ANNUAL REPORT 2014/15

Byco Petroleum Pakistan Limited

ANNUAL REPORT 2014/15

IMAGINED. REALIZED.

Contents

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 in the development of infrastructure, in order to become a single-source supply chain for meeting the economy's chemicals, energy, petroleum and petrochemical requirements, thereby providing the best possible returns to all our stakeholders

Code of Ethics

Byco is engaged in the manufacturing of a wide range of petroleum products. We aim to achieve sustainable productivity and profitability, while maintaining highest standards of care for the environment and health and safety. This practically means enacting policies that assure ongoing human resource development, enhancement of value addition, implementation of conservation measures, growth up-gradation and the addition of newer generation technologies. Our Company believes in the application of business ethics as have been embodied in this document.

1. 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 all its business activities.

2. Safeguarding of Shareholders' interest and a worthwhile return on equity is an integral part of our business ethics.

3. We believe in servicing customers by providing products which are manufactured and priced competitively, and which are also meeting or exceeding the environmental standards of the country.

4. We are an equal opportunity employer and proactively invest in our human capital, offering competitive employment terms and providing a safe and congenial working environment to all our employees.

5. We believe that profit is 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.

6. In view of the critical importance of our business and its impact on the national economy, our Company provides all relevant information concerning its activities transparently to all stakeholders, subject to any overriding confidentiality.

Muhammad Mujtaba Jafarey
Chief Executive Officer

Company Information

Board of Directors

Hamid Imtiaz Hanfi
Chairman

Muhammad Raza Hasnani
Vice Chairman

Muhammad Mujtaba Jafarey
Chief Executive Officer

Ovais Mansoor Naqvi
Director

Philip Harris
Director

Diana Brush
Director

Richard Legrand
Director

Javed Akbar
Director

Company Secretary

Shahana Ahmed Ali

Audit Committee

Philip Harris

Muhammad Raza Hasnani

Diana Brush

Strategy & Risk Management Committee of the Board

Muhammad Raza Hasnani

Hamid Imtiaz Hanfi

Diana Brush

Services & Stakeholders Committee of the Board

Muhammad Raza Hasnani

Hamid Imtiaz Hanfi

Diana Brush

Chief Financial Officer

Muhammad Imran Shaikh

Legal Counsel

Shahana Ahmed Ali

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Barclays Bank Plc, Pakistan
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
KASB Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Silkbank Limited
Standard Chartered Bank (Pakistan) Limited
Soneri Bank Limited
Summit Bank Limited
Sindh Bank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Shares Registrar

FAMCO Associates (Pvt) Limited
8-F, Next to Hotel Faran Nursery,
Block - 6, P.E.C.H.S,
Shahrah-e-Faisal, Karachi

Tel: (92 21) 3438 0101
3438 0102
Fax: (92 21) 3438 0106

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 Safety and Security (EHSS) Policy

Byco is committed to delivering a sustainable world class performance through prevention of injury & ill-health, preservation of environment and safeguarding health, safety & welfare of those who work at or visit our sites in a manner that is compliant with local laws, customs and culture.

We derive strength from our core values of fairness and honesty, integrity, respect, teamwork, trust and transparency, passion for excellence and tenacity in achieving results. As a corporate entity, we care about people and the world in which we live in.

We have deployed best leadership and management structure to deliver this policy and provide an unbroken chain of responsibility & accountability for EHSS.

EHSS GUIDING PRINCIPLE

- Identify and eliminate or otherwise control, EHSS risks to our people, our communities and the environment in which we operate.
- Use EHSS risk framework to develop and deliver measurable EHSS objectives and targets.
- Ensure employees are equipped and trained to achieve our goal of zero incidents, injuries and illnesses.
- Encourage employees to adopt a healthy, safe and environmentally conscious lifestyle both at work and home.
- Continuously seek to reduce environmental impact of our business operations by:
  - Improving energy efficiency and natural resource consumption
  - Reusing and recycling materials to minimize waste and pollution
  - Endeavor to protect and restore bio-diversity
  - Undertaking specific programs to reduce greenhouse gas emissions from our business
- Generate sustainable EHSS performance through long term, mutually beneficial relationships with our communities, governments, our business partners and other stakeholders.

COMMITMENT TO EHSS POLICY

- Management Team is accountable for delivery of EHSS improvements and providing necessary resources to do so.
- All related to our business must understand their responsibilities towards EHSS and demonstrate their commitment through actions towards achieving our goal of zero incidents.
- Complying with all applicable laws, EHSS standards and other voluntary requirements.
- Developing, implementing and maintaining recognized management systems and programs that ensure appropriate and consistent implementation of this EHSS policy.
- Obtaining assurance of our EHSS policy and management systems through regular audits and reviews of our performance.
- Promoting effective employee, contractor and stakeholder participation in and awareness of EHSS issues and programs related to our operations through training, communication and regular public reporting of performance.

Muhammad Mujtaba Jafarey
Chief Executive Officer

Finanical Highlights

Byco Petroleum Pakistan Limited
Investor Information

	2015	2014	2013	2012	2011	2010
BALANCE SHEET						
Share Capital	9,779	9,779	9,779	9,779	9,779	3,921
Share holders' equity	(29)	(14,279)	(8,667)	(6,723)	(3,992)	(8,069)
Property, plant and equipment	13,716	14,928	17,625	18,373	18,678	14,042
Intangible asset	-	-	3	6	9	15
Long term investment	5,729	5,729	5,729	5,729	2,087	2,087
Long term advance	16,931	-	-	-	2,346	2,349
Long term deposits	10	7	14	19	21	59
Stock in trade	4,860	8,778	5,704	2,956	4,113	4,928
Trade debts	9,349	10,245	12,124	9,729	6,658	6,862
Total current assets	19,066	38,589	20,537	14,483	12,598	13,596
Total current liabilities	36,892	37,786	29,470	37,177	29,497	26,318
Short term borrowings	738	6,402	6,800	7,650	-	509
Current portion of non-current liabilities	3,729	2,655	1,636	2,442	1,933	1,977
Non-current liabilities	13,372	16,216	17,848	2,574	4,305	10,039
Loan from sponsors	-	-	-	-	-	5,001
PROFIT AND LOSS ACCOUNT						
Net sales	94,807	92,545	66,187	19,453	38,944	41,098
Cost of sales	89,941	92,136	66,111	21,170	38,169	40,430
Gross profit / (loss)	4,866	409	76	(1,717)	775	667
Operating profit / (loss)	2,935	(2,695)	751	(233)	246	1,539
Financial charges	2,758	2,793	2,645	2,965	2,096	3,026
(Loss) / profit before taxation	(151)	(6,325)	(2,085)	(3,197)	(1,850)	(1,488)
(Loss) / profit after taxation	72	(5,937)	(2,259)	(3,078)	(1,987)	(1,616)
(Loss) / earnings per share	0.07	(6.07)	(2.31)	(3.15)	(4.91)	(4.12)

		2015	2014	2013	2012	2011	2010
Profitability Ratios							
Gross Profit	%	5.13%	0.45%	0.12%	-8.82%	1.99%	1.62%
Profit before Tax	%	-0.16%	-6.83%	-3.15%	-16.44%	-4.75%	-3.62%
Net Profit	%	0.08%	-6.42%	-3.41%	-15.82%	-5.10%	-3.93%
EBITDA Margin to sales	%	4.44%	-1.83%	2.67%	4.76%	2.41%	5.29%
Return on equity	%	1.39%	-117.52%	66.23%	-270.00%	-79.30%	38.40%
Liquidity Ratios							
Current Ratio	Times	0.52	1.02	0.70	0.39	0.43	0.52
Quick / Acid Test Ratio	Times	0.39	0.78	0.50	0.31	0.28	0.32
Activity / Turnover Ratios							
Inventory turnover	Days	27.67	28.69	23.90	60.90	43.20	42.50
Debtors turnover	Days	37.72	44.11	60.30	153.70	63.40	70.80
Creditors turnover	Days	120.80	95.39	111.00	446.60	258.40	200.10
Inventory turnover	Times	13.19	12.72	11.60	6.58	9.47	8.34
Debtors turnover	Times	9.68	8.27	5.46	2.00	5.85	5.99
Creditors turnover	Times	3.02	3.83	3.29	0.82	1.41	1.82
Total assets turnover ratio	Times	1.71	1.56	1.51	0.50	1.09	1.28
Fixed assets turnover ratio	Times	6.91	6.20	3.76	1.06	2.09	2.93
Financial Leverage Ratios							
Interest coverage ratio	Times	1.06	(0.96)	0.28	(0.08)	0.12	0.51
Debt to equity ratio	Times	(615.14)	(1.77)	(3.03)	(2.21)	1.42	(1.30)
Investment / Market Ratios							
Earnings per share	Rs.	0.07	(6.07)	(2.31)	(3.15)	(4.91)	(4.12)

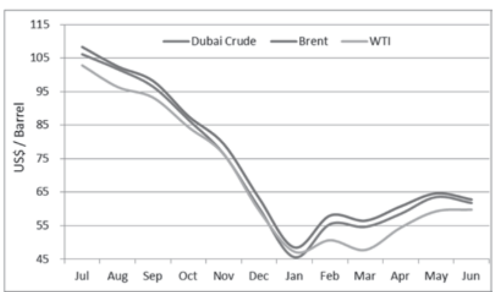
Directors' Report for the year ended June 30, 2015

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

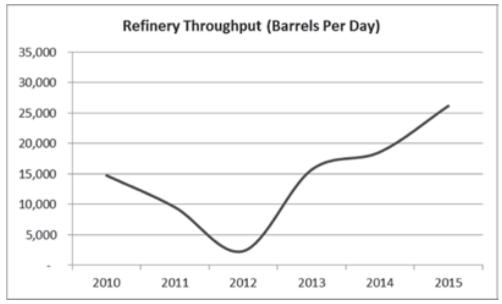
The Directors of your Company are pleased to present the Annual Report of the Company together with the audited, stand alone and consolidated, financial statements and auditors' report thereon for the year ended 30th June, 2015.

GLOBAL OIL PRICES AND PAKISTAN ECONOMY

The year under review has been extremely challenging for the entire oil sector and especially for the refineries, having commenced with a sharp decline in crude and product prices which persisted throughout the first half of the year. During the initial 6 months of the financial year, prices dropped by approximately 55%.The decline was attributed to strong non-OPEC supply growth notably shale oil by the United States, weak global demand, and, perhaps most importantly, OPEC's changing objective from price targeting to market share preservation.



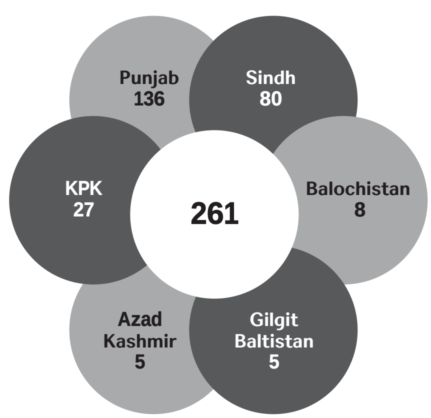
On the national front, the fiscal year ended with visible improvements in macroeconomic environment. External sector, which has been the weakest link in Pakistan's economy, improved considerably: (a) the current account, benefiting from a robust growth in workers' remittances, higher inflows under Coalition Support Fund (CSF), and a sharp reduction in oil prices, posted a notable surplus; and (b) the liquid foreign exchange reserves more than doubled, enough to finance Country's three months import bill. The resulting stability in the exchange rate, together with the government decision to pass-on the benefit of fall in international oil prices to domestic consumers and the prudent monetary management pushed CPI inflation down to decades' lowest level. Improvements in macroeconomic indicators led State Bank of Pakistan to continue with its accommodative monetary policy stance and reducing the policy rate by a cumulative 300 bps in FY15.



Despite the oil sector challenges, your Company succeeded in maintaining its growth momentum and we are pleased to report that your Company was able to increase its sales volume by 49% in current year.This increase in volume was, however, offset by a 55% reduction in oil prices. Net sales in current year reported at Rs. 94.8 billion compared Rs. 92.5 billion last year. This massive increase in sales volume was only possible due to improvisations and initiatives the Company has taken in logistics of petroleum products and improved business strategy for petroleum marketing business which enabled the Company to utilize its refining capacity at 9.5 million barrels, the highest ever recorded by the Company.

RETAIL MARKETING

NUMBER OF BYCO RETAIL OUTLETS



Directors' Report for the year ended June 30, 2015

The Company also fortified its Retail Marketing Business by establishing 11 new retail outlets at strategic locations during the year and it now has 261 retail sales outlets in all provinces of Pakistan including Azad Kashmir and Gilgit Baltistan.

During the year, the government also revised margins for Oil Marketing Companies (OMCs) which improved the profitability of Company's Marketing Business.

CONSUMER MARKETING

Our Consumer Sales segment has also been aggressively competing in the market by targeting key accounts in the industries. This business segment has shown significant growth in sales revenue and margins during the year under review.

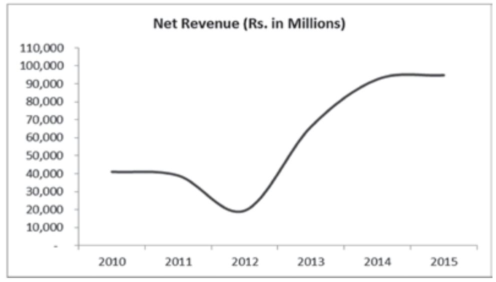
LUBRICANTS MARKETING

Your Company also commenced marketing Byco branded lubricants in automotive and industrial sectors and has received an encouraging response.The Company has introduced these under the brand names of Cnergy, Intelu and Byker.

FINANCIAL RESULTS

Net sales for the year amounted to Rs. 94.8 billion, 2% higher from last year despite a 55% fall in prices.This is attributable to the Company's pursuit of growth in higher margin products.

The Company earned gross profit of Rs. 4.9 billion in current year as compared to gross



profit of Rs. 409 million last year. This increase in gross profit was made possible due to significantly high sales volume, increased level of production which resulted in high absorption rate of manufacturing overheads and improved marketing margins. A lower inventory holding period and proactive supply chain management allowed the Company to limit its inventory losses.

The increased level of operations activity leads to increase in manufacturing expenses primarily due to more consumption of stores and spares, gases and chemicals.

Your Company emphasized on quick delivery of products and strengthened its supply chain network through greater use of pipeline network as well as road transportation. This led to 45% increase in selling and distribution expense which is in line with doubling up of sales volume. Administrative expenses remained within budget.

The Company remained under the regime of minimum tax on turnover basis in the current year as well. Based on above results, profit after tax for the year amounted to Rs. 72 million and earnings per share for the year was Rs. 0.07 compared to a loss per share of Rs. 6.07 in last year. On a consolidated basis, BPPL's Group loss per share amounted to Rs. 0.66 (2014: Rs. 6.49). There has been a delay in payment of Government dues (as mentioned in note 22 to the financial statements) due to delay in recovery of some dues and utilization of funds for clearing some old outstanding government dues.

In summary, 2015 has been a year of significant improvement in the performance of the Company and we look forward to continued improvement in 2016 and beyond. The management of your Company continues to work on further improving its operational performance as well as engaging with relevant authorities on resolution of government related issues.

For a more comprehensive look at the financials of your Company over the last six years, refer to page 8.

Directors' Report for the year ended June 30, 2015

BYCO TERMINALS PAKISTAN LIMITED - Subsidiary Company

The Single Point Mooring (SPM) project of our subsidiary company, Byco Terminals Pakistan Limited (BTPL) operated successfully throughout the year and continued to provide support for economical crude oil and product imports. During the year, 29 vessels berthed on SPM without any hindrance. In order to expand the usage of SPM, your Company started importing Furnace Oil through the SPM facility for onward supply to marketing company.

BTPL has also embarked upon expanding its terminals footprint across the Country and has acquired lands in Shikarpur, Mehmoodkot and Machike for development purposes, with the Mehmoodkot Terminal now in commissioning phase.

BTPL incurred net loss of Rs. 480 million (2014: Rs. 273 million) primarily due to financial charges on long term loan and depreciation. It is expected that these losses will positively be recovered in subsequent years with the increased utilization of SPM facility and storage terminals.

BYCO ISOMERISATION PAKISTAN (PRIVATE) LIMITED - Subsidiary Company

Last year, in order to improve the capital structure of the Company, the shareholders of the Company had approved the proposal to sell Isomerisation unit of the Company to a wholly owned subsidiary company namely Byco Isomerisation Pakistan (Private) Limited (BIPL). We are pleased to inform that the above mentioned sale transaction has been executed in current year and the asset has been transferred to BIPL.

The Isomerisation unit was run for some duration of the year, achieving its sustainable throughput around the close of financial year. Now, with the inauguration of Byco Oil Pakistan Limited's refinery, we expect that the unit will bring substantial increase in margin and saving in transportation and storage cost of naphtha.

BIPL incurred a net loss of Rs. 313 million in current year primarily due to the depreciation on fixed assets. With the increase in throughput of BPPL and commencing of operations of Byco Oil Pakistan Limited's (BOPL) refinery, large quantity of Naphtha is expected to be processed next year which will help in improving BIPL profitability.

DIESEL HYDRO DESULPHURIZATION (DHDS)

Your Company is committed to install a DHDS unit which reduces the Sulphur contents in Diesel to make it more environmental friendly and Euro II compliant. Though the Government has set deadline of year 2015 for completion of DHDS unit by all the refineries, keeping in view the ground realities and progress of refineries in this regard, it is expected that the timeline would be extended.

REASONS FOR NOT DECLARING DIVIDEND

Considering the Company's financial commitments, the Directors do not recommend any appropriations for the year ended 30th June, 2015.

AUDITORS' OBSERVATION

The auditors have included a paragraph in their report whereby they have highlighted the following:

(i) use of going concern assumption followed in preparation of the financial statements. Their observation is based on some negative indicators like loss before taxation and net current liability position. As stated above, the management has taken several steps to address the above issue by improving the supply chain and cash conversion cycle, tapping new customers in petroleum marketing business entering into crude import term contracts, etc. results of which have already started flowing to the Company which can be gauged from the current year's performance. Hence, the management is of the view that these negative conditions are temporaryand would reverse in foreseeable future. The main reasons for the loss 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 and

(ii) procurement of No Objection Certificates (NOCs) from lenders in respect of sale of Isomerization plant to Company's wholly owned subsidiary. As discussed in earlier paragraph, the Company has requested all of its lenders and four out of eight financial institutions have already provided their NOC. The Company is pursuing rest of the lenders for their consent and the same is expected to be received in due course of time.

INAUGRATION OF BYCO OIL PAKISTAN LIMITED'S REFINERY

Towards year end, the oil refinery of our parent company, Byco Oil Pakistan Limited (BOPL), was inaugurated by the honorable Prime Minister of Pakistan Mian Mohammad Nawaz Sharif. With the inauguration of BOPL refinery, significant synergy benefits are expected to be realized by your Company.

MERGER WITH AND INTO BYCO OIL PAKISTAN LIMITED AND BYCO TERMINALS PAKISTAN LIMITED

Subsequent to the end of the year, the Board of Directors of your Company considered and approved in principle a potential merger of the Company and its wholly owned subsidiary, Byco Terminals Pakistan Limited, with and into Byco Oil Pakistan Limited (BOPL). Upon merger, the Company will be delisted from the stock exchanges and the surviving entity i.e. BOPL will be listed on the stock exchange and minority shareholders of the Company shall be provided shares of BOPL in exchange of shares of the Company as per the share swap ratio. This entire process is, however, subject to the approval by the courts and completion of required legal and corporate formalities.

The proposed merger is expected to bring significant benefits to the Company such as:

(i) **Larger asset base:** increase in the asset base and size of the surviving entity would improve growth prospects and the ability to undertake large investments. Further, the larger size of equity and asset base shall provide greater comfort to existing and potential creditors of the merged entity. Moreover, it may also assist the management to have access to more external funds at competitive rates.

(ii) **Synergies:** The amalgamations shall provide an opportunity to operate the businesses of BOPL, BPPL and BTPL through consolidated departments, thus resulting in economies of scales.

(iii) **Integration:** The amalgamations will strengthen BOPL's activities by integrating different stages involved within the oil industry including, but not limited to, refining, storage, marketing, distribution and transportation, thereby giving room in future for expansion of its business and consequently further improvingeconomics of scale.

(iv) **Increase in risk absorption capacity:** The larger size of the merged / amalgamated entity as well as the integration (discussed above) is expected to increase the merged entity's risk absorption capacity, thus enhancing the capacity to manage the potential risks arising out of adverse and uncertain operating environments. In the long run, this factor can provide greater stability as well as sustainability in operations.

(v) **Single corporate and tax reporting:** The amalgamations will make single corporate and tax reporting possible for the merged entity. The same will entail elimination of maintenance of separate records for business operations, selling, purchasing, marketing, legal, administrative and secretarial, and other records, under the various laws resulting in duplication of work and higher costs.

Directors' Report for the year ended June 30, 2015

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company is active in Corporate Social Responsibilities (CSR) as well. The unskilled, semi skilled and skilled jobs are being provided to local community periodically. Sports activities, medical camps, rain victim support, drinking water, ambulance and emergency medical assistance are also being provided to the local community.

Your Company has actively participated in various programs initiated by various Non-Governmental Organizations (NGOs). Byco employees volunteered with Injaz Pakistan whereby they engaged with children of under developed area and carried out skill development sessions to improve their productivity to the community.

Earth Day was observed on April 22, 2015 where all Byco Staff was invited to wear Earthy Colours to office. The theme for current year was "Reduce, Reuse and Recycle" all day.

The Company is also operating a management training program whereby fresh graduates from different disciplinesare provided training opportunity to enable them to get practical on hand experience. Further, summer internships are also offered to students from various academic institutions.

In addition, the Company has initiated the development of a Sustainability Strategy covering the "3 Ps" concept (Profits, People, Place). Salient features of the sustainability strategy are available on page 105 of this Annual Report.

ENVIRONMENT, HEALTH, SAFETY AND SECURITY(EHSS)

During the year, significant achievements were made by the Company in the area of EHSS. A total of 9.40 million safe man hours were achieved since November, 2005 without a Lost Time Injury (LTI). The Total Recordable Incidents Rate (TRIR) for the year was 0.32 against the permissible limit of less than 0.5.

Your Company has introduced solar panels at some of its retail stations whereby basic electric requirements are being met through green energy. The Company intends to deploy more of these panels on its retail stations. In addition, tree plantation is part of a consistent activity carried out by the Company alongwith observing Earth Day.

CONTRIBUTION TO THE NATIONAL EXCHEQUER

During the current year, your Company contributed an amount of Rs. 25 billion to the national exchequer on account of direct and indirect taxes and levies. In addition the Company brought valuable foreign exchange of approximately US$ 87.4 million into the economy, through the exports of petroleum product thereby contributing towards reducing burden on the country's balance of payment.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Company has been and remains committed to the conduct of its business in line with the code of corporate governance and the listing regulations of the stock exchanges of Pakistan. As required by the Code of Corporate Governance, following is the statement of compliance with the Corporate and Financial Reporting Framework of the Code:

The Directors are pleased to confirm that:

- The financial statements of the Company have been prepared by the management and represent fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- The Company has maintained proper books of accounts as required under the Companies Ordinance, 1984.
- Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and deviation if any, has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- During the year six meetings of the Board of Directors were held and attendance by the directors was as follows:

Directors' Report for the year ended June 30, 2015

Name of Directors	Number of BOD Meetings Attended
Hamid Imtiaz Hanfi	5
Muhammad Mujtaba Jafarey	6
Muhammad Raza Hasnani	6
Diana Brush	6
Richard Legrand	2
Philip Harris	5
Ovais Mansoor Naqvi	-
Adnan Siddiqui	-
Javed Akbar	1

The Board of Directors gave leave of absence to those directors who were unable to attend.

Attendance of directors in Board Sub-Committee meetings is given below:

Board Audit Committee Meeting	Number of Meetings Held	Number of Meetings Attended
Philip Harris	4	3
Muhammad Raza Hasnani	4	4
Diana Brush	4	2

Strategy & Risk Management Committee Meeting	Number of Meetings Held	Number of Meetings Attended
Muhammad Raza Hasnani	1	1
Hamid Imtiaz Hanfi	1	1
Diana Brush	1	1

PATTERN OF SHAREHOLDING

- The pattern of shareholding and additional information as at June 30, 2015 appears on page 114 of the Annual Report of your Company
- Byco Oil Pakistan Limited holds 80.84% shares, financial institutions and banks hold 0.05% shares and 19.11% shares are held by individuals.
- No trading in the shares of the Company was done by the directors, executives or their spouses and minor children during the year.

VALUE OF INVESTMENT IN POST EMPLOYMENT BENEFIT FUND

The value of investment of provident fund is as under:

	2015 (Unaudited)	2014 (Audited)
As at June 30 (Rs. in '000)	99,440	93,835

EXTERNAL AUDITORS

The auditors Messrs Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants retired and offered themselves for reappointment. The Audit Committee has recommended the reappointment of Messrs Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants as auditors for the year ending June 30, 2016.

ACKNOWLEDGEMENT

The Board wishes to express appreciation and place on record its gratitude for the co-operation extended to your Company by Government of Pakistan and strategic partners including financial institutions, vendors, suppliers, customers and shareholders of your Company.

We would also like to thank our dedicated employees for their commitment towards sustainable operations during these trying times.

For and on behalf of the Board of Directors

Chief Executive Officer
Karachi
September 17, 2015

Statement of Compliance

with the Code of Corporate Governance

Byco Petroleum Pakistan Limited

Year ended 30th June 2015

The Company has applied the principles contained in the Code of Corporate Governance (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. As at 30th June 2015, the board consisted of:

Category	Names
Independent Director	Philip Harris
Executive Directors	Muhammad Mujtaba Jafarey Hamid Imtiaz Hanfi
Non-Executive Directors	Muhammad Raza Hasnani Javed Akbar Diana Brush Richard Legrand Ovais Mansoor Naqvi

2. The directors have confirmed that they are not directors on the boards of more than seven listed companies.

3. All the resident directors are registered taxpayers and none of them has defaulted in the payment of any loan to a banking company, a DFI or NBFI, or being a member of a stock exchange, has been declared a defaulter.

4. During the year one casual vacancy occurred, which was created by the resignation of Mr. Adnan Siddiqui on 5th January 2015. Mr. Javed Akbar was appointed a director to fill the casual vacancy on 23rd February 2015.

5. The Company has prepared a 'Code of Conduct' and has ensured that appropriate step have been taken to disseminate it throughout the company along with the supporting policies and procedures.

6. The board has developed vision and mission statements, overall corporate strategy and significant policies. A complete record of particular policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including the appointment, and determination of remuneration, and the terms and conditions of employment of the Chief Executive Officer, executive and non-executive directors, have been taken by the Board / Shareholders.

8. The Board met six times during the year. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter except for the first quarter in which no meeting of the Board was held. Written notices of the Board meetings, except urgent meetings, along with the agendas and working papers, were circulated at least seven days before the meetings and the minutes of the meetings were appropriately recorded and circulated.

9. While almost all the directors are professionals and senior executives who possess wide experience and awareness of the duties of directors, the Company intends to comply with the directors' training as required by the Code and completion of certification within the prescribed period of 30th June 2012 to 30th June 2016.

10. The Board has approved the appointment of Chief Financial Officer of the company including remuneration and terms and conditions of employment. There has been no change in the positions of Company Secretary and Head of Internal Audit during the year.

