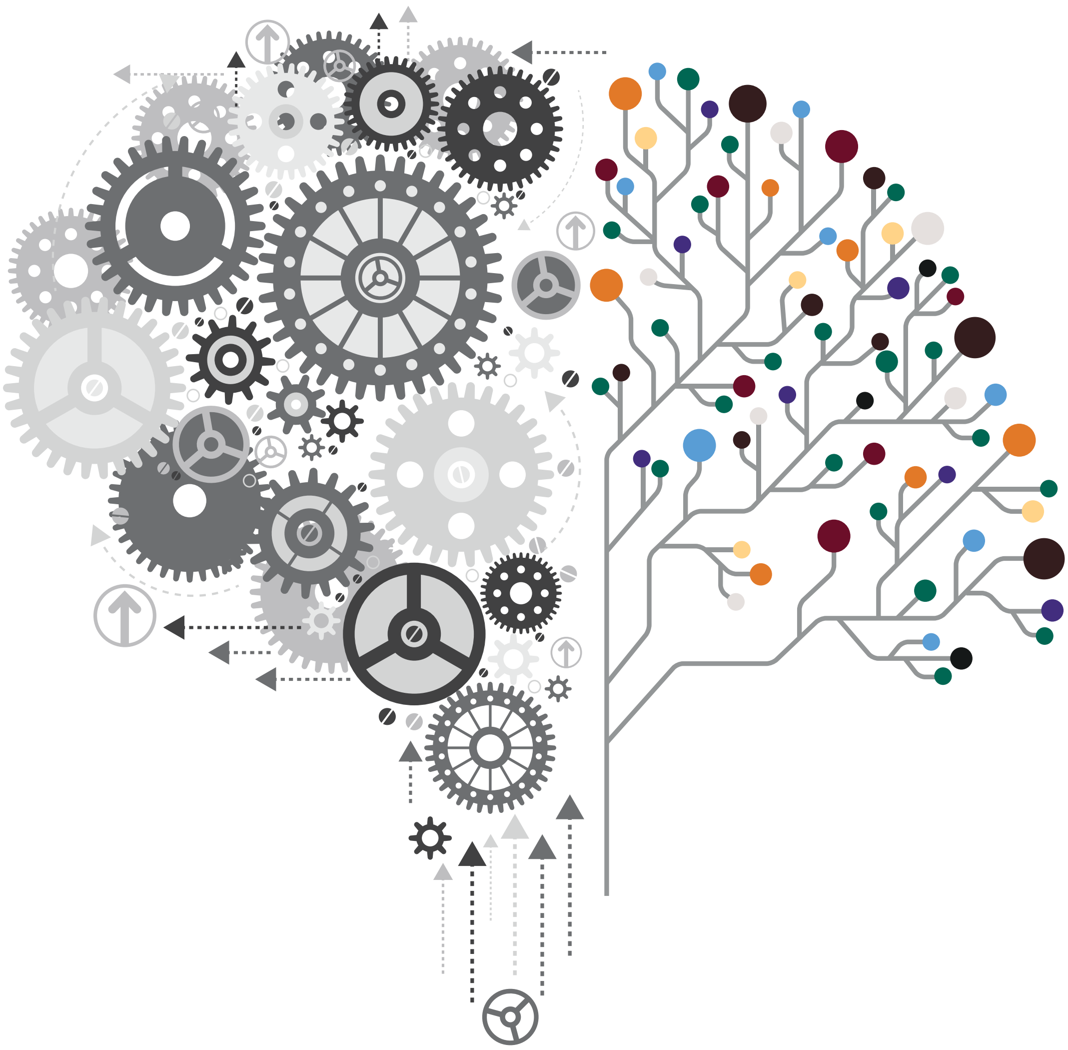

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Vision

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.

Mohammad Wasi Khan
Chief Executive Officer

Company Information

Board of Directors

Amir Abbassciy
Chairman

Mohammad Wasi Khan
Chief Executive Officer

Muhammad Mahmood Hussain
Director

Akhtar Hussain Malik
Director

Syed Arshad Raza
Director

Muhammad Raza Hasnani
Director

Omar Khan Lodhi
Director

Chaudhary Khaqan Saadullah Khan
Director

Audit Committee

Muhammad Mahmood Hussain, Chairman

Muhammad Raza Hasnani,
Member

Syed Arshad Raza,
Member

Strategy & Risk Management Committee

Muhammad Raza Hasnani,
Chairman

Akhtar Hussain Malik,
Member

Syed Arshad Raza,
Member

Services & Stakeholders Committee

Muhammad Raza Hasnani,
Chairman

Akhtar Hussain Malik,
Member

Syed Arshad Raza,
Member

Chief Financial Officer

Asad Azhar Siddiqui

Company Secretary

Majid Muqtadir

Auditors

EY Ford Rhodes
Chartered Accountants

Bankers

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

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,
Karachi75600, 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.

