the above mentioned sale of assets which are subject to creation of charge over these assets by subsidiary in favour of parent's lenders. Subsequent to balance sheet date subsidiary has initiated the legal and corporate formalities to register the charge in favor of parent's lenders.

Place: Karachi
Dated: 7 December 2010


Faruq Ali & Company
CHARTERED ACCOUNTANTS

Engagement partner: Fasih uz Zaman

Consolidated Balance Sheet

As at June 30, 2010

	Note	2010 (Rs '000)	2009 (Rs '000)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	17,064,985	14,778,562
Intangible asset	5	39,116	7,079
Long term deposits		59,740	57,360
Long term loan	6	24,840	31,320
CURRENT ASSETS			
Stores and spares		144,076	152,342
Stock in trade	7	4,927,938	4,487,801
Trade debts - Considered good	8	6,861,842	9,089,974
Loans and advances - Considered good	9	286,321	112,787
Trade deposits, prepayments and other receivables	10	329,616	780,691
Markup accrued	11	33,012	42,432
Cash and bank balances	12	1,046,352	2,078,445
		13,629,157	16,744,472
		30,817,838	31,618,793
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
500,000,000 (2009: 500,000,000) Ordinary shares of Rs. 10/- each		5,000,000	5,000,000
Issued, subscribed and paid-up capital	13	3,921,044	3,921,044
Accumulated losses		(13,358,802)	(10,597,517)
		(9,437,758)	(6,676,473)
Surplus on revaluation of property, plant and equipment	14	3,860,878	4,084,753
NON-CURRENT LIABILITIES			
Loan from sponsors and associates - Unsecured	15	5,000,944	4,023,101
Long term loans - Secured	16	3,290,451	5,158,837
Liabilities against assets subject to finance lease	17	204,979	273,308
Long term deposits	18	16,946	4,446
Deferred liabilities	19	1,534,202	1,621,641
CURRENT LIABILITIES			
Trade and other payables	20	22,196,399	20,397,465
Accrued markup	21	1,415,236	1,071,469
Short term borrowings - Secured	22	508,809	217,549
Current portions of non current liabilities	23	1,977,379	1,442,697
Provision for taxation		249,373	--
		26,347,196	23,129,180
CONTINGENCIES AND COMMITMENTS			
	24	--	--
		30,817,838	31,618,793

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



Director



Director

As the Chief Executive Officer is for the time being not in Pakistan the accounts have been signed pursuant to Section 241(2) of the Companies Ordinance, 1984, by two directors of the Company duly authorised by the Board of Directors.

Consolidated Profit and Loss Account

For the year ended June 30, 2010

	Note	2010 (Rs '000)	2009 (Rs '000)
Gross sales	25	48,505,745	54,768,489
Less: Government levies	25	(7,408,038)	(10,147,473)
Net sales	25	41,097,707	44,621,016
Cost of sales	26	40,430,407	48,530,050
Gross profit / (loss)		667,300	(3,909,034)
Operating expenses			
Administrative expenses	27	603,166	402,352
Selling and distribution expenses	28	637,710	192,809
		1,240,876	595,161
Operating loss		(573,576)	(4,504,195)
Other income	29	742,966	608,740
		169,390	(3,895,455)
Financial and other charges			
Financial charges	30	2,335,672	6,431,727
Other charges	31	690,460	--
		3,026,132	6,431,727
Loss before taxation		(2,856,742)	(10,327,182)
Taxation			
Current year	32	249,373	55,177
Prior year		--	19,422
Deferred		(120,955)	(68,836)
		128,418	5,763
Loss after taxation		(2,985,160)	(10,332,945)
Loss per share - Basic (Rupees)	33.1	(7.61)	(26.35)
Loss per share - Diluted (Rupees)	33.2	(6.61)	(25.74)

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



Director



Director

As the Chief Executive Officer is for the time being not in Pakistan the accounts have been signed pursuant to Section 241(2) of the Companies Ordinance, 1984, by two directors of the Company duly authorised by the Board of Directors.

Consolidated Cash Flow Statement

For the year ended June 30, 2010

	2010 (Rs '000)	2009 (Rs '000)
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(2,856,742)	(10,327,182)
Adjustments for non cash and other items:		
Depreciation and amortization	641,413	485,558
Financial and other charges	3,026,132	6,431,727
Gain on disposal of fixed assets	(658)	(924)
Provision for gratuity	10,700	7,841
Cash flow before working capital changes	820,845	(3,402,980)
Movement in working capital		
(Increase) / decrease in current assets		
Stores and spares	8,266	(20,089)
Stock in trade	(440,137)	7,446,443
Trade debts	2,228,132	(5,872,057)
Loans and Advances	(167,293)	(56,129)
Trade deposits, prepayments and other receivables	(64,794)	(697,700)
Markup accrued	9,420	--
Increase / (decrease) in current liabilities		
Trade and other payables	1,793,427	2,461,376
Cash generated from / (used in) operations	4,187,866	(141,136)
Payments for:		
Financial charges	(1,986,703)	(5,478,845)
Taxes	(173,719)	(217,527)
Net cash generated from / (used in) operating activities	2,027,444	(5,837,508)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(2,716,146)	(2,421,946)
Addition in Intangible assets	(14,788)	--
Sale proceeds of fixed assets	6,059	2,805
Long term deposit	(1,449)	(11,731)
Cost of business combination - net of cash acquired	(87,105)	--
Net cash (used in) investing activities	(2,813,429)	(2,430,872)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from sponsors and associates - net	899,958	3,852,961
Repayment of term finance certificates	(107,094)	(214,302)
Repayment of long term loan	(1,238,505)	(340,399)
Liabilities against assets subject to finance lease - Net	(104,227)	(75,481)
Long term deposits	12,500	--
Short term borrowings - Net	291,260	(782,451)
Net cash (used in) / flow from financing activities	(246,108)	2,440,328
Net (decrease) in cash and cash equivalents	(1,032,093)	(5,828,052)
Cash and cash equivalents as at 1st July	2,078,445	7,906,497
Cash and cash equivalents as at 30th June	1,046,352	2,078,445

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



Director



Director

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Consolidated Statement of Changes in Equity

For the year ended June 30, 2010

	Issued, subscribed and paid-up capital	Accumulated Losses	Total
	----- (Rs '000) -----		
Balance as on July 01, 2008	3,921,044	(392,409)	3,528,635
Total comprehensive loss for the year	--	(10,205,108)	(10,205,108)
Balance as on June 30, 2009	3,921,044	(10,597,517)	(6,676,473)
Total comprehensive loss for the year	--	(2,761,285)	(2,761,285)
Balance as on June 30, 2010	3,921,044	(13,358,802)	(9,437,758)

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



Director



Director

As the Chief Executive Officer is for the time being not in Pakistan the accounts have been signed pursuant to Section 241(2) of the Companies Ordinance, 1984, by two directors of the Company duly authorised by the Board of Directors.

Consolidated Statement of Comprehensive Income

For the year ended June 30, 2010

	2010 (Rs '000)	2009 (Rs '000)
Loss after taxation for the year	(2,985,160)	(10,332,945)
Other comprehensive income / (loss):		
Revaluation of property, plant and equipment	--	4,062,989
Related deferred tax	--	(1,422,046)
	--	2,640,943
Transfer from surplus on revaluation of Property, plant and equipment Related deferred tax	344,424 (120,549)	196,673 (68,836)
	223,875	127,837
Total comprehensive loss for the year	(2,761,285)	(7,564,165)
Component of comprehensive loss not reflected in equity - Net of tax	--	(2,640,943)
Total comprehensive loss for the year transferred to equity	(2,761,285)	(10,205,108)

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



Director



Director

As the Chief Executive Officer is for the time being not in Pakistan the accounts have been signed pursuant to Section 241(2) of the Companies Ordinance, 1984, by two directors of the Company duly authorised by the Board of Directors.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

1 REPORTING ENTITY

The Group comprises the following companies

Byco Petroleum Pakistan Limited (Formerly: Bosicor Pakistan Limited) (BPPL) - Parent Company

BPPL 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 BPPL are listed on Karachi, Lahore and Islamabad Stock Exchanges. BPPL is engaged in the production and sale of the petroleum products.