11. The director's report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the board.

13. The directors, chief executive officer and other executive's do not have any interest in the shares of the Company other than what has been disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the Code.

Statement of Compliance
with the Code of Corporate Governance
Byco Petroleum Pakistan Limited
Year ended 30th June 2015

15. The Board formed an audit committee, comprising of three members, all of whom including the chairman, are non-executive directors.

16. The meetings of the Audit Committee were held once in every quarter except for first quarter as required by the Code. The meetings of the Audit Committee were held prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board formed a human resource and remuneration committee by the name of Strategy & Risk Management Committee, comprising of three members, two of them are non-executive directors (including the chairman of the committee), and one member is executive director.

18. The Board has setup an effective internal audit function for the Company, which was fully operational during the year.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any 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 the International Federation of Accountants (IFAC) guidelines on the Code of Ethics as adopted by the ICAP.

20. 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.

21. The closed period prior to the announcement of interim and final results, and business decisions that may materially affect the market price of the Company's shares, was determined and intimated to the directors, employees and the stock exchange(s).

22. Material / price sensitive information was disseminated among all market participants at once through the stock exchange(s).

23. We confirm that all other material principles enshrined in the Code have been fully complied with except for the mechanism for the annual evaluation of the board's own performance which is not yet established, toward which reasonable progress is being made by the company to seek compliance by the end of next accounting year.

Muhammad Mujtaba Jafarey
Chief Executive Officer

September 17th, 2015

Review Report to the Members on Statement of Compliance
with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Byco Petroleum Pakistan Limited (the Company)** for the year ended **30 June 2015** to comply with the requirements of Listing Regulation No. 35 Chapter XI of Karachi Stock Exchange Limited, Lahore Stock Exchange Limited and Islamabad Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code 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 and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of the 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 of Directors' 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.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors' for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of 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, as applicable to the Company for the year ended 30 June 2015.

Further, we highlight below instances of non-compliance with the requirement of the Code as reflected in paragraph reference where these are stated in the Statement of Compliance:

S. No	Paragraph Reference	Description
I.	8 and 16	The Company held no meetings of the Board of Directors and the Audit Committee in the first quarter of the financial year.
II.	9	Arrangement for directors' training program is currently in progress.
III.	23	The mechanism for development of an annual evaluation plan to evaluate the Board of Directors' own performance is currently in process.

Chartered Accountants
Audit Engagement Partner:
Riaz A. Rehman Chamdia
Karachi

Ernst & Young Ford Rhodes Sidat Hyder

17th September 2015

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Unconsolidated Financial Statements For The Year Ended June 30, 2015

Auditors' Report to the Members

We have audited the annexed unconsolidated balance sheet of **Byco Petroleum Pakistan Limited** as at **30 June 2015** and the related unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated 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 purposes 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 the 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 account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the unconsolidated balance sheet and unconsolidated 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 changes as stated in note 3.3 to the unconsolidated 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 unconsolidated balance sheet, unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated 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 30 June 2015 and of the profit, 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;

e) We draw attention to the following notes to the unconsolidated financial statements:

   (i) note 2 which states that the Company has accumulated losses as at 30 June 2015 amounting to Rs. 9,807.784 million and its current liabilities exceed its current assets by Rs. 17,826.355 million. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. However, the unconsolidated financial statements have been prepared on going concern basis based on the mitigating factors, as more fully explained in note 2 to the unconsolidated financial statements.

   (ii) note 15 which states that during the year, the Company sold its Isomerisation plant to its wholly owned subsidiary against the Ordinary shares to be issued to the Company. The said asset is under encumbrance of the consortium banks against financing provided to the Company, however, required prior approvals in the form of No Objection Certificates are pending from certain banks.

Our opinion is not qualified in respect of the above matters.

f) The unconsolidated financial statements of the Company for the year ended 30 June 2014 were audited by another firm of Chartered Accountants whose report dated 16 December 2014 expressed an unqualified opinion thereon.

Chartered Accountants
Audit Engagement Partner:
Riaz A. Rehman Chamdia
Karachi

Ernst & Young Ford Rhodes Sidat Hyder

17th September 2015

Unconsolidated Balance Sheet
As at 30 June 2015

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	13,715,845	14,928,448
Long-term investment - at cost	6	5,729,258	5,729,258
Long-term advance	7	16,931,504	-
Long-term deposits	8	9,803	7,314
		36,386,410	20,665,020
CURRENT ASSETS			
Stores and spares		279,196	204,300
Stock-in-trade	9	4,859,615	8,777,507
Trade debts	10	9,349,396	10,244,919
Loans and advances	11	1,497,310	742,706
Trade deposits and short-term prepayments	12	23,188	114,679
Other receivables	13	1,796,713	665,235
Accrued interest		572,610	435,052
Cash and bank balances	14	687,576	472,635
Non-current assets classified as held for sale	15	-	16,931,504
		19,065,604	38,588,537
TOTAL ASSETS		55,452,014	59,253,557
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	16	9,778,587	9,778,587
Accumulated losses		(9,807,784)	(24,057,777)
		(29,197)	(14,279,190)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	17	5,217,476	19,330,709
NON-CURRENT LIABILITIES			
Long-term financing and deferred mark-up	18	12,224,800	14,328,673
Liabilities against assets subject to finance lease	19	1,730	4,948
Long-term deposits	20	108,978	87,478
Deferred liabilities	21	1,036,268	1,794,638
		13,371,776	16,215,737
CURRENT LIABILITIES			
Trade and other payables	22	31,553,626	27,981,013
Accrued mark-up	23	183,727	416,985
Short-term borrowings - secured	24	737,609	6,402,108
Current portion of non-current liabilities	25	3,729,000	2,655,000
Liabilities against assets subject to finance lease	19	4,970	15,411
Taxation- net		683,027	515,784
		36,891,959	37,986,301
CONTINGENCIES AND COMMITMENTS	26		
TOTAL EQUITY AND LIABILITIES		55,452,014	59,253,557

The annexed notes 1 to 45 form an integral part of these unconsolidated financial statements.

Chief Executive

Director

Unconsolidated Profit and Loss Account
For the year ended 30 June 2015

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
Sales	27	94,807,329	92,545,372
Cost of Sales	28	(89,940,833)	(92,136,317)
Gross profit		4,866,496	409,055
Administrative expenses	29	(582,239)	(578,324)
Selling and distribution expenses	30	(2,600,286)	(1,794,389)
Other expenses	31	(801,036)	(1,813,543)
Other income	32	2,051,774	1,081,858
		(1,931,787)	(3,104,398)
Operating profit/ (loss)		2,934,709	(2,695,343)
Finance costs	33	(3,086,143)	(3,629,253)
Loss before taxation		(151,434)	(6,324,596)
Taxation	34	223,731	387,450
Profit /(loss) after taxation		72,297	(5,937,146)
		-----------Rupees----------	
Earnings/ (loss) per share - basic and diluted	35	0.07	(6.07)

The annexed notes 1 to 45 form an integral part of these unconsolidated financial statements.

Chief Executive

Director

Unconsolidated Statement of Other Comprehensive Income
For the year ended 30 June 2015

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
Profit / (loss) after taxation		72,297	(5,937,146)
Other comprehensive income for the year			
Items that may not be reclassified subsequently to profit and loss account			
Actuarial loss on re measurement of defined benefit obligation	21.2.7	(2,476)	(9,591)
Total comprehensive income for the year		69,821	(5,946,737)

The annexed notes 1 to 45 form an integral part of these unconsolidated financial statements.

Chief Executive

Director

Unconsolidated Cash Flow Statement
For the year ended 30 June 2015

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(151,434)	(6,324,596)
Adjustments for non-cash items and other charges:			
Depreciation	5.1	1,272,064	1,000,127
Amortization on intangible assets		-	2,957
Finance costs	33	3,086,143	3,629,253
Provision for doubtful debts	10.2	399,608	462,370
Provision for gratuity	21.2.6	23,799	20,960
Capital work-in-progress written off		-	9,549
Interest income	32	(780,826)	(927,608)
Gain on disposal of operating fixed assets	32	(944)	(2,106)
Net cash flows before working capital changes		3,848,410	(2,129,094)
Movement in working capital			
Decrease / (increase) in current assets			
Stores and spares		(74,896)	(40,982)
Stock-in-trade		3,917,892	(3,073,995)
Trade debts		984,516	1,956,732
Loans and advances		(660,842)	(240,534)
Trade deposits and short-term prepayments		91,491	354,367
Other receivables		(1,131,478)	(165,291)
		3,126,683	(1,209,703)
Increase in current liabilities			
Trade and other payables		3,229,985	6,965,421
Cash generated from operations		10,205,078	3,626,624
Finance costs paid		(1,565,658)	(1,325,066)
Income taxes paid		(351,125)	(160,109)
Gratuity paid		(26,000)	(16,997)
Interest income received		154,667	233,206
Net cash generated from operating activities		8,416,962	2,357,658
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(92,593)	(440,320)
Sale proceeds from disposal of operating fixed assets		4,719	9,368
Long-term deposits - net		19,011	31,028
Net cash used in investing activities		(68,863)	(399,924)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term loan		(2,455,000)	(1,600,000)
Short-term borrowings - net		(5,664,499)	(397,892)
Liabilities against assets subject to finance lease - net		(13,659)	(47,672)
Net cash used in financing activities		(8,133,158)	(2,045,564)
Net increase / (decrease) in cash and cash equivalents		214,941	(87,830)
Cash and cash equivalents as at beginning of the year		472,635	560,465
Cash and cash equivalents as at end of the year	14	687,576	472,635

The annexed notes 1 to 45 form an integral part of these unconsolidated financial statements.

Chief Executive

Director

Unconsolidated Statement of Changes in Equity
For the year ended 30 June 2015

	Issued, subscribed and paid up capital	Accumulated loss	Total
	---------------- (Rupees in '000)	----------------	
Balance as at 01 July 2013	9,778,587	(18,445,525)	(8,666,938)
Net loss for the year	-	(5,937,146)	(5,937,146)
Other comprehensive income for the year	-	(9,591)	(9,591)
Total comprehensive income for the year	-	(5,946,737)	(5,946,737)
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	-	334,485	334,485
Balance as at 30 June 2014	9,778,587	(24,057,777)	(14,279,190)
Balance as at 01 July 2014	9,778,587	(24,057,777)	(14,279,190)
Net profit for the year	-	72,297	72,297
Other comprehensive income for the year	-	(2,476)	(2,476)
Total comprehensive income for the year	-	69,821	69,821
Transfer of revaluation surplus relating to non-current assets classified as held for sale sold off during the year	-	13,661,086	13,661,086
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	-	519,086	519,086
Balance as at 30 June 2015	9,778,587	(9,807,784)	(29,197)

The annexed notes 1 to 45 form an integral part of these unconsolidated financial statements.

Chief Executive

Director

Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Byco Petroleum Pakistan Limited (the Company) was incorporated in Pakistan as a public limited company on 09 January 1995 under the Companies Ordinance, 1984 and was granted a certificate of commencement of business on 13 March 1995. The shares of the Company are listed on Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the Company is situated at The Harbour Front, 9th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi - 75600, Pakistan. Byco Oil Pakistan Limited (Parent Company) holds 80.84% (30 June 2014: 80.84%) shares in the Company. The Parent Company is a wholly owned subsidiary of Byco Industries Incorporated (BII), Mauritius (Ultimate Parent Company). The Company is principally engaged in the production, marketing and sale of petroleum products.

The Company currently operates two business segments namely Oil Refinery Business and Petroleum Marketing Business. The Company commenced its Oil Refining Business in 2004. The refinery has a rated capacity of 35,000 bpd (barrels per day). Petroleum Marketing Business was formally launched in 2007 and has 261 retail outlets across the country.

1.2 Subsequent to the year end, the Board of Directors of the Company in a meeting held on 21 July 2015 considered and approved in principle a potential merger of the Company and its wholly owned subsidiary, Byco Terminals Pakistan Limited, with and into its Parent Company, Byco Oil Pakistan Limited. This entire process is, however, subject to the approval by the courts and completion of required legal and corporate formalities.

1.3 These unconsolidated financial statements are separate financial statements of the Company in which investments in subsidiaries and associates are accounted for on the basis of direct equity interest and are not consolidated.

2. GOING CONCERN ASSUMPTION

As at 30 June 2015, the Company's accumulated losses amounted to Rs.9,807.784 million (30 June 2014: Rs. 24,057.777 million). Moreover, current liabilities of the Company exceeded current assets by Rs. 17,826.355 million.

The conditions indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. These unconsolidated financial statements have been prepared using the going concern assumption as the management is confident that all these conditions are temporary, and would reverse in foreseeable future due to the reasons given below:

- the Company earned a profit after tax amounting to Rs. 72.297 million for the year as compared to a loss after tax of Rs. 5,937.146 million last year, showing improvement in the Company's profitability since last year;

- the throughput of the refinery was 9.55 million barrels as compared to 6.79 million barrels representing an increase of 41% from last year;

- the Company's Petroleum Marketing Business (PMB) has entered into various fuel supply arrangements with different marketable sectors such as shipping, power and energy, and high margin aviation fuel export market has also been tapped through these arrangements. Further, during the year, PMB segment has increased retail business by entering into different dealer financed, semi-financed and company financed agreements for opening of various retail outlets across the country. These factors of PMB segment has been and is expected to yield significant contribution towards the profitability of the Company;

- the Economic Coordination Committee (ECC) has approved the recovery of crude oil transportation through Inland Freight Equalization Margin (IFEM) pool which would result in future cost savings for the Company. Further, the Competition Commission of Pakistan has also issued its opinion in favour of the Company in this respect;

- during the year, the Parent Company commenced its commercial operations which would bring substantial cost savings to the Company;

- the Company is continuously reviewing its administrative costs, operating expenditures as well as capital expenditures, with a view to optimize the associated benefits through elimination of such costs as they find appropriate;

- the Parent Company is contemplating a restructuring plan of the Group Companies which would bring efficiencies in the operations as stated earlier;

- further, the Ultimate Parent Company has given its commitment to give financial support to the Company as and when required. The support is available during the next financial year and beyond that; and

- the management has also prepared financial projections to demonstrate the financial benefits of the above measures.

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

3. BASIS OF PREPARATION

3.1 Statement of compliance

These unconsolidated 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 (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of, or directives issued under the Companies Ordinance, 1984 shall prevail.

3.2 Accounting convention

These unconsolidated financial statements have been prepared under the historical cost convention except for defined benefit pension plan which is carried at present value of defined benefit obligation net of fair value of plan assets.

3.3 Adoption of amended standards

The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year except as describe below:

New Standards, Interpretations and Amendments

The Company has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

IAS 19	- Employee Benefits - (Amendment) - Defined Benefit Plans: Employee Contributions
IAS 32	- Financial Instruments : Presentation - (Amendment)
	- Offsetting Financial Assets and Financial Liabilities
IAS 36	- Impairment of Assets - (Amendment)
	- Recoverable Amount Disclosures for Non-Financial Assets
IAS 39	- Financial Instruments: Recognition and Measurement - (Amendment)
	- Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	- Levies

Improvements to Accounting Standards Issued by the IASB

IFRS 2 Share-based Payment - Definitions of vesting conditions
IFRS 3 Business Combinations - Accounting for contingent consideration in a business combination
IFRS 3 Business Combinations - Scope exceptions for joint ventures

IFRS 8 Operating Segments - Aggregation of operating segments
IFRS 8 Operating Segments - Reconciliation of the total of the reportable segments' assets to the entity's assets
IFRS 13 Fair Value Measurement - Scope of paragraph 52 (portfolio exception)
IAS16 Property, Plant and Equipment and IAS 38 Intangible Assets - Revaluation method - proportionate restatement of accumulated depreciation / amortization
IAS 24 Related Party Disclosures - Key management personnel
IAS 40 Investment Property - Interrelationship between IFRS 3 and IAS 40 (ancillary services)

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on the financial statements.

Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 10 - Consolidated Financial Statements	01 January 2015
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements - Investment Entities (Amendment)	01 January 2015
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements - Investment Entities: Applying the Consolidation Exception (Amendment)	01 January 2016
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	01 January 2016
IFRS 11 - Joint Arrangements	01 January 2015
IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	01 January 2016
IFRS 12 - Disclosure of Interests in Other Entities	01 January 2015
IFRS 13 - Fair Value Measurement	01 January 2015
IAS 1 - Presentation of Financial Statements - Disclosure Initiative (Amendment)	01 January 2016
IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	01 January 2016
IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	01 January 2016
IAS 27 - Separate Financial Statements - Equity Method in Separate Financial Statements (Amendment)	01 January 2016

The above standards and amendments are not expected to have any material impact on the Company's unconsolidated financial statements in the period of initial application.

In addition to these standards and amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2016. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	**IASB Effective date (annual periods beginning on or after)**
IFRS 9 - Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 - Regulatory Deferral Accounts	01 January 2016
IFRS 15 - Revenue from Contracts with Customers	01 January 2018

3.4 Critical accounting judgments, estimates and assumptions

The preparation of these unconsolidated financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affects the application of policies and the reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the financial statements in the subsequent years are as follows:

i) Useful lives of items of property, plant and equipment (note 4.1 and 5.1);
ii) Provision for slow moving and obsolete stock-in-trade (note 4.3 and 9);
iii) Estimates of receivables and payables in respect of staff retirement benefit schemes (note 4.11 and 21.2);
iv) Provision for taxation (note 4.14, 21.1 and 34);
v) Impairment against investment in a subsidiary (note 4.2);
vi) Provision for doubtful debts and other receivables (note 4.5 and 10.2);
vii) Impairment against other financial and non-financial assets (note 4.8); and
viii) Contingencies (note 26.1).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment

Owned

Freehold land, leasehold land, building on free hold land, roads and civil works, plant and machinery, generators and safety and lab equipments are measured at revalued amounts, which is the fair value at the date of revaluation less accumulated depreciation and accumulated impairment losses, if any, recognised subsequent to the date of revaluation. The surplus arising on revaluation is disclosed as surplus on revaluation of fixed assets.

All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged to profit and loss account, applying the straight line method whereby costs of assets, less their residual values, is written off over their estimated useful lives at rates as disclosed in note 5.1 to the unconsolidated financial statements. Depreciation on additions is charged from the month in which the asset is available for use up to the month preceding the disposal.

The carrying values of the Company's property plant and equipment are reviewed at each financial year end for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Repairs and maintenance cost is written off to the profit and loss account in the year in which it is incurred. Major renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Company.

An item of property plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on disposal of property plant and equipment is recognised in the period of disposal.

Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment, if any, and consists of expenditure incurred in respect of operating fixed assets in the course of their acquisition, erection, construction and installation, including salaries and wages directly attributable to capital work-in-progress, determined by the management. The assets are transferred to relevant category of operating fixed assets when they are available for use.

Assets subject to finance lease

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are stated at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments, less accumulated depreciation and impairment losses, if any. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets are depreciated over the useful lives of the assets. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Depreciation, repair and maintenance and gain/loss on disposal of assets subject to finance lease are recognised in the same manner as for owned assets.

4.2 Investment in subsidiary

Investment in subsidiary is initially recognised at cost. At subsequent reporting dates, the Company reviews the carrying amount of the investment to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Such impairment losses or reversal of impairment losses are recognised in the profit and loss account. These are classified as 'long term investment' in the unconsolidated financial statements.

4.3 Stock-in-trade

All stock-in-trade is valued at the lower of cost and net realisable value (NRV).

Raw materials

Cost in relation to crude oil is determined on the basis of First-In-First-Out (FIFO) basis. Net realizable value in relation to crude oil represents replacement cost at the balance sheet date.

Finished products

Cost of finished products comprises of the cost of crude oil and refining charges consisting of direct expenses and appropriate production overheads. Direct expenses are arrived at on the basis of average cost for the year per barrel of throughput. Production overheads, including depreciation, are allocated to throughput proportionately on the basis of normal capacity.

Net realizable value in relation to finished products 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.

4.4 Stores and Spares

These are stated at moving average cost less impairment loss, if any. For items which are slow moving and / or identified as surplus to the Company's requirements, adequate provision is made for any excess book value over estimated realizable value. The Company reviews the carrying amount of the stores and spares on a regular basis and provision is made for obsolescence.

Provision is made for obsolete and slow moving items where necessary and is recognised in the profit and loss account.

4.5 Trade debts and other receivables

Trade debts and other receivables are stated at original invoice amount less provision for doubtful debts, if any. Provision for doubtful debts/ other receivables is based on the management's assessment of customers' outstanding balances and creditworthiness. Bad debts are written-off when identified.

4.6 Trade deposits and short-term prepayments

These are initially recognised at cost, which is the fair value of the consideration given. Subsequent to initial recognition assessment is made at each balance sheet date to determine whether there is an indication that a financial asset or group of assets may be impaired. If such indication exists, the estimated recoverable amount of that asset or group of assets is determined and any impairment loss is recognised for the difference between the recoverable amount and the carrying value.

4.7 Cash and cash equivalents

Cash and cash equivalents are stated at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash in hand and balance with banks.

4.8 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the profit and loss account. An impairment loss is reversed if the reversal can be related objectively to an event accruing after the impairment loss was recognised.

Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised as an expense in the profit and loss account. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

4.9 Surplus on revaluation of property, plant and equipment

The surplus arising on revaluation of property, plant and equipment is credited to the "Surplus on Revaluation of property, plant and equipment " shown below equity in the balance sheet in accordance with the requirements of section 235 of the Companies Ordinance, 1984. The said section was amended through the Companies (Amendment) Ordinance, 2002. The Company has adopted following accounting treatment of depreciation / amortisation on revalued assets, in accordance with Securities and Exchange Commission of Pakistan's (SECP) SRO 45(1)/2003 dated 13 January 2003:

- depreciation / amortisation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation / amortisation charge for the period is taken to the profit and loss account; and

- an amount equal to incremental depreciation / amortisation for the period net of deferred taxation is transferred from "Surplus on Revaluation of property, plant and equipment" to accumulated loss through Statement of Changes in Equity to record realization of surplus to the extent of the incremental depreciation / amortisation charge for the period.

Upon disposal, any revaluation surplus relating to the asset being disposed is transferred to accumulated profit.

4.10 Interest / Mark-up bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

Loans and borrowings are subsequently stated at amortized cost with any difference between the proceeds (net of transaction cost) and the redemption value recognised in the profit and loss account over the period of the borrowing using the effective interest method.

4.11 Staff retirement benefits

4.11.1 Defined benefit plan

The Company operates a funded gratuity scheme covering all its permanent employees who have completed minimum qualifying period of service. The Company's obligation under the scheme is determined through actuarial valuations carried out under the "Projected Unit Credit Method". The latest actuarial valuation was carried out at 30 June 2015 and based on the actuarial valuation; the Company had recognised the liability for retirement benefits and the corresponding expenses. Actuarial gains and losses that arise are recognised in other comprehensive income in the year in which they arise. Past service costs are recognised immediately in profit and loss account irrespective of the fact that the benefits are vested or non-vested. Current service costs and any past service costs together with the effect of the unwinding of the discount on plan liabilities are charged to operating expenses.

The amount recognised in the balance sheet represents the present value of defined benefit obligation as reduced by the fair value of plan assets.

4.11.2 Defined contribution plan

The Company operates a provident fund scheme for all its eligible employees. Equal contributions are made by the Company and the employees at 8.33% of the basic salary of the eligible employees.

4.12 Compensated absences

The Company also makes a provision in the financial statements for its initial liability towards entitled compensated absences based on the leaves accumulated up to the balance sheet date in accordance with the service rules.

4.13 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.14 Taxation

Current

Provision for current taxation is based on taxable income at the current rate of taxation after taking into account tax credits and tax rebates available, if any, and tax paid under final tax regime (FTR). The tax charge as calculated above is compared with turnover tax plus tax paid under FTR. Higher of normal tax or turnover tax including tax paid under FTR is compared with Alternate Corporate Tax and whichever is higher is provided in the financial statements. Turnover tax is calculated on turnover excluding turnover under FTR. Alternate Corporate tax is calculated in accordance with the provisions of Section 113C of Income Tax Ordinance 2001.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all temporary differences arising at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. As of the balance sheet date, deferred tax asset amounting to Rs. 3,099.337 million (30 June 2014: Rs. 4,690.712 million) has not been recognised in these unconsolidated financial statements as a matter of prudence.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

4.15 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, if 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. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.16 Liabilities and finance charges against assets subject to finance lease

Liabilities against assets subject to finance lease are accounted for at net present value of minimum payments under the lease arrangements. Lease payments are apportioned between the finance charges and reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Financial costs are charged directly to the profit and loss account except those which are directly attributable to the acquisition and installation of a qualifying asset (refer note 4.1).

4.17 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and is recognised on the following basis:

- Sales are recognised when the significant risk and rewards of ownership of the goods have passed to the customers which coincide with the dispatch of goods to the customers.

- Export sales are recognised on the basis of product shipped to the customers.

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For the year ended 30 June 2015

4.18 Other income

Other income is recognised to the extent it is probable that the economic benefits will flow to the Company and amount can be measured reliably. Other income is measured at the fair value of the consideration received or receivable and is recognised on the following basis:

- Mark-up on delayed payments charges are recognised on the time proportionate basis.

- Interest income / mark-up on short term deposits and interest bearing advances are recognised on the proportionate basis.

- Handling income including income from gantry operations and pipeline charges are recognised on an accrual basis.

- Scrap sales and rental income are recognised on an accrual basis.

4.19 Foreign currencies translation

Foreign currency transactions during the period are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the balance sheet date. Gains and losses on translation are taken to profit and loss account.

4.20 Financial instruments

All financial assets and liabilities are initially measured at fair value and subsequently re-measured at fair value or amortized cost as the case may be. The Company derecognises the financial assets and financial liabilities when it ceases to be a party to such contractual provisions of the instruments.

4.21 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.22 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive Officer of the Company.

4.23 Dividends and appropriations

Dividends and reserve appropriations are recognised in the year in which these are declared / approved. The distribution of dividend is subject to the covenant as mentioned in note 17.1.

4.24 Functional and presentation currency

These financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency.