Mohammad Wasi Khan
Chief Executive Officer

Finanical Highlights

Byco Petroleum Pakistan Limited
Investor Information

BALANCE SHEET	2016	2015	2014	2013	2012	2011
Share Capital	9,779	9,779	9,779	9,779	9,779	9,779
Share holders' equity	1,834	(29)	(14,279)	(8,667)	(6,723)	(3,992)
Property, plant and equipment	12,581	13,716	14,928	17,625	18,373	18,678
Intangible asset	-	-	-	3	6	9
Long term investment	22,661	5,729	5,729	5,729	5,729	2,087
Long term loan, advances and rec	-	16,931	-	-	-	2,346
Long term deposits	10	10	7	14	19	21
Stock in trade	7,332	4,860	8,778	5,704	2,956	4,113
Trade debts	8,287	9,349	10,245	12,124	9,729	6,658
Total current assets	20,642	18,549	38,589	20,537	14,483	12,598
Total current liabilities	39,179	36,376	37,786	29,470	37,177	29,497
Short term borrowings	6,594	738	6,402	6,800	7,650	-
Current portion of non-current liabilities	5,442	3,729	2,655	1,636	2,442	1,933
Non-current liabilities	10,160	13,372	16,216	17,848	2,574	4,305

PROFIT AND LOSS ACCOUNT	2016	2015	2014	2013	2012	2011
Net sales	79,434	94,807	92,545	66,187	19,453	38,944
Cost of sales	73,419	89,941	92,136	66,111	21,170	38,169
Gross profit / (loss)	6,014	4,866	409	76	(1,717)	775
Operating profit / (loss)	3,253	2,935	(2,695)	751	(233)	246
Financial charges	2,309	2,758	2,793	2,645	2,965	2,096
(Loss) / profit before taxation	718	(151)	(6,325)	(2,085)	(3,197)	(1,850)
(Loss) / profit after taxation	1,367	72	(5,937)	(2,259)	(3,078)	(1,987)
(Loss) / earnings per share	1.40	0.07	(6.07)	(2.31)	(3.15)	(4.91)

		2016	2015	2014	2013	2012	2011
Profitability Ratios							
Gross Profit	%	7.57%	5.13%	0.45%	0.12%	-8.82%	1.99%
Profit before Tax	%	0.90%	-0.16%	-6.83%	-3.15%	-16.44%	-4.75%
Net Profit	%	1.72%	0.08%	-6.42%	-3.41%	-15.82%	-5.10%
EBITDA Margin to sales	%	5.60%	4.44%	-1.83%	2.67%	4.76%	2.41%
Return on equity	%	20.86%	1.39%	-117.52%	66.23%	-270.00%	-79.30%
Liquidity Ratios							
Current Ratio	Times	0.53	0.51	1.02	0.70	0.39	0.43
Quick / Acid Test Ratio	Times	0.34	0.38	0.78	0.50	0.31	0.28
Activity / Turnover Ratios							
Inventory turnover	Days	30.31	27.67	28.69	23.90	60.90	43.20
Debtors turnover	Days	40.52	37.72	44.11	60.30	153.70	63.40
Creditors turnover	Days	143.39	119.75	95.39	111.00	446.60	258.40
Inventory turnover	Times	12.04	13.19	12.72	11.60	6.58	9.47
Debtors turnover	Times	9.01	9.68	8.27	5.46	2.00	5.85
Creditors turnover	Times	2.55	3.05	3.83	3.29	0.82	1.41
Total assets turnover ratio	Times	1.42	1.71	1.56	1.51	0.50	1.09
Fixed assets turnover ratio	Times	6.31	6.91	6.20	3.76	1.06	2.09
Financial Leverage Ratios							
Interest coverage ratio	Times	1.41	1.06	(0.96)	0.28	(0.08)	0.12
Debt to equity ratio	Times	12.10	(615.14)	(1.77)	(3.03)	(2.21)	1.42
Investment / Market Ratios							
Earnings per share	Rs.	1.40	0.07	(6.07)	(2.31)	(3.15)	(4.91)

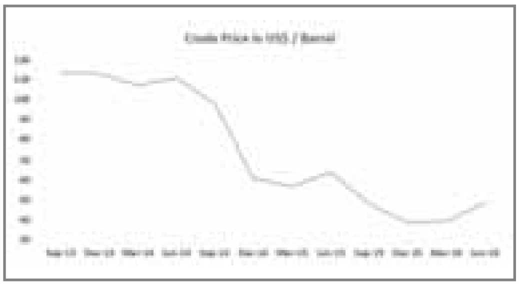
Directors' Report for the year ended June 30, 2016

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, 2016.

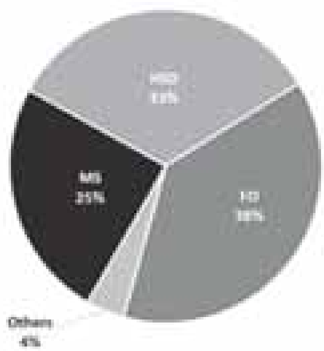
GLOBAL OIL PRICES AND PAKISTAN ECONOMY

This was another challenging year for the oil sector as declining price trend continued to persist in most part of the year. The price of crude oil has fallen significantly since 2014, reflecting slowing down of demand, high global crude oil production and inventories. During the review year, oil prices have further declined by about 23%.



Pakistan, being a net importer of oil, has benefited significantly from falling global oil prices as oil generally constitutes about 20% of the country's import bill. With the availability of fuel at substantially lower price compared to prior years, the domestic consumption increased substantially and during the year, 22% growth was recorded in the consumption of Motor Spirit(MS) followed by 4% growth in High Speed Diesel (HSD). The government partially passed on the benefits of decreased oil prices to general public. This has been a catalyst for increasing the consumption of petrol and has also helped in containing inflation rate to lowest seen in the last 10 years.