During the period under review, on October 30, 2009 the Byco Industries Incorporated (BII) made public announcement of offer to purchase up to 136,510,046 shares of BPPL at a price of Rs.10/- per share pursuant to Listed Companies (Substantial Acquisition of Voting Shares and Take-overs) Ordinance, 2002. The offer has been made by virtue of an agreement between BII and Byco Busient Incorporated (formerly: Bosicor Corporation Limited) (BBI) (holding company) whereby it has been agreed that BBI will transfer its entire shareholding in BPPL to BII, where BBI and Abraaj Mauritius Oil and Gas SPV ('Abraaj') hold 60% and 40% shares respectively. The period of acceptance for the offer commenced on December 21, 2009 for fifteen days and ended on January 4, 2010. During the acceptance period 48,373,347 shares were tendered by 406 shareholders. Now BII holds 264,757,258 shares of BPPL. This has further enhance strong shareholder's support to BPPL.

Consequently, BII has become immediate parent of BPPL by virtue of its 67.52% shareholding in BPPL and BBI has become ultimate parent of BPPL by virtue of its indirect holding to the extent of 55.19%.

Name of BPPL has been changed to M/s Byco Petroleum Pakistan Limited w.e.f. January 01, 2010 in accordance with the Special resolution passed by the shareholders on December 07, 2009.

Universal Terminal Limited ('UTL') - Subsidiary

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

2 GOING CONCERN ASSUMPTION

During the year ended June 30, 2010 group incurred net loss after tax of Rs.2.985 billion (2009: Rs.10.333 billion) and as of that date it has accumulated losses of Rs.13.359 billion (2009: Rs.10.598 billion) have resulted in net capital deficiency of Rs.9.438 billion (2009: Rs.6.676 billion) and excess of current liabilities over current assets of Rs.12.718 billion (2009: Rs.6.385 billion). The conditions indicate the existence of material uncertainty which may cast significant doubt about the group'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. Further, the group's ability to arrange funds from sponsors / associates when required is yet another positive indicator. Accordingly the sponsors have provided funds amounting to Rs. 1.214 billion during the year. The group has not defaulted in any of the installments of its long term loans / lease finance.

Apart from the refinery operations the group is also targeting its Petroleum Market Business which has visibly improved BPPL's market position in the oil marketing sector and has also enabled BPPL to diversify its revenue stream. Further the group's projects in progress like Isomerization Plant, which is expected to commence its operations in near future, will enable the group to process naphtha, which will ultimately increase the profit margins of the group, and single buoy mooring will reduce the overall transportation costs. Furthermore, the offer to purchase of BPPL's share pursuant to the Listed Companies (Substantial Acquisition of Voting Shares and Take-over's) Ordinance, 2002 was made during the year due to the finalization of an arrangement with Abraaj Capital Limited as more fully explained in note 1 above. Addition of Abraaj as sponsor of BPPL alongwith BBI shall substantially add to financial strength of BPPL's sponsors and enhance strong shareholders' support to BPPL.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

All these step 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.

3.1.1 Initial Application of a standard or an Interpretation

During the current year, the group has adopted the following new and amended IAS as of July 01, 2009, which has resulted in extended disclosures as described below:

IAS 1 - (Revised) 'Presentation of Financial Statements' (effective January 1, 2009)'

IAS 1 (Revised) prohibits the presentation of items of income and expenses (i.e. 'non-owner changes in equity') in the statement of changes in equity. It requires non-owner changes in equity to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement the statement of comprehensive income or two statements the Income statement and the statement of comprehensive income. The group has opted for two statement approach and the financial statements have been prepared under revised disclosure requirement.

IFRS 8, 'Operating segments' (effective from January 1, 2009).

The new standard requires a 'management approach', under which segment information is required to be presented on the same basis as that used for internal reporting purposes. Operating segments are determined and presented in a manner consistent with the internal reporting provided to the chief operating decision maker. An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses. The group has determined operating segments on the basis of business activities i.e. oil refining and petroleum marketing businesses.

The adoption of the above standard does not have any significant effect on the group's financial statements other than certain increased disclosures. Furthermore, the adoption of this standard neither has any impact on earnings per share nor does it require the restatement or reclassification of comparative information.

IFRS 8 'Operating Segments' (Amendments) effective January 1, 2010 has been early adopted by the group. Under the amendment, it has been clarified that a measure of segment assets should be disclosed only if that amount is regularly provided to the chief operating decision-maker. Accordingly, segment assets have not been disclosed in these financial statements as these are not reported to the chief operating decision-maker on a regular basis.

IAS 23 'Borrowing cost (revised)'

Certain amendments to IAS 23, Borrowing cost" have been published that are applicable to the group's financial statements covering annual period, beginning on or after January 1, 2009. Adoption of these amendments require the group to capitalize the borrowing cost directly attributable to acquisition, construction or production of a qualifying asset (one that takes substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing borrowing cost has been removed. The adoption of said amendment resulted in additional capitalization of borrowing cost amounting to Rs.176.776 million.

3.1.2 Standards and interpretations that become effective during the year

The following standards (revised or amended) and interpretations become effective for the current financial year but are either not relevant or do not have any material effect on the financial statements of the group:

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

- IFRS 3 - Business Combinations (Revised)
- IFRS 7 - Financial Instruments: Disclosure (Amended)
- IFRS 8 - Operating Segments
- IAS 23 - Borrowing Cost (Revised)
- IAS 27 - Consolidated and Separate Financial Statements (Revised)
- IAS 32 - Financial instruments (Amended of reputable instruments and obligations arising on liquidation)
- IAS 39 - Financial Instruments: Recognition and Measurement (Amended)
- IFRIC 15 - Agreements for the Construction of Real Estate.
- IFRIC 16 - Hedges of a Net Investment in a Foreign Operation
- IFRIC 17 - Distributions of Non-cash Assets to Owners
- IFRIC 18 - Transfers of Assets from Customers

3.1.3 Standards and interpretations issued but not yet effective for the current financial year

The following are the standards and interpretations which have been issued but are not yet effective for the current financial year.

	Effective for period beginning on or after
IAS 24 - Related Party Disclosures (Revised)	January 01, 2011
IAS 32 - Financial Instruments: Presentation - Amendments Relating to Classification of Rights Issues	February 01, 2010
IFRS 2 - Share-based Payment: Amendments relating to Group Cash - settled Share-based Payments Transactions	January 01, 2010
IFRIC 14 - IAS 19 - The Limit on Defined Benefit Asset, Minimum Funding Requirements and their Interaction (Amendment)	January 01, 2011
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments	July 01, 2010

3.2 Basis of preparation

These financial statements have been prepared under the historical cost convention, except for borrowing costs as referred in note 3.16 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 14 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 group'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:

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

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

3.3 Basis of consolidation

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

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

3.4 Staff retirements benefits

Defined contribution plan:

The group 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 group and by the employees.

Defined benefit plan:

The group operates an un-funded gratuity scheme covering all employees eligible to the benefit. Provisions are made on the basis of actuarial recommendations. The actuarial valuations are carried out with using the Projected Unit Credit Method, as required by International Accounting Standards (IAS-19). 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.

3.5 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 14 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 is 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 currently.