	Notes	30 June 2015	30 June 2014
		(Rupees in '000)	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	13,662,219	14,142,134
Capital work-in-progress	5.2	53,626	786,314
		13,715,845	14,928,448

5.1 Operating fixed assets

	2015													
	COST / REVALUATION						ACCUMULATED DEPRECIATION						Written down value as at 30 June 2015	Rate of Depreciation %
	As at 01 July 2014	Additions*	Revaluation Surplus	Transfers	Disposals	As at 30 June 2015	As at 01 July 2014	Charge for the year	Transfers	Disposal	Revaluation surplus adjustment	As at 30 June 2015		
	(Rupees in '000)													
Owned														
Freehold land	655,830	-	23,189	-	-	679,019	-	-	-	-	-	-	679,019	-
Leasehold land	700,000	-	43,750	-	-	743,750	-	-	-	-	-	-	743,750	-
Building on freehold land, roads and civil works	857,096	52,371	-	-	-	909,467	96,609	36,379	-	-	-	132,988	776,479	4
Plant and machinery	16,669,653	493,173	-	-	(150,725)	17,012,101	5,372,104	849,004	-	(54,428)	-	6,166,680	10,845,421	4-5
Generators	419,237	6,764	-	-	-	426,001	234,964	28,542	-	-	-	263,506	162,495	6.70
Furniture and fixtures	53,661	-	-	-		53,661	34,540	5,366	-	-	-	39,906	13,755	10
Portable cabins	9,199	-	-	-	-	9,199	8,973	226	-	-	-	9,199	-	10
Filling stations (5.1.1)	603,953	32,638	-	-	-	636,591	184,091	38,195	-	-	-	222,286	414,305	5-12.5
Vehicles	196,139	5,201	-	18,872	(18,872)	201,340	195,919	4,258	15,097	(15,097)	-	200,177	1,163	20
Computer and allied equipments	103,138	3,504	-	-	-	106,642	78,159	25,563	-	-	-	103,722	2,920	33.33
Safety and lab equipments	1,119,872	231,631	-	-	-	1,351,503	1,060,936	280,361	-	-	-	1,341,297	10,206	20-25
	21,387,778	**825,282**	**66,939**	**18,872**	**(169,597)**	**22,129,274**	**7,266,295**	**1,267,894**	**15,097**	**(69,525)**	**-**	**8,479,761**	**13,649,513**	
Leased														
Vehicles	39,720	-	-	(18,872)	-	20,848	19,069	4,170	(15,097)	-	-	8,142	12,706	20
	21,427,498	**825,282**	**66,939**	**-**	**(169,597)**	**22,150,122**	**7,285,364**	**1,272,064**	**-**	**(69,525)**	**-**	**8,487,903**	**13,662,219**	

* Additions of Rs. 825.282 million, as shown above, include an amount of Rs. 753.365 million transferred from capital work-in-progress during the year, as shown in note 5.2.

	2014												Written down value as at 30 June 2014	Rate of Depreciation %
	COST / REVALUATION						ACCUMULATED DEPRECIATION							
	As at 01 July 2013	Additions*	Revaluation Surplus	Transfers**	Disposals	As at 30 June 2014	As at 01 July 2013	Charge for the year	Transfers	Disposal	Revaluation surplus adjustment	As at 30 June 2014		
	(Rupees in '000)													
Owned														
Freehold land	655,830	-	-	-	-	655,830	-	-	-	-	-	-	655,830	-
Leasehold land	700,000	-	-	-	-	700,000	-	-	-	-	-	-	700,000	-
Building on freehold land, roads and civil works	340,793	516,303	-	-	-	857,096	79,481	17,128	-	-	-	96,609	760,487	4
Plant and machinery	14,712,819	3,697,106	15,137,889	53,343 (16,931,504)	-	16,669,653	4,022,190	847,980	26,007	-	475,927	5,372,104	11,297,549	4 -5
Generators	200,900	1,212	217,125	-	-	419,237	95,754	17,521	-	-	121,689	234,964	184,273	6.70
Furniture and fixtures	53,661	-	-	-	-	53,661	29,580	4,960	-	-	-	34,540	19,121	10
Portable cabins	9,199	-	-	-	-	9,199	8,705	268	-	-	-	8,973	226	10
Filling stations (5.1.1)	573,335	30,618	-	-	-	603,953	130,085	54,006	-	-	-	184,091	419,862	5-12.5
Vehicles	196,071	-	-	35,177	(35,109)	196,139	181,163	14,688	27,944	(27,876)	-	195,919	220	20
Computer and allied equipments	78,474	24,709	-	-	(45)	103,138	68,987	9,188	-	(16)	-	78,159	24,979	33.33
Safety and lab equipments	89,459	-	1,030,413	-	-	1,119,872	67,862	16,889	-	-	976,185	1,060,936	58,936	20-25
	17,610,541	**4,269,948**	**16,385,427**	**(16,842,984)**	**(35,154)**	**21,387,778**	**4,683,807**	**982,628**	**53,951**	**(27,892)**	**1,573,801**	**7,266,295**	**14,121,483**	
Leased														
Plant and machinery	53,343	-	-	(53,343)	-	-	23,507	2,500	(26,007)	-	-	-	-	4 -5
Vehicles	74,897	-	-	(35,177)	-	39,720	32,014	14,999	(27,944)	-	-	19,069	20,651	20
	128,240	**-**	**-**	**(88,520)**	**-**	**39,720**	**55,521**	**17,499**	**(53,951)**	**-**	**-**	**19,069**	**20,651**	
	17,738,781	**4,269,948**	**16,385,427**	**(16,931,504)**	**(35,154)**	**21,427,498**	**4,739,328**	**1,000,127**	**-**	**(27,892)**	**1,573,801**	**7,285,364**	**14,142,134**	

*Additions of Rs. 4,269.948 million, as shown above, include an amount of Rs. 4,269.344 million transferred from capital work-in-progress during the year.

** The transfer from plant and machinery amounting to Rs. 16,931.504 million represents assets transferred to "Non-current assets held for sale" as the Company in its Extra Ordinary General Meeting (EOGM) held on16 June 2014 has resolved to sell the Isomerisation unit to its wholly owned subsidiary (Refer note 15).

5.1.1 The Company's assets located at filling stations are not in possession of the Company. In view of large number of dealers, the management considers it impractical to disclose particulars of assets not in possession of the Company as required under Para 5 of part I of the Fourth Schedule to the Companies Ordinance, 1984.

5.1.2 During the year, revaluation exercise was carried out by an independent valuer, resulting in surplus on revaluation amounting to Rs. 66.939 million. The fair values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, adjusted for any difference in nature, location or condition of the specific property and in case where market based evidence was not available or not applicable due to the specialized nature of asset, then it was based on depreciated replacement cost method.

During the year ended 30 June 2007, 30 June 2009, 30 June 2011, 30 June 2012, 30 June 2014 and 30 June 2015 revaluation exercises were carried out by independent valuers resulting in surplus on revaluations amounting to Rs.1,901.021 million, Rs. 4,062.989 million, Rs. 3,484.024million, Rs. Nil, Rs. 1,150.540 million and Rs. 66.939 million respectively.

5.1.3 Had there been no revaluation, the net book value of specific classes of operating fixed assets would have amounted to:

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
Freehold land		46,731	46,731
Lease hold land		213,200	213,200
Building on freehold land, roads and civil works		1,106,108	749,641
Plant and machinery		5,011,243	4,452,439
Generators		65,365	57,802
Safety and lab equipments		8,379	4,865
		6,451,026	5,524,678

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

	Note	30 June 2015	30 June 2014
Cost of sales	28.1	1,176,275	888,614
Administrative expenses	29	57,594	57,507
Selling and distribution expenses	30	38,195	54,006
		1,272,064	1,000,127

5.1.5 Detail of assets disposed off during the year:

	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain on disposal	Mode of Disposal	Particulars of Buyer	
							Name	Status
	(Rupees in '000)							
Plant and machinery								
Tanks	150,725	54,428	96,297	96,297	-	Sold to subsidiary company	Byco Terminals Pakistan Limited	Subsidiary company
Vehicles								
Toyota Corolla	1,354	1,083	271	339	68	Company Policy	Rizwan Ahmed Khan	Employee
Suzuki Cultus	833	666	167	208	41	Company Policy	Faisal Khan	Employee
Suzuki Cultus	842	674	168	211	43	Company Policy	Rizwan Anees Khan	Employee
Toyota Corolla	1,325	1,060	265	331	66	Company Policy	Mushtaq Ahmed	Employee
Audi	8,850	7,080	1,770	2,213	443	Company Policy	Hamid Imtiaz Hanfi	Director
Suzuki Cultus	855	684	171	213	42	Company Policy	Amir Fareed	Employee
Toyota Corolla	916	733	183	229	46	Company Policy	Muhammad Azram	Employee
Suzuki Liana	810	648	162	203	41	Company Policy	Taha Nayyar Siddiqui	Employee
Toyota Corolla	833	666	167	208	41	Company Policy	Wajahat Ali Syed	Employee
Suzuki Cultus	855	684	171	214	43	Company Policy	Nadeem Ehsan	Employee
Toyota Corolla	1,399	1,119	280	350	70	Company Policy	Suhail Ahmed	Employee
Jun-15	169,597	69,525	100,072	101,016	944			
Jun-14	35,154	27,892	7,262	9,368	2,106			

5.2 Capital work-in-progress

The movement of capital work-in-progress during the year is as follows:

	Opening balance	Additions	Transferred to operating fixed assets	Closing balance 2015	Closing balance 2014
	(Rupees in '000)				
Plant and machinery	522,235	12,135	(489,286)	45,084	522,235
Building on free hold land, roads and civil works	17,734	229	(17,734)	229	17,734
Generators	6,764	-	(6,764)	-	6,764
Filling stations	8,907	8,313	(8,907)	8,313	8,907
Computer and allied equipments	3,159	-	(3,159)	-	3,159
Safety and lab equipments	227,515	-	(227,515)	-	227,515
	786,314	20,677	(753,365)	53,626	786,314

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
6. LONG TERM INVESTMENT - at cost			
Investment in subsidiaries - unlisted			
Byco Terminals Pakistan Limited (BTPL)	6.1	5,729,258	5,729,258
Byco Isomerisation Pakistan (Private) Limited (BIPL)	6.2	-	-
		5,729,258	5,729,258

6.1 This represents an investment in BTPL - a wholly owned subsidiary, of 568,717,418 shares (30 June 2014: 568,717,418shares) of Rs. 10 each at a premium of Rs.0.07 per share. BTPL is principally engaged in the provision of bulk storage services of petroleum products and mooring and unmooring services.

6.2 This represents an investment in BIPL - a wholly owned subsidiary, which was incorporated in Pakistan as a private limited company on 14 May 2014 under the Companies Ordinance, 1984. Presently two shares of Rs. 10 each are held by the directors of BIPL. BIPL is principally engaged in blending, refining and processing of petroleum naphtha to produce petroleum products such as premium motor gasoline.

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
7. LONG-TERM ADVANCE - unsecured			
Advance against investment in shares of Byco Isomerisation Pakistan (Private) Limited (BIPL)	7.1	16,931,504	-

7.1 This represents advance given to BIPL against 1,693,150,420 Ordinary shares of Rs. 10/- each to be issued against sale of Isomerisation plant during the year as disclosed in note 15 to the unconsolidated financial statements. Currently, legal and corporate formalities are in process for the issue of shares to the Company.

		Note	30 June 2015	30 June 2014
			(Rupees in '000)	
8	**LONG-TERM DEPOSITS**			
	Lease deposit		6,955	4,955
	Rental premises and others		9,803	2,522
			16,758	7,477
	Less: current portion	12	(6,955)	(163)
	Closing balance		9,803	7,314
9	**STOCK-IN-TRADE**			
	Raw materials - Crude Oil	9.1	682,874	2,485,043
	Finished products	9.2 & 9.3	4,176,741	6,292,464
			4,859,615	8,777,507

9.1 This includes raw materials held by a subsidiary company amounting to Rs. 210.687million (30 June 2014: Rs. 2,011.11 million) as at the balance sheet date.

9.2 Finished products having cost of Rs. 3,026.379 million (30 June 2014: Rs. 6,536.343 million) have been written down by Rs. 156.625 million (30 June 2014: Rs. 243.879 million) to net realizable value.

9.3 This includes stock held by third parties amounting to Rs. 1,992.633 million (30June 2014: Rs. 1,950.455 million) and stock held by related parties amounting to Rs. 956.450 million (30 June 2014: Rs. 1,115.039 million) as at the balance sheet date.

		Note	30 June 2015	30 June 2014
			(Rupees in '000)	
10	**TRADE DEBTS - unsecured**			
	Considered good			
	Due from Pakistan State Oil Company Limited	10.1	4,476,158	3,970,961
	Due from related parties			
	- BTPL		866,090	657,972
	- K-Electric Limited		1,364,484	2,461,632
	Others		2,642,664	3,154,354
	Considered doubtful		2,192,831	1,793,223
			11,542,227	12,038,142
	Provision for doubtful debts	10.2	(2,192,831)	(1,793,223)
		10.3	9,349,396	10,244,919

10.1 This represents amount due from Pakistan State Oil Company Limited (PSO) against supplies of products and on account of mark-up on delayed payments. The Company had entered into a "sale and purchase of product" agreement with PSO on 05 April 2002 for a period of 10years. The said agreement mentions that in the event of late payment of invoices by PSO, the Company would be entitled to recover mark-up from PSO for the period of delay on daily compounding basis at the lending rates applicable for short-term running finance of the Company or PSO whichever is lower. The mark up on delayed payments relates only to purchases made by PSO under agreement dated 05 April 2002, which expired on 02 April 2012. Subsequent to the expiry of the agreement all purchases made by PSO do not carry any mark up on delayed payment. The Company is currently pursuing this matter with the Director General Oil, Ministry of Petroleum and Natural Resources, for the recovery of the outstanding amount.

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
10.2 Provision for doubtful debts			
Opening balance		1,793,223	1,330,853
Provision made during the year	31	399,608	462,370
Closing balance		2,192,831	1,793,223
10.3 The aging of unimpaired debtors at the balance sheet date is as follows:			
Neither past due nor impaired		2,251,845	4,555,595
Past due 1-30 days		1,495,382	789,625
Past due 31-180 days		1,619,322	1,279,900
Past due 180-365 days		1,395,770	1,110,828
Above 365 days		2,587,077	2,508,971
		9,349,396	10,244,919
11. LOANS AND ADVANCES –unsecured, considered good			
Loan to employees		100	100
Advance to suppliers and contractors	11.1	1,497,210	742,606
		1,497,310	742,706

11.1 This includes advance of Rs. 1,214.983 million (30 June 2014: Rs. 585.560 million) to BTPL in respect of storage facilities.

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
12. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Current portion of long-term deposits	8	6,955	163
Prepayments		16,233	14,421
Advance income tax		-	100,095
		23,188	114,679
13. OTHER RECEIVABLES – considered good			
Inland Freight Equalization Margin		1,382,405	407,349
Due from related parties	13.1	414,308	257,886
		1,796,713	665,235

13.1 This represents amount of Rs. 282.555 million (30 June 2014 : Rs. 226.593 million) receivable in respect of land situated at Mauza Kund, Balochistan, sub-leased to the Parent Company and BTPL and also an amount of Rs. 131.753 million (30 June 2014 : Rs. 31.293 million) receivable against pre-commencement and other expenses incurred and purchases made on behalf of BIPL.

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
14 CASH AND BANK BALANCES			
Cash in hand		74	68
Cash at banks			
- Current accounts	14.1	670,904	469,064
- Saving accounts	14.2	16,598	3,503
		687,502	472,567
		687,576	472,635

14.1 This includes Rs. 23.98 million (30 June 2014: Rs. 68.01 million) kept under lien against letter of credit facilities obtained from banks.

14.2 These carry mark-up at the rates ranging from 5.5% to 8.5% (2014: 6.5% to 9.1%) per annum.

15. NON-CURRENT ASSETS HELD FOR SALE

During the year, the Company sold its Isomerisation plant to its wholly owned subsidiary Byco Isomerisation Pakistan (Private) Limited (BIPL) at carrying value of Rs. 16,931.504 million against 1,693,150,420 Ordinary shares of Rs. 10/- each of BIPL to be issued to the Company in accordance with the Sale Agreement dated 27 March 2015 entered into between the aforesaid parties.

The Isomerisation plant is under encumbrance of various commercial banks which have provided financing to the Company as disclosed in note 18.4 to the unconsolidated financial statements. As of the date of the sale, the Company was not able to obtain No Objection Certificates (NOCs) from all the banks as required under the agreement dated 04 December 2012 between the Company and the consortium banks. As of the balance sheet date, the Company obtained NOCs from the four banks subject to certain conditions to be fulfilled by the Company and NOCs from the remaining four banks are pending approval. The management of the Company is confident that it will be able to obtain the remaining NOCs in due course.

16. SHARE CAPITAL

30 June 2015	30 June 2014		30 June 2015	30 June 2014
(Number of Shares)			(Rupees in '000)	
		Authorized share capital		
1,200,000,000	1,200,000,000	Ordinary shares of Rs. 10 each	12,000,000	12,000,000
		Issued, subscribed and paid-up capital		
977,858,737	977,858,737	Ordinary shares of Rs. 10 each	9,778,587	9,778,587

Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2015

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
17 . SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Opening balance		21,793,483	7,496,449
Surplus on revaluation carried out during the year		66,939	1,150,540
Surplus on non-current assets held for sale realized during the year	15	(13,661,086)	13,661,086
		(13,594,147)	14,811,626
Transfer to accumulated loss in respect of:			
- incremental depreciation charged during the year - net of tax		519,086	334,485
- related deferred tax liability		244,276	180,107
		763,362	514,592
		7,435,974	21,793,483
Less: related deferred tax liability :			
- on revaluation at the beginning of the year		2,462,774	2,240,192
- related to revaluation carried out during the year		-	402,689
- on incremental depreciation charged during the year		(244,276)	(180,107)
	21 .1	2,218,498	2,462,774
Closing Balance		5,217,476	19,330,709
18. LONG-TERM FINANCING AND DEFERRED MARK-UP			
Restructured principal		12,869,267	15,123,156
Deferred mark-up on restructured principal		3,084,533	2,061,298
		15,953,800	17,184,454
Current maturity of restructured principal		(3,529,000)	(2,455,000)
Current maturity of deferred mark-up on restructured principal		(200,000)	(200,000)
	25	(3,729,000)	(2,655,000)
Accrued mark-up	23	-	(200,781)
		12,224,800	14,328,673

18.1 The syndicate banks upon request of the Company have restructured the outstanding amount in accordance with the terms and subject to the conditions mentioned in the Restructured Agreement (the Agreement) made on 04 December 2012. As per the Agreement, principal amount of Rs. 17,379.700 million has been restructured over a period of maximum 7 years from 2013 to 2019 and carries mark-up at the rate of 6 months Karachi Inter-Bank Offer Rate (KIBOR) whereas deferred markup of Rs. 1,853.586 million is interest-free and is to be paid within a period of two years commencing after the payment of restructured principal facilities. Further, the restructured facility contains a covenant that the Company cannot pay dividend to its shareholders in the event of a default.

18.2 As per the terms of the Agreement, National Bank of Pakistan (NBP) is being paid on a priority basis in unequal semi-annual installments whereas payment in respect of the remaining principal amount will be made in fourteen unequal semi-annual installments commencing upon the discharge of full obligation of the NBP restructured facility or expiry of 2.5 years (June 2015) from the Agreement date whichever is earlier. Further, an amount of Rs. 50 million out of the total deferred mark-up during the restructured period shall be payable by the Company on each installment date in the first year and Rs. 100 million on each installment date in the following six years which is being paid by the Company. Remaining deferred mark-up shall be payable within a period of two years commencing after the repayment of the restructured principal facilities.

18.3 The restructuring of loans as mentioned above had resulted in substantial modification of the financing terms. Accordingly, the previous liability has been derecognised and new liability has been recognized fair value. The difference between the carrying amount of the liability extinguished and the fair value of the new liability has been recognised in the unconsolidated profit and loss account which is being amortised on effective interest rate over the remaining tenor of the loan.

18.4 The restructured facility is secured by way of:

(i) first Joint Pari Passu charge over fixed assets to the extent of Rs. 7,670 million, first Pari Pasu equitable mortgage charge over fixed assets (land and building only) to the extent of Rs. 7,670million;

(ii) first Pari Passu equitable mortgage charge over fixed assets (exclusive of land and building) to the extent of Rs. 20,400 million;

(iii) first Joint Charge on the assets of Byco Terminals Pakistan Limited (Subsidiary Company) including storage related assets and crude oil tanks;

(iv) first Pari Passu Hypothecation charge to the extent of Rs. 9,697 million on all present and future current assets of the Company; and

(v) the Syndicate banks will have a lien and right of set off on an account maintained with an assigned agent bank wherein the Company will route all its revenues / receipts.

19. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2015		2014	
	Lease Payments		Lease Payments	
	Minimum	Present Value	Minimum	Present Value
	(Rupees in '000)			
Less than one year	5,726	4,970	17,754	15,411
One to five years	1,963	1,730	5,615	4,948
Total minimum lease payments	7,689	6,700	23,369	20,359
Less: Financial charges allocated to future periods	989	-	3,010	-
Present value of minimum lease payments	6,700	6,700	20,359	20,359
Less: Current portion under current liabilities	4,970	4,970	15,411	15,411
	1,730	1,730	4,948	4,948

19.1 Presently, the Company has lease agreements with the leasing companies to acquire vehicles. The rentals under the lease agreements are payable upto 31 December 2016. The cost of operating and maintaining the leased assets is borne by the Company. The Company intends to exercise the option to purchase the leased assets at the residual value of assets upon the completion of respective lease periods.

20. LONG-TERM DEPOSITS

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
Deposit from related parties against land lease rentals		3,646	3,646
Trade and other deposits	20.1	105,332	83,832
		108,978	87,478

20.1 This represents deposits received by the Company from its logistics vendors as security against goods to be transported.

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
21. DEFERRED LIABILITIES			
Deferred taxation	21.1	997,548	1,739,647
Employees retirement benefits	21.2	38,720	54,991
		1,036,268	1,794,638

21.1 DEFERRED TAXATION

	Note	30 June 2015	30 June 2014
Credit balances arising in respect of:			
- accelerated tax depreciation		977,179	1,393,687
- finance lease		1,922	102
- surplus on revaluation of property, plant and equipment	17	2,218,498	2,462,774
(Debit) balances arising in respect of:			
- staff gratuity fund		(12,392)	(19,247)
- provision for doubtful debts		(701,706)	(627,628)
- intangibles		(9,067)	-
- unabsorbed tax losses		(1,476,886)	(1,470,041)
		997,548	1,739,647

21.2 Employees retirements benefits- staff gratuity

21.2.1 General description

The Company operates employee retirement benefits for permanent employees who have completed the minimum service period. In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at 30 June 2015, using the "Projected Unit Credit Method". Provision has been made in the financial statements to cover obligation in accordance with the actuarial recommendations. Details of significant assumptions used for the valuation and disclosures in respect of above-mentioned scheme is as follows:

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
21.2.2 Reconciliation of amount payable to defined benefit plan			
Present value of defined benefit obligation	21.2.3	74,733	70,969
Fair value of plan assets	21.2.4	(36,013)	(15,978)
		38,720	54,991

21.2.3 Movement in the present value of defined benefit obligation:

	Note	30 June 2015	30 June 2014
Opening balance		70,969	44,673
Current service cost		16,376	16,800
Interest cost		9,155	5,025
Transfer (to)/ from a Subsidiary Company		(2,535)	37
Transfer to the Parent Company		(14,011)	(3,273)
Benefits paid during the year		(6,312)	(1,949)
Actuarial loss		1,091	9,656
		74,733	70,969

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
21.2.4 Movement in the fair value of plan assets:			
Opening balance		15,978	-
Expected return on plan assets		1,732	865
Contributions		26,000	16,997
Benefits paid during the year		(6,312)	(1,949)
Actuarial (loss) / gain		(1,385)	65
		36,013	15,978
21.2.5 Movement in net liability			
Opening net liability		54,991	44,673
Charge for the year	21.2.6	23,799	20,960
Transfer (to)/ from a Subsidiary Company		(2,535)	37
Transfer to the Parent Company		(14,011)	(3,273)
Contributions		(26,000)	(16,997)
Actuarial loss chargeable in other comprehensive income	21.2.7	2,476	9,591
		38,720	54,991
21.2.6 Charge for the year			
Current service cost		16,376	16,800
Interest cost– net		7,423	4,160
		23,799	20,960
21.2.7 Actuarial remeasurements			
Actuarial loss on defined benefit obligations		1,091	9,656
Actuarial loss/ (gain) on fair value of plan assets		1,385	(65)
		2,476	9,591
21.2.8 Actuarial assumptions:			
Valuation discount rate per annum		10.00%	13.50%
Salary increase rate per annum		8.00%	11.50%
Expected return on plan assets per annum		10.00%	13.50%
Normal retirement age of employees		60 years	60 years

21.2.9 Comparisons for past years:

As at June 30	2015	2014	2013	2012	2011
	(Rupees in '000)				
Present value of defined benefit obligation	74,733	70,969	44,673	47,764	39,079
Fair value of plan assets	(36,013)	(15,978)	-	-	-
Deficit	38,720	54,991	44,673	47,764	39,079
Experience adjustment on plan liabilities	1,091	9,656	7,406	3,391	1,499
Experience adjustment on plan assets	1,385	(65)	-	-	-
	2,476	9,591	7,406	3,391	1,499

	30 June 2015	30 June 2014
	(Rupees in '000)	
21.2.10 Composition of plan assets		
Cash at bank	36,013	15,978

21.2.11 Balance sheet date sensitivity analysis (± 100 bps) on present value of defined benefit obligation

	2015			
	Discount rate		Salary increase	
	+100 bps	-100 bps	+100 bps	-100 bps
	(Rupees in '000)			
Present value of defined benefit obligation	66,135	84,944	85,439	65,608

21.2.12 As of 30 June 2015, a total of 327 employees have been covered under the above scheme.

21.2.13 Charge for the next financial year as per the actuarial valuation report amounts to Rs. 18.047 million.

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
22. TRADE AND OTHER PAYABLES			
Creditors for supplies and services		17,340,363	15,862,826
Accrued liabilities		469,522	592,109
Advances from customers	22.1	1,712,653	984,642
Dividend payable		1,146	1,146
Sales tax, duties, levies and late payment surcharge		11,931,377	10,470,096
Workers' profit participation fund	22.2	64,181	56,823
Withholding tax deductions payable		30,595	13,356
Payable to staff provident fund		3,789	15
		31,553,626	27,981,013

22.1 This includes Rs. 158 million (30 June 2014: Rs. 230 million) received in respect of demarcated plots of land for setting up of Liquified Petroleum Gas storage and filling facilities (LPG village facility). The amount has been received in advance from consumers under LPG village facility utilization agreement. The agreements are effective for 10 years from the date of signing or any period thereafter as mutually agreed. During the year, the advance was returned to certain consumers on the their demand, however, the facility is expected to commence shortly after completion of certain legal formalities upon which the advance will be classified as deferred revenue and will be amortized over the period of the agreed terms.

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
22.2 Workers' profit participation fund			
Opening balance		56,823	53,593
Mark-up charged for the year	22.2.1	7,358	3,230
		64,181	56,823

22.2.1 Mark-up has been charged at KIBOR plus 2.5% as per the Companies Profit (Workers' Participation) Act, 1968.

Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2015

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
23. ACCRUED MARK-UP			
Long-term financing	18	-	200,781
Short-term borrowings		3,327	62,798
Advance from customers		180,400	153,406
		183,727	416,985
24. SHORT-TERM BORROWINGS –secured			
Finance against trust receipt	24.1	737,609	6,402,108

24.1 The facility has been extended by a commercial bank for working capital requirements aggregating to Rs.15,000 million (30 June 2014: Rs. 15,000 million) out of which Rs. 14,262.391 million (30 June 2014: Rs. 8,597.892 million) remains unutilized as at the balance sheet date. The facility carries mark-up at 3 month's KIBOR plus 1%. The facility is secured against documents of title of goods, stock of crude and petroleum products, and receivables, lien on the bank's collection account and a Rs. 15,000 million corporate guarantee furnished by the Parent Company.

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
25. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long-term financing	18	3,729,000	2,655,000

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

26.1.1 The Company received orders from Deputy Commissioner Inland Revenue (DCIR) for tax periods January 2010, July 2010 to June 2011, July 2012 to October 2012, and December 2012, whereby default surcharge of Rs. 213.035 million and penalty amounting to Rs. 14.634 million were levied on late payment of sales tax. The Company filed appeals against the said orders with Appellate Tribunal Inland Revenue (ATIR) who in its order dated 16 April 2014 waived the aforementioned default surcharge and penalty.