Product share in country consumption



Seeing the enhanced consumption of MS, the government has taken a proactive view on environment and has revised country specifications for MS by introducing 92 Research Octane Number (RON) MS. This should improve the consumption efficiency of vehicles and protect the environment. 87 RON will continue to be sold alongside 92 RON.

COMPANY PERFORMANCE

We are pleased to inform that despite facing strong competition your Company was able to continue its stride to further penetrate the market by increasing volume of its sales by 27% in current year. However this increase in volume was offset by a 23% reduction in oil prices. The Company recorded gross sales in current year at Rs. 115.40 billion compared to Rs. 119.41 billion last year.

In order to benefit from the declining product price trend, the Company pursued growth in higher margin products by making products available to the customers through its own refinery or through product import via Single Point Mooring (SPM) which provided efficiency in terms of costs and time. In all, 41 vessels berthed at the SPM including the largest ever product vessel which called at the Country, carrying over 100,000 metric tons of petroleum product, thereby proving the reliability and effectiveness of Byco SPM. Currently the SPM is handling about 9% of country's total oil imports, which is expected to increase in coming years.

Byco advantages of employing SPM are as follows:

- Berthing and un-berthing can be provided at the SPM 24/7 without dependence on high tide whereas this facility is not available at other ports of the country. Monsoon operations however are handled differently.
- The SPM does not require channels for approach; rather, it is approachable from 360 degrees against the tide flows.
- The SPM is designed to berth Very Large Crude Carriers (VLCC) as it has a maximum depth of 25 meters compared to 12 - 14 meters depth of other existing ports of the country
- The SPM is designed to sustain adverse weather conditions

The flexibility of SPM to handle crude oil as well as petroleum products provided an opportunity to the Company to focus more on import of products at opportune pricing. We are also pleased to inform that the Oil &

Directors' Report for the year ended June 30, 2016

Gas Regulatory Authority (OGRA) has also provided its formal approval for import of white oil petroleum products through SPM subsequent to the end of the year.

The Company earned gross profit of Rs. 6.01 billion in current year as compared to Rs. 4.90 billion last year primarily due to significantly high sales volume, import of products at competitive pricing and improved marketing margins.

Manufacturing, administrative and selling & distribution expenses remained within budget and the Company earned operating profit of Rs. 3.2 billion which is 11% higher compared to last year. 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. 1.4 billion (2015: Rs. 72 million) and earnings per share for the year was Rs. 1.40 compared to Rs. 0.07 per share last year. On a consolidated basis, the Company's Group earnings per share amounted to Rs. 0.40 (2015: loss per share of Rs. 0.66). There has been a delay in payment of Government dues (as mentioned in note 21 to the financial statements) due to delay in recovery / utilization of funds for clearing some old outstanding government dues.

In summary, above results reflects the Company's integrated business approach, improved operational performance and resilience against difficult times. The under review has been a year of significant improvement in the turnover of the Company and we look forward to continued improvement in the years to come.

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

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, 41 vessels berthed on SPM compared to 29 vessels last year which demonstrates the significant contribution of SPM in facilitating the quickest and economical oil import. As stated above, in order to expand the usage of SPM, your Company started importing all petroleum products through the SPM facility for onward supply to marketing company.

BTPL incurred net loss of Rs. 280 million (2015: Rs. 480 million) primarily due to financial charges on long term loan. 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

The Isomerisation unit was operated for some duration of the year however, due to the unfortunate event of fire at Parent Company's refinery, the supply of feedstock disrupted as a result of which the unit was shut down. It is expected that the unit will be operated with the Parent Company's refinery in year 2017.

BIPL incurred a net loss of Rs. 913 million in current year primarily due to the depreciation of Rs. 868 million on fixed assets. It is expected that with the commencing of operations of Byco Oil Pakistan Limited's (BOPL) refinery, large quantity of Naphtha will be processed next year which will help in improving BIPL profitability.

Directors' Report for the year ended June 30, 2016

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. The Government has set deadline of June 2017 for completion of DHDS unit by all the refineries and every effort is being made to achieve the deadline set by the Government however, there might be some delays in completing this project on the given timeline.

REASONS FOR NOT DECLARING DIVIDEND
Considering the Company's financial commitments, the Directors do not recommend any appropriations for the year ended 30th June 2016.

AUDITORS' OBSERVATION
The auditors have included a paragraph in their report whereby they have highlighted the use of going concern assumption followed in preparation of the financial statements. Their observation is based on some negative indicators like accumulated losses and net current liability position. The management has taken several steps to address the above issue by improving the supply chain and cash conversion cycle, tapping new customers in refinery sales and consumer sales businesses, improved businesses integration etc. as a result of which the sales volume increased and the Company showed a significant profit after tax.

Based on the above factors, the management is of the view that these negative conditions are temporary and would reverse in foreseeable future. Therefore, the financial statements have been prepared on going concern basis.

MERGER OF BYCO OIL PAKISTAN LIMITED AND BYCO TERMINALS PAKISTAN LIMITED WITH AND INTO THE COMPANY

The Board of Directors (the Board) of the Company in a meeting held on 14th April, 2016 considered and approved in principle a potential merger of the Company, its wholly owned subsidiary Byco Terminals Pakistan Limited and the Parent Company in accordance with terms of a scheme of arrangement prepared under the provisions of Section 284 to Section 228 of the Company's Ordinance, 1984, subject to the sanction of the High Court of Sindh.