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 group 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 group'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 Consolidated Financial Statements

For the year ended June 30, 2010

3.6 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.

3.7 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.

3.8 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.

3.9 Trade debts and other receivables

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

3.10 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 comprise cash in hand, balance with banks in current, collection and deposits accounts and running finance under mark up arrangements.

3.11 Taxation

Current

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

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.

3.12 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.

3.13 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.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

3.14 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.

3.15 Transactions with related parties

The group 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 comparable market to a buyer unrelated to the seller.

3.16 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expense in the period in which these are incurred.

3.17 Provisions

A provision is recognized in the balance sheet when the group 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.

3.18 Financial instruments

All financial assets and liabilities are recognized when the group 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.

3.19 Impairment

The carrying amounts of the group'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.

3.20 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 group 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.

3.21 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	2010 (Rs '000)	2009 (Rs '000)
4			
PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - At cost less accumulated depreciation	4.1	11,232,245	10,480,610
Capital work in progress - At cost	4.5	5,832,740	4,297,952
		17,064,985	14,778,562

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

4.1 Property Plant & Equipment

Particulars	2010													Book value As at June 30, 2010
	Cost/Revaluation						Useful life in years	Depreciation						
	As at July 01, 2009	Additions	Revalu- ation	Acquired to Business Combi- nation	Transfers	(Deletions)		As at June 30, 2010	As at July 01, 2009	Transfers	For the year	On deletions	As at June 30, 2010	
	(Rs '000)							(Rs '000)						
Owned														
Freehold land	631,360	--	--	--	--	631,360	--	--	--	--	--	--	631,360	
Leasehold land	700,000	--	--	55,700	--	755,700	--	--	--	--	--	--	755,700	
Plant and machinery	9,675,725	1,086,533	--	4,000	16,500	10,782,758	20	1,391,038	5,363	508,267	--	1,904,668	8,878,090	
Generators	219,685	11,386	--	--	--	231,071	15	33,676	--	18,050	--	51,726	179,345	
Building, on freehold land, roads and civil works	210,538	27,837	--	--	--	238,375	25	34,369	--	8,610	--	42,979	195,396	
Building on leasehold land	--	--	--	13,000	--	13,000	25	--	--	173	--	173	12,827	
Tanks	--	--	--	59,700	--	59,700	20	--	--	9,670	--	9,670	50,030	
Pipelines	--	--	--	30,400	--	30,400	20	--	--	67	--	67	30,333	
Furniture and fixtures	28,392	1,263	--	--	--	29,655	10	13,427	--	2,579	--	16,006	13,649	
Computer and allied	29,261	16,685	--	--	--	45,946	3	22,127	--	7,037	--	29,164	16,782	
Safety and lab equipments	44,054	37,655	--	--	--	81,709	5	21,519	--	10,075	--	31,594	50,115	
Vehicles	69,511	--	--	--	8,982	66,726	5	36,128	8,422	10,937	(9,209)	46,278	20,448	
Portable cabins	9,199	--	--	--	--	9,199	10	5,963	--	696	--	6,659	2,540	
Sub - Total	11,617,725	1,181,359	--	162,800	25,482	12,975,599		1,558,247	13,785	576,161	(9,209)	2,138,984	10,836,615	
Leased														
Plant and machinery	287,551	--	--	--	(16,500)	271,051	20	23,170	(5,363)	18,680	--	36,487	234,564	
Vehicles	186,340	47,793	--	--	(8,982)	219,681	5	29,589	(8,422)	40,075	(2,627)	58,615	161,066	
	473,891	47,793	--	--	(25,482)	490,732		52,759	(13,785)	58,755	(2,627)	95,102	395,630	
2010	12,091,616	1,229,152	--	162,800	--	(17,237)	13,466,331	1,611,006	--	634,916	(11,836)	2,234,086	11,232,245	

Particulars	2009													Book value As at June 30, 2009
	Cost/Revaluation						Useful life in years	Depreciation						
	As at July 01, 2008	Additions	Revalu- ation	Acquired to Business Combi- nation	Transfers	(Deletions)		As at June 30, 2009	As at July 01, 2008	Transfers	For the year	On deletions	As at June 30, 2009	
	(Rs '000)							(Rs '000)						
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	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	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)	186,340	5	11,654	(5,726)	23,861	(200)	29,589	156,751	
	301,584	212,593	--	--	(39,287)	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	

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

	2010 (Rs '000)	2009 (Rs '000)
4.2 Depreciation charge for the year has been allocated as follows:		
Administrative and selling	67,561	44,460
Cost of sales	567,355	437,559
	634,916	482,019

4.3 Detail of asset disposed off during the year:

Particulars	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain	Mode of Disposal	Particulars of Buyer	
							Name	CNIC #
(Rs '000)								
Vehicles:								
Toyota Corolla	879	643	236	280	44	Company policy	Mazahir Hussain	42101-3677960-5
Toyota Corolla	817	163	654	381	(273)	Company policy	Yousuf Khan	37405-8609359-7
Suzuki Cultus	590	266	324	354	30	Company policy	Fiaz Anwar	13101-5600434-3
Suzuki Cultus	590	266	324	354	30	Company policy	Sheikh Jamil Ahmed	42201-0641570-3
Suzuki Cultus	560	439	121	149	28	Company policy	Nadeem Sh	42201-1479617-9
Suzuki Cultus	560	478	82	110	28	Company policy	Muhammad Arshad	42501-1407411-9
Suzuki Cultus	560	448	112	140	28	Company policy	Iqbal Haris	42201-6165740-9
Suzuki Cultus	560	478	82	110	28	Company policy	Rizwan Ali	42201-7181656-3
Suzuki Cultus	590	275	315	344	29	Company policy	Noman Yousuf	42201-0706519-9
Suzuki Cultus	590	275	315	344	29	Company policy	Nawaz Ahmed Khan	42201-2339922-9
Suzuki Cultus	560	504	56	84	28	Company policy	Humayun Yousuf	42201-0496957-9
Toyota Corolla	560	345	215	243	28	Company policy	Ahmed Ariff	42301-4685419-9
Toyota Corolla	1,279	1,145	134	198	64	Company policy	Jawed Ahmed	42201-2343534-3
Suzuki Cultus	590	275	315	344	29	Company policy	Majid Muqtadir	42101-0862222-1
Mitsubishi Lancer	1,099	696	403	458	55	Company policy	Sheikh Ata Ur Rehman	35202-4151634-3
Toyota Corolla	879	672	207	251	44	Company policy	Kamran Lari	42101-1891153-1
Honda Civic	1,288	1,138	150	215	65	Company policy	Muhamad Wasi Khan	42201-0738367-5
Suzuki Cultus	560	551	9	36	27	Company policy	Mushtaq Ahmed	42201-0721247-5
Suzuki Cultus	590	305	285	315	30	Company policy	Muhamad Iqbal	42101-1698038-1
Suzuki Cultus	590	305	285	315	30	Company policy	Abdul Sattar	36304-8631552-9
Toyota Corolla	879	726	153	220	67	Company policy	Muhammad Rehan Ashraf	42201-0515855-9
Honda Civic	1,287	1,287	--	64	64	Company policy	Masood Raza	42301-0627214-5
Suzuki Cultus	780	156	624	750	126	Insurance claim	EFU Insurance	
2010	17,237	11,836	5,401	6,059	658			
2009	6,536	4,655	1,881	2,805	924			

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

	Note	2010 (Rs '000)	2009 (Rs '000)
4.4	Had there been no revaluation the carrying amount of revalued assets would have been as follows :		
Freehold land		22,260	22,260
Leasehold land		213,200	213,200
Plant and machinery		3,529,754	3,865,040
Generators		53,565	46,910
Building, on freehold land, roads and civil works		167,924	147,264
Safety and lab equipments		45,051	11,952
		4,031,754	4,306,626
4.5	Capital work in progress - At cost		
Opening balance		4,297,952	2,422,157
Add : Additions	4.5.1	2,595,610	2,419,004
		6,893,562	4,841,161
Less : capitalized in			
- Owned assets		(1,060,822)	(493,457)
- Leased assets		--	(49,752)
Closing balance		5,832,740	4,297,952
Plant and machinery		5,754,757	4,169,362
Civil and mechanical works		77,983	128,590
		5,832,740	4,297,952

4.5.1 Additions to capital work in progress includes Rs.387.040 million (2009: Rs.206.220 million) borrowing cost capitalized during the year relating to the specific borrowings taken for the projects and Rs.176.776 million relating to general borrowings capitalized using average borrowing rate of 15.50%.