Further, the Company received orders from DCIR in respect of tax periods from April 2013 to December 2013, January 2014 to April 2014, and May 2014 whereby default surcharge of Rs. 41.847 million and penalty of Rs. 318.108 million were levied on the Company. However, on the appeal filed by the Company, the Commissioner Inland Revenue Appeals (CIRA) has waived the default surcharge amounting to Rs 10.683 million and also waived the penalty on late payment of sales tax amounting to Rs.318.108 million.

During the current year, the Company received an order from DCIR, dated 24 October 2014, in respect of tax periods November 2013, December 2013, February 2014 and March 2014, whereby default surcharge of Rs. 60.463 million and penalty amounting to Rs. 31.848 million were levied on late payment of sales tax. However, on the appeal filed by the Company, CIRA, in its order dated 18 December 2014, waived the aforementioned default surcharge and penalty.

Furthermore, the Company received another order from DCIR dated 09 December 2014 for tax periods January 2013 and March 2013 to June 2013, whereby default surcharge of Rs. 488.382 million and penalty amounting to Rs. 37.267 million were levied on late payment of sales tax. The Company filed appeal against the said order with CIRA who in its order dated 07 January 2015 waived the aforementioned default surcharge and penalty.

An appeal can be filed against the said orders of the ATIR and CIRA by the sales tax department in light of the provisions of the Sales Tax Act, 1990.

26.1.2 Claims against the Company not acknowledged as debts amounting to Rs. 3,137 million (2014: Rs.3,162 million) comprise of late payment charges on account of delayed payments against crude oil supplies from Oil and Gas Development Company (OGDCL), Mari Gas Limited (MGL) and Pakistan Petroleum Limited (PPL) amounting to Rs. 2,567 million, Rs. 166 million and Rs. 404 million respectively. The details of the cases filed by MGL and PPL are as follows:

Mari Gas Limited (MGL) has filed a suit bearing number 636 of 2012 in Honorable High Court of Sindh at Karachi whereby a sum of Rs. 860 million has been claimed by MGL on account of its share of the price of condensate allocated to the Company from the Adam X-1 well together with associated legal and other costs amounting to Rs. 167 million.

Pakistan Petroleum Limited (PPL) has filed a suit bearing number 160 of 2013 in the Honorable High Court of Sindh at Karachi for recovery and damages amounting to Rs. 1,156 million excluding alleged Late Payment Surcharge (LPS) amounting to Rs. 404 million, on account of sale of condensate.

The Company is of the view that there are no specific contractual arrangements with the above suppliers along with OGDCL which allow them to claim / recover LPS and other associated costs and hence no provision in respect of the same has been made in these unconsolidated financial statements.

26.1.3 The Company was served with a sales tax order from Federal Board of Revenue (FBR) claiming additional sales tax amounting to Rs. 99 million. The company has not adjusted its input claim of Rs. 99 million being Federal Excise Duty (FED) claim charged under Value Added Tax (VAT) mode by Banking Companies, Insurance Companies and Terminal Operators on various invoices in the relevant tax periods from July 2009 to June 2011. The Commissioner Inland Revenue (CIR) has condoned the time limit under section 43of the Federal Excise Duty Act, 2005 and has allowed the Company to adjust Rs 66 million in the month of June 2014. The remaining amount to be adjusted is under consideration by FBR.

Management based on the opinion of its advisor is confident of a favourable decision and accordingly no provision has been made in this respect.

26.1.4 As at 30 June 2015, product costing Rs. 19.725 million is held by the customs authorities for verification of product origin. The Company is strongly contesting the matter with the customs authorities and also initiated legal proceedings against the matter. The management is confident that the product will be recovered from the customs authorities in due course; hence no provision has been made in this respect.

26.1.5 The Company was selected for an audit under Section 177 and 214C of the Income Tax Ordinance, 2001 for the tax years 2009, 2011, 2012 and 2013. Audit proceedings for all mentioned tax years were completed and a demand of Rs. 87.105 million has been raised in an amended order passed under Section 122(1)(5) of the Income Tax Ordinance, 2001. This pertains to the tax year 2013 only and represents tax due under Section 113 of the Income Tax Ordinance, 2001.

Being aggrieved by the amended order, the Company filed an appeal before Commissioner Inland Revenue, Appeals, Karachi which is pending for adjudication. The said amount has already been provided for in the unconsolidated financial statements.

Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2015

		Note	30 June 2015	30 June 2014
			(Rupees in '000)	
26.2	**Commitments**			
	Commitment for capital expenditure		41,146	138,974
27.	**SALES**			
	Gross Sales			
	Local		110,540,039	102,016,710
	Export		8,866,314	9,004,795
			119,406,353	111,021,505
	Less: Sales discount, sales tax, excise duty and petroleum levy		(24,599,024)	(18,476,133)
			94,807,329	92,545,372
28.	**COST OF SALES**			
	Opening stock		6,292,464	3,960,302
	Cost of goods manufactured	28 .1	71,553,828	79,464,558
	Finished products purchased during the year		16,271,282	15,003,921
			94,117,574	98,428,781
	Closing stock	9	(4,176,741)	(6,292,464)
			89,940,833	92,136,317
28.1	**Cost of goods manufactured**			
	Raw material consumed	28.1.1	69,056,114	77,324,502
	Salaries, wages and other benefits	28.1.2	337,133	268,739
	Depreciation	5.1.4	1,176,275	888,614
	Fuel, power and water		596,729	620,273
	Repairs and maintenance		84,724	117,613
	Insurance		72,753	63,308
	Staff transportation and catering		67,705	71,453
	Industrial gases and chemicals		63,762	22,139
	Stores and spares consumed		58,754	52,258
	Security expenses		17,014	17,218
	Vehicle running		10,297	11,443
	Technical fee		8,443	4,501
	Others		4,125	2,497
			71,553,828	79,464,558
28.1.1	**Raw material consumed**			
	Opening stock		2,485,043	1,743,210
	Purchases during the year		67,253,945	78,066,335
			69,738,988	79,809,545
	Closing stock		(682,874)	(2,485,043)
	Raw material consumed		69,056,114	77,324,502

28.1.2 This includes a sum of Rs.8.961 million (30 June 2014: Rs. 9.41 million) in respect of staff retirement benefits.

		Note	30 June 2015	30 June 2014
			(Rupees in '000)	
29.	**ADMINISTRATIVE EXPENSES**			
	Salaries, allowances and other benefits	29.1	284,155	295,575
	Rent, rates and taxes		65,216	58,099
	Depreciation	5.1.4	57,594	57,507
	Repairs and maintenance		32,408	26,479
	Advertisement		28,634	9,132
	Legal and professional		25,366	34,268
	Vehicle running		23,068	26,855
	Travelling and conveyance		22,013	16,663
	Fee and subscriptions		9,935	10,622
	Utilities		7,935	10,054
	Insurance		6,444	5,366
	Printing and stationary		5,418	4,785
	Auditors' remuneration	29.2	4,351	2,800
	SAP maintenance costs		1,487	11,985
	Amortization of intangible assets		-	2,957
	Others		8,215	5,177
			582,239	578,324

29.1 This includes a sum of Rs.9.348 million (30 June 2014: Rs.9.629million) in respect of staff retirement benefits.

		Note	30 June 2015	30 June 2014
			(Rupees in '000)	
29.2	**Auditors' remuneration**			
	Statutory audit		1,300	1,300
	Half yearly review		500	400
	Consolidation of financial statements		400	300
	Special audit and other certifications		1,850	450
	Out of pocket expenses		301	350
			4,351	2,800
30.	**SELLING AND DISTRIBUTION EXPENSES**			
	Salaries, allowances and other benefits	30.1	164,402	151,140
	Transportation and product handling charges		1,838,354	1,419,583
	Sales commission		447,639	69,784
	Rent, rates and taxes		63,212	59,782
	Depreciation	5.1.4	38,195	54,006
	Export development surcharge		20,772	20,550
	Wharfage and other export expenses		16,045	10,990
	Insurance		11,667	8,554
			2,600,286	1,794,389

30.1 This includes a sum of Rs.5.49 million (30 June 2014: Rs. 4.961 million) in respect of staff retirement benefits.

		Note	30 June 2015	30 June 2014
			(Rupees in '000)	
31.	**OTHER EXPENSES**			
	Late payment surcharge and penalties		401,428	1,351,173
	Provision for doubtful debts	10.2	399,608	462,370
			801,036	1,813,543

Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2015

		Note	30 June 2015	30 June 2014
			(Rupees in '000)	
32.	**OTHER INCOME**			
	Income from financial assets			
	Interest income		780,826	927,608
	Income from non-financial assets			
	Reversal of excess sales tax surcharge provision		913,576	-
	Inland Freight Equalization Margin (IFEM)		256,408	-
	Land lease rent		55,962	53,556
	Storage and handling income		41,638	86,068
	Gain on disposal of operating fixed assets	5.1.5	944	2,106
	Others		2,420	12,520
			2,051,774	1,081,858
33.	**FINANCE COSTS**			
	Mark-up on:			
	- Long-term financing		1,692,106	1,737,847
	- Short-term borrowings		996,585	980,941
	- Workers' profit participation fund		7,358	3,230
	Exchange loss		328,617	836,051
	Bank and other charges		61,477	71,184
			3,086,143	3,629,253
34.	**TAXATION**			
	Current		(518,368)	(515,784)
	Deferred		742,099	903,234
			223,731	387,450

34.1 The income tax returns have been filed up to and including tax year 2014. These, except for those mentioned below, are deemed to have been assessed under section 120 of the Income Tax Ordinance, 2001.

Income tax and taxable losses in respect of tax years 2009, 2011, 2012 and 2013 have been assessed by Deputy Commissioner Inland Revenue under section 122(1) of the Income Tax Ordinance, 2001,whereas return submitted for the tax year 2008 has been amended by the Additional Commissioner Inland Revenue under section 122(5A). The amendments relate to proration of expense against income covered in NTR and FTR, disallowance of unrealized exchange loss and other expenses not allowed under section 21. The management has filed an appeal against the aforesaid notices and in consultation with its tax advisors is confident that no major liability is expected to arise.

34.2 Relationship between accounting loss and tax expense for the year

The Company is subject to Minimum Tax and Final Tax Regime under section 113 and section 169 respectively of the Income Tax Ordinance, 2001, therefore relationship between income tax expense and accounting profit has not been presented for the current year.

35. EARNINGS / (LOSS) PER SHARE - basic and diluted

	30 June 2015	30 June 2014
	(Rupees in '000)	
Net profit/ (loss) after taxation	72,297	(5,937,146)
	--------- (Number) ---------	
Weight average number of ordinary shares	977,858,737	977,858,737
	--------- (Rupees) ---------	
Earnings/ (loss) per share - basic and diluted	0.07	(6.07)

36. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of parent companies, subsidiary companies, associated companies, directors, key management personnel, staff provident fund and staff gratuity fund. Details of transactions with related parties during the year are as follows:

36.1 Transactions with related parties

	30 June 2015	30 June 2014
	(Rupees in '000)	
Parent Company		
Land lease rental	52,937	50,531
Purchases	62,475,593	21,904,290
Sales	3,726,181	591,279
Mark-up charged	668,005	341,843
Allocation of gratuity expense	14,011	3,273
Allocation of group expenses	290,137	289,583
Subsidiary Companies		
Sales	198,052	108,080
Services received	416,258	326,890
Interest income	58,425	54,863
Operating fixed assets sold during the year	96,297	-
Land lease rental	3,025	3,025
Allocation of gratuity expense	2,535	(37)
Pre-commencement expenses incurred	-	31,283
Other expenses incurred	115,118	10
Non-current assets held for sale sold during the year	16,931,504	-
Associated Companies		
Sales	7,791,034	9,711,358
Purchase of operating fixed assets and services	5,324	267,276
Interest income	198,216	283,195
Staff Provident Fund		
Contribution made to staff provident fund	40,985	47,927

There are no transactions with key management personnel other than under the terms of employment as disclosed in note 37 to the unconsolidated financial statements.

	30 June 2015	30 June 2014
	(Rupees in '000)	
36.2 Balances with related parties		
Ultimate Parent Company		
Payable against expenses	12,014	12,014
Parent Company		
Receivable against land lease rental	268,255	215,318
Accrued interest	18,924	18,924
Security deposit payable	3,646	3,646
Payable against purchases and expenses	1,376,893	68,348
Subsidiary Companies		
Receivable against sales	866,090	657,972
Advance against services	1,214,983	585,560
Receivable against land lease rentals	14,300	11,275
Receivable against expenses incurred	131,753	31,293
Accrued interest	187,484	129,059
Associated Companies		
Long-term deposit receivable	95	95
Trade debts	1,364,484	2,461,632
Advance against purchases	9,407	3,583
Accrued interest	366,202	287,069
Payable against purchases	1,547	45,412
Staff Provident Fund		
Payable to staff provident fund	3,789	15

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount included in these unconsolidated financial statements for remuneration, including the benefits and perquisites, to the Chief Executive, Directors and Executives of the Company are as follows:

	2015			2014		
	Chief Executive	Executive Director	Executives	Chief Executive	Executive Director	Executives
	(Rupees in '000)					
Managerial remuneration	13,488	7,078	133,663	12,846	7,823	141,791
Staff retirement benefits	2,247	1,179	21,861	2,140	1,303	21,390
Housing and utilities	4,261	2,241	44,419	5,138	3,129	56,716
Leave fare assistance	1,124	590	11,134	1,070	652	11,811
	21,120	11,088	211,077	21,194	12,907	231,708
Number of persons	1	1	125	1	1	119

37.1 The Chief Executive and Executives have been provided with company maintained cars.

37.2 As at 30 June 2015, the Company's Board of Directors consists of 8 Directors (of which 6 are Non-Executive Directors). Except for the Chief Executive and the Executive Director, no remuneration and other benefits have been paid to any Director.

38. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finances to minimize the risk. The Company's principal financial instruments comprise loans from financial institutions and trade and other payables. Main purpose of these financial instruments is to raise funds for the import of crude oil for refining business and for its operations. The company has various financial assets such as cash (including balances with banks), deposits, loans, investment in subsidiary company, etc. which arise directly from its current activities.

The Company's management oversees the management of the financial risk reflecting changes in market conditions and also the Company's risk taking activities providing assurance that these activities are governed by appropriate policies and procedures and that the financial risks are identified, measured and managed in accordance with the Company policies and risk appetite. No changes were made in the objectives, policies or processes and assumptions during the year ended 30 June 2015. The policies for managing each of these risk are summarized below:

38.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk.

38.1.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from long-term financing and short-term borrowing facilities for financing its refining business operations and meeting working capital requirements at variable rates as well as from advance provided to BTPL and on delayed payments from PSO and K-Electric Limited on which the Company earns interest. The Company manages these mismatches through risk management policies where significant changes in gap position can be adjusted.

At the reporting date, the interest rate profile of Company's interest-bearing financial instruments was:

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
Variable Rate Instruments			
Financial assets			
Trade debts		6,425,905	5,739,879
Loans and advances		1,214,983	585,560
		7,640,888	6,325,439
Financial liabilities			
Long-term financing and deferred mark-up	18	15,953,800	16,983,673
Short-term borrowings	24	737,609	6,402,108
Liability against asset subject to finance lease	19	6,700	20,359
		16,698,109	23,406,140

A change of 1% in interest rates at the yearend would have increased or decreased the profit before tax by Rs. 199.124 million (June 2014: Rs. 142.434 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for June 2014.

38.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates and arises where transactions are done in foreign currency.

The Company is exposed to foreign currency risk on purchase and borrowings that are denominated in a currency other than Pak Rupees. As the Company imports crude oil, items of operating fixed assets and stores and spares for refining plant, it is exposed to currency risk. The currency is which these transactions are undertaken is US Dollar.

As at 30 June 2015, the company is not exposed to any material foreign currency risk.

38.1.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices. As at the balance sheet date, the Company is not exposed to other price risk.

38.2 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed to perform as contracted. The Company manages credit risk:

- Credit rating and credit worthiness of the counterparty is taken into account along with the financial background so as to minimize the risk of default.
- The risk of counterparty exposure due to failed agreements causing a loss to the Company is mitigated by a periodic review of their credit ratings, financial statements, credit worthiness and market information on a regular basis.
- Cash is held with reputable banks only.

As of the balance sheet date, the Company is exposed to credit risk on the following assets:

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
Long-term deposits	8	9,803	7,314
Trade debts	10	9,349,396	10,244,919
Loans and advances	11	1,497,310	742,706
Trade deposits and short-term prepayments	12	23,188	114,679
Other receivables	13	1,796,713	665,235
Accrued interest		572,610	435,052
Cash and bank balances	14	687,576	472,635
		13,936,596	12,682,540

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings agencies or the historical information about counter party default rates as shown below:

	30 June 2015	30 June 2014
	(Rupees in '000)	
Trade debts		
Neither past due nor impaired	2,251,845	4,555,595
Past due but not impaired	7,097,551	5,689,324
	9,349,396	10,244,919
Bank balances		
A-1+	116,869	277,527
A1+	455,373	46,184
A1	16,260	-
A-1	98,091	147,999
C	909	857
	687,502	472,567

Financial assets other than trade debts and bank balances are not exposed to any material credit risk.

38.3 Liquidity risk

Liquidity risk reflects the Company's inability in raising fund to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on any individual customer.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees in '000)				
2015					
Long-term loans and deferred mark-up	-	-	2,168,481	13,785,319	15,953,800
Liabilities against assets subject to finance lease	-	1,193	3,777	1,730	6,700
Long-term deposits	-	-	-	108,978	108,978
Trade and other payables	1,146	11,072,620	-	-	11,073,766
Short-term borrowings	-	737,609	-	-	737,609
Accrued mark-up	180,400	3,327	-	-	183,727
	181,546	11,814,749	2,172,258	13,896,027	28,064,580

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees in '000)				
2014					
Long-term loans and deferred mark-up	-	-	1,037,399	15,946,274	16,983,673
Liabilities against assets subject to finance lease	-	3,853	11,558	4,948	20,359
Long-term deposits	-	-	-	87,478	87,478
Trade and other payables	1,146	9,344,507	-	-	9,345,653
Short-term borrowings	-	6,402,108	-	-	6,402,108
Accrued mark-up	153,406	263,579	-	-	416,985
	154,552	16,014,047	1,048,957	16,038,700	33,256,256

38.4 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. As of the balance sheet date, the carrying value of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

38.5 Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain the development of the business and maximize the shareholders value. The Company closely monitors the return on capital. The Company manages its capital structure and makes adjustment to it in light of changes in economic conditions and finances its activities through equity, borrowings and management of working capital with a view to maintain an approximate mix between various sources of finance to minimize the risk. No changes were made in the objectives, policies or processes during the year ended 30 June 2015.

The Company is not exposed to externally imposed capital requirement.

39. OPERATING SEGMENTS

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

	Oil Refining Business		Petroleum Marketing Business		Total	
	2015	2014	2015	2014	2015	2014
	(Rupees in '000)					
Revenue						
Net Sales to external customers	50,186,823	51,952,601	44,620,506	40,592,771	94,807,329	92,545,372
Inter-segment sales	39,077,387	30,412,803	-	-	39,077,387	30,412,803
Eliminations	(39,077,387)	(30,412,803)	-	-	(39,077,387)	(30,412,803)
Total revenue	50,186,823	51,952,601	44,620,506	40,592,771	94,807,329	92,545,372
Result						
Segment profit/ (loss)	1,501,415	(1,842,056)	1,453,504	32,648	2,954,919	(1,809,408)
Unallocated expenses:						
Finance cost					(3,086,143)	(3,629,253)
Interest income					780,826	927,608
Other expenses					(801,036)	(1,813,543)
Taxation					223,731	387,450
Profit /(Loss) for the year					72,297	(5,937,146)
Segmental Assets	45,598,416	48,812,315	4,445,524	4,762,177	50,043,940	53,574,492
Unallocated Assets					5,408,074	5,679,065
	45,598,416	48,812,315	4,445,524	4,762,177	55,452,014	59,253,557
Segmental Liabilities	41,070,747	44,418,484	4,024,696	4,333,511	45,095,443	48,751,995
Unallocated Liabilities					5,168,292	5,450,043
	41,070,747	44,418,484	4,024,696	4,333,511	50,263,735	54,202,038
Capital expenditure	80,996	385,170	11,597	55,150	92,593	440,320
Other Information						
Depreciation and amortization	1,196,470	907,046	75,594	96,038	1,272,064	1,003,084

The Company sells its manufactured product to Oil Marketing Companies (OMCs) and an Associated Company. Out of these, 4 OMCs contributed 29.77 % (2014: 34.94%) and the Associated Company contributed 6.96% (2014: 10.49%) towards revenue.

40. PROVIDENT FUND DISCLOSURE

The Company operates approved funded contributory provident fund for both its management and non-management employees. Details of net assets and investments of the fund is as follows:

	30 June 2015	30 June 2014
	(Rupees in '000)	
	(Unaudited)	(Audited)
Size of the fund - Net assets	146,148	121,044
Cost of the investment made	120,443	104,831
Fair value of investments	132,520	107,542
Percentage of investments	82%	87%

The breakup of fair value of investments is :

	2015		2014	
	(Rupees in '000)	%	(Rupees in '000)	%
Bank deposits	33,080	24.96%	13,706	12.74%
Debt securities	32,731	24.70%	45,248	42.07%
Unit trust schemes	66,709	50.34%	48,588	45.18%
	132,520	100%	107,542	100%

The management, based on the unaudited financial statements of the fund, is of the view that the investments out of provident fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

41. CAPACITY AND ANNUAL PRODUCTION

Against the designed annual refining capacity (based on 330 days) of 11.55 million barrels (2014: 11.550 million barrels), the actual throughput during the year was 9.55 million barrels (2014: 6.79 million barrels). The Company operated the plant considering the level which gives optimal yield of products.

42. NUMBER OF EMPLOYEES

The total number of employees as at 30 June 2015 were 358 (30 June 2014: 411) and average number of employees were 384 (30 June 2014: 408).

43. CORRESPONDING FIGURES

Following corresponding figures have been reclassified for better presentation:

From	To	(Rupees in '000)
Unconsolidated balance sheet		
Long-term financing and deferred mark-up	Current portion of non-current liabilities	200,000
Trade deposits and short-term prepayments	Other receivables	665,235
Current portion of non-current liabilities	Liabilities against assets subject to finance lease	15,411
Unconsolidated profit and loss account		
Administrative expenses	Cost of sales	12,000
Administrative expenses	Selling and distribution expenses	205,146
Exchange loss	Finance costs	836,051

Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2015

44. GENERAL

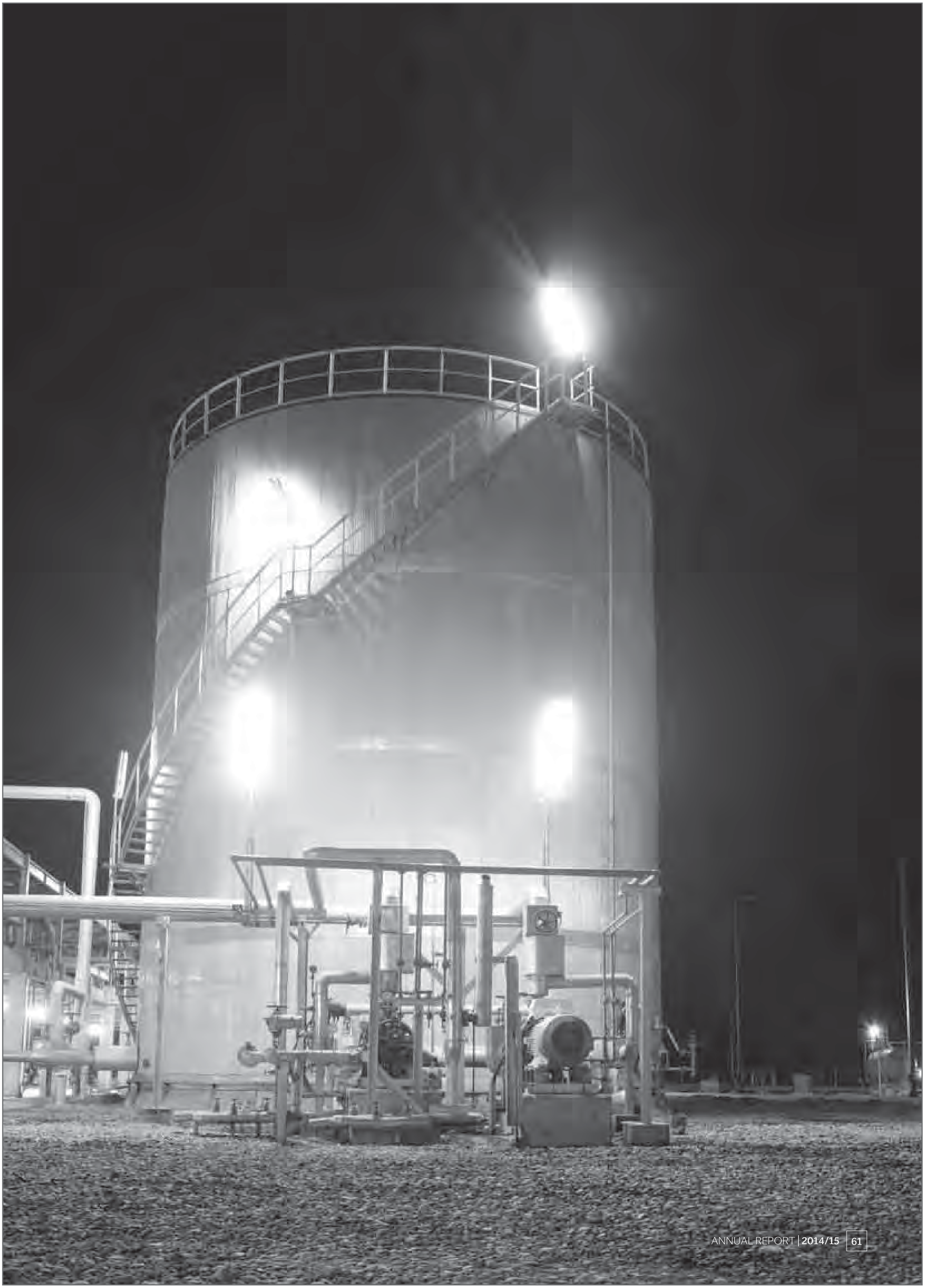
Figures have been rounded off to the nearest thousand of Rupees, unless otherwise stated.

45. DATE OF AUTHORISATION FOR ISSUE

This unconsolidated financial statement was authorised for issue on 17 September 2015 by the Board of Directors of the Company.

Chief Executive

Director



Auditors' Report on Consolidated Financial Statements to the Members

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of **Byco Petroleum Pakistan Limited** (the Holding Company) and its subsidiary companies namely Byco Terminals Pakistan Limited (BTPL) and Byco Isomerisation Pakistan (Private) Limited (BIPL) [together referred to as the Group] as at **30 June 2015** and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinion on the financial statements of the Holding Company and its subsidiary companies BTPL and BIPL. These consolidated financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of the Holding Company and its subsidiary companies as at 30 June 2015 and the results of their operations for the year then ended.