Under the said scheme, the Company would be the surviving entity. The Company has filed a petition with the High Court on 24th June 2016 and is in the process of completing the required legal and corporate formalities relating to the said arrangement.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Acknowledging diversity in the interest and expectation of its stakeholders your Company being a responsible Corporate Citizen, continuously makes efforts to positively impact communities in and around which it is operating.

One of the strategic priorities of your Company for sustained development is Community engagement. Working closely with the local communities your Company manages socio-economic impact of its business activities on them. Company's Management Training & Internship programs and other on job training opportunities contribute in developing skill set of local workforce, hence, supporting them in their sustainable economic development. Your Company extends continuous support and assistance in the form of providing emergency medical treatment, ambulance service, availability of drinking water, educational and sports activities.

ENVIRONMENT, HEALTH, SAFETY AND SECURITY (EHSS)

Directors' Report for the year ended June 30, 2016

During last year the focus of the Company remained on EHSS and specially to realize Process Safety as an integral part of all operations. Training and development of staff on occupational and process safety remained the center of attention.

DuPont has been engaged for assisting the Company to excel in process safety and inculcating inherent safety approach in selection and design of asset as well as eliminating where appropriate and minimizing error inducing environment at work place.

Contractors had been extensively included in all training and development programs. Water and energy conservation at refinery was one of the EHSS objectives.

Despite of distressing fire incident that halted the operations of our parent company's refinery, the occupational health and safety performance remained intact and no lost time injury or occupational health related incident took place at refinery complex, terminals and retail outlets.

A total of 1.22 million safe man hours were achieved during last year and cumulatively 10.55 million safe man hours were achieved since November 2005 without a Lost Time Injury (LTI) and Total Recordable Injury Rate (TRIR) for the year was 0.284 per million man hours.

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 along with observing Earth Day.

CONTRIBUTION TO THE NATIONAL EXCHEQUER

During the current year, your Company contributed an amount of Rs. 36 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$ 73 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 Pakistan Stock Exchange. 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, prepared by the Management of the Company, present its state of affairs fairly, the results of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained in the manner 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.
- During the year twelve meetings of the Board of Directors were held and attendance by the directors was as follows:

Directors' Report for the year ended June 30, 2016

Name of Director	Number of Meetings Attended
Mr. Amir Abbassciy (Appointed on 26th May 2016)	2
Mr. Muhammad Mahmood Hussain (Appointed on 26th May 2016)	1
Mr. Akhtar Hussain Malik (Appointed on 26th May 2016)	1
Mr. Syed Arshad Raza (Appointed on 26th May 2016)	1
Mr. Omar Khan Lodhi (Appointed on 26th May 2016)	1
Mr. Chaudhary Khaqan Saadullah Khan (Appointed on 26th May 2016)	2
Mr. Mohammad Wasi Khan (Appointed on 1st April 2016)	5
Mr. Muhammad Raza Hasnani	11
Mr. Javed Akbar (Resigned on 1st February 2016)	5
Mr. Syed Muhammad Mujtaba Jafarey (Resigned on 31st March 2016)	6
Mr. Hamid Imtiaz Hanfi (Resigned on 30th April 2016)	9
Mr. Ovais Mansoor Naqvi (Resigned on 26th May 2016)	Nil
Ms. Diana Brush (Resigned on 26th May 2016)	7
Mr. Richard Legrand (Resigned on 26th May 2016)	6
Mr. Philip Harris (Resigned on 26th May 2016)	7

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

The Board places on record its appreciation for the valuable services rendered by outgoing directors on Board.

Audit Committee

The Audit Committee held four meetings during the year. Attendance by each member was as follows:

Meetings Attended	
Muhammad Raza Hasnani	4
Philip Harris (upto 26th May 2016)	2
Diana Brush (upto 26th May 2016)	2
Muhammad Mahmood Hussain (from 26th May 2016)	Nil
Syed Arshad Raza (from 26th May 2016)	Nil

Strategy & Risk Management Committee

The Strategy & Risk Management Committee held one meeting during the year. Attendance by each member was as follows:

Meetings Attended	
Muhammad Raza Hasnani	1
Hamid Imtiaz Hanfi (upto 30th April 2016)	1
Diana Brush (upto 26th May 2016)	1
Akhtar Hussain Malik (from 26th May 2016)	Nil
Syed Arshad Raza (from 26th May 2016)	Nil

PATTERN OF SHAREHOLDING

- The pattern of shareholding and additional information as at June 30, 2016 appears on page 109 of the Annual Report of your Company
- Byco Oil Pakistan Limited holds 80.84% shares, financial institutions and banks hold 0.37% shares, and 18.79% shares are held by individuals.
- No trading in the shares of the Company was carried out by the directors, executives or their spouses and minor children during the year except that mentioned in "Pattern of Shareholding".

VALUE OF INVESTMENT IN POST EMPLOYMENT BENEFIT FUND

The value of investment of provident fund on the basis of unaudited accounts is as under:

	2016	2015
As at June 30 (Rs. in '000)	89,039	99,440

Directors' Report for the year ended June 30, 2016

EXTERNAL AUDITORS

The auditors Messrs EY Ford Rhodes Chartered Accountants retired and offered themselves for reappointment. The Audit Committee has recommended the reappointment of Messrs EY Ford Rhodes Chartered Accountants as auditors for the year ending June 30, 2017.