4.6 During the period under consideration certain assets having carrying amounts of Rs.2.805 billion have been transferred by BPPL to UTL in accordance with the Special Resolution passed by the members of BPPL in an extra ordinary general meeting held on June 24, 2010. Since these assets were secured against the finance facilities obtained by the BPPL therefore BPPL has obtained no objection certificates from its lenders for the above mentioned sale of assets which are subject to creation of charge over these assets by UTL in their favour. Subsequent to balance sheet date UTL has initiated the legal and corporate formalities to register the charge in favor of company's lenders to the extent of Rs.2.805 billion.

	Note	2010 (Rs '000)	2009 (Rs '000)
5	INTANGIBLE ASSETS		
Computer software (ERP Solutions)	5.1	15,370	7,079
Goodwill acquired on business combination	5.2	23,746	--
		39,116	7,079
5.1	Computer software (ERP Solutions)		
Opening balance		7,079	10,618
Addition during the year		14,788	--
Less: Amortized during the year		(6,497)	(3,539)
		15,370	7,079

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

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

	2010 (Rs '000)	2009 (Rs '000)
5.2 Goodwill acquired on business combination	23,746	--

During the year, BPPL acquired 100% shares of UTL from all of its shareholders for a consideration of Rs. 87.105 million. The effective control was obtained on February 17, 2010. This acquisition has brought about expansion and diversification of BPPL's business as UTL's was engaged in provision of bulk storage services of petroleum products however, its operations are presently closed.

The cost of acquisition and its allocation to fair values of identifiable assets acquired and liabilities assumed are as follow:

	Note	June 30, 2010 (Rs '000)	June 30, 2010 (Rs '000)
Cost of acquisition			87,115
Identifiable assets acquired and liabilities assumed			
Property, plant and equipment		162,800	
Long term security deposits		931	
Advance income tax		633	
Bank balances		10	
Long term loan		(77,885)	
Deferred taxation		(22,816)	
Accrued liabilities		(304)	
			63,369
Goodwill arising on acquisition			23,746
Cost of acquisition net of cash acquired			87,105
6 LONG TERM LOAN			
Considered good:			
Loan to executives - interest free	6.1	31,320	32,400
Less: receivable within next twelve months		(6,480)	(1,080)
		24,840	31,320

6.1 Represents interest free loan to an executive of the BPPL 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.

	2010 (Rs '000)	2009 (Rs '000)
7 STOCK IN TRADE		
Raw material	1,488,779	3,333,945
Finished products	3,439,159	1,153,856
	4,927,938	4,487,801

7.1 Finished stock has been written down by Rs.11.917 million (2009: Rs.246.452 million) to net realizable value.

8 TRADE DEBTS - Considered good

8.1 Trade debt include receivables amounting to Rs.21.169 million (2009: Rs.33.940 million) in respect of price differential claims from Ministry of Petroleum, Government of Pakistan.

8.2 The delayed payments from Pakistan State Oil Company Limited carries markup @ 200 bps over KIBOR.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

	Note	2010 (Rs '000)	2009 (Rs '000)
9	LOANS AND ADVANCES - Considered good		
Employees	9.1	7,280	6,083
Suppliers and contractors	9.2	279,041	106,704
		286,321	112,787

9.1 This includes amount of Rs.6.602 million (2009: Rs.3.649 million) due from executives of BPPL.

9.2 Included herein is a sum of Rs.25 million (2009: Rs.16.790 million) advance to associated company

	Note	2010 (Rs '000)	2009 (Rs '000)
10	TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Deposits		6,613	2,507
Pre-payments		44,259	2,842
Current account balances with statutory authorities:		--	
Advance Income tax		235,796	61,444
Inland freight equalization margin		13,260	--
Receivable from Associated undertakings against Land lease rent		29,688	23,438
Receivable from crude supplier	10.1	--	690,460
		329,616	780,691

10.1 This represented \$ 8.493 million recorded as receivable 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. BPPL 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 was in respect of the price charged by BP, whereby BP has charged BPPL 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. The amount has been written off in the financial statements as the same is not likely to be recovered.

11 MARKUP ACCRUED

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

	Note	2010 (Rs '000)	2009 (Rs '000)
12	CASH AND BANK BALANCES		
Cash in hand		99	68
Cash at banks	12.1	781,834	229,885
Current account		264,419	1,848,492
Deposit account	12.2		
		1,046,352	2,078,445

12.1 Cash at bank include Rs.772.070 million (2009: Rs.1,556.222 million) kept under lien against the letter of credit facilities obtained from banks.

12.2 Deposit accounts carry markup at the rates ranging from 6% to 10% (2009: 8% to 10%) per annum.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

	2010 (Rs '000)	2009 (Rs '000)
13 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
392,104,396 (2009: 392,104,396) Ordinary shares of Rs.10/- each fully paid in cash.	3,921,044	3,921,044

13.1 264,757,258 shares are held by Byco Industries Incorporated (immediate parent) representing 67.52% shareholding in the BPPL [2009: 216,383,911 shares were held by Byco Busient Incorporated (formerly: Bosicor Corporation Limited) representing 55.19% shareholding in the BPPL.]. The detailed note on change in shareholding is given in note 1 to the financial statements.

	2010 (Rs '000)	2009 (Rs '000)
14 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
Surplus on revaluation of Property, plant and equipment - Opening 4,084,753	1,571,647	
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		
- disposal of fixed assets - Net of tax	(29,156)	--
- incremental depreciation charged during the year - Net of tax	(194,719)	(127,837)
Surplus on revaluation of Property, plant and equipment - Closing	3,860,878	4,084,753

During the last year plant & machinery, Generators & Safety and lab equipments owned by the BPPL 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 was December,17 2008.The surplus arising from revaluation is Rs.4,062.989 million. The entire closing balance of surplus on revaluation of Property, plant and equipment is not available for distribution to shareholders.

Particulars	W.D.V. of assets before revaluation	Revalued amount	Revaluation Surplus
	----- (Rs '000) -----		
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

	Note	2010 (Rs '000)	2009 (Rs '000)
15 LOAN FROM SPONSORS AND ASSOCIATES - Unsecured			
From associated undertakings	15.1	3,242,679	3,776,000
From Sponsors	15.2	1,758,265	247,101
		5,000,944	4,023,101

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

- 15.1** 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 alongwith 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.
- 15.2** The foreign currency loans have been obtained from sponsors (parent and ultimate parent), 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. These loans, alongwith outstanding markup, if any, are convertible into ordinary shares of Rs.10 each at par value, at the option of lenders.