We draw attention to note 2 to the consolidated financial statements which states that the Group has incurred net loss after tax of Rs. 647.898 million during the year ended 30 June 2015, and as of that date, its accumulated losses amounted to Rs. 26,839.084 million and its current liabilities exceed its current assets by Rs. 23,163.014 million. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. However, the consolidated financial statements have been prepared on going concern basis based on the mitigating factors, as more fully explained in note 2 to the consolidated financial statements. Our opinion is not qualified in respect of this matter.

The consolidated financial statements of the Group for the year ended 30 June 2014 were audited by another firm of Chartered Accountants whose report dated 16 December 2014 expressed an unqualified opinion thereon.

Chartered Accountants
Audit Engagement Partner:
Riaz A. Rehman Chamdia
Karachi

17th September 2015

Consolidated Balance Sheet
As at 30 June 2015

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	37,972,932	38,998,130
Intangible asset	6	23,746	23,746
Long-term loans and advances	7	1,638,411	830,000
Long-term deposits	8	31,068	28,579
		39,666,157	39,880,455
CURRENT ASSETS			
Stores and spares		279,196	204,298
Stock-in-trade	9	4,859,615	8,777,507
Trade debts	10	8,690,271	9,596,672
Loans and advances	11	683,429	562,674
Trade deposits and short-term prepayments	12	44,198	137,893
Other receivables	13	2,177,164	1,107,416
Accrued interest		435,888	330,916
Cash and bank balances	14	692,425	473,535
		17,862,186	21,190,911
TOTAL ASSETS		57,528,343	61,071,366
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	15	9,778,587	9,778,587
Accumulated losses		(26,839,084)	(26,873,272)
		(17,060,497)	(17,094,685)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	16	14,474,151	15,091,908
NON-CURRENT LIABILITIES			
Long-term financing and deferred mark-up	17	12,933,211	14,328,673
Liabilities against assets subject to finance lease	18	1,730	4,948
Long-term deposits	19	108,978	87,478
Deferred liabilities	20	6,045,570	6,878,205
		19,089,489	21,299,304
CURRENT LIABILITIES			
Trade and other payables	21	32,500,561	28,754,247
Accrued mark-up	22	661,046	758,013
Short-term borrowings	23	3,264,912	8,723,108
Current portion of non-current liabilities	24	3,900,058	2,997,116
Liabilities against assets subject to finance lease	18	4,970	18,626
Taxation – net		693,653	523,729
		41,025,200	41,774,839
CONTINGENCIES AND COMMITMENTS	25		
		57,528,343	61,071,366

The annexed notes 1 to 44 form an integral part of these consolidated financial statements.

Chief Executive

Director

Consolidated Profit and Loss Account
For the year ended 30 June 2015

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
Sales	26	95,372,404	92,795,030
Cost of sales	27	(90,810,151)	(92,671,974)
Gross profit		4,562,253	123,056
Selling and distribution expenses	28	(2,600,286)	(1,718,371)
Administrative expenses	29	(696,733)	(638,628)
Other expenses	30	(805,332)	(1,824,047)
Other income	31	2,015,422	1,078,120
		(2,086,929)	(3,102,926)
Operating profit / (loss)		2,475,324	(2,979,870)
Finance costs	32	(3,413,267)	(3,816,840)
Loss before taxation		(937,943)	(6,796,710)
Taxation	33	290,045	449,752
Loss after taxation		(647,898)	(6,346,958)
		----------- Rupees -----------	
Loss per share - basic and diluted	34	(0.66)	(6.49)

The annexed notes 1 to 44 form an integral part of these consolidated financial statements.

Chief Executive

Director

Consolidated Statement of Other Comprehensive Income
For the year ended 30 June 2015

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
Loss after taxation		(647,898)	(6,346,958)
Other comprehensive income for the year			
Items that may not be reclassified subsequently to profit and loss account			
Actuarial loss on remeasurement of defined benefit obligation	20.2.7	(2,610)	(11,380)
Total comprehensive income for the year		(650,508)	(6,358,338)

The annexed notes 1 to 44 form an integral part of these consolidated financial statements.

Chief Executive

Director

Consolidated Cash Flow Statement
For the year ended 30 June 2015

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(937,943)	(6,796,710)
Adjustments for non-cash items and other charges:			
Depreciation/ amortization on property, plant and equipment	5.1.4	1,962,098	1,401,187
Amortization on intangible assets		-	2,957
Finance costs	32	3,413,267	3,816,840
Provision for doubtful debts	10 .2	399,608	462,370
Provision for gratuity	20.2.6	27,571	23,895
Interest income	31	(746,750)	(925,987)
Gain on disposal of operating fixed assets	31	(1,693)	(2,106)
Net cash flows before working capital changes		4,116,158	(2,017,554)
Movement in working capital			
Decrease / (increase) in current assets			
Stores and spares		(74,898)	(40,980)
Stock-in-trade		3,917,892	(3,073,995)
Trade debts		995,394	2,213,122
Loans and advances		(120,755)	(545,064)
Trade deposits and short-term prepayments		93,695	253,577
Other receivables		(1,069,748)	(16,466)
		3,741,580	(1,209,806)
Increase in current liabilities			
Trade and other payables		3,731,398	7,124,510
Cash generated from operations		11,589,136	3,897,150
Finance costs paid		(1,837,387)	(2,841,392)
Income taxes paid		(360,064)	(160,273)
Gratuity paid		(27,867)	(10,602)
Interest income received		223,578	261,525
Net cash generated from operating activities		9,587,396	1,146,408
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(874,974)	(1,256,005)
Sale proceeds from disposal of operating fixed assets		6,706	9,368
Long-term deposits – net		19,011	32,886
Advance against investment in shares		(100,000)	-
Net cash used in investing activities		(949,257)	(1,213,751)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing – net		(2,944,179)	(1,282,258)
Short-term borrowings –net		(5,458,196)	1,294,341
Liabilities against assets subject to finance lease – net		(16,874)	(29,725)
Net cash used in financing activities		(8,419,249)	(17,642)
Net increase / (decrease) in cash and cash equivalents		218,890	(84,985)
Cash and cash equivalents as at beginning of the year		473,535	558,520
Cash and cash equivalents as at end of the year	14	692,425	473,535

The annexed notes 1 to 44 form an integral part of these consolidated financial statements.

Chief Executive

Director

Consolidated Statement of Changes in Equity
For the year ended 30 June 2015

	Issued, subscribed and paid up capital	Accumulated loss	Total
	.... (Rupees in '000)		
Balance as at 01 July 2013 - restated	9,778,587	(20,975,363)	(11,196,776)
Net loss for the year	-	(6,346,958)	(6,346,958)
Other comprehensive income for the year	-	(11,380)	(11,380)
Total comprehensive income for the year	-	(6,358,338)	(6,358,338)
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	-	460,429	460,429
Balance as at 30 June 2014	9,778,587	(26,873,272)	(17,094,685)
Balance as at 01 July 2014	9,778,587	(26,873,272)	(17,094,685)
Net loss for the year	-	(647,898)	(647,898)
Other comprehensive income for the year	-	(2,610)	(2,610)
Total comprehensive income for the year	-	(650,508)	(650,508)
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	-	684,696	684,696
Balance as at 30 June 2015	9,778,587	(26,839,084)	(17,060,497)

The annexed notes 1 to 44 form an integral part of these consolidated financial statements.

Chief Executive

Director

Notes to the Consolidated Financial Statements
For the year ended 30 June 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 The "Group" consists of:

Holding Company

i) Byco Petroleum Pakistan Limited (the Holding Company)

The Holding Company was incorporated in Pakistan as a public limited company on 09 January 1995 under the Companies Ordinance, 1984 and was granted a certificate of commencement of business on 13 March 1995. The shares of the Holding Company are listed on Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the Holding Company is situated at The Harbour Front, 9th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi, Pakistan. Byco Oil Pakistan Limited (the Parent Company) holds 80.84% (30 June 2014: 80.84%) shares in the Holding Company. The Parent Company is a wholly owned subsidiary of Byco Industries Incorporated (BII), Mauritius (the Ultimate Parent Company). The Holding Company is principally engaged in the production, marketing and sale of petroleum products.

The Holding Company currently operates two business segments namely Oil Refinery Business and Petroleum Marketing Business. The Holding Company commenced its Oil Refining Business in 2004. The refinery has a rated capacity of 35,000 bpd (barrels per day). Petroleum Marketing Business was formally launched in 2007 and has 261 retail outlets across the country.

Subsidiary Companies

i) Byco Terminals Pakistan Limited (BTPL)

BTPL was incorporated in Pakistan as a private limited company on 14 June 2002 under the Companies Ordinance, 1984. BTPL had been converted from private limited company to public limited company on 24 May 2010. The registered office of BTPL is situated at Harbour Front Tower, 9th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, and Karachi.

BTPL is principally engaged in the provision of bulk storage services of petroleum products. BTPL has developed an offshore jetty (Single Point Mooring) along with the pipelines for facilitating movement of petroleum products. The "Buoy", which is an integral part of Single Point Mooring (SPM) facility, is owned by Coastal Refinery Limited with whom BTPL is in agreement regarding its operation at agreed terms.

BTPL is a wholly owned subsidiary of the Holding Company by virtue of share purchase agreement dated 17 February 2010.

ii) Byco Isomerisation Pakistan (Private) Limited (BIPL)

BIPL was incorporated in Pakistan as a private limited company on 14 May 2014 under the Companies Ordinance, 1984 and it is a wholly owned subsidiary of the Holding Company. The registered office of BIPL is situated at Rooms 406 and 407, 4th Floor, Islamabad Stock Exchange Towers, 55-B, Jinnah Avenue, Islamabad. BIPL is principally engaged in blending, refining and processing of petroleum naphtha to produce petroleum products such as premium motor gasoline.

1.2 Subsequent to the year end, the Board of Directors of the Holding Company in a meeting held on 21 July 2015 considered and approved in principle a potential merger of the Holding Company and its wholly owned subsidiary, Byco Terminals Pakistan Limited, with and into its Parent Company, Byco Oil Pakistan Limited. This entire process is, however, subject to the approval by the courts and completion of required legal and corporate formalities.

2. GOING CONCERN ASSUMPTION

During the year ended 30 June 2015, the Group incurred a net loss after tax of Rs. 647.898 million (30 June 2014: Rs. 6,346.958 million) and as of that date its accumulated losses amounted to Rs. 26,839.084 million (30 June 2014: Rs. 26,873.272 million) and its current liabilities exceeded its current assets by Rs. 23,163.014 million (30 June 2014: Rs. 20,583.928 million).

The conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. These consolidated financial statements have been prepared using the going concern assumption as the management is confident that all these conditions are temporary, and would reverse in foreseeable future due to the reasons given below:

- the throughput of the Holding Company's refinery was 9.55 million barrels as compared to 6.79 million barrels representing an increase of 41% from last year;

- the Holding Company's Petroleum Marketing Business (PMB) has entered into various fuel supply arrangements with different marketable sectors such as shipping, power and energy, and high margin aviation fuel export market has also been tapped through these arrangements. Further, during the year, PMB segment has increased retail business by entering into different dealer financed, semi-financed and company financed agreements for opening of various retail outlets across the country. These factors of PMB segment has been and is expected to yield significant contribution towards the profitability of the Group;

- the Economic Coordination Committee (ECC) has approved the recovery of crude oil transportation through Inland Freight Equalization Margin pool which would result in future cost savings for the Group. Further, the Competition Commission of Pakistan has also issued its opinion in favour of the Holding Company in this respect;

- during the year, the Parent Company commenced its commercial operations which would bring substantial cost savings to the Group;

- the Group is continuously reviewing its administrative costs, operating expenditures as well as capital expenditures, with a view to optimize the associated benefits through elimination of such costs as they find appropriate;

- during theyear, a Subsidiary Company (BTPL) restructured short-term borrowing from a commercial bank amounting to Rs. 400 million as disclosed in note 23.2 to the consolidated financial statements. Further, BTPL has also restructured its financing from a commercial bank subsequent to the year end, amounting to Rs. 1,800 million as disclosed in note 23.1 to the consolidated financial statements.

- the Parent Company is contemplating a restructuring plan of the Group Companies which would bring efficiencies in the operations as stated earlier;

- the Ultimate Parent Company has given its commitment to give financial support to the Group as and when required. The support is available during the next financial year and beyond that; and

- the management has also prepared financial projections to demonstrate the financial benefits of above measures.

The results of the above efforts, activities and actions are expected to contribute significantly towards the profitability, cost reduction, cash flows and equity position of the Group and mitigate the risks involved. Therefore, the preparation of these consolidated financial statements on going concern assumption is justified.

3. BASIS OF PREPARATION

3.1 Statement of compliance

These consolidated 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 (IASB) and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of, or directives issued under the Companies Ordinance, 1984 shall prevail.

3.2 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except for:

- Certain classes of property, plant and equipment which are carried at revalued amount as disclosed in note 4.1; and

- Defined benefit obligations which are stated at present value in accordance with the requirements of IAS-19 "Employee Benefits".

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, those 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 inequity attributable to the Group.

The financial statements of the Subsidiaries are included in the consolidated financial statements. The accounting policies of these 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, pre-acquisition reserves and pre-acquisition surplus on revaluation of property, plant and equipment. All intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in full in preparing these consolidated financial statements.

3.4 Adoption of amended standards

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year except as describe below:

New / revised standards, interpretations and amendments

The Group has adopted the following new/ revised standards, amendments and interpretation of IFRSs which became effective for the current year:

IAS 19	- Employee Benefits - (Amendment) - Defined Benefit Plans: Employee Contributions
IAS 32	- Financial Instruments : Presentation - (Amendment)
	- Offsetting Financial Assets and Financial Liabilities
IAS 36	- Impairment of Assets - (Amendment)
	- Recoverable Amount Disclosures for Non-Financial Assets
IAS 39	- Financial Instruments: Recognition and Measurement - (Amendment)
	- Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	- Levies

Improvements to Accounting Standards Issued by the IASB

IFRS 2 Share-based Payment - Definitions of vesting conditions

IFRS 3 Business Combinations - Accounting for contingent consideration in a business combination

IFRS 3 Business Combinations - Scope exceptions for joint ventures

IFRS 8 Operating Segments - Aggregation of operating segments

IFRS 8 Operating Segments - Reconciliation of the total of the reportable segments' assets to the entity's assets

IFRS 13 Fair Value Measurement - Scope of paragraph 52 (portfolio exception)

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - Revaluation method - proportionate restatement of accumulated depreciation / amortization

IAS 24 Related Party Disclosures -Key management personnel

IAS 40 Investment Property - Interrelationship between IFRS 3 and IAS 40 (ancillary services)

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on the seconsolidated financial statements.

Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 10 - Consolidated Financial Statements	01 January 2015
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements - Investment Entities (Amendment)	01 January 2015
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements - Investment Entities: Applying the Consolidation Exception (Amendment)	01 January 2016
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	01 January 2016
IFRS 11 - Joint Arrangements	01 January 2015
IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	01 January 2016
IFRS 12 - Disclosure of Interests in Other Entities	01 January 2015
IFRS 13 - Fair Value Measurement	01 January 2015
IAS 1 - Presentation of Financial Statements - Disclosure Initiative (Amendment)	01 January 2016
IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	01 January 2016
IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	01 January 2016
IAS 27 - Separate Financial Statements - Equity Method in Separate Financial Statements (Amendment)	01 January 2016

In addition to these standards and amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2016. The Group expects that such improvements to the standards will not have any material impact on the Group's consolidated financial statements in the period of initial application

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	IASB Effective date (annual periods beginning on or after)
IFRS 9 - Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 - Regulatory Deferral Accounts	01 January 2016
IFRS 15 - Revenue from Contracts with Customers	01 January 2018

3.5 Critical accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affects the application of policies and the reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the consolidated financial statements in the subsequent years are as follows:

i) Useful lives of items of property, plant and equipment (note 4.1 and 5.1);
ii) Provision for slow moving and obsolete stock-in-trade (note 4.2 and 9);
iii) Estimates of receivables and payables in respect of staff retirement benefit schemes (note 4.10 and 20.2);
iv) Provision for taxation (note 4.14, 20.1 and 33);
v) Provision for doubtful debts and other receivables (note 4.4 and 10.2);
vi) Impairment against other financial and non-financial assets (note 4.7); and
vii) Contingencies (note 25.1).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment

Owned

Freehold land, leasehold land, building on freehold land, roads and civil works, plant and machinery, generators and safety and lab equipments are measured at revalued amounts, which is the fair value at the date of revaluation less accumulated depreciation and accumulated impairment losses, if any, recognised subsequent to the date of revaluation. The surplus arising on revaluation is disclosed as surplus on revaluation of property, plant and equipment.

All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged to consolidated profit and loss account, applying the straight line method whereby costs of assets, less their residual values, is written off over their estimated useful lives at rates as disclosed in note 5.1 to the consolidated financial statements. Depreciation on additions is charged from the month in which the asset is available for use up to the month preceding the disposal.

The carrying values of the Group's property plant and equipment are reviewed at each financial year end for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Repairs and maintenance cost is written off to the consolidated profit and loss account in the year in which it is incurred. Major renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Group.

An item of property plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on disposal of property, plant and equipment is recognised in the period of disposal.

Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment, if any, and consists of expenditure incurred in respect of operating fixed assets in the course of their acquisition, erection, construction and installation, including salaries and wages directly attributable to capital work-in-progress, determined by the management. The assets are transferred to relevant category of operating fixed assets when they are available for use.

Assets subject to finance lease

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are stated at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments, less accumulated depreciation and impairment losses, if any.

Leased assets are depreciated over the useful lives of the assets. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Depreciation, repair and maintenance and gain/loss on disposal of assets subject to finance lease are recognised in the same manner as for owned assets.

4.2 Stock-in-trade

All stock-in-trade is valued at the lower of cost and net realisable value (NRV).

Raw materials

Cost in relation to crude oil is determined on the basis of First-In-First-Out (FIFO) basis. Net realizable value in relation to crude oil represents replacement cost at the balance sheet date.

Finished products

Cost of finished products comprises of the cost of crude oil and refining charges consisting of direct expenses and appropriate production overheads. Direct expenses are arrived at on the basis of average cost for the year per barrel of throughput. Production overheads, including depreciation, are allocated to throughput proportionately on the basis of normal capacity.

Net realizable value in relation to finished products 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.

4.3 Stores and spares

These are stated at moving average cost less impairment loss, if any. For items which are slow moving and / or identified as surplus to the Group's requirements, adequate provision is made for any excess book value over estimated realizable value. The Group reviews the carrying amount of the stores and spares on a regular basis and provision is made for obsolescence.

Provision is made for obsolete and slow moving items where necessary and is recognised in the consolidated profit and loss account.

4.4 Trade debts and other receivables

Trade debts and other receivables are stated at original invoice amount less provision for doubtful debts, if any. Provision for doubtful debts and other receivables is based on the management's assessment of customers' outstanding balances and creditworthiness. Bad debts are written-off when identified.

4.5 Trade deposits and short-term prepayments

These are initially recognised at cost, which is the fair value of the consideration given. Subsequent to initial recognition assessment is made at each balance sheet date to determine whether there is an indication that a financial asset or group of assets may be impaired. If such indication exists, the estimated recoverable amount of that asset or group of assets is determined and any impairment loss is recognised for the difference between the recoverable amount and the carrying value.

4.6 Cash and cash equivalents

Cash and cash equivalents are stated at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash in hand, balances with banks and stamp papers.

4.7 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the profit and loss account. An impairment loss is reversed if the reversal can be related objectively to an event accruing after the impairment loss was recognised.

Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised as an expense in the consolidated profit and loss account. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

4.8 Surplus on revaluation of property, plant and equipment

The surplus arising on revaluation of property, plant and equipment is credited to the "Surplus on revaluation of property, plant and equipment " shown below equity in the balance sheet in accordance with the requirements of section 235 of the Companies Ordinance, 1984. The said section was amended through the Companies (Amendment) Ordinance, 2002. The Group has adopted following accounting treatment of depreciation / amortisation on revalued assets, in accordance with Securities and Exchange Commission of Pakistan's (SECP) SRO 45(1)/2003 dated 13 January 2003:

- depreciation / amortisation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation / amortisation charge for the period is taken to the consolidated profit and loss account; and

- an amount equal to incremental depreciation / amortisation for the period net of deferred taxation is transferred from "Surplus on revaluation of property, plant and equipment" to accumulated loss through consolidated statement of changes in equity to record realization of surplus to the extent of the incremental depreciation / amortisation charge for the period.

Upon disposal, any revaluation surplus relating to the asset being disposed is transferred to accumulated profit.

4.9 Interest / Mark-up bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

Loans and borrowings are subsequently stated at amortized cost with any difference between the proceeds (net of transaction cost) and the redemption value recognised in the consolidated profit and loss account over the period of the borrowing using the effective interest method.

Notes to the Consolidated Financial Statements
For the year ended 30 June 2015

4.10 Staff retirement benefits

4.10.1 Defined benefit plan

The Group operates a funded gratuity scheme covering all its permanent employees who have completed minimum qualifying period of service. The Group's obligation under the scheme is determined through actuarial valuations carried out under the "Projected Unit Credit Method". The latest actuarial valuation was carried out at 30 June 2015 and based on the actuarial valuation; the Group had recognised the liability for retirement benefits and the corresponding expenses. Actuarial gains and losses that arise are recognised in other comprehensive income in the year in which they arise. Past service costs are recognised immediately in the consolidated profit and loss account irrespective of the fact that the benefits are vested or non-vested. Current service costs and any past service costs together with the effect of the unwinding of the discount on plan liabilities are charged to operating expenses.

The amount recognised in the consolidated balance sheet represents the present value of defined benefit obligation as reduced by the fair value of plan assets.

4.10.2 Defined contribution plan

The Group operates a provident fund scheme for all its eligible employees. Equal contributions are made by the Group and the employees at 8.33% of the basic salary of the eligible employees.

4.11 Compensated absences

The Group also makes a provision in the consolidated financial statements for its initial liability towards entitled compensated absences based on the leaves accumulated up to the balance sheet date in accordance with the service rules.

4.12 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

4.13 Assets held under operating leases / Ijarah financing

Assets held under operating leases / Ijarah financing are accounted for using the guidelines of IAS 17 and IFAS 2 respectively. These assets are not recognised in the Group's consolidated financial statements and payments made under operating leases / Ijarah financing are recognised in theconsolidated profit or loss on a straight line basis over the term of the lease.

4.14 Taxation

Current

Provision for current taxation is based on taxable income at the current rate of taxation after taking into account tax credits and tax rebates available, if any, and tax paid under final tax regime (FTR). The tax charge as calculated above is compared with turnover tax plus tax paid under FTR. Higher of normal tax or turnover tax including tax paid under FTR is compared with Alternate Corporate Tax and whichever is higher is provided in the financial statements. Turnover tax is calculated on turnover excluding turnover under FTR. Alternate Corporate tax is calculated in accordance with the provisions of Section 113C of Income Tax Ordinance 2001.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all temporary differences arising at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. As of the balance sheet date, deferred tax asset amounting to Rs. 3,467,006million (30 June 2014: Rs. 4,844.353 million) has not been recognised in these consolidated financial statements as a matter of prudence.

Notes to the Consolidated Financial Statements
For the year ended 30 June 2015

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

4.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, if 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. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.16 Liabilities and finance charges against assets subject to finance lease

Liabilities against assets subject to finance lease are accounted for at net present value of minimum payments under the lease arrangements. Lease payments are apportioned between finance costs and reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Financial costs are charged directly to the consolidated profit and loss account.

4.17 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and is recognised on the following basis:

- Sales are recognised when the significant risk and rewards of ownership of the goods have passed to the customers which coincide with the dispatch of goods to the customers.

- Export sales are recognised on the basis of product shipped to the customers.

- Petroleum storage income is recognised on an accrual basis.

4.18 Other income

Other income is recognised to the extent it is probable that the economic benefits will flow to the Group and amount can be measured reliably. Other income is measured at the fair value of the consideration received or receivable and is recognised on the following basis:

- Mark-up on delayed payments charges are recognised on the time proportionate basis.

- Interest income / mark-up on short term deposits and interest bearing advances are recognised on the proportionate basis.

- Handling income including income from gantry operations and pipeline charges are recognised on an accrual basis.

- Scarp sales and rental income are recognised on an accrual basis.

4.19 Foreign currency translations

Foreign currency transactions during the period are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the balance sheet date. Gains and losses on translation are taken to the consolidated profit and loss account.

4.20 Financial instruments

All financial assets and liabilities are initially measured at fair value and subsequently re-measured at fair value or amortized cost as the case may be. The Group derecognises the financial assets and financial liabilities when it ceases to be a party to such contractual provisions of the instruments.

4.21 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated financial statements only when there is legally enforceable right to set-off the recognised amounts and Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.22 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive Officer of the Group.

4.23 Dividends and appropriations

Dividends and reserve appropriations are recognised in the year in which these are declared / approved. The distribution of dividend is subject to the covenant as mentioned in note 17.1.

4.24 Functional and presentation currency

These financial statements are presented in Pakistani Rupee, which is the Group's functional and presentation currency.

4.25 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the period.

4.26 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in consolidated profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit and loss as a bargain purchase gain.

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	37,189,732	37,973,692
Capital work-in-progress	5.2	783,200	1,024,438
		37,972,932	38,998,130

5.1 Operating fixed assets

	2015													
	COST / REVALUATION						ACCUMULATED DEPRECIATION						Written down value as at 30 June 2015	Rate of Depreciation %
	As at 01 July 2014	Additions*	Revaluation Surplus (note 5.1.2)	Transfers	Disposals	As at 30 June 2015	As at 01 July 2014	Charge for the year	Transfers	Disposal	Revaluation surplus adjustment	As at 30 June 2015		
	(Rupees in '000)													
Owned														
Freehold land	660,830	200,138	23,189	-	-	884,157	-	-	-	-	-	-	884,157	-
Leasehold land	810,081	-	43,750	-	-	853,831	35,825	37,128	-	-	-	72,953	780,878	0-20
Building on freehold land, roads and civil works	857,096	52,371	-	-	-	909,467	96,609	36,379	-	-	-	132,988	776,479	4
Building on leasehold land	76,939	-	-	-	-	76,939	6,577	3,364	-	-	-	9,941	66,998	4
Plant and machinery	35,784,188	583,965	-	-	-	36,368,153	6,212,390	1,255,923	-	-	-	7,468,313	28,899,840	4-5
Single point mooring and installations	5,513,062	-	-	-	-	5,513,062	110,261	241,264	-	-	-	351,525	5,161,537	5
Generators	419,422	6,764	-	-	-	426,186	234,355	28,610	-	-	-	262,965	163,221	7
Furniture and fixtures	53,661	-	-	-	-	53,661	34,540	5,366	-	-	-	39,906	13,755	10
Portable cabins	11,199	-	-	-	-	11,199	9,530	436	-	-	-	9,966	1,233	10
Vehicles	196,139	5,201	-	25,062	(25,062)	201,340	195,919	4,258	20,049	(20,049)	-	200,177	1,163	20
Filling stations (5.1.1)	603,953	32,638	-	-	-	636,591	184,091	38,195	-	-	-	222,286	414,305	5-12.5
Computer and allied equipments	106,581	3,504	-	-	-	110,085	80,909	25,921	-	-	-	106,830	3,255	33
Safety and lab equipments	1,119,872	231,631	-	-	-	1,351,503	1,060,936	280,361	-	-	-	1,341,297	10,206	20-25
	46,213,023	1,116,212	66,939	25,062	(25,062)	47,396,174	8,261,942	1,957,205	20,049	(20,049)	-	10,219,147	37,177,027	
Leased														
Vehicles	45,910	-	-	(25,062)	-	20,848	23,299	4,893	(20,049)	-	-	8,143	12,705	20
	46,258,933	1,116,212	66,939	-	(25,062)	47,417,022	8,285,241	1,962,098	-	(20,049)	-	10,227,290	37,189,732	

*Additions of Rs. 1,116.212 million, as shown above include an amount of Rs. 953.503 million transferred from capital work-in-progress during the year, as shown in note 5.2.