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

Mohammad Wasi Khan
Chief Executive
Karachi
September 06th 2016

Statement of Compliance
with the Code of Corporate Governance
Byco Petroleum Pakistan Limited
Year ended 30th June 2016

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 2016, the board consisted of:

Category	Names
Independent Director	Muhammad Mahmood Hussain
Executive Director	Mohammad Wasi Khan
Non-Executive Directors	Amir Abbassciy Akhtar Hussain Malik Syed Arshad Raza Muhammad Raza Hasnani Omar Khan Lodhi Chaudhary Khaqan Saadullah Khan

   The independent director meets the criteria of independence under clause 5.19.1. (b) of the CCG.

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

3. All the resident directors of the Company 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 seven casual vacancies occurred on the board, which were created by the resignations of Mr. Javed Akbar on 1st February 2016, Syed Muhammad Mujtaba Jafarey on 31st March 2016, Mr. Hamid Imtiaz Hanfi on 30th April 2016, Ms. Diana Brush, Mr. Ovais Mansoor Naqvi, Mr. Philip Harris and Mr. Richard Legrand on 26th May 2016. Mr. Mohammad Wasi Khan was appointed a chief executive officer to fill the casual vacancy on 1st April 2016. Mr. Amir Abbassciy, Mr. Muhammad Mahmood Hussain, Mr. Akhtar Hussain Malik, Syed Arshad Raza, Mr. Omar Khan Lodhi and Mr. Chaudhary Khaqan Saadullah Khan were appointed directors to fill the casual vacancies on 26th May 2016.

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, other executive and non-executive directors, have been taken by the Board / shareholders.

8. During the year the Board met twelve times. 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. 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 programs for its recently elected directors, as required by the Code.

10. During the year, the Board has approved the appointment of Mr. Asad Azhar Siddiqui, as the Chief Financial Officer of the Company on 26th May 2016, which was created by the resignation of Mr. Imran Shaikh, and the appointment of Mr. Majid Muqtadir, as the Company Secretary of the Company on 1st May 2016, which was created by the resignation of Ms. Shahana Ahmed Ali, including remuneration and terms and conditions of employment. There was no change in the position of the Head of Internal Audit.

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

Statement of Compliance
with the Code of Corporate Governance
Byco Petroleum Pakistan Limited
Year ended 30th June 2016

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 executives do not hold 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 require ments of the Code.

15. The Board has formed an Audit Committee, comprising of three members, all of whom are non-executive directors and the Chairman of the Committee is an independent director.

16. The meetings of the Audit Committee were held atleast once every quarter 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 has formed a Human Resource and Remuneration Committee by the name of Strategy & Risk Management Committee, comprising of three members, all of whom are non-executive directors, including the Chairman of the Committee.

18. The Board has setup an effective internal audit function for the Company, which is considered suitably qualified and experi enced for the purpose.

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 Interna tional 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 Pakistan Stock Exchange.

22. Material / price sensitive information was disseminated among all market participants at once through the Pakistan Stock Exchange.

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.

Mohammad Wasi Khan
Chief Executive Officer

September 06th, 2016

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 2016** to comply with the requirements of Rule Book of Pakistan Stock Exchange Limited Chapter 5, Clause 5.19.23 (b) of the Code of Corporate Governance, 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 2016.

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.	9	Arrangement for directors' training program is currently inprogress.
II.	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

06th September 2016

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Unconsolidated
Financial Statements
For The Year Ended June 30, 2016

Auditors' Report to the Members

We have audited the annexed unconsolidated balance sheet of **Byco Petroleum Pakistan Limited** as at **30 June 2016** 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 ther eo 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 unconsolidate 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 2016 and of the profit, comprehensive income, its cash flows and changes in equity for the year then ended;

d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980;

e) We draw attention to note2 to the unconsolidated financial statementswhich states that the Company has accum lated losses as at 30 June 2016 amounting to Rs. 7,944.149 million and its current liabilities exceed its current assets by Rs. 18,536.626 million. These conditions indicate the existence of a material uncertainty which may cast signific doubt about the Company's ability to continue as a going concern. However, the unconsolidated financial stat ments have been prepared on going concern basis based on the mitigating factors, as more fully explained in note 2 to the unconsolidated financial statements. Our opinion is not qualified in respect of the above matters.

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

06th September 2016

Unconsolidated Balance Sheet
As at 30 June 2016

	Note	30 June 2016	30 June 2015
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	12,580,784	13,715,845
Long-term investment - at cost	6	22,660,762	5,729,258
Long-term advance	7	-	16,931,504
Long-term deposits	8	10,278	9,803
		35,251,824	36,386,410
CURRENT ASSETS			
Stores and spares		293,148	279,196
Stock-in-trade	9	7,331,755	4,859,615
Trade debts	10	8,286,897	9,349,396
Loans and advances	11	3,038,152	1,497,310
Trade deposits and short-term prepayments	12	26,500	23,188
Interest accrued		497,688	572,610
Other receivables	13	934,402	1,280,500
Cash and bank balances	14	233,383	687,576
		20,641,925	18,549,391
TOTAL ASSETS		55,893,749	54,935,801
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	15	9,778,587	9,778,587
Accumulated losses		(7,944,149)	(9,807,784)
		1,834,438	(29,197)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	16	4,720,991	5,217,476
NON-CURRENT LIABILITIES			
Long-term financing and deferred mark-up	17	9,975,319	12,224,800
Liabilities against assets subject to finance lease	18	-	1,730
Long-term deposits	19	130,978	108,978
Deferred liabilities	20	53,472	1,036,268
		10,159,769	13,371,776
CURRENT LIABILITIES			
Trade and other payables	21	26,647,202	31,037,413
Accrued mark-up	22	95,692	183,727
Short-term borrowings - secured	23	6,593,696	737,609
Current portion of long-term financing and deferred mark-up		5,442,326	3,729,000
Current portion of liabilities against assets subject to finance lease		4,362	4,970
Taxation – net		395,273	683,027
		39,178,551	36,375,746
CONTINGENCIES AND COMMITMENTS	24		
TOTAL EQUITY AND LIABILITIES		55,893,749	54,935,801