	Note	2010 (Rs '000)	2009 (Rs '000)
16 LONG TERM LOANS - Secured			
From banks			
Term finance - I	16.1	59,670	119,340
Term finance - II	16.2	25,000	75,000
Syndicated Loan	16.3	279,999	420,000
Syndicated Term Finance	16.4	4,794,166	5,753,000
From related party (associated financial institution)			
Term finance - II	16.5	--	30,000
		5,158,835	6,397,340
Less: Current maturity			
banks		1,868,384	1,208,503
related party		--	30,000
	23	1,868,384	1,238,503
		3,290,451	5,158,837

- 16.1** 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.
- 16.2** 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 @ 3% over 6 month average KIBOR payable semi annually.
- 16.3** The loan has been obtained from syndicate of banks and financial institutions with Allied Bank Limited as a Trustee. 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. 22.615 million (2009: Rs.33.923 million) from related party (associated financial institution) on account of debt swap from Faysal Bank Limited to Saudi Pak Industrial and Agricultural Company (Pvt.) Ltd.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

16.4 The loan has been obtained from syndicate of banks and financial institutions with Habib Bank Limited as a Trustee. The facility is secured against first hypothecation charge, ranking pari passu over present and future fixed assets of BPPL. 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 principal amount.

16.5 This has been fully repaid during the year.

17 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2010 Lease Payments Minimum	2010 Lease Payments Present Value	2009 Lease Payments Minimum	2009 Lease Payments Present Value
	----- (Rs '000) -----			
Less than one year	142,020	108,995	117,229	97,100
One to five years	300,436	204,979	365,249	273,308
Total minimum lease payments	442,456	313,974	482,478	370,408
Less: Financial charges allocated to the future period	128,482	--	112,070	--
Present value of minimum lease payments	313,974	313,974	370,408	370,408
Less: Transferred to current maturity	108,995	108,995	97,100	97,100
	204,979	204,979	273,308	273,308

The BPPL 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 March 2015. Financing rates ranging from 14.37% to 17.10% per annum (2009: 11.95% to 19.66% per annum) have been used as discounting factors. The cost of operating and maintaining the leased assets is borne by the BPPL. The BPPL intends to exercise its option to purchase the leased assets at the residual values of assets upon the completion of the respective lease periods.

	Note	2010 (Rs '000)	2009 (Rs '000)
18 LONG TERM DEPOSITS			
Related parties (associated companies)	18.1	3,646	3,646
Others		13,300	800
		16,946	4,446
18.1 This represent security deposit received from associated companies against land lease rent.			
19 DEFERRED LIABILITIES			
Deferred taxation	19.1	1,511,243	1,609,382
Employees retirements benefits	19.2	22,959	12,259
		1,534,202	1,621,641

Notes to the Consolidated Financial Statements

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	Note	2010 (Rs '000)	2009 (Rs '000)
19.1 Deferred taxation			
Deferred tax liability arising due to accelerated tax depreciation		939,128	895,279
Deferred tax liability arising due to finance lease transactions		28,580	17,753
Deferred tax assets arising out of staff gratuity, available tax losses and credits		(4,948,054)	(3,863,642)
		(3,980,346)	(2,950,610)
Deferred tax asset not recognised		4,002,756	2,950,610
		22,410	--
Deferred tax liability relating to surplus on revaluation of property, plant and equipment		1,488,833	1,609,382
		1,511,243	1,609,382
19.2 Employees retirements benefits			
Staff gratuity:			
Movement in balance			
Opening balance		12,259	4,418
Charge for the year	19.2.1	10,700	7,841
		22,959	12,259
19.2.1 Charge for the year			
Current service cost		8,938	7,399
Interest cost		1,762	442
		10,700	7,841
19.2.2 Balance sheet reconciliation			
Present value of defined benefit obligations		23,225	12,584
Unrecognised actuarial (losses)		(266)	(325)
		22,959	12,259
19.2.3 Principal actuarial assumption			
Expected rate of increase in salaries		12 % per annum	12 % per annum
Discount factor used		14 % per annum	14 % per annum
Normal retirement age of employees		60 years	60 years
20 TRADE AND OTHER PAYABLES			
Foreign bills payable		2,212,812	10,129,814
Forced PADs	20.1	8,951,107	5,472,161
Creditors for services	20.2	606,442	547,925
Creditors for supplies		5,269,473	1,408,070
Advances from customers		327,995	210,812
Payable to staff provident fund		--	2,753
Accrued expenses		11,369	842
Withholding tax deductions payable		11,411	5,282
Dividend Payable		1,146	1,146
Workers profit participation fund	20.3	42,475	37,273
Sales tax, petroleum levy and federal excise duty payable		4,748,204	2,581,387
Advance against lease finance		13,965	--
		22,196,399	20,397,465

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

20.1 These represent overdue letter of credits in respect of import of crude. Markup @ 15.13% to 15.79% (2009: @ 17%) has been accrued on Forced PADs.

20.2 This includes amount of Rs.2.431 million (2009: 6.300 million) due to associated companies.

	Note	2010 (Rs '000)	2009 (Rs '000)
20.3 Workers profit participation fund			
Opening balance		37,273	31,626
Markup on workers profit participation fund		5,202	5,647
		42,475	37,273

21 ACCRUED MARKUP

This includes amount of Rs.0.752 million (2009: Rs.1.450 million) payable to associated financial institution, Rs.595.258 million (2009: Rs.267.831 million) payable to associated companies and Rs.7.207 million (2009: Rs.1.285 million) payable to holding company.

	Note	2010 (Rs '000)	2009 (Rs '000)
22 SHORT TERM BORROWINGS - Secured			
From banks - Secured			
Short term loan	22.1	466,000	216,000
Temporary book overdraft		42,809	1,549
		508,809	217,549

22.1 The above facility have been obtained from a commercial bank against the available limit of Rs. 466 million (2009: 216 million) for the purpose of import of Raw material. The facility carries mark up @ 1 month KIBOR plus 1.5 % (2009 : @ 1 month KIBOR plus 3 %) payable quarterly in arrears. The finance facility is secured against Standby Letter of Credit (SBLC) issued by Credit Agricole (Suisse) SA, Geneva, Switzerland. The applicant of SBLC is M/s Byco Busient Incorporated (formerly: Bosicor Corporation Limited) (Ultimate Holding Company).

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

	Note	2010 (Rs '000)	2009 (Rs '000)
23 CURRENT PORTIONS OF NON CURRENT LIABILITIES			
Term finance certificates		--	107,094
Long term loans	16	1,868,384	1,238,503
Liabilities against assets subject to finance leases	17	108,995	97,100
		1,977,379	1,442,697

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

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

24.2 Commitments

Commitments in respect of capital expenditures amount to Rs.72.236 million (2009: Rs.715.440 million).

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

	Note	2010 (Rs '000)	2009 (Rs '000)
25 SALES			
Gross Sales			
Local		39,728,946	49,250,757
Export		8,776,799	5,517,732
		48,505,745	54,768,489
Less:			
Sales Tax		(4,895,482)	(5,829,954)
Sales Discount		(91,537)	--
Excise duty and petroleum levy		(2,421,019)	(4,317,519)
		(7,408,038)	(10,147,473)
		41,097,707	44,621,016
26 COST OF SALES			
Opening stock of raw material		3,333,945	7,112,584
Add : Purchases		39,555,503	43,552,329
Available for use		42,889,448	50,664,913
Closing stock of raw material		(1,488,779)	(3,333,945)
Raw material consumed		41,400,669	47,330,968
26.1 Manufacturing expenses			
Salaries, wages and other benefits	26.2	218,655	191,872
Staff transportation and catering		49,345	44,515
Stores and spares		69,384	44,675
Crude oil inspection and clearing charges		12,972	17,729
Insurance		43,836	22,516
Industrial gases and chemicals		4,254	7,058
Fuel, power and water		263,592	310,491
Repairs and maintenance		71,277	54,419
Communications		1,834	1,724
Traveling and conveyance		168	126
Rent, rates and taxes		351	5,252
Security		5,121	5,393
Vehicle running		6,897	6,772
Technical fee		--	1,992
Depreciation	4.2	567,355	437,559
Total manufacturing expenses		1,315,041	1,152,093
Cost of goods manufactured		42,715,710	48,483,061
Opening stock of finished products		1,153,856	1,200,845
Closing stock of finished products		(3,439,159)	(1,153,856)
Cost of goods sold		40,430,407	48,530,050