Notes to the Consolidated Financial Statements
For the year ended 30 June 2015

	2014													
	COST / REVALUATION						ACCUMULATED DEPRECIATION						Written down value as at 30 June 2014	Rate of Depreciation %
	As at 01 July 2013	Additions*	Revaluation Surplus (note 5.1.2)	Transfers	Disposals	As at 30 June 2014	As at 01 July 2013	Charge for the year	Transfers	Disposal	Revaluation surplus adjustment	As at 30 June 2014		
	(Rupees in '000)													
Owned														
Freehold land	655,830	3,923	1,077	-	-	660,830	-	-	-	-	-	-	660,830	-
Leasehold land	755,700	-	54,381	-	-	810,081	22,280	11,140	-	-	2,405	35,825	774,256	5
Building on freehold land, roads and civil works	340,793	516,303	-	-	-	857,096	79,481	17,128	-	-	-	96,609	760,487	4
Building on leasehold land	67,473	6,206	3,260	-	-	76,939	3,351	2,947	-	-	279	6,577	70,362	4
Plant and machinery	15,144,017	4,096,428	16,490,400	53,343	-	35,784,188	4,165,890	1,122,049	26,007	-	898,444	6,212,390	29,571,798	4-5
Single point mooring and installations	-	5,513,062	-	-	-	5,513,062	-	110,261	-	-	-	110,261	5,402,801	5
Generators	201,921	1,212	216,289	-	-	419,422	95,913	17,589	-	-	120,853	234,355	185,067	7
Furniture and fixtures	53,661	-	-	-	-	53,661	29,580	4,960	-	-	-	34,540	19,121	10
Portable cabins	11,199	-	-	-	-	11,199	9,061	469	-	-	-	9,530	1,669	10
Vehicles	196,071	-	-	35,177	(35,109)	196,139	181,163	14,688	27,944	(27,876)	-	195,919	220	20
Filling stations (5.1.1)	573,335	30,618	-	-	-	603,953	130,085	54,006	-	-	-	184,091	419,862	5-12.5
Computer and allied equipments	81,494	25,132	-	-	(45)	106,581	70,601	10,324	-	(16)	-	80,909	25,672	33
Safety and lab equipments	89,459	-	1,030,413	-	-	1,119,872	67,862	16,889	-	-	976,185	1,060,936	58,936	20-25
	18,170,953	10,192,884	17,795,820	88,520	(35,154)	46,213,023	4,855,267	1,382,450	53,951	(27,892)	1,998,166	8,261,942	37,951,081	
Leased														
Plant and machinery	53,343	-	-	(53,343)	-	-	23,507	2,500	(26,007)	-	-	-	-	4-5
Vehicles	81,087	-	-	(35,177)	-	45,910	35,006	16,237	(27,944)	-	-	23,299	22,611	20
	134,430	-	-	(88,520)	-	45,910	58,513	18,737	(53,951)	-	-	23,299	22,611	
	18,305,383	10,192,884	17,795,820	-	(35,154)	46,258,933	4,913,780	1,401,187	-	(27,892)	1,998,166	8,285,241	37,973,692	

* Additions of Rs. 10,192.884 million as shown above includes an amount of Rs. 10,187.935 million transferred from capital work-in-progress during the year.

5.1.1 The Holding Company's assets located at filling stations are not in possession of the Group. In view of large number of dealers, the management considers it impractical to disclose particulars of assets not in possession of the Group as required under para 5 of part I of the Fourth Schedule to the Companies Ordinance, 1984.

5.1.2 During the year, revaluation exercise was carried out by an independent valuer in respect of the Holding Company's land, resulting in surplus on revaluation amounting to Rs. 66.939 million. The fair values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, adjusted for any difference in nature, location or condition of the specific property and in case where market based evidence was not available or not applicable due to the specialized nature of asset, then it was based on depreciated replacement cost method.

During the years ended 30 June 2007, 30 June 2009, 30 June 2011, 30 June 2012, 30 June 2014 and30 June 2015 revaluation exercises werecarried out by independent valuers of the Holding Company resulting in surplus onrevaluations amounting to Rs.1,901.021 million, Rs. 4,062.989 million, Rs. 3,484.024million, Rs. nil, Rs. 1,150.540 million and Rs. 66.939 million respectively.

Further, during the years ended 30 June 2010 and 30 June 2014, revaluation exercises werecarried out by independent valuers of a Subsidiary Company (BTPL) resulting in surplus onrevaluations amounting to Rs.120.888 million Rs. 66.298 million respectively.

5.1.3 Had there been no revaluation, the net book value of specific classes of operating fixed assets would have amounted to:

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
Freehold land		50,654	50,654
Leasehold land		213,200	213,200
Buildings on freehold land, roads and civil works		1,168,381	814,508
Plant and machinery		10,411,868	11,583,485
Generators		65,365	57,802
Safety and lab equipments		8,379	4,865
		11,917,847	12,724,514

5.1.4 Depreciation / amortization charge for the year has been allocated as follows:

	Note	30 June 2015	30 June 2014
Cost of sales	27.1	1,865,229	1,287,300
Selling and distribution expenses	28	38,195	54,006
Administrative expenses	29	58,674	59,881
		1,962,098	1,401,187

5.1.5 The details of operating fixed assets disposed off during the year are as follows:

	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain on disposal	Mode of Disposal	Particulars of Buyer: Name	Particulars of Buyer: Status
	(Rupees in '000)							
Vehicles								
Toyota Corolla	1,354	1,083	271	339	68	Group Policy	Rizwan Ahmed Khan	Employee
Suzuki Cultus	833	666	167	208	41	Group Policy	Faisal Khan	Employee
Suzuki Cultus	842	674	168	211	43	Group Policy	RizwanAnees Khan	Employee
Toyota Corolla	1,325	1,060	265	331	66	Group Policy	Mushtaq Ahmed	Employee
Audi	8,850	7,080	1,770	2,213	443	Group Policy	Hamid ImtiazHanfi	Director
Suzuki Cultus	855	684	171	213	42	Group Policy	Amir Fareed	Employee
Toyota Corolla	916	733	183	229	46	Group Policy	Muhammad Azram	Employee
Suzuki Liana	810	648	162	203	41	Group Policy	Taha Nayyar Siddiqui	Employee
Toyota Corolla	833	666	167	208	41	Group Policy	Wajahat Ali Syed	Employee
Suzuki Cultus	855	684	171	214	43	Group Policy	Nadeem Ehsan	Employee
Toyota Corolla	1,399	1,119	280	350	70	Group Policy	Suhail Ahmed	Employee
Mercedes Benz	6,190	4,952	1,238	1,987	749	Group Policy	Imran Farookhi	Employee
Jun-15	25,062	20,049	5,013	6,706	1,693			
Jun-14	35,154	27,892	7,262	9,368	2,106			

5.2 Capital work-in-progress

The movement of capital work-in-progress during the year is as follows:

	Opening balance	Additions	Transferred to operating fixed assets	Closing balance 2015	Closing balance 2014
	(Rupees in '000)				
Freehold land	200,138	-	(200,138)	-	200,138
Plant and machinery	559,759	703,723	(489,286)	774,196	559,759
Building on freehold land, roads and civil works	18,196	229	(17,734)	691	18,196
Generators	6,764	-	(6,764)	-	6,764
Filling stations	8,907	8,313	(8,907)	8,313	8,907
Computer and allied equipments	3,159	-	(3,159)	-	3,159
Safety and lab equipments	227,515	-	(227,515)	-	227,515
	1,024,438	712,265	(953,503)	783,200	1,024,438

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
6. INTANGIBLE ASSET			
Goodwill acquired on business combination	6.1	23,746	23,746

6.1 During the year ended 30 June 2010, the Holding Company acquired 100% shares of a Subsidiary Company (BTPL) from all of its shareholders for a consideration of Rs. 87.155 million. The effective control was obtained on 17 February 2010. The acquisition brought about expansion and diversification of the Holding Company's business as the BTPL is engaged in provision of bulk storage services and mooring services of petroleum products.

Goodwill acquired through acquisition has an indefinite life. The Group assessed the recoverable amount of the goodwill by determining the value in use over a ten year period as the business is long term by nature. The recoverable value exceed its carrying value and hence no impairment exists. The management believes that any reasonable possible changes to the key assumptions on which the calculation of recoverable amount is based would not significantly cause the carrying amount to exceed the recoverable amount.

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
7. LONG-TERM LOANS AND ADVANCES - unsecured			
Loan to Coastal Refinery Limited (CRL)	7.1	1,518,780	830,000
Advance against investment in shares	7.2	100,000	-
Amortization of arrangement fee	7.3	19,631	-
		1,638,411	830,000

7.1 A Subsidiary Company (BTPL) had financed the construction cost of the Buoy (in ownership of CRL) amounting to Rs. 830 million. According to the previous Share Purchase Agreement dated 12 April 2013, the advance was to be recovered from CRL through issuance of CRL's shares to BTPL at a face value of Rs. 10 each.

However, on 26 December 2014, BTPLentered into another Amended and Restated Share Purchase Agreement for the purchase of CRL. According to the agreement, BTPL will pay CRL Rs. 830 million in two installments on 31 July 2016 and 30 April 2018 for purchase of 83 million right shares at a par value of Rs. 10 each. Moreover, CRL will pay the installment amount received from the right issue to settle the loan of Rs. 830 million to BTPL.

Further, BTPL also entered into an agreement with CRL for a long-term loan of Rs. 688.78 million, receivable semi-annually in 8 years with a grace period of two years from the date of disbursement i.e. commencing from 30 June 2017, at a markup rate of 8% per annum.

7.2 On 26 December 2014, a Subsidiary Company (BTPL) entered into an Amended and Restated Share Purchase agreement for the purchase of CRL. According to the agreement, BTPLwill acquire 100% of the issued subscribed and paid up share capital of CRL amounting to Rs. 670.525 million at a discount of Rs. 2.1 per share against payment of Rs 529.517 million by September 2017. In this regard, payment of Rs. 100 million has been made during the year.

7.3 Represents reimbursement of arrangement fee from CRL calculated at the effective interest rate of 12.77% on the loan provided, as explained in note 7.1 above which is to be received from 9th year onwards.

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
8. LONG-TERM DEPOSITS			
Finance lease		6,955	4,955
Ijarah financing		20,321	20,321
Rental premises and others		10,734	3,453
Central Depository Company of Pakistan		13	13
		38,023	28,742
Less: current portion of finance lease deposits	12	(6,955)	(163)
		31,068	28,579
9. STOCK-IN-TRADE			
Raw material - crude oil		682,874	2,485,043
Finished products	9.1 & 9.2	4,176,741	6,292,464
		4,859,615	8,777,507

9.1 Finished products having cost of Rs. 3,026.379 million (30 June 2014: Rs. 6,536.343 million) havebeen written down by Rs. 156.625 million (30 June 2014: Rs. 243.879 million) to net realizablevalue.

9.2 This includes stock held by third parties amounting to Rs. 1,992.633 million (30 June 2014: Rs. 1,950.455 million) as at the balance sheet date.

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
10. TRADE DEBTS - unsecured			
Considered good			
Due from Pakistan State Oil Company Limited	10.1	4,476,158	3,970,961
Due from related parties:			
- K-Electric Limited		1,364,484	2,461,669
- Standard Shipping Pakistan Limited		4,690	3,740
- Byco Oil Pakistan Limited – the Parent Company		201,810	5,984
		1,570,984	2,471,393
Others		2,643,129	3,154,318
Considered doubtful		2,192,831	1,793,223
		10,883,102	11,389,895
Provision for doubtful debts	10.2	(2,192,831)	(1,793,223)
	10.3	8,690,271	9,596,672

10.1 This represents amount due from Pakistan State Oil Company Limited (PSO) against supplies of products and on account of mark-up on delayed payments. The Holding Company had entered into a "sale and purchase of product" agreement with PSO on 05 April 2002 for a period of 10 years. The said agreement mentions that in the event of late payment of invoices by PSO, the Holding Company would be entitled to recover mark-up from PSO for the period of delay on daily compounding basis at the lending rates applicable for short-term running finance of the Holding Company or PSO whichever is lower. The mark up on delayed payments relates only to purchases made by PSO under agreement dated 05 April 2002, which expired on 02 April 2012. Subsequent to the expiry of the agreement all purchases made by PSO do not carry any mark up on delayed payment. The Holding Company is currently pursuing this matter with the Director General Oil, Ministry of Petroleum and Natural Resources, for the recovery of the outstanding amount.

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
10.2 Provision for doubtful debts			
Opening balance		1,793,223	1,330,853
Provision made during the year	30	399,608	462,370
Closing balance		2,192,831	1,793,223

10.3 The aging of unimpaired debtors at the balance sheet date is as follows:

		30 June 2015	30 June 2014
Neither past due nor impaired		2,304,981	4,565,320
Past due 1-30 days		1,574,247	789,625
Past due 31-180 days		1,486,168	1,121,928
Past due 181-365 days		737,798	610,828
Above 365 days		2,587,077	2,508,971
		8,690,271	9,596,672

11. LOANS AND ADVANCES–unsecured, considered good

	Note	30 June 2015	30 June 2014
Loans to:			
- Employees		100	100
- Parent Company	11.1	400,000	400,000
Advance to suppliers and contractors		283,329	162,574
		683,429	562,674

11.1 This represents loan provided to the Parent Company by a Subsidiary Company (BTPL) and carries mark-up at the rate of six months KIBOR plus 3.25% per annum, receivable semi-annually in arrears. The principal amount outstanding was to be received on 25 September 2014. However, BTPL entered into a revised arrangement according to which the amount is to be received on 27 January 2016.

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
12. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Current portion of finance lease deposits	8	6,955	163
Trade deposits		5,140	6,730
Margin against letters of credit		3,815	1,211
Prepayments		28,288	22,379
Advance income tax		-	107,410
		44,198	137,893

Notes to the Consolidated Financial Statements
For the year ended 30 June 2015

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
13. OTHER RECEIVABLES			
Inland Freight Equalization Margin		1,382,405	407,349
Sales tax refundable		-	43,964
Excise duty refundable		-	13,839
Receivable from CRL	13.1	526,504	426,946
Lease rentals due from the Parent Company	13.2	268,255	215,318
		2,177,164	1,107,416

13.1 This represents cost incurred by a Subsidiary Company (BTPL) on behalf of CRL. These are being adjusted from the cost payable to CRL on account of usage of Buoy.

13.2 This represents receivable in respect of land situated at Mauza Kund, Balochistan, sub-leased tothe Parent Company.

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
14. CASH AND BANK BALANCES			
Cash in hand		74	71
Stamp papers		100	100
Cash at banks			
- Current accounts	14.1	675,653	469,861
- Saving accounts	14.2	16,598	3,503
		692,251	473,364
		692,425	473,535

14.1 This includes Rs. 23.98 million (30 June 2014: Rs. 68.01 million) kept under lien against letter of credit facilities obtained from banks.

14.2 These carry mark-up at the rates ranging from 5.5% to 8.5% (30 June 2014: 6.5% to 9.1%) per annum.

16. SHARE CAPITAL

30 June 2015	30 June 2014		30 June 2015	30 June 2014
(Number of Shares)			(Rupees in '000)	
		Authorized share capital		
1,200,000,000	1,200,000,000	Ordinary shares of Rs. 10 each	12,000,000	12,000,000
		Issued, subscribed and paid-up capital		
977,858,737	977,858,737	Ordinary shares of Rs. 10 each	9,778,587	9,778,587

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
16. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Opening balance		22,627,641	7,538,339
Surplus on revaluation carried out during the year	5.1.2	66,939	2,136,568
Surplus on revaluation of Isomerization plant		-	13,661,086
		66,939	15,797,654
Transfer to accumulated loss in respect of:			
- incremental depreciation charged during the year - net of tax		(684,696)	(460,429)
- related deferred tax liability		(322,210)	(247,923)
		(1,006,906)	(708,352)
		21,687,674	22,627,641
Less: related deferred tax liability:			
- on revaluation at the beginning of the year		7,535,733	2,254,854
- related to revaluation carried out during the year		-	5,528,802
- on incremental depreciation charged during the year		(322,210)	(247,923)
	20	7,213,523	7,535,733
Closing balance		14,474,151	15,091,908
17. LONG-TERM FINANCING AND DEFERRED MARK-UP			
Restructured principal		12,869,267	15,123,156
Deferred mark-up on restructured principal		3,084,533	2,061,298
	17.1	15,953,800	17,184,454
Loan from commercial bank	17.2	171,058	342,116
Loan form syndicate banks	17.3	359,641	-
Musharika facility	17.4	353,488	-
Unwinding of arrangement fee	17.5	19,631	-
		16,857,618	17,526,570
Current maturity:			
- restructured principal facilities		(3,529,000)	(2,655,000)
- long-term financing		(371,058)	(342,116)
	24	(3,900,058)	(2,997,116)
Accrued mark-up	22	(24,349)	(200,781)
		12,933,211	14,328,673

17.1 The syndicate banks upon request of the Holding Company have restructured the outstanding amount in accordance with the terms and subject to the conditions mentioned in the Restructured Agreement (the Agreement) made on 04 December 2012. As per the Agreement, principal amount of Rs. 17,379.700 million had been restructured over a period of maximum 7 years from 2013 to 2019 and carries mark-up at the rate of 6 months Karachi Inter-Bank Offer Rate (KIBOR) whereas deferred markup of Rs. 1,853.586 million is interest-free and is to be paid within a period of two years commencing after the payment of restructured principal facilities. Further, the restructured facility contains a covenant that the Holding Company cannot pay dividend to its shareholders in the event of a default.

As per the terms of the Agreement, National Bank of Pakistan (NBP) is being paid on a priority basis in unequal semi-annual instalments whereas payment in respect of the remaining principal amount will be made in fourteen unequal semi-annual instalments commencing upon the discharge of full obligation of the NBP restructured facility or expiry of 2.5 years (June 2015) from the Agreement date whichever is earlier. Further, an amount of Rs. 50 million out of the total deferred mark-up during the restructured period shall be payable by the HoldingCompany on each installment date in the first year and Rs. 100 million on each installment date in the following six years which is being paid by the Holding Company. Remaining deferred mark-up shall be payable within a period of two years commencing after the repayment of the restructured principal facilities.

The restructuring of loans as mentioned above had resulted in substantial modification of the financing terms. Accordingly, the previous liability has been derecognised and new liability has been recognised at fair value. The difference between the carrying amount of the liability extinguished and the fair value of the new liability has been recognised in the consolidated profit and loss account which is being amortised on effective interest rate over the remaining tenor of the loan.

The restructured facility is secured by way of:

(i) first Joint Pari Passu charge over fixed assets of the Holding Company to the extent of Rs. 7,670 million, first Pari Passu equitable mortgage charge over fixed assets (land and building only) of the Holding Company to the extent of Rs. 7,670 million;

(ii) first Pari Passu equitable mortgage charge over fixed assets (exclusive of land and building) of the Holding Company to the extent of Rs. 20,400 million;

(iii) first Joint Charge on the assets of a Subsidiary Company (BTPL) including storage related assets and crude oil tanks;

(iv) first Pari Passu Hypothecation charge to the extent of Rs. 9,697 million on all present and future current assets of the Holding Company; and

(v) the syndicate banks will have a lien and right of set off on an account maintained with an assigned agent bank wherein the Holding Company will route all its revenues / receipts.

17.2 This represents a long-term loan obtained by a Subsidiary Company (BTPL) from a commercial bank carrying mark-up at the rate of one year KIBOR plus 2.75% per annum, payable annually in arrears. This is secured by hypothecation on all movable assets of BTPL. The amount outstanding was repayable in two equal annual installments in arrears with a grace period of one year from the date of disbursement i.e. 13 February 2013. The amount is payable by January 2016.

17.3 This represents a long-term loan amounting to Rs.348.780 million obtained by a Subsidiary Company (BTPL) from syndicate banks carrying mark-up at the rate of 8% for the first two years and an average six months KIBOR or 12% per annum, whichever is lower, for subsequent years. The loan is repayable semi-annually in 8 years with a grace period of two years from the date of disbursement i.e. commencing from 30 June 2017. This long term facility is secured by:

i) all present and future assets of CRL;
ii) personnel guarantees provided by the sponsors of CRL;
iii) personnel properties of sponsors of CRL; and
iv) pledge of 80% shares of CRL with a condition of not decreasing less than 51% at any given time.

17.4 This represents a long-term Musharaka facility amounting to Rs. 340 million obtained from commercial bank carrying mark-up at the rate of 8% for the first two years and an average of six months KIBOR or 12% per annum, whichever is lower, for subsequent years. The loan is repayable semi-annually in 8 years with a grace period of two years from the date of disbursement i.e. commencing from 30 June 2017. This Musharaka facility is secured by:

i) all present and future assets of CRL;
ii) personnel guarantees provided by the sponsors of CRL;
iii) personnel properties of sponsors of CRL; and
iv) pledge of 80% shares of CRL with a condition of not decreasing less than 51% at any given time.

17.5 This represents unwinding of arrangement fee comprising of Rs. 10.956 million and Rs.8.675 million, calculated at an effective interest rate of 12.51% and 13.04% respectively. The said amounts relate to the arrangement fee amounting to Rs. 231.392 million and Rs. 214.645 million payable from 9th year onwards on the loan from the Syndicate banks and Musharaka facility respectively, availed by a Subsidiary Company (BTPL).

18. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	June 2015		June 2014	
	Lease Payments		Lease Payments	
	Minimum	Present Value	Minimum	Present Value
	(Rupees in '000)			
Less than one year	5,726	4,970	21,019	18,625
One to five years	1,963	1,730	5,615	4,949
Total minimum lease payments	7,689	6,700	26,634	23,574
Less: Financial charges allocated to the future period	(989)	-	(3,060)	-
Present value of minimum lease payments	6,700	6,700	23,574	23,574
Less: Current portion under current liabilities	(4,970)	(4,970)	(18,626)	(18,626)
	1,730	1,730	4,948	4,948

18.1 Presently, the Group has lease agreements with the leasing companies to acquire vehicles. The rentals under the lease agreements are payable upto 31 December 2016. The cost of operating and maintaining the leased assets is borne by the Group. The Group intends to exercise the option to purchase the leased assets at the residual value of assets upon the completion of respective lease periods.

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	

19. LONG-TERM DEPOSITS

	Note	30 June 2015	30 June 2014
Deposit from Parent Company against land lease rentals		3,646	3,646
Trade and other deposits	19.1	105,332	83,832
		108,978	87,478

19.1 This represents deposits received by the Holding Company from its logistics vendors as security against goods to be transported.

	Notes	30 June 2015	30 June 2014
		(Rupees in '000)	

20. DEFERRED LIABILITIES

	Notes	30 June 2015	30 June 2014
Deferred taxation	20 .1	5,992,573	6,812,606
Employees retirements benefits	20 .2	52,997	65,599
		6,045,570	6,878,205

20.1 DEFERRED TAXATION

	Notes	30 June 2015	30 June 2014
Credit balances arising in respect of:			
- accelerated tax depreciation		1,918,692	2,372,928
- finance lease		1,922	(364)
- surplus on revaluation of property, plant and equipment	16	7,213,523	7,535,733
(Debit) balances arising in respect of:			
- staff gratuity fund		(16,961)	(25,272)
-provision for doubtful debts		(701,706)	(627,628)
-intangibles		(9,067)	-
- pre-commencement expenditure		(6,006)	-
- unabsorbed tax losses		(2,407,824)	(2,442,791)
		5,992,573	6,812,606

20.2 Employees retirements benefits- staff gratuity

20.2.1 General description

The Group operates employee retirement benefits for permanent employees who have completed the minimum service period. In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at 30 June 2015, using the "Projected Unit Credit Method". Provision has been made in the consolidated financial statements to cover obligation in accordance with the actuarial recommendations. Details of significant assumptions used for the valuation and disclosures in respect of above-mentioned scheme is as follows:

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
20.2.2 Reconciliation of amount payable to defined benefit plan			
Present value of defined benefit obligation	20.2.3	89,010	81,577
Fair value of plan assets	20.2.4	(36,013)	(15,978)
		52,997	65,599
20.2.3 Movement in the present value of defined benefit obligation:			
Opening balance		81,577	52,306
Current service cost		18,842	18,964
Interest cost		10,461	5,797
Transfer to the Parent Company		(14,916)	(3,148)
Benefits paid during the year		(8,179)	(3,787)
Actuarial loss		1,225	11,445
		89,010	81,577
20.2.4 Reconciliation of fair value of plan assets:			
Opening balance		15,978	-
Expected return on plan assets		1,732	865
Contributions		26,000	16,997
Benefits paid during the year		(6,312)	(1,949)
Actuarial (loss) / gain		(1,385)	65
		36,013	15,978
20.2.5 Movement in net liability:			
Opening balance		65,599	52,306
Charge for the year	20.2.6	27,571	23,896
Transfer to the Parent Company		(14,916)	(3,148)
Benefits paid on behalf of the fund		(1,867)	(1,838)
Contributions		(26,000)	(16,997)
Actuarial loss chargeable in other comprehensive income	20.2.7	2,610	11,380
		52,997	65,599
20.2.6 Charge for the year			
Current service cost		18,842	18,964
Interest cost – net		8,729	4,932
		27,571	23,896
20.2.7 Actuarial remeasurements			
Actuarial loss on defined benefit obligations		1,225	11,445
Actuarial loss / (gain) on fair value of plan assets		1,385	(65)
		2,610	11,380

	30 June 2015	30 June 2014
	(Rupees in '000)	
20.2.8 Actuarial assumption		
Valuation discount rate per annum	10.00%	13.50%
Salary increased rate per annum	8.00%	11.50%
Expected return on plan assets per annum	10.00%	13.50%
Normal retirement age of employees	60 years	60 years

21.2.9 Comparisons for past years:

As at June 30	2015	2014	2013	2012	2011
			(Rupees in '000)		
Present value of defined benefit obligation	89,010	81,577	52,306	47,764	39,079
Fair value of plan assets	(36,013)	(15,978)	-	-	-
Deficit	52,997	65,599	52,306	47,764	39,079
Experience adjustment on plan liabilities	1,225	11,445	7,406	3,391	1,499
Experience adjustment on plan assets	1,385	(65)	-	-	-
	2,610	11,380	7,406	3,391	1,499

	30 June 2015	30 June 2014
	(Rupees in '000)	
20.2.10 Composition of plan assets		
Cash at bank	36,013	15,978

20.2.11 Balance sheet date sensitivity analysis (± 100 bps) on present value of defined benefit obligation

	2015			
	Discount rate		Salary increase	
	+100 bps	-100 bps	+100 bps	-100 bps
	(Rupees in '000)			
Present value of defined benefit obligation	79,336	100,447	72,402	92,517

20.2.12 As of 30 June 2015, a total of 354 employees have been covered under the above scheme.

20.2.13 Charge for the next financial year as per the actuarial valuation report amounts to Rs. 21.936 million.

		Note	30 June 2015	30 June 2014
			(Rupees in '000)	
21.	**TRADE AND OTHER PAYABLES**			
	Creditors for supplies and services	21.1	17,780,605	16,480,309
	Accrued liabilities		505,605	602,025
	Payable to the Parent Company		436,016	68,598
	Advance from customers	21.2	1,712,653	984,642
	Dividend payable		1,146	1,146
	Sales tax, duties, levies and late payment surcharge		11,952,685	10,470,096
	Workers' profit participation fund	21.3	64,181	56,823
	Tax deducted at source		35,608	71,711
	Payable to staff provident fund		4,302	14,278
	Others		7,760	4,619
			32,500,561	28,754,247

21.1 This includes an amount of Rs. 70.589 million (30 June 2014: 156.389 million) payable to China Harbour Engineering Company (CHEC) with respect to engineering, fabrication and installation of SPM offshore and onshore pipelines.