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

Mohammad Wasi Khan
Chief Executive

Syed Arshad Raza
Director

Unconsolidated Profit and Loss Account
For the year ended 30 June 2016

	Note	30 June 2016	30 June 2015
		(Rupees in '000)	
Sales– net	25	79,433,874	94,807,329
Cost of sales	26	(73,419,493)	(89,940,833)
Gross profit		6,014,381	4,866,496
Administrative expenses	27	(561,244)	(553,605)
Selling and distribution expenses	28	(2,540,254)	(2,628,920)
Other expenses	29	(978,393)	(801,036)
Other income	30	1,318,577	2,051,774
		(2,761,314)	(1,931,787)
Operating profit		3,253,067	2,934,709
Finance costs	31	(2,535,445)	(3,086,143)
Profit/(Loss) before taxation		717,622	(151,434)
Taxation	32	649,876	223,731
Profit after taxation		1,367,498	72,297
Earnings per ordinary share – basic and diluted (Rupees)	33	1.40	0.07

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

Mohammad Wasi Khan
Chief Executive

Syed Arshad Raza
Director

Unconsolidated Statement of Comprehensive Income
For the year ended 30 June 2016

	30 June 2016	30 June 2015
	(Rupees in '000)	
Profit after taxation	1,367,498	72,297
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	(348)	(2,476)
Total comprehensive income for the year	1,367,150	69,821

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

Mohammad Wasi Khan
Chief Executive

Syed Arshad Raza
Director

Unconsolidated Cash Flow Statement
For the year ended 30 June 2016

	Note	30 June 2016	30 June 2015
CASH FLOWS FROM OPERATING ACTIVITIES		---------- (Rupees in '000)	----------
Profit / (loss) before taxation		717,622	(151,434)
Adjustments for non-cash and other items:			
Depreciation	5.1	1,196,719	1,272,064
Finance costs	31	2,535,445	3,086,143
Provision for doubtful debts	10.2	680,548	399,608
Provision for gratuity	20.2.6	18,990	23,799
Interest income	30	(514,500)	(780,826)
Gain on disposal of operating fixed assets	30	(2,974)	(944)
Net cash flow before working capital changes		4,631,850	3,848,410
(Increase) / decrease in current assets			
Stores and spares		(13,952)	(74,896)
Stock-in-trade		(2,472,140)	3,917,892
Trade debts		381,952	984,516
Loans and advances		(1,540,842)	(660,842)
Trade deposits and short-term prepayments		(3,312)	91,491
Other receivables		346,098	(615,265)
		(3,302,196)	3,642,896
(Decrease) / increase in current liabilities			
Trade and other payables		(4,338,832)	2,713,772
Cash (used in) / generated from operations		(3,009,178)	10,205,078
Finance costs paid		(743,321)	(1,565,658)
Income taxes paid		(635,426)	(351,125)
Gratuity paid		(18,000)	(26,000)
Interest income received		120,000	154,667
Net cash (used in) / generated from operating activities		(4,285,925)	8,416,962
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(64,191)	(92,593)
Proceeds from disposal of operating fixed assets		5,507	4,719
Long term deposits – net		21,525	19,011
Net cash used in investing activities		(37,159)	(68,863)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing		(1,984,858)	(2,455,000)
Short term borrowings		5,856,087	(5,664,499)
Liabilities against assets subject to finance lease - net		(2,338)	(13,659)
Net cash generated from / (used in) financing activities		3,868,891	(8,133,158)
Net (decrease) / increase in cash and cash equivalents		(454,193)	214,941
Cash and cash equivalents at the beginning of the year		687,576	472,635
Cash and cash equivalents at the end of the year		233,383	687,576

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

Mohammad Wasi Khan
Chief Executive

Syed Arshad Raza
Director

Unconsolidated Statement of Changes in Equity
For the year ended 30 June 2016

	Issued, subscribed and paid-up capital	Accumulated loss	Total
		(Rupees in '000)	
Balance as at 1 July 2014	9,778,587	(24,057,777)	(14,279,190)
Net profit for the year	-	72,297	72,297
Other comprehensive income	-	(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 deferred tax	-	519,086	519,086
Balance as at 30 June 2015	9,778,587	(9,807,784)	(29,197)
Balance as at 1 July 2015	9,778,587	(9,807,784)	(29,197)
Net profit for the year	-	1,367,498	1,367,498
Other comprehensive income	-	(348)	(348)
Total comprehensive income for the year	-	1,367,150	1,367,150
Incremental depreciation relating to surplus on revaluation of property, plant and equipment – net of deferred tax	-	496,485	496,485
Balance as at 30 June 2016	9,778,587	(7,944,149)	1,834,438

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

Mohammad Wasi Khan
Chief Executive

Syed Arshad Raza
Director

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 Pakistan Stock Exchange. 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 (the Parent Company) holds 80.84% (30 June 2015: 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 crude 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 with 261 retail outlets across the country.