26.2 Included herein is a sum of Rs. 14.704 million (2009: Rs.11.222 million) in respect of staff retirement benefits.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

	Note	2010 (Rs '000)	2009 (Rs '000)
27 ADMINISTRATIVE EXPENSES			
Salaries, allowances and other benefits	27.1	321,045	173,760
Vehicle running		21,418	15,123
Repairs and maintenance		14,816	23,190
Insurance		10,427	5,932
Fee and subscriptions		12,893	10,277
Utilities		5,069	5,126
Legal and professional		32,721	15,106
Traveling and conveyance		19,659	14,076
Advertisements and subscriptions		10,182	1,019
Rent, rates and taxes		17,282	55,659
Sales tax penalties due to late payments		24,585	30,224
Printing and stationary		7,124	1,324
Auditors' remuneration	27.2	2,060	1,391
SAP maintenance costs		19,664	--
Depreciation	4.2	67,561	44,460
Others		10,163	2,146
Amortization of intangible asset	5	6,497	3,539
		603,166	402,352
27.1	Included herein is a sum of Rs.4.890 million (2009: Rs.9.867 million) in respect of staff retirement benefits.		
27.2 Auditors' remuneration			
Statutory audit		1,075	750
Half yearly review		375	250
Certifications		315	350
Audit of consolidated financial statements		250	--
Out of pocket expense		45	41
		2,060	1,391
28 SELLING AND DISTRIBUTION EXPENSES			
Transportation		197,312	27,746
Products handling charges		32,789	28,835
Wharf age on export sales		6,697	9,878
Transportation on export sales		58,808	42,390
Commission on export sales		291,869	59,994
Export development surcharge		22,985	15,030
Rent, rates and taxes		11,387	4,373
Retailing and branding		15,497	--
Others		366	4,563
		637,710	192,809
29 OTHER INCOME			
Income from financial assets			
Interest income		632,635	553,970
Income from non financial assets			
Gain on disposal of fixed assets		658	924
Joining income		35,650	6,900
Others		30,186	--
Gantry charges		--	3,196
Scrap sales		87	--
Land lease rent		43,750	43,750
		742,966	608,740

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

	2010 (Rs '000)	2009 (Rs '000)
30 FINANCIAL CHARGES		
Markup on:		
- Finance leases	41,567	53,391
- Term finance certificates	3,493	27,895
- Long term loans	1,113,176	185,688
- Short term borrowings and forced PADs	520,397	1,434,534
- Running finances	--	9,634
- Crude purchases	12,461	272,222
- Sponsor's loan	6,127	1,285
Markup on WPPF	5,202	5,647
Bank charges	6,384	2,400
Export charges	1,655	1,309
Exchange difference - Net	608,472	4,378,742
Loan arrangement fee	16,738	58,980
	2,335,672	6,431,727

31 OTHER CHARGES

Represents receivable from crude supplier written off during the year.

32 TAXATION - Current

The assessment of the group deemed to have been finalized upto tax year 2009.

32.1 Relationship between accounting loss and tax expense for the year

The current year provision is based on tax payable by the group under presumptive tax regime, whereby the tax collected from proceeds against export sales is final tax, as well as minimum tax under section 113 of the Income Tax Ordinance, 2001 based on turnover. Therefore there is no relationship between accounting loss and tax expense for the period.

33 LOSS PER SHARE - Basic and diluted

	2010 (Rs '000)	2009 (Rs '000)
33.1 Loss per share - Basic		
Net loss after taxation	(2,985,160)	(10,332,945)
	Number	
Weighted average number of ordinary shares	392,104,400	392,104,400
Loss per share - Basic (Rupees)	(7.61)	(26.35)
33.2 Loss per share - Diluted		
Net loss after taxation	(2,985,160)	(10,332,945)
Dilutive effect - net of tax	3,849	835
	(2,981,311)	(10,332,110)
	Number	
Weighted average number of ordinary shares	392,104,400	392,104,400
Dilutive effect	59,118,466	9,298,423
	451,222,866	401,402,823
Loss per share - Diluted (Rupees)	(6.61)	(25.74)

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

34 TRANSACTIONS AND BALANCES 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 36 to the financial statements. Transaction with related parties, other than those which have been specifically disclosed elsewhere in these financial statements, are as follows: -

	Note	2010 (Rs '000)	2009 (Rs '000)
34.1 Transactions with related parties			
Parent companies:			
Receipt of loan		1,485,881	242,936
Repayment of loan		--	170,140
Markup on loan		5,922	20,566
Associated companies:			
Purchase of operating fixed assets		4,216	6,594
Services received		293,495	62,659
Sale of fixed assets		--	701
Payment of rent		--	459
Receipt of loans		--	3,850,999
Repayment of loan and lease liabilities		533,320	160,370
Payment against services (freight for crude oil)		379,444	963,344
Markup on borrowings and leases		592,895	284,669
Land lease rentals		43,750	43,750
Shared expenses		30,136	--
Late payment income		7,935	--
Staff provident fund			
Payment of employees and group's contribution		44,217	28,447
34.2 Balances with related parties			
Parent companies:			
Long term loans	15	1,758,265	247,101
Markup payable	21	7,207	1,285
Associated companies:			
Long term loans	15	3,242,679	3,776,000
Markup payable	21	596,010	269,281
Receivable from Associated undertakings against			
Land lease rent	10	29,688	23,438
Markup receivable	11	33,012	42,432
Staff provident fund	20	--	2,753

35 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	
	2010	2009	2010	2009	2010	2009	2010	2009
	----- (Rs '000) -----							
Managerial remuneration	19,222	4,396	12,400	6,851	144,862	93,252	176,484	104,499
Provident fund	--	380	1,240	120	12,273	7,632	13,513	8,132
Housing and utilities	10,092	2,198	6,200	3,425	67,970	46,626	84,262	52,249
Leave passage	823	460	1,153	--	9,404	5,741	11,380	6,201
	30,137	7,434	20,993	10,396	234,509	153,251	285,639	171,081
Number of persons	1	2	1	2	88	63	90	67

The Chief Executive, Directors and certain executives are provided with company maintained vehicles. Directors are not taking any meeting fee.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

36 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The group 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 group's risk management framework. The Board is also responsible for developing and monitoring the group's risk management policies.

36.1 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 group'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:

	2010 (Rs '000)	2009 (Rs '000)
Trade debts	6,861,842	9,089,974
Deposits, accrued markup, loans and other receivables	148,303	125,737
Bank balances	1,046,253	2,078,377
	8,056,398	11,294,088

The group manages credit risk of receivables through the monitoring of credit exposures and continuous assessment of credit worthiness of its customers. The group 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.