21.2 This includes an amount of Rs. 158 million (30 June 2014: Rs. 230 million) received in respect of demarcated plots of land for setting up of Liquefied Petroleum Gas storage and filling facilities (LPG village facility). The amount has been received in advance from consumers under LPG village facility utilization agreement. The agreements are effective for 10 years from the date of signing or any period thereafter as mutually agreed. During the year, the advance was returned to certain consumers on the their demand, however, the facility is expected to commence shortly after completion of certain legal formalities upon which the advance will be classified as deferred revenue and will be amortized over the period of the agreed terms.

		Note	30 June 2015	30 June 2014
			(Rupees in '000)	
21.3	**Workers' profit participation fund**			
	Opening balance		56,823	53,593
	Mark-up charged for the year	21.3.1 & 32	7,358	3,230
			64,181	56,823

21.3.1 Mark-up has been charged at KIBOR plus 2.5% as per the Companies Profit (Workers' Participation) Act, 1968.

		Note	30 June 2015	30 June 2014
			(Rupees in '000)	
22.	**ACCRUED MARK-UP**			
	Long-term financing	17	24,349	200,781
	Short-term borrowings		456,297	403,826
	Advance from customers		180,400	153,406
			661,046	758,013

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
23. SHORT-TERM BORROWINGS			
From commercial banks - secured			
- Short-term finance facility	23.1	1,800,000	1,800,000
- Short-term finance facility	23.2	400,000	400,000
- Finance against trust receipt	23.3	737,609	6,402,108
From a related party - unsecured	23.4	327,303	121,000
		3,264,912	8,723,108

23.1 This carries mark-up at the rate of six month KIBOR plus 2.75% per annum, payable semi-annually from the date of first disbursement and is secured by hypothecation on all movable assets of a Subsidiary Company (BTPL). The principal outstanding was repayable as a bullet payment in November 2013. Subsequent to the year end, BTPL has restructured this facility. Based on the revised terms, the loan will be repayable in fourteen stepped up quarterly installments commencing from August 2015 and will carry a mark-up at the rate of six months KIBOR plus 2.75% per annum.

23.2 This represents loan obtained from a commercial bank carrying mark-up at the rate of six months KIBOR plus 3.25% per annum, with markup payable semi-annually in arrears and principal payable in two tranches; Rs. 250 million on 27th January 2016 and Rs. 150 million on 10 February 2016. This loan is secured by pledge on shares of a Subsidiary Company (BTPL) with 35% margin.

23.3 The facility has been extended by a commercial bank for working capital requirements aggregating to Rs. 15,000 million (30 June 2014: Rs. 15,000 million) out of which Rs. 14,262.391 million (30 June 2014: Rs. 8,597.892 million) remains unutilized as at the balance sheet date. The facility carries mark-up at 3 month's KIBOR plus 1%. The facility is secured against documents of title of goods, stock of crude and petroleum products, and receivables, lien on the bank's collection account and a Rs. 15,000 million corporate guarantee furnished by the Parent Company.

23.4 This represents interest free loan from CUSP Pakistan Limited, a related party, which is repayable on demand.

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
24. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long-term financing	17	3,900,058	2,997,116

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 The Holding Company received orders from Deputy Commissioner Inland Revenue (DCIR) for tax periods January 2010, July 2010 to June 2011, July 2012 to October 2012, and December 2012, whereby default surcharge of Rs. 213.035 million and penalty amounting to Rs. 14.634 million were levied on late payment of sales tax. The Holding Company filed appeals against the said orders with Appellate Tribunal Inland Revenue (ATIR) who in its order dated 16 April 2014 waived the aforementioned default surcharge and penalty.

Further, the Holding Company received orders from DCIR in respect of tax periods from April 2013 to December 2013, January 2014 to April 2014, and May 2014 whereby default surcharge of Rs. 41.847 million and penalty of Rs. 318.108 million were levied on the Holding Company. However, on the appeal filed by the Holding Company, the Commissioner Inland Revenue Appeals (CIRA) has waived the default surcharge amounting to Rs. 10.683 million and also waived the penalty on late payment of sales tax amounting to Rs.318.108 million.

During the current year, the Holding Company received an order from DCIR, dated 24 October 2014, in respect of tax periods November 2013, December 2013, February 2014 and March 2014, whereby default surcharge of Rs. 60.463 million and penalty amounting to Rs. 31.848 million were levied on late payment of sales tax. However, on the appeal filed by the Holding Company, CIRA, in its order dated 18 December 2014, waived the aforementioned default surcharge and penalty.

Furthermore, the Holding Company received another order from DCIR dated 09 December 2014 for tax periods January 2013 and March 2013 to June 2013, whereby default surcharge of Rs. 488.382 million and penalty amounting to Rs. 37.267 million were levied on late payment of sales tax. The Holding Company filed appeal against the said order with CIRA who in its order dated 07 January 2015 waived the aforementioned default surcharge and penalty.
An appeal can be filed against the said orders of the ATIR and CIRA by the sales tax department in light of the provisions of the Sales Tax Act, 1990.

25.1.2 Claims against the Holding Company not acknowledged as debts amounting to Rs. 3,137 million (2013:Rs. 3,162 million) comprise of late payment charges on account of delayed payments against crude oil supplies from Oil and Gas Development Company (OGDCL), Mari Gas Limited (MGL) and Pakistan Petroleum Limited (PPL) amounting to Rs. 2,567 million, Rs. 166 million and Rs.404 million respectively. The details of the cases filed by MGL and PPL are as follows:

Mari Gas Limited (MGL) has filed a suit bearing number 636 of 2012 in Honorable High Court of Sindh at Karachi whereby a sum of Rs. 860 million has been claimed by MGL on account of its share of the price of condensate allocated to the Holding Company from the Adam X-1 well together with associated legal and other costs amounting to Rs. 167 million.

Pakistan Petroleum Limited (PPL) has filed a suit bearing number 160 of 2013 in the Honorable High Court of Sindh at Karachi for recovery and damages amounting to Rs. 1,156 million excluding alleged Late Payment Surcharge (LPS) amounting to Rs. 404 million, on account of sale of condensate.

The Holding Company is of the view that there are no specific contractual arrangements with the above suppliers along with OGDCL which allow them to claim / recover LPS and other associated costs and hence no provision in respect of the same has been made in these consolidated financial statements.

25.1.3 The Holding Company was served with a sales tax order from Federal Board of Revenue (FBR) claiming additional sales tax amounting to Rs. 99 million. The Holding Company has not adjusted its input claim of Rs. 99 million being Federal Excise Duty (FED) claim charged under Value Added Tax (VAT) mode by Banking Companies, Insurance Companies and Terminal Operators on various invoices in the relevant tax periods from July 2009 to June 2011. The Commissioner Inland Revenue (CIR) has condoned the time limit under section 43 of the Federal Excise Duty Act, 2005 and has allowed the Holding Company to adjust Rs 66 million in the month of June 2014. The remaining amount to be adjusted is under consideration by FBR.

Management based on the opinion of its advisor is confident of a favourable decision and accordingly no provision has been made in this respect.

25.1.4 A supplier of generators to a Subsidiary Company (BTPL) has filed a suit against BTPL for a sum of Rs. 2.115 million on account of increased cost of materials, financial losses etc. on account of delay in delivery, which in the view of plaintiff was caused due to acts of BTPL. However, the delay was on part of supplier which compelled BTPL to hire the generators during the delayed period on which BTPL incurred and recovered a sum of Rs. 1.238 million through encashment of guarantees provided by supplier. The suit is pending and no accrual of amount in question has been made in these consolidated financial statements as there is no contractual or other basis on which the plaintiff can rest its claim and accordingly the same is likely to be rejected by the Honorable Court, as per BTPL's legal advisor.

25.1.5 China Harbour Engineering Company (CHEC), engaged by a Subsidiary Company (BTPL) for the construction of Single Point Mooring on 19 August 2011, demanded a penalty of Rs. 22 million from BTPL on account of delayed payments in accordance with the terms of the agreement entered into between BTPL and CHEC. However, BTPL has not acknowledged the said demand as it believes that delay was on part of contractor's bank. No demand of notice or any correspondences have been received from CHEC regarding follow up of this penalty based on which no accrual of amount in question has been made in these consolidated financial statements.

25.1.6 As at 30 June 2015, product costing Rs. 19.725 million is held by the customs authorities for verification of product origin. The Holding Company is strongly contesting the matter with the customs authorities and also initiated legal proceedings against the matter. The management is confident that the product will be recovered from the customs authorities in due course; hence no provision has been made in this respect in the consolidated financial statements.

25.1.7 The Holding Company was selected for an audit under Section 177 and 214C of the Income Tax Ordinance, 2001 for the tax years 2009, 2011, 2012 and 2013. Audit proceedings for all mentioned tax years were completed and a demand of Rs. 87.105 million has been raised in an amended order passed under Section 122(1) (5) of the Income Tax Ordinance, 2001. This pertains to the tax year 2013 only and represents tax due under Section 113 of the Income Tax Ordinance, 2001.

Being aggrieved by the amended order, the Holding Company filed an appeal before Commissioner Inland Revenue, Appeals, and Karachi which is pending for adjudication. The said amount has already been provided for in the consolidated financial statements.

		Note	30 June 2015	30 June 2014
			(Rupees in '000)	
25.2	**Commitments**			
25.2.1	Outstanding letters of credit		4,606	5,650
25.2.2	Commitments for capital expenditure		41,146	138,974
25.2.3	Commitments in respect of Ijarah financing:			
	Not later than one year		65,553	75,279
	Later than one year and not later than five years		-	112,929
			65,553	188,208
26.	**SALES**			
	Gross Sales			
	Local		111,245,979	102,332,701
	Export		8,866,314	9,004,795
			120,112,293	111,337,496
	Less: Sales discount, sales tax, excise duty and petroleum levy		(24,739,889)	(18,542,466)
			95,372,404	92,795,030
27.	**COST OF SALES**			
	Opening stock		6,292,464	3,960,302
	Cost of goods manufactured	27.1	72,423,146	80,000,215
	Finished products purchased during the year		16,271,282	15,003,921
			94,986,892	98,964,438
	Closing stock	9	(4,176,741)	(6,292,464)
			90,810,151	92,671,974

		Note	30 June 2015	30 June 2014
			(Rupees in '000)	
27.1	**Cost of goods manufactured**			
	Raw material consumed	27.1.1	68,441,804	77,086,521
	Salaries, wages and other benefits	27.1.2	388,802	310,543
	Depreciation/ amortization	5.1.4	1,865,229	1,287,300
	Fuel, power and water		602,827	624,412
	Operation cost		578,222	224,583
	Insurance		101,719	68,993
	Repairs and maintenance		101,640	125,765
	Rent, rates and taxes		89,794	85,544
	Industrial gases and chemicals		76,326	22,139
	Staff transportation and catering		67,705	71,453
	Stores and spares consumed		58,754	52,258
	Security expenses		17,014	17,218
	Vehicle running		10,297	11,443
	Technical fee		8,443	4,501
	Others		14,570	7,542
			72,423,146	80,000,215
27.1.1	**Raw material consumed**			
	Opening stock		2,485,043	1,743,210
	Purchased during the year		66,639,635	77,828,354
			69,124,678	79,571,564
	Closing stock	9	(682,874)	(2,485,043)
	Raw material consumed		68,441,804	77,086,521

27.1.2 This includes a sum of Rs. 10.996 million (30 June 2014: Rs.11.811 million) in respect of staff retirement benefits.

		Note	30 June 2015	30 June 2014
			(Rupees in '000)	
28.	**SELLING AND DISTRIBUTION EXPENSES**			
	Salaries, allowances and other benefits	28.1	164,402	151,140
	Transportation and product handing charges		1,838,354	1,343,565
	Sales commission		447,639	69,784
	Rent, rates and taxes		63,212	59,782
	Depreciation	5.1.4	38,195	54,006
	Export development surcharge		20,772	20,550
	Wharfage and other export expenses		16,045	10,990
	Insurance		11,667	8,554
			2,600,286	1,718,371

28.1 This includes a sum of Rs. 5.940 million (30 June 2014: Rs. 4.961 million) in respect of staff retirement benefits.

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
29. ADMINISTRATIVE EXPENSES			
Salaries, allowances and other benefits	29.1	359,122	316,677
Rent, rates and taxes		70,204	67,750
Depreciation	5.1.4	58,674	59,881
Repairs and maintenance		36,308	31,690
Legal and professional		34,141	38,181
Advertisement		28,634	9,132
Travelling and conveyance		28,129	20,426
Vehicle running		23,777	26,855
Utilities		11,364	14,103
Fee and subscriptions		10,332	11,139
Insurance		7,765	6,920
Auditors' remuneration	29.2	5,857	3,281
Printing and stationary		5,495	4,829
SAP maintenance costs		1,487	11,985
Amortization of intangible asset		-	2,957
Others		15,444	12,822
		696,733	638,628

29.1 This includes a sum of Rs.10.270 million (30 June 2014: Rs. 10.069 million) in respect of staff retirement benefits.

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
29.2 Auditors' remuneration			
Statutory audit		1,800	1,700
Half yearly review		500	400
Consolidation of financial statements		400	300
Special audit and other certifications		2,250	450
Out of pocket expenses		907	431
		5,857	3,281
30. OTHER EXPENSES			
Late payment surcharge and penalties		405,724	1,361,677
Provision for doubtful debts	10.2	399,608	462,370
		805,332	1,824,047
31. OTHER INCOME			
Income from financial assets			
Interest income		746,750	925,987
Income from non-financial assets			
Reversal of excess sales tax surcharge provision		913,576	-
Inland Freight Equalization Margin		256,408	-
Land lease rent		52,937	50,531
Storage and handling income		41,638	86,068
Gain on disposal of operating fixed assets	5.1.5	1,693	2,106
Others		2,420	13,428
		2,015,422	1,078,120

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
32. FINANCE COSTS			
Mark-up on:			
- Long-term financing		1,702,967	1,978,251
- Short-term borrowings		1,319,558	980,941
- Loan from the Parent Company		21,054	-
- Musharika facility		13,488	-
- Workers' profit participation fund	21.3	7,358	3,230
Unwinding of arrangement fee		19,631	-
Exchange loss		337,753	836,051
Bank and other charges		61,859	71,609
		3,483,668	3,870,082
Recovery of mark-up from Parent Company relating to short-term borrowings		(50,770)	(53,242)
Reimbursement of arrangement fee from CRL		(19,631)	-
		(70,401)	(53,242)
		3,413,267	3,816,840

33. TAXATION

	30 June 2015	30 June 2014
Current	(529,988)	(521,298)
Deferred	820,033	971,050
	290,045	(449,752)

33.1 The income tax returns of the Holding Company and a Subsidiary Company (BTPL) have been filed up to and including tax year 2014. These, except for those mentioned below, are deemed to have been assessed under section 120 of the Income Tax Ordinance, 2001.

Income tax and taxable losses of the Holding Company in respect of tax years 2009, 2011, 2012 and 2013 have been assessed by Deputy Commissioner Inland Revenue under section 122(1) of the Income Tax Ordinance, 2001, whereas return submitted for the tax year 2008 has been amended by the Additional Commissioner Inland Revenue under section 122(5A). The amendments relate to proration of expense against income covered in NTR and FTR, disallowance of unrealized exchange loss and other expenses not allowed under section 21. The management has filed an appeal against the aforesaid notices and in consultation with its tax advisors is confident that no major liability is expected to arise.

33.2 Relationship between accounting loss and tax expense for the year

The Holding Company is subject to Minimum Tax and Final Tax Regime under section 113 and section 169 respectively of the Income Tax Ordinance, 2001, whereas Subsidiary Company (BTPL) is subject to Minimum Tax under Section 113 of the Income Tax Ordinance. Therefore, relationship between income tax expense and accounting profit has not been presented for the current year.

No taxation has been provided by a Subsidiary Company (BIPL) in line with the provisions of Section 113 of the Income Tax Ordinance, 2001.

	30 June 2015	30 June 2014
	(Rupees in '000)	
34. LOSS PER SHARE - basic and diluted		
Net loss after taxation	(647,898)	(6,346,958)
	(Number)	
Weighted average number of ordinary shares	977,858,737	977,858,737
	(Rupees)	
Loss per share - basic and diluted	(0.66)	(6.49)

35. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Group has related party transactions with its parent companies, associated companies, directors, key management personnel, staff provident fund and staff gratuity fund. Details of transactions and balances with related parties are as follows:

	30 June 2015	30 June 2014
	(Rupees in '000)	
35.1 Transactions with related parties		
Parent Company		
Land lease rentals	52,861	50,531
Purchases	62,487,341	21,904,290
Disbursement of loan	-	400,000
Sales	4,489,445	964,972
Mark-up charged - net	697,721	316,920
Allocation of gratuity expense	14,916	3,399
Allocation of group expenses	352,044	316,612
Purchase of fixed assets	416,195	-
Associated Companies		
Sales	7,829,235	9,749,893
Purchases	22,712	273,008
Interest income	198,216	283,195
Receipt of short-term loan	206,303	121,000
Staff Provident Fund		
Contribution made to staff provident fund	62,317	51,039
35.2 Balances with related parties		
Ultimate Parent Company		
Payable against expenses	12,014	12,014
Parent Company		
Receivable against land lease rent	268,255	215,318
Accrued interest	45,337	18,924
Security deposit payable	3,646	3,646
Receivable against services	201,810	5,984
Payable against purchases and expenses	1,812,909	136,945
Loan receivable - net of mark-up	400,000	400,000
Associated Companies		
Long-term deposit receivable	95	95
Trade debts	1,369,174	2,465,373
Advance against purchases	9,407	3,583
Accrued interest	366,204	287,069
Payable against purchases	8,358	46,697
Loan payable	327,303	121,000
Staff Provident Fund		
Payable to staff provident fund	4,302	14,292

36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these consolidated financial statements for remuneration, including benefits and perquisites, to the Chief Executive, Directors and Executives of the Group are as follows:

	Chief Executive		Executive Director		Executives		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Rupees in '000)							
Managerial remuneration	22,348	21,193	8,195	7,823	154,854	171,263	185,397	200,279
Housing and utilities	3,723	9,312	1,365	3,129	25,391	71,452	30,479	83,893
Leave fare assistance	7,057	1,070	2,595	652	51,094	11,811	60,746	13,533
Staff retirement benefits	1,861	3,531	685	1,303	12,659	26,300	15,205	31,134
	34,989	35,106	12,840	12,907	243,998	280,826	291,827	328,839
Number of persons	3	2	1	1	136	134	140	137

36.1 The Chief Executives and Executives have been provided company maintained cars.

36.2 As at 30 June 2015, the Group's Board of Directors consists of 9 Directors (of which 7 are Non-Executive Directors). Except for the Chief Executives and the Executive Director, no remuneration and other benefitshavebeen paid to any Director.

37. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Group finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finances to minimize the risk. The Group's principal financial liabilities comprise loans from financial institutions, short-term borrowings and trade and other payables. Main purpose of these financial liabilities is to raise funds for the import of crude oil for refining business and for its operations. The Group has various financial assets such as cash (including balances with banks), trade debtors, deposits, loans and advances, other receivables, etc. which arise directly from its current activities.

The Group's management oversees the management of the financial risk reflecting changes in market conditions and also the Group's risk taking activities providing assurance that these activities are governed by appropriate policies and procedures and that the financial risks are identified, measured and managed in accordance with the Group policies and risk appetite. No changes were made in the objectives, policies or processes and assumptions during the year ended 30 June 2015. The policies for managing each of these risk are summarized below:

37.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk.

37.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from long-term financing and short-term borrowing facilities for financing its refining business operations and meeting working capital requirements at variable rates as well as on delayed payments from PSO and K-Electric Limited on which the Group earns interest. The Group manages these mismatches through risk management policies where significant changes in gap position can be adjusted.

At the reporting date, the interest rate profile of Group's interest-bearing financial instruments was:

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
Variable Rate Instruments			
Financial assets			
Trade debts		5,840,642	6,432,630
Financial liabilities			
Long-term financing and deferred mark-up	17	16,833,269	17,325,789
Short-term borrowings	23	3,264,912	8,723,108
Liability against asset subject to finance lease	18	6,700	23,574
		20,104,881	26,072,471

A change of 1% in interest rates at the year end would have increased or decreased the loss before tax by Rs. 229.444 million (June 2014: Rs. 153.261 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for June 2014.

37.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates and arises where transactions are done in foreign currency.

The Group is exposed to foreign currency risk on purchase and borrowings that are denominated in a currency other than Pak Rupees. As the Group imports crude oil, operating fixed assets and stores and spares for refining plant, it is exposed to currency risk. The currency is which these transactions are undertaken is US Dollar.

As at 30 June 2015, the Group is not exposed to any material foreign currency risk.

37.1.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices. As at the balance sheet date, the Group is not exposed to any other price risk.

37.2 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed to perform as contracted. The Group manages credit risk in the following manner:

- Credit rating and credit worthiness of the counterparty is taken into account along with the financial background so as to minimize the risk of default.

- The risk of counterparty exposure due to failed agreements causing a loss to the Group is mitigated by a periodic review of their credit ratings, financial statements, credit worthiness and market information on a regular basis.

- Cash is held with reputable banks only.

As of the balance sheet date, the Group is exposed to credit risk on the following assets:

	Note	30 June 2015	30 June 2014
		(Rupees in '000)	
Long-term loans and advances	7	1,638,411	830,000
Long-term deposits	8	31,068	28,579
Trade debts	10	8,690,271	9,596,672
Loans and advances	11	683,429	562,674
Trade deposits and short-term prepayments	12	44,198	137,893
Other receivables	13	2,177,164	1,107,416
Accrued interest		435,888	330,916
Cash and bank balances	14	692,425	473,535
		14,392,854	13,067,685

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings agencies or the historical information about counter party default rates as shown below:

	30 June 2015	30 June 2014
	(Rupees in '000)	
Trade debts		
Neither past due nor impaired	2,304,981	4,565,320
Past due but not impaired	6,385,290	5,031,352
	8,690,271	9,596,672
Bank balances		
A-1+	116,869	277,527
A1+	455,373	46,520
A1	20,750	96
A-1	98,091	147,999
A2	259	365
C	909	857
	692,251	473,364

Financial assets other than trade debts and bank balances are not exposed to any material credit risk.

37.3 Liquidity risk

Liquidity risk reflects the Group's inability in raising fund to meet commitments. Management closely monitors the Group's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on any individual customer.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees in '000)				
2015					
Long-term loans and deferred mark-up	-	-	3,900,058	12,933,211	16,833,269
Liabilities against assets subject to finance lease	-	1,193	3,777	1,730	6,700
Long-term deposits	-	-	-	108,978	108,978
Trade and other payables	1,146	12,050,722	-	-	12,051,868
Short-term borrowings	-	3,264,912	-	-	3,264,912
Accrued mark-up	180,400	480,646	-	-	661,046
	181,546	15,797,473	3,903,835	13,043,919	32,926,773

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees in '000)				
2014					
Long-term loans and deferred mark-up	-	-	2,997,116	14,328,673	17,325,789
Liabilities against assets subject to finance lease	-	4,470	14,156	4,948	23,574
Long-term deposits	-	-	-	87,478	87,478
Trade and other payables	1,146	10,117,742	-	-	10,118,888
Short-term borrowings	-	8,723,108	-	-	8,723,108
Accrued mark-up	153,406	604,607	-	-	758,013
	154,552	19,449,927	3,011,272	14,421,099	37,036,850

37.4 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. As of the balance sheet date, the carrying value of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

37.5 Capital risk management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain the development of the business and maximize the shareholders' value. The Group closely monitors the return on capital. The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions and finances its activities through equity, borrowings and management of working capital with a view to maintain an approximate mix between various sources of finance to minimize the risk. No changes were made in the objectives, policies or processes during the year ended 30 June 2015.

The Group is not exposed to externally imposed capital requirement.

Notes to the Consolidated Financial Statements
For the year ended 30 June 2015

38. OPERATING SEGMENTS

For management purposes, the Group has determined following reportable operating segments on thebasis of business activities i.e. oil refining business, petroleum marketing businesses and petroleum storage services. Oil refining business isengaged in crude oil refining and selling of refined petroleum products to oil marketing companies. Petroleum marketingbusiness is engaged in trading of petroleum products, procuring products from oil refining business as well as from other sources. Subsidiary Company (BTPL) is engaged in provision of bulk petroleum storage services. The quantitative datafor segments is given below:

	2015				
	Oil refining business	Petroleum marketing business	Petroleum storage services	Elimination	Total
			(Rupees in '000)		
Revenue					
Net sales to external customers	49,991,543	44,620,506	760,355	-	95,372,404
Inter-segment sales	39,290,096	-	401,601	(39,691,697)	-
Total revenue	89,281,639	44,620,506	1,161,956	(39,493,646)	95,372,404
Result					
Segment profit / (loss)	1,495,145	1,362,400	(323,639)		2,533,906
Unallocated expenses:					
Other expenses					(805,332)
Finance costs					(3,413,267)
Interest income					746,750
Taxation					290,045
Loss for the year					(647,898)
Segmental Assets	62,469,621	4,919,590	11,413,6 63	(26,492,121)	52,310,753
Unallocated Assets	-	-	-	-	5,217,590
	62,469,621	4,919,590	11,413,663	(26,492,121)	57,528,343
Segmental Liabilities	42,027,950	4,333,511	6,761,811	(2,520,842)	50,602,430
Unallocated Liabilities	-	-	-	-	9,512,259
	42,027,950	4,333,511	6,761,811	(2,520,842)	60,114,689
Capital expenditure	587,984	11,597	371,690	(96,297)	874,974
Other Information					
Depreciation and amortization	1,480,175	75,594	406,329	-	1,962,098

Four Oil Marketing Companies (OMCs) contributed 29.59% (30 June 2014: 34.85%) and an Associated Company contributed 6.47% (30 June 2014: 10.47%) to the net revenue of the Group during the year.