1.2 The Board of Directors (the Board) of the Company in a meeting held on 14 April 2016 considered and approved in principle a potential merger of the Company, its wholly owned subsidiary Byco Terminals Pakistan Limited and the Parent Company in accordance with terms of a scheme of arrangement prepared under the provisions of Section 284 to Section 288 of the Companies Ordinance, 1984 and subject to the sanction of the High Court of Sindh.

1.3 These unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiaries has been accounted for at cost less accumulated impairment losses, if any.

2. GOING CONCERN ASSUMPTION

As at 30 June 2016, the Company's accumulated losses amounted to Rs. 7,944.149 million (30 June 2015: Rs.9,807.784) million. Moreover, current liabilities of the Company exceeded its current assets by Rs. 18,536.626 million.

These conditions indicate existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. 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.1,367.498 million for the year as compared to a profit after tax of Rs. 72.297 million last year, showing improvement in the Company's profitability as compared to last year;

- the sales volume of the Company has increased by 27% showing improvement in the Company's performance as compared to last year;

- the Company's Petroleum Marketing Business (PMB) has entered into various fuel supply arrangements with different marketable sectors such as shipping, power andenergy. High margin aviation fuel export market has also been tapped through these arrangements. Further, during the year, PMB segment has increased their 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;

- the Company is contemplating a restructuring plan of the Group Companies which would bring efficiencies in the operations as stated in note 1.2;

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

- the ultimate Parent Company has also given its commitment to provide financial support to the Company as and when required. The support is available during the current 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 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 (IFRSs) issued by the International Accounting Standards Board 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 gratuity plan which is carried at present value of defined benefit obligation net of fair value of plan assets in accordance with the requirements of IAS 19 "Employee Benefits", as disclosed in note 20.2; and

- Property, plant and equipment which are carried at revalued amount in accordance with IAS 16 “Property, Plant and Equipment” as disclosed in note 5.1.2

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 described 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:

IFRS 10 – Consolidated Financial Statements
IFRS 11 – Joint Arrangements
IFRS 12 – Disclosure of Interests in Other Entities
IFRS 13 – Fair Value Measurement
IAS 27 – Equity Method in Separate Financial Statements
IAS 28 – Investments in Associates and Joint Ventures

The adoption of the above accounting standards did not have any material effect on the financial statements.

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 2: Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IFRS 10: Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – 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)	Not yet finalized
IFRS 11: Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	01 January 2016
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)	01 January 2016
IAS 7 Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	01 January 2017
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	01 January 2017
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 financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014. 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
IFRS 16 – Leases	01 January 2019

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 affect 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 unconsolidated 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) Impairment against investment in subsidiaries (note 4.2);
iii) Provision for slow moving and obsolete stock-in-trade (note 4.3 and 9);
iv) Provision for doubtful debts and other receivables (note 4.5 and 10.2);
v) Impairment against other financial and non-financial assets (note 4.8);
vi) Estimates of receivables and payables in respect of staff retirement benefit schemes (note 4.11and 20.2);
vii) Provision for compensated absences (note 4.12);
viii) Provision for taxation (note 4.14, 20.1 and 32); and
ix) Contingencies (note 24.1).

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment

Owned

These are initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses, if any, except forfreehold land, leasehold land, building on freehold land, roads and civil works, plant and machinery, generators and safety and lab equipments which 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.

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 year 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 is 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 year is taken to the profit and loss account; and

- an amount equal to incremental depreciation / amortisation for the year 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 year.

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

4.10 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

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 2016 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.

Defined contribution plan

The Company operates a funded 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 accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provisions to cover the obligation are made using the current salary levels of the employees. No actuarial valuation of compensated absences is carried out as the management considers that the financial impact is not material.

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

The charge for current taxation is based on taxable income at the current rates of taxation in accordance with 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. 1,935.022 million (30 June 2015: Rs. 3,099.337 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 customer who coincides with the dispatch of goods to the customers.
- Export sales are recognised on the basis of product shipped to the customers.

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 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 currencies translation

Foreign currency transactions during the year 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.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	30 June 2016	30 June 2015
		(Rupees in '000)	
Operating fixed assets	5.1	12,527,158	13,662,219
Capital work-in-progress	5.2	53,626	53,626
		12,580,784	13,715,845