The aging of trade debts at the reporting dates was:

	2010 (Rs '000)	2009 (Rs '000)
Not past due	664,052	326,293
Past due 0-30 days	421,851	4,743,989
Past due 30-150 days	2,090,789	3,877,591
Past due 150 days	3,685,150	782,101
	6,861,842	9,729,974

Based on past experience the management believes that no impairment allowance is necessary in respect of trade debts past due as 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, however, due to circular debt, receivable from PSO has increased, for which Ministry of Petroleum and Natural Resources has taken initiative for payment of the same. 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:

Notes to the Consolidated Financial Statements

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Name of Bank	Rating	Rating	
	Agency	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-

36.2 Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The group 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 twelve months	One to Two years	Two to five years
2010						
Financial liabilities						
Loans	10,159,779	13,218,411	1,578,624	1,483,348	2,709,541	7,446,898
Lease liabilities	313,974	442,456	69,773	69,132	101,183	202,368
Deposits	16,946	16,946	--	--	--	16,946
Trade and other payables	17,108,789	17,869,633	17,869,633	--	--	--
Short term borrowings	508,809	541,251	541,251	--	--	--
Accrued markup	1,415,236	1,415,236	1,415,236	--	--	--
	29,523,533	33,503,933	21,474,516	1,552,480	2,810,724	7,666,212
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

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

36.3 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 group's income or the value of financial instruments. The group is exposed to currency risk and interest rate risk only.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

36.3.1 Currency risk

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

	2010 (Rs '000)	2009 (Rs '000)
Loans	(1,758,265)	(247,101)
Markup on loans	(7,207)	(1,285)
Foreign creditors	(2,212,812)	(10,129,814)
Receivable from crude supplier	--	690,460
	(3,978,284)	(9,687,740)

	2010 (Rs '000)	2009 (Rs '000)
The following significant exchange rate has been applied:		
USD to PKR (Reporting date rate in Rupees)	85.60	81.30
USD to PKR (Average rate in Rupees)	84.17	78.89

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.

	2010 (Rs '000)	2009 (Rs '000)
Effect on loss	397,828	968,774

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.

36.3.2 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 group's exposure to the risk of changes in interest rates relates primarily to the following:

	2010 (Rs '000)	2009 (Rs '000)
Fixed rate instruments at carrying amounts:		
Financial Assets		
Balance with banks	264,419	1,848,492
Financial liabilities		
Term finance certificates	--	107,094

(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 Consolidated Financial Statements

For the year ended June 30, 2010

	2010 (Rs '000)	2009 (Rs '000)
Variable rate instruments at carrying amounts:		
Financial liabilities		
Loans	10,159,779	10,420,441
Lease liabilities	313,974	370,408
Short term borrowings	466,000	216,000
Trade payables	8,993,582	5,509,434
	19,933,335	16,516,283

Fair value sensitivity analysis for fixed rate instruments:

The group 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

	2010 (Rs '000)	2009 (Rs '000)
Increase	18,792	82,846
Decrease	18,792	82,846

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

36.4 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.

36.5 Capital risk management

The group's prime objective when managing capital is to safe guard the group'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.

37 INFORMATION ABOUT BUSINESS SEGMENTS

37.1 For management purposes, the group has determined following reportable operating segments on the basis of business activities i.e. oil refining and petroleum marketing businesses. Oil refining business is engaged in crude oil refining and selling of refined petroleum products to oil marketing companies. Petroleum marketing business is engaged in trading of petroleum products, procuring products from Oil refining business as well as from other sources. The quantitative data for segments is given below:

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

	Oil Refining Business	Petroleum Marketing Business	Eliminations	Total 2010
	----- (Rs '000) -----			
Revenue				
Net Sales to external customers	16,859,948	24,237,759	--	41,097,707
Inter-segment sales	16,824,154	--	(16,824,154)	--
Total Revenue	33,684,102	24,237,759	(16,824,154)	41,097,707
Result				
Segment results- (loss)/profit	(1,348,285)	943,738	--	(404,547)
Un-allocated expenses				(19,182)
				(423,729)
Interest expense				(1,702,423)
Interest income				638,625
Taxation				(128,824)
Loss for the year				(1,616,351)
Other Information				
Depreciation and amortization	623,650	10,830	--	

	2010 (Rs '000)
37.2 Geographical information	
Revenue from external customers	
Pakistan	32,320,908
United Arab Emirates	1,658,465
Taiwan	455,205
Oman	289,769
India	161,254
Afghanistan	6,212,106
	41,097,707

37.3 Revenues of Rs.12.487 billion and Rs.6.212 billion are derived from two customers.

37.4 Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions between third parties.

37.5 During the current period petroleum market business has been identified as reportable segment. During the last year it did not satisfy the criteria for reportability, and necessary information for the comparative is not available, therefore the information about operating segments is presented for current period only.

38 CAPACITY AND ANNUAL PRODUCTION	2010 (US Barrels in '000)	2009 (US Barrels in '000)
Designed annual refining capacity (at 330 days)	9,900	9,900
Actual throughput during the year	5,383	7,168
%age of actual throughput on attainable capacity	54%	72%

Notes to the Consolidated Financial Statements

For the year ended June 30, 2010

BPPL 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 period of two months. The company's projects e.g. construction of storage tanks which is now completed and single buoy mooring will cater the crude handling and storage constraints being faced by the BPPL.

39 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary to facilitate comparison. Significant reclassification was exchange difference amounting to Rs.4.379 billion previously presented separately in profit and loss account have now been reclassified under financial charges. The reclassification has been made for better presentation.

40 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on 7 December, 2010 in accordance with the resolution of the Board of Directors of BPPL.

41 FUNCTIONAL AND PRESENTATION CURRENCY

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



Director



Director

As the Chief Executive Officer is for the time being not in Pakistan the accounts have been signed pursuant to Section 241(2) of the Companies Ordinance, 1984, by two directors of the Company duly authorised by the Board of Directors.

Pattern of Shareholding

As at June 30, 2010

Size of Holding		No. of Shareholders	No. of Shares Held
From	To		
1	100	692	42,789
101	500	2,097	874,024
501	1000	2,696	2,538,499
1001	5000	5,723	15,999,578
5001	10000	1,692	13,469,826
10001	15000	566	7,240,823
15001	20000	373	6,771,454
20001	25000	228	5,335,707
25001	30000	136	3,851,501
30001	35000	86	2,805,592
35001	40000	51	1,960,405
40001	45000	38	1,618,340
45001	50000	94	4,626,956
50001	55000	25	1,320,920
55001	60000	31	1,801,513
60001	65000	22	1,399,901
65001	70000	17	1,164,860
70001	75000	18	1,318,980
75001	80000	14	1,096,205
80001	85000	10	834,055
85001	90000	6	524,223
90001	95000	8	740,700
95001	100000	37	3,684,028
100001	105000	11	1,123,190
105001	110000	7	761,910
110001	115000	9	1,013,801
115001	120000	6	712,400
120001	125000	7	866,627
125001	130000	7	894,496
130001	135000	3	402,000
135001	140000	3	410,000
140001	145000	2	288,500
145001	150000	10	1,493,681
150001	155000	3	455,035
155001	160000	2	315,040
160001	165000	1	160,001
165001	170000	1	169,000
170001	175000	4	695,800
175001	180000	5	886,258
185001	190000	3	563,050
190001	195000	1	194,430
195001	200000	9	1,799,400

Pattern of Shareholding

As at June 30, 2010

Size of Holding		No. of Shareholders	No. of Shares Held
From	To		
210001	215000	3	636,000
230001	235000	2	466,000
235001	240000	1	239,634
240001	245000	1	244,500
245001	250000	3	746,970
250001	255000	1	251,200
255001	260000	2	518,500
260001	265000	1	262,600
265001	270000	1	268,000
275001	280000	1	280,000
280001	285000	1	281,200
285001	290000	2	579,000
290001	295000	2	585,479
295001	300000	2	596,000
310001	315000	2	623,659
315001	320000	2	635,879
320001	325000	1	321,550
330001	335000	1	330,127
340001	345000	1	345,000
345001	350000	1	350,000
385001	390000	1	387,238
390001	395000	1	393,600
415001	420000	1	417,500
425001	430000	2	854,800
480001	485000	1	482,000
515001	520000	2	1,033,339
545001	550000	1	550,000
585001	590000	1	587,000
600001	605000	1	600,174
745001	750000	1	750,000
840001	845000	1	845,000
895001	900000	1	898,300
995001	1000000	1	1,000,000
1115001	1120000	1	1,118,528
1145001	1150000	1	1,146,890
1180001	1185000	1	1,182,766
2000001	2005000	1	2,000,640
2015001	2020000	1	2,020,000
2955001	2960000	1	2,957,567
5335001	5340000	1	5,336,500
48370001	48375000	1	48,371,847
216380001	216385000	1	216,383,911
TOTAL		14,809	392,104,396