	2014				
	Oil refining business	Petroleum marketing business	Petroleum storage services	Elimination	Total
	(Rupees in '000)				
Revenue					
Net Sales to external customers	51,952,601	40,484,691	357,738	-	92,795,030
Inter-segment sales	30,412,803	-	193,702	(30,606,505)	-
Total revenue	82,365,404	40,484,691	551,440	(30,606,505)	92,795,030
Result					
Segment (loss) / profit	(1,974,374)	293,392	(400,828)	-	(2,081,810)
Unallocated expenses:					
Other expenses					(1,824,047)
Finance costs					(3,816,840)
Interest income					925,987
Taxation					449,752
Loss for the year					(6,346,958)
Segmental Assets	48,812,315	4,762,177	10,321,839	(9,442,065)	54,454,266
Unallocated Assets	-	-	-	-	6,617,100
	48,812,315	4,762,177	10,321,839	(9,442,065)	61,071,366
Segmental Liabilities	44,418,484	4,333,511	5,186,304	(1,879,391)	52,058,908
Unallocated Liabilities	-	-	-	-	11,015,235
	44,418,484	4,333,511	5,186,304	(1,879,391)	63,074,143
Capital expenditure	385,170	55,150	819,760	(4,075)	1,256,005
Other Information					
Depreciation and amortization	891,241	111,843	420,430	(19,370)	1,404,144

Four Oil Marketing Companies (OMCs) contributed 34.85% (30 June 2013: 44.99%) and anAssociated Company contributed 10.47% (30 June 2013: 18.18%) to the net revenue of the Group during the year.

39. PROVIDENT FUND DISCLOSURE

The Holding Company operates an approved funded contributory provident fund whereas a Subsidiary Company (BTPL) operates an unapproved funded contributory fund for both its management and non-management employees. Details of net assets and investments of the fund is as follows:

	30 June 2015	30 June 2014
	(Rupees in '000)	
	(Unaudited)	(Audited)
Size of the fund - net assets	162,512	121,767
Cost of investments made	120,443	104,831
Fair value of investments	132,520	107,542
Percentage of investments	74%	86%

The breakup of fair value of investments is :

	2015		2014	
	(Rupees in '000)	%	(Rupees in '000)	%
Bank deposits	33,080	24.96%	13,706	12.74%
Debt securities	32,731	24.70%	45,247	42.07%
Unit trust schemes	66,709	50.34%	48,589	45.18%
	132,520	100%	107,542	100%

The management, based on the unaudited financial statements of the fund, is of the view that theinvestmentsout of provident fund have been made in accordance with the provisions of Section 227 of the CompaniesOrdinance, 1984 and the rules formulated for this purpose.

40. CAPACITY AND ANNUAL PRODUCTION

Against the designed annual refining capacity (based on 330 days) of 11.55 million barrels (2014: 11.550 million barrels), the actual throughput during the year was 9.55 million barrels (2014: 6.79 million barrels). The Group operated the plant considering the level which gives optimal yield of products.

41. NUMBER OF EMPLOYEES

The total number of employees as at 30 June 2015 were 395 (30 June 2014: 449) and average number of employees were 419 (30 June 2014: 447).

42. RECLASSIFICATION

Following corresponding figures have been reclassified for better presentation:

From	To	(Rupees in '000)
Consolidated balance sheet		
Long-term loans and accrued mark-up	Current portion of non-current liabilities	200,000
Trade deposits and short-term prepayments	Other receivables	680,470
Loans and advances	Other receivables	426,946
Current portion of long-term liabilities	Liabilities against assets subject to finance lease	18,626
Loans and advances	Accrued interest	24,923
Consolidated profit and loss account		
Administrative expenses	Selling and distribution expenses	205,146
Administrative expenses	Cost of sales	12,000
Exchange loss	Finance costs	836,051

43. GENERAL

Figures have been rounded off to the nearest thousand of Rupees, unless otherwise stated.

44. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on 17 Sep 2015 by the Board of Directors of the Group.

Chief Executive

Director

Sustainability Report

Sustainability Development Strategy

Byco aims to integrate the principles of sustained development and social responsibility into its business strategy and views the adherence to these principles as a key factor of long-term competitiveness. This document highlights the group's Sustainability Plans for the ensuing three years.

By setting ambitious strategic goals, Byco will seek to balance the interests of business development with the interests of society, ensure high rates of growth, preservation of the environment and periodically analyze the impact of its activities on the environment and society. The Company will pay paramount attention to environment, health and safety of its labor and the communities it works in while aiming to invest in people and the social potential of the regions where it operates. It understands that large-scale growth of a business entails a load on the environment and therefore seeks to minimize the negative environmental impact of oil refining and to improve the environmental compatibility of its products.

Sustainable Development Priorities

Byco is focused on balanced and long-term growth, and strengthening the Company's reputation as a major player in the national market.

The Company aims to combine strong growth with the optimal balance of the economic, environmental and social components of the Company's business, to continue creating an environment conducive to business and to developing the innovative potential of employees. This approach helps to mitigate against environmental and social risks while also creating margins for steady growth and high competitiveness in the future.
The strategic priorities for sustainable development are determined by the Byco's mission and its strategic vision.

Byco's strategic priorities for sustained development are:

- Increase the efficiency of our overall operations;
- Develop human resources that are able to meet the specific challenges of this sector;
- Improve occupational environment, health and safety (EHS);
- Support local communities in the operating regions;
- Minimize the environmental footprint;
- Improve energy efficiency and energy saving.

The Company will develop a comprehensive, systemic approach to managing its impact on socio-economic and ecological systems. Our priorities for sustainable development will form a system of interrelated activities under a single strategy.

Byco's Sustainability Framework

Sustainable Development Objectives:

The Company's sustained development objectives are determined by the nature and scale of its business, the challenges of the current market situation and the issues facing the industry in terms of future development.

The current challenges include maintaining high rates of production, as well as meeting more demanding requirements for greener production and an improved environmental performance of products from customers and regulating bodies. With this sector of the economy facing a shortage in skilled employees, special attention will be paid to working with employees.

The Company's long-term plans will focus on targeted efforts to create a favorable social climate in the region of its operation.

Sustainable Development Key Goals & Objectives 2015 – 2018

Areas of Activities for Sustainable Development	Key Goals	Key Objectives
Sustainable Development Management	• Development of systems and organizational structure of Governance for sustainable development • Initiate sustainability reporting	• Selection of personnel to be assigned the responsibilities for achieving the Sustainable Development objectives. • Development of a dialogue between internal and external stakeholders within the current framework of existing mechanisms • Use the *Global Reporting Guidelines GRI G4 when developing a sustainability report. • Application of international industry standards for the disclosure of information on activities in areas of sustainable development. • Arrange external assurance of report on sustainable development.
Improving Economic Stability & Efficiency Of Overall Operations	• Improvement in the efficiency of oil supply. • Increased sales & maximizing profit margin and reducing operational costs. • Increase production of higher value products • Income diversification • Better funds management. • Cost Saving • Centralization of resources • Transparent reporting procedures • Customer Relation Management.	• Better crude selection using world renowned software LP-model. • Efficiently processing the crude with optimum operating parameters. • Inventory planning through understanding requirements of customers on a periodic basis. • Focus on timely uplift of POL products to minimize stock/effective cash flows. • Maximizing sales through our PMB and own retail outlets. • Setting up of improved waste water treatment plant. • Acquiring and implementing software to work out optimum operating parameters and trouble- shooting plant/machinery issues. • To assume responsibility of SPM operations from O&M contractor. • Effective customer relationship management to enhance sales • Acquiring, retaining and partnering with selective customers to create superior value.

*GRI or Global Reporting Initiative is the market leader in sustainability reporting. Over 1200 corporations worldwide use GRI. G4 is the latest version of GRI's Sustainability Reporting Guidelines.

Sustainable Development Key Goals & Objectives 2015 – 2018

Areas of Activities for Sustainable Development	Key Goals	Key Objectives
		• Customer retention through increased quality service • Maintenance of infrastructure of road to avoid hazardous damages to life and product • Plan OSR drills and trainings for Post and Pre-Monsoon period.
Labor Practices And Development Of Human Resources	• Enhancing employee motivation and loyalty • Professional Development of employees – targeted technical and management trainings • Inculcate best industry practices amongst staff • Development of a succession pool • Staffing support for technological upgrading • Work -life balance • Promoting Eco-friendliness • Following good employment practices	• Use of performance management tool to provide feedback to employees • Introduction of organizational and technical support for training, in developing competencies in new areas, as required by the Company • Improved selection and retention of Senior Staff to counteract continuing trend of migration of Engineers to the Middle East and elsewhere • Organize delivery of training courses as per training need analysis. • Selection of personnel to support strategic objectives • Creation of a management succession pool • Young talent development • Equal opportunity employer no discrimination on basis of gender, color, religion caste or culture.
Contribution To The Development Of Operating Regions, Support For Advancement Of Local Communities	• Plan and develop a systematic approach to improving the lives of the communities where the company is operating.	• Setting up of a school or partnering with one existing in the community to impart education. • Providing clean drinking water to the communities residing with the operating regions of the company. • Creating opportunities for self-fulfillment of the Company's employees in social volunteering. • Recognition of specific regional concerns /constraints of the community • Developing stakeholder engagement system in the region • Participation in programs that support national identity & culture of the indigenous people living in the company's operating region.

Sustainable Development Key Goals & Objectives 2015 – 2018

Areas of Activities for Sustainable Development	Key Goals	Key Objectives
Minimization Of The Environmental Footprint; Energy Efficiency & Energy Saving	• Reduction of negative impact on the Environment and Efficient use of resources • Develop Emergency response with the local Authorities and Local Community	• Development of corporate training programs in environmental safety. • Development of collaboration with experts and public organizations in environmental protection. • Implementation of the program for the remediation of oil-contaminated/spills or damaged land. • Implementation of programs for energy saving and enhancing of energy efficiency.

Our Business Model

CORPORATE GOVERNANCE

Byco and its Directors are committed to maintaining the highest principles of good corporate governance and to conducting all areas of our business with the highest ethical standards,& to ensure that the company's decisions and actions are in the best interests of our shareholders.

The Board Policies Framework enables the Board and Byco's executive management to operate within a clear governance structure and is designed to bring clarity and uniformity of understanding across the company as to the underlying principles governing our business, operations and conduct. These basic principles and core policies define the charter and the frame work within which to endeavor for the strategic objectives and promote a culture based on honesty, integrity and openness.

Board and Committee structure

Byco has a balanced Board with required skills and experience covering all areas of the business. The Board comprises 8 directors including two executive, one independent Director and five non-executive directors and meets at least four times per year.

Details of Committees

Byco Group has the following committees:

- **Board Audit Committee**

The purpose of this committee is to provide assistance to the Board of Directors in complying with their oversight responsibility to the shareholders, the investment community and others relating to

- The integrity of Company's financial statements
- The Company's compliance with legal and policy requirements
- The external auditor's credentials and independence
- And the performance of the Company's internal audit function and independent auditors

In complying with its purpose, it is the responsibility of the Committee to maintain free and open communication between the Committee, external auditors, internal auditors and the Management of the Company and to determine that all parties are aware of their responsibilities.

The Audit committee is proposed to meet at least once every quarter of the financial year. A meeting of this committee can also be held if requested by the external auditors or the head of internal audit.

- **Board Strategy & Risk Management Committee**

The Board has created the Strategy and Risk Management Committee to enable the Board to help maintain an interactive strategic planning process with the Management,

Our Business Model

including the identification and setting of strategic goals and expectations. The Committee meets every six months.

- **Services and Stakeholders Committee**

The Committee has been formed and is in place and its meeting program is being tailored.

Promoting high levels of good governance

Byco has the following structures and initiatives in place aimed at motivating a high standard of governance and governance leadership:

- A clear, well-defined set of corporate values that are understood by all employees;
- A Board and Committee structure;
- A clearly defined framework with lines of responsibility, segregation of duties and delegation of authority;
- An internal audit division;
- External auditors engaged to comment on annual financial statements;
- Speak up –all stakeholders are encouraged to report suspected violations of laws and Company Policies without any fear of reprisal. Corporate Audit Department is responsible for oversight of Speak up channels;
- Performance Reporting - Byco is committed to communicate to staff annual performance indicators and way forward. The Company plans to initiate an annual performance reporting in the future for information of all stakeholders;

Transparency

Byco practices transparency in all business dealings, accessibility of records and fiscal responsibility. The Company recognizes that transparency and accountability can provide the foundation for good governance and a sustained business model.

Accountability & Control

Byco Directors are responsible for the overall running of the company, including internal controls and compilation of annual financial statements.

The Board has adopted an approval framework, and instituted organizational lines of responsibility, segregation of duties and delegation of authority. Directors delegate through the Chief Executive Officer implementation of internal controls to ensure cost-effective risk management.

An internal audit team focuses on identified areas of risk. External auditors assess financial statements and review and evaluate our internal financial controls, with our internal team.

Risk Management

Best practices for risk management have been adopted throughout the business. Byco has a formal Risk Management process outlining our foremost strategic and operational risks including EHSS, and the measures to mitigate these. Divisions and the Management Committee reviews identified operational and company-wide risks on an ongoing basis.

Sustainability Assurance

Byco Pakistan has commissioned United Registrar of Systems to provide an expert view on the progress made during the year on their Sustainability Strategy.

Scope of Assurance

This assurance provides the reader with an independent external assessment of Byco Pakistan's Sustainability Strategy and Reporting processes. It is intended for the general reader and for more specialist audiences who have a professional interest in Byco Pakistan's sustainable development performance.

Basis of Assurance

URS conducted this engagement in accordance with the URS Global Sustainability Assurance Standard and the GRI G4 guidelines. The URS Standard requires, amongst others, that the assurance team possesses the specific knowledge, skills and professional competencies needed to understand the information in The Report, identify and collect related assurance information and that they comply with ethical requirements, including independence requirements.

Assurance Methodology

The verification was conducted via meetings, telephone discussions and e-mail correspondence with Byco staff responsible for collating and reporting the strategy on which the report was based. Visits to the site, projects and other stakeholders did not form part of the assurance scope.

The opinions expressed in this external assurance statement and commentary are intended to extend understanding of Byco Pakistan's non-financial performance and should not be used or relied upon to form any judgments, or take any decisions, of a financial nature.

Our opinion

Completeness

Although the report only commits to Sustainability at a Strategic level, we have found the presentation in the report to be accurate and complete. The presentation of the strategy reflects current business practices and clearly assigns actions and responsibility for Sustainability performance across the organization. Any limitations regarding presented information are explained.

Materiality and Responsiveness

Byco Pakistan has an effective engagement processes for communicating with its stakeholders and it is apparent that some feedback on sustainability issues is gained through these. However, we feel that the sustainability reporting process should move from a strategic to a tactical level in all future reports.

Climate change issues are receiving increased media attention and greater public focus.

Byco Pakistan stakeholders may expect to see sophisticated and comprehensive reporting of climate change issues from the company and its suppliers in future.

Conclusion

Based on our audit procedures we conclude that:

- the reporting criteria has been applied consistently,
- the reported strategy has, in all material respects, been presented completely, accurately and adequately, in accordance with best practice.

Haider Ali Khan
Chief Executive Officer
United Registrar of Systems
August 25, 2015

Pattern of Shareholding

SHAREHOLDERS CATEGORY	NO. OF SHAREHOLDERS	NO. OF SHARES	%
Directors, CEO and their spouse and minor children	7	280,500	0.03
Associated Companies, Undertakings and Related Parties	1	790,510,099	80.84
Executives	3	13,200	0.00
NIT and ICP	-	-	-
Banks, Development Finance Institutions, Non-Banking Financial Institutions	7	83,567	0.01
Insurance Companies	1	200	0.00
Modarabas and Mutual Funds	3	369,966	0.04
General Public	13,892	141,519,707	14.47
Others	92	45,081,498	4.61
TOTAL	14,006	977,858,737	100.00

ADDITIONAL INFORMATION

SHAREHOLDERS' CATEGORY	NO. OF SHAREHOLDERS	NO. OF SHARES
Associated Companies, Undertakings and Related Parties (name wise details)		
BYCO OIL PAKISTAN LIMITED	1	790,510,099
Mutual Funds (name wise detail)		
CDC - Trustee Askari Asset Allocation Fund	1	300,500
CDC - Trustee First Capital Mutual Fund	1	50,000
Directors and their spouse and minor children. (name wise details)		
Mr. Hamid Imtiaz Hanfi	1	268,000
Mr. Muhammad Raza Hasnani	1	500
Mr. Ovais Mansoor Naqvi	1	500
Ms. Diana Brush	1	500
Mr. Philip Harris	1	500
Mr. Richard Legrand	1	500
Mr. Muhammad Mujtaba Jafarey	1	10,000
Executives	3	13,200
Public Sector Companies and Corporations	-	-
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies Takaful, Modarabas and Pension Funds	11	103,233
Shareholders holding 5% or more voting rights in the listed company (name wise details)		
BYCO OIL PAKISTAN LIMITED	1	790,510,099

Pattern of Shareholding

As on 30th June 2015

SIZE OF HOLDING FROM	TO	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES HELD
1	100	723	34,309
101	500	1,949	848,770
501	1,000	2,491	2,386,772
1,001	5,000	5,125	14,630,462
5,001	10,000	1,630	13,300,036
10,001	15,000	479	6,243,011
15,001	20,000	422	7,745,164
20,001	25,000	224	5,272,964
25,001	30,000	149	4,312,430
30,001	35,000	102	3,360,591
35,001	40,000	84	3,262,060
40,001	45,000	40	1,723,582
45,001	50,000	133	6,600,060
50,001	55,000	43	2,284,620
55,001	60,000	30	1,751,823
60,001	65,000	25	1,583,200
65,001	70,000	26	1,795,260
70,001	75,000	24	1,757,319
75,001	80,000	23	1,816,000
80,001	85,000	13	1,073,640
85,001	90,000	11	973,000
90,001	95,000	10	939,146
95,001	100,000	69	6,883,696
100,001	105,000	9	925,400
105,001	110,000	8	874,570
110,001	115,000	4	448,000
115,001	120,000	5	588,400
120,001	125,000	10	1,236,500
125,001	130,000	6	774,500
130,001	135,000	1	134,501
135,001	140,000	6	830,000
140,001	145,000	3	433,500
145,001	150,000	9	1,343,790
150,001	155,000	4	609,500
155,001	160,000	1	160,000
160,001	165,000	4	651,152
165,001	170,000	4	676,000
170,001	175,000	5	868,300
175,001	180,000	2	355,500
180,001	185,000	2	367,500
185,001	190,000	2	375,100
195,001	200,000	16	3,200,000
200,001	205,000	2	410,000
205,001	210,000	2	417,500
215,001	220,000	2	433,500
225,001	230,000	2	456,500
235,001	240,000	1	239,634
240,001	245,000	2	483,349
245,001	250,000	4	993,500
250,001	255,000	1	251,500

Pattern of Shareholding
As on 30th June 2015

255,001	260,000	4	1,035,000
265,001	270,000	1	268,000
280,001	285,000	2	569,500
285,001	290,000	1	289,000
295,001	300,000	11	3,300,000
300,001	305,000	1	300,500
320,001	325,000	2	650,000
330,001	335,000	1	335,000
395,001	400,000	2	797,000
405,001	410,000	1	405,500
425,001	430,000	1	425,359
445,001	450,000	1	450,000
460,001	465,000	1	461,000
475,001	480,000	1	475,500
495,001	500,000	2	995,500
555,001	560,000	1	559,000
595,001	600,000	1	600,000
645,001	650,000	1	650,000
700,001	705,000	1	705,000
725,001	730,000	2	1,456,181
790,001	795,000	1	792,000
795,001	800,000	2	1,600,000
820,001	825,000	1	825,000
895,001	900,000	1	900,000
960,001	965,000	1	964,500
965,001	970,000	1	967,986
1,090,001	1,095,000	1	1,092,500
1,115,001	1,120,000	1	1,118,528
1,120,001	1,125,000	1	1,123,000
1,135,001	1,140,000	1	1,136,000
1,180,001	1,185,000	1	1,181,000
1,195,001	1,200,000	1	1,200,000
1,265,001	1,270,000	1	1,266,500
1,550,001	1,555,000	1	1,554,285
1,555,001	1,560,000	1	1,555,516
1,670,001	1,675,000	1	1,670,180
1,980,001	1,985,000	1	1,983,071
2,070,001	2,075,000	1	2,071,000
2,570,001	2,575,000	1	2,572,554
2,955,001	2,960,000	1	2,957,567
3,145,001	3,150,000	1	3,150,000
4,070,001	4,075,000	1	4,073,000
8,840,001	8,845,000	1	8,840,800
18,910,001	18,915,000	1	18,911,000
790,510,001	790,515,000	1	790,510,099
	TOTAL	**14,006**	**977,858,737**

Notice of 21st Annual General Meeting

Byco Petroleum Pakistan Limited

Notice is hereby given that the 21st Annual General Meeting of Byco Petroleum Pakistan Limited will be held on Thursday, 29th October 2015 at 8:30 am at Beach Luxury Hotel, Karachi, to transact the following ordinary business:

1. To confirm the minutes of the 20th Annual General Meeting of the Company held on 19th January 2015.
2. To receive, consider and adopt the audited separate and consolidated financial statements for the financial year ended 30th June 2015, together with the Directors' and Auditors' reports thereon.
3. To re-appoint the auditors for the financial year 2015-16 and to fix their remuneration.

Shahana Ahmed Ali
Group Head Legal & Company Secretary

17th September 2015
Karachi

NOTES:

Book Closure

The register of members and the share transfer books of the Company will remain closed from Thursday, 22nd October 2015 until Thursday, 29th October 2015.

Participation in the Meeting

Only persons whose names appear in the register of members of the Company as on Wednesday, 21st October 2015, are entitled to attend, participate in, and vote at the Meeting. A member entitled to attend and vote may appoint another member as proxy to attend and vote on their behalf. Proxies must be received at the registered office of the Company not less than 48 hours before the time for holding the Meeting. A form of proxy is included in the Annual Report.

Notice to Members Who Have Not Provided CNIC Copies

As directed by the SECP through its Circular No. EMD/D-II/Misc./2009-1342 of 4th April 2013, dividend warrants cannot be issued without valid CNICs. Through the Company's letter of 4th April 2014, members were advised to submit copies of their valid CNICs. In the absence of a member's valid CNIC, the Company will be constrained to withhold dispatch of dividend to such members. Those members who hold shares certificates and have not yet submitted their valid CNICs, are once again advised to submit attested copies of their valid CNIC along with their folio numbers to the Company's Share Registrar, Messrs FAMCO Associates (Private) Limited, 8F, Block 6, P.E.C.H.S., Nursery next to Hotel Faran, Shahrah-e-Faisal, Karachi.

Audited Financial Statements Through Email

Pursuant to SRO No. 787(1)2014, dated 8th September 2014, the SECP has allowed circulation of Audited Financial Statements along with the Notice of the Annual General Meeting to the members via email. Therefore, all members who wish to receive a soft copy of Annual Report may send their email addresses to the Company Secretary. A consent form for electronic transmission may be downloaded from the Company's website:www.byco.com.pk. A hard copy of the Audited Financial Statements will be provided to members on request, free of cost, within seven days.

Change of Address and Non-Deduction of Zakat Declaration Form

Members holding share certificates should notify any change in their registered address and, if applicable, submit their non-deduction of Zakat Declaration Form to the Company's Shares Registrar. Members holding shares in CDC / Participants accounts are also requested to update their addresses and, if applicable, submit their non-deduction of Zakat Declaration Form to CDC or their Participants / Stock Brokers.

Guidelines for CDC Account Holders:

CDC account holders should comply with the following guidelines of the Securities and Exchange Commission of Pakistan (SECP):

A For Attendance at the Meeting

(a) Individuals should be account holder(s) or sub-account holder(s) and their registration details should be uploaded as per CDC regulations and they must establish their identity by presenting their original Computerized National Identity Card (CNIC) or passport at the time of the Meeting.

(b) Corporate entities should at the time of the Meeting, unless provided earlier, produce a certified copy of a resolution of the Board of Directors, or a Power of Attorney bearing the specimen signature of the attorney.

B For Appointing Proxies

(a) Individuals should be account holder(s) or sub-account holder(s) whose registration details should be uploaded as per CDC regulations and their proxy forms must be submitted at the registered office of the Company not less than 48 hours before the time for holding the Meeting.

(b) The proxy form must be attested by two persons whose names, addresses, and CNIC numbers must be mentioned therein.

(c) Attested copies of the CNIC or passport of the beneficial owner and proxy must be furnished along with the form of proxy.

(d) Proxies must produce their original CNIC or passport at the time of the Meeting.

(e) Corporate entities should at the time of the Meeting, unless provided earlier, produce a certified copy of a resolution of the Board of Directors, or a Power of Attorney bearing the specimen signature of the attorney.

Admission Slip

The 21st Annual General Meeting of Byco Petroleum Pakistan Limited will be held on Thursday, 29th October 2015 at 8:30 am at Beach Luxury Hotel, Karachi.

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

Shahana Ahmed Ali
Group Head Legal &
Company Secretary

Name. ______________________________

Folio / CDC Account No. ____________________ Signature ____________________

NOTE

(i) Signatures of the members should tally with the specimen signatures in the Company's record.

(ii) Completed Admission Slips must be submitted prior to entering the hall where the Meeting is being held.

CDC Account Holder(s) / Proxies / Corporate Entities

(a) Account holder(s) / Sub-account holder(s) / Proxies must present their original CNICs or passports prior to entering the hall where the Meeting is being held.

(b) Corporate entities should at the time of the Meeting, unless provided earlier, produce a certified copy of a resolution of the Board of Directors, or a Power of Attorney bearing the specimen signature of the attorney.

This admission slip is not transferable.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SECP
*Mobile apps are also available for download for android and ios devices

Form of Proxy

21st Annual General Meeting

The Company Secretary
Byco Petroleum Pakistan Limited
9th Floor, The Harbour Front, Dolmen City
HC-3, Block-4, Marine Drive, Clifton
Karachi-75600

I / We ____

of ____

being member(s) of Byco Petroleum Pakistan Limited and holder(s) of ____________________

____________________ ordinary shares, hereby appoint ____________________

of ____________________ or failing him / her ____________________

of ____________________ who is / are also member(s) of Byco Petroleum Pakistan Limited, as my / our proxy in my / our absence to attend and vote on my / our behalf at the 21st Annual General Meeting of the Company to be held on Thursday, 29th October 2015 and in case of adjournment, at any reconvened Meeting.

Signed / Seal and Delivered by ____

in the presence of:

1. Name: ____________________
   CNIC No.: ____________________
   Address: ____________________

2. Name: ____________________
   CNIC No.: ____________________
   Address: ____________________

____
Folio No. / CDC Account No.

____
This signature should tally with the specimen signature in the Company's record

Important

1. The duly completed and signed proxy form 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. Only members of the Company may be appointed proxies except corporate members who may appoint non-members as their proxy.
3. If more than one proxy is appointed by an instrument or more than one instrument of proxy is deposited by any member, all such instruments shall be rendered invalid.

For CDC account holder(s) / corporate entities
In addition to the above, the following requirements must be met:

i) the execution of the proxy form should be attested by two witnesses, whose names, addresses and CNIC numbers shall appear in the form;

ii) attested copies of the CNIC or passport of the beneficial owner and proxy should be submitted along with the proxy form;

iii) the proxy shall produce his / her original CNIC or passport at the time of the Meeting; and

iv) Corporate entities should at the time of the Meeting, unless provided earlier, produce a certified copy of a resolution of the Board of Directors, or a Power of Attorney bearing the specimen signature of the attorney.

Ms. Shahana Ahmed Ali
The Company Secretary

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

AFFIX
CORRECT
POSTAGE
STAMPS

www.byco.com.pk

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