Pattern of Shareholding

As at June 30, 2010

Shareholders' category	No. of Shareholders	No. of Shares	Percentage %
Associated Companies, Undertakings and Related Parties	2	264,755,758	67.52
Directors, CEO and their Spouses and minor children	7	382,826	0.10
Executives	10	182,773	0.05
Banks, Development Finance Institutions, Non-Banking Finance Institutions	8	330,269	0.08
Modarabas & Mutual Funds	9	2,408,670	0.61
Insurance Companies	4	257,200	0.07
Others	157	16,152,933	4.12
Individuals	14,612	107,633,967	27.45
TOTAL	14,809	392,104,396	100.00

ADDITIONAL INFORMATION

Shareholders' category	No. of Shareholders	No. of Shares held
Associated Companies, Undertakings and Related Parties		
Byco Busient Incorporated	1	216,383,911
Byco Industries Incorporated	1	48,371,847
Directors, CEO and their spouses and minor children		
Mr. Amir Abbassciy	1	102,126
Mr. Hamid Imtiaz Hanfi	1	268,000
Mr. Waqar Hassan Siddique	1	500
Mr. M. Raza Hasnani	1	500
Mr. Matteo Stefanel	1	500
Mrs. Uzma Abbassciy	1	5,600
Mrs. Samia Roomi	1	5,600
Executives	10	182,773
Banks, Development Financial Institutions, & Non-Banking Finance Institutions	8	330,269
Modarabas and Mutual Funds	9	2,408,670
Insurance Companies	4	257,200
Others	157	16,152,933
Individuals	14,612	107,633,967
TOTAL	14,809	392,104,396

Shareholders holding 10% or more voting interest

Byco Busient Incorporated	1	216,383,911
Byco Industries Incorporated	1	48,371,847

Notice of 16th Annual General Meeting

Notice is hereby given that the 16th Annual General Meeting of Byco Petroleum Pakistan Limited (formerly Basicor Pakistan Limited) will be held on Friday, 31st December 2010 at 9:30 am at Moosa D. Desai Auditorium, Institute of Chartered Accountants of Pakistan (ICAP) Clifton, Karachi to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the Extraordinary General Meeting of the Company held on 24th June 2010.
2. To receive, consider and adopt the audited financial statements for the year ended 30th June 2010 together with the directors' and auditors' reports thereon.
3. To appoint auditors for the year 2010-11 and fix their remuneration. The present auditors M/s Faruq Ali & Co., chartered accountants, retire and being eligible offer themselves for reappointment.
4. To transact any other business with the permission of the Chair.

SPECIAL BUSINESS:

To consider and pass, with or without amendments, resolutions as special resolutions relating to the following special business:

5. To approve increase in the authorized capital of the Company from PKR 5 billion to PKR 12 billion and consequent amendments in the memorandum and articles of association of the Company.
6. To approve novation of various associated company loans to Byco Oil Pakistan Limited.
7. To approve the issuance of further capital by converting the loan given by Byco Oil Pakistan Limited to the Company without a right issue.

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



Shahana Ahmed Ali
Head Legal and Company Secretary

7th December 2010
Karachi

NOTES:

1. The register of members and the share transfer books of the Company will be closed from Saturday 25th December 2010 to Friday 31st December 2010 (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 Friday 24th December 2010 are entitled to attend, 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 / her to vote) is being provided with the notice sent to members.

Notice of 16th Annual General Meeting

5. Members are requested to notify immediately changes, if any, in their registered address.
6. CDC account holders will further have to follow the below 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 and/or the person whose securities are in group account and their registration details are uploaded as per the regulation, 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 and/or the person whose securities are in group account and their registration details are uploaded as per the regulations 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(I) (b) of the Companies Ordinance, 1984

This statement sets out the material facts concerning the special businesses (given at agenda items Nos: 5 to 7) to be transacted at the 16th Annual General Meeting of the Company to be held on 31st December 2010.

Agenda item No. 5:

The present authorized capital of the Company is PKR 5 billion divided into 500 million ordinary shares of PKR 10.00 each. The Company has obtained financing from its sponsor and associated companies of PKR 5.442 billion and intends to convert these subordinated loans into equity of the Company by issuing shares at a par value of PKR 10.00 without a rights issue.

The paid up capital is PKR 3.921 billion, which leaves a narrow margin between the authorized and issued capital. With a view to enabling the Company to issue further shares, the Board has recommended enhancement of the authorized capital from PKR 5 billion to PKR 12 billion divided into 1.2 billion shares of PKR 10.00 each. It is consequently necessary to amend alteration in the capital clauses of the Company's memorandum and articles of association as aforesaid.

Agenda item No. 6:

The Company has obtained financing of PKR 5.442 billion from its sponsor and associated companies, which was injected as subordinated and or working capital loans to demonstrate the sponsor's commitment to the initiatives embarked upon by the Company. Going forward, all loans borrowed from different companies will be novated to Byco Oil Pakistan Limited ("BOPL"), such that BOPL will become the sole associated company lender to the Company.

It is proposed that the BOPL/BPPL loans (as a result of novation mentioned above), together with the existing BOPL loan and accrued mark up thereon, be cancelled against the issuance of shares of BPPL at par value of PKR 10.00 per share, without a rights issue.

Agenda item No. 7:

Issuance of further capital of BPPL without a rights offering, as provided in the proviso to sub section (1) of Section 86 of the Companies Ordinance, 1984, pursuant to SECP's guide lines for the issuance of shares otherwise than rights by converting the loan given by BOPL to BPPL (directly and through the novations mentioned above) along with accrued mark up has already been approved by the board of directors of the Company. This injection without rights would save considerable time and cost that would otherwise be required for underwriters to fully underwrite the offer.

Byco Petroleum Pakistan Limited
(formerly Bosicor Pakistan Limited)

ADMISSION SLIP

The Sixteenth Annual General Meeting of Byco Petroleum Pakistan Limited (formerly Bosicor Pakistan Limited) will be held on Friday, 31st December 2010 at 9:30 am at Moosa D. 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.



Form of Proxy

Sixteenth Annual General Meeting

I/We _____

of _____

being member(s) of Byco Petroleum Pakistan Limited (formerly Bosicor Pakistan Limited) holding _____

_____ ordinary shares, hereby appoint _____

of _____ or failing him / her _____

of _____ who is / are also member(s) of Byco Petroleum Pakistan Limited (formerly 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 Sixteenth Annual General Meeting of the Company to be held on Friday, 31st December 2010, and at any adjournment thereof.

As witness my / our hands / seal this _____ day of _____ 2010

Signed by the said _____

in the presence of 1. _____

2. _____

Folio / CDC account No.

Signature on
revenue stamp
of appropriate
value

The 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 9th Floor, The Harbour Front, Dolmen City, HC-3, Block-4, Marine Drive, Clifton, Karachi - 75600, 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
Byco Petroleum Pakistan Limited
(formerly Bosicor Pakistan Limited)
9th Floor, The Harbour Front, Dolmen City
HC-3, Block-4, Marine Drive, Clifton
Karachi-75600, Pakistan