5.1 Operating fixed assets

	COST / REVALUATION					ACCUMULATED DEPRECIATION					Written down value as at 30June 2016	Depreciation rate %
	As at 01 July 2015	Additions	Transfers	Disposals	As at 30June 2016	As at 01 July 2015	Charge for the year	Transfers	Disposals	As at 30June 2016		
	(Rupees in '000)											
Owned												
Freehold land	679,019	-	-	-	679,019	-	-	-	-	-	679,019	-
Leasehold land	743,750	-	-	-	743,750	-	-	-	-	-	743,750	-
Building on freehold land, roads and civil works	909,467	6,199	-	-	915,666	132,988	36,503	-	-	169,491	746,175	4
Plant and machinery	17,012,101	55,661	-	-	17,067,762	6,166,680	1,068,031	-	-	7,234,711	9,833,051	4-5
Generators	426,001	-	-	-	426,001	263,506	28,542	-	-	292,048	133,953	6.70
Furniture and fixtures	53,661	-	-	-	53,661	39,906	5,366	-	-	45,272	8,389	10
Portable cabins	9,199	-	-	-	9,199	9,199	-	-	-	9,199	-	10
Filling stations (5.1.1)	636,591	2,249	-	-	638,840	222,286	37,643	-	-	259,929	378,911	5-12.5
Vehicles	201,340	-	6,599	(11,250)	196,689	200,177	1,163	4,066	(8,717)	196,689	-	20
Computer and allied equipments	106,642	82	-	-	106,724	103,722	3,002	-	-	106,724	-	33.33
Safety and lab equipments	1,351,503	-	-	-	1,351,503	1,341,297	10,206	-	-	1,351,503	-	20-25
	22,129,274	**64,191**	**6,599**	**(11,250)**	**22,188,814**	**8,479,761**	**1,190,456**	**4,066**	**(8,717)**	**9,665,566**	**12,523,248**	
Leased												
Vehicles	20,848	-	(6,599)	-	14,249	8,142	6,263	(4,066)	-	10,339	3,910	20
	22,150,122	**64,191**	**-**	**(11,250)**	**22,203,063**	**8,487,903**	**1,196,719**	**-**	**(8,717)**	**9,675,905**	**12,527,158**	

	COST / REVALUATION						ACCUMULATED DEPRECIATION						Written down value as at 30 June 2015	Depreciation Rate %
	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	Disposals	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.

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 impracticable 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 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.3,484.024 million, Rs. Nil, Rs.1,150.540 million and Rs.66.939 million respectively.

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, than it was based on depreciated replacement cost method.

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 2016	30 June 2015
		(Rupees in '000)	
Freehold land		46,731	46,731
Lease hold land		213,200	213,200
Buildings on freehold land, roads and civil works		746,175	1,106,108
Plant and machinery		4,777,931	5,011,243
Generators		55,975	65,365
Safety and lab equipments		-	8,379
		5,840,012	6,451,026

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

	Note	30 June 2016	30 June 2015
Cost of sales	26.1	1,104,938	1,176,275
Administrative expenses	27	54,138	57,594
Selling and distribution expenses	28	37,643	38,195
		1,196,719	1,272,064

5.1.5 Details of assets disposed off during the year:

	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain	Mode of disposal	Particulars of Buyer		
							Name	Status	Address
	Rupees in '000s								
Vehicles									
Honda City	1,399	1,119	280	350	70	Company Policy	Muhammad Maroof	Employee	Karachi
Honda Civic	1,288	1,288	-	690	690	Tender	Hammad Ahmed Khan	Independent	Karachi
Toyota Corolla	999	999	-	527	527	Tender	Ittehad Motors	Independent	Karachi
Toyota Corolla	999	999	-	457	457	Tender	Ittehad Motors	Independent	Karachi
Suzuki Cultus	585	585	-	440	440	Tender	Ittehad Motors	Independent	Karachi
Suzuki Cultus	780	780	-	530	530	Tender	Muhammad Maroof	Employee	Karachi
Audi	5,200	2,947	2,253	2,513	260	Company Policy	Mujataba Jafarey	Employee	Karachi
June 2016	11,250	8,717	2,533	5,507	2,974				
June 2015	169,597	69,525	100,072	101,016	944				

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 30June 2016	Closing balance 30 June 2015
	(Rupees in '000)				
Plant and machinery	45,084	-	-	45,084	45,084
Building on free hold land, roads and civil works	229	-	-	229	229
Filling stations	8,313	-	-	8,313	8,313
	53,626	-	-	53,626	53,626

	Note	30June 2016	30 June 2015
		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	16,931,504	-
		22,660,762	5,729,258

6.1 This represents investment in BTPL – a wholly owned subsidiary, of 568,717,418 shares (30 June 2015: 568,717,418 shares) 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 investment in BIPL – a wholly owned subsidiary, of 1,693,150,430 shares (30 June 2015: Nil) of Rs. 10 each. BIPL is principally engaged in blending, refining and processing of petroleum naphtha to produce petroleum products such as premium motor gasoline.

	Note	30June 2016	30 June 2015
		Rupees in '000	
7. LONG-TERM ADVANCE – unsecured			
Advance against investment in shares of Byco Isomerisation Pakistan (Private) Limited	7.1	-	16,931,504

7.1 During the year ended 30 June 2015, 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 in accordance with the Sale Agreement dated 27 March 2015. BIPL after completing all legal formalities issued the shares on 28 June 2016.

	Note	30June 2016	30 June 2015
		(Rupees in '000)	
8. LONG-TERM DEPOSITS			
Lease deposit		6,955	6,955
Rental premises		7,089	7,089
Others		3,189	2,714
	8.1	17,233	16,758
Current portion	12	(6,955)	(6,955)
		10,278	9,803

8.1 These deposits are interest free.

	Note	30 June 2016	30 June 2015
		(Rupees in '000)	
9. STOCK-IN-TRADE			
Raw material	9.1, 9.2& 9.3	2,389,729	682,874
Finished products	9.4, 9.5 & 9.6	4,942,026	4,176,741
		7,331,755	4,859,615

9.1 This includes raw material held by a subsidiary company amounting to Rs. 585.623 million (30 June 2015: Rs. 210.687 million) as at the balance sheet date.

9.2 This includes raw material in transit amounting to Rs. 1,492.395 million (30 June 2015: Rs. Nil) as at the balance sheet date.

9.3 Raw material costing Rs. 2,368.790 million (30 June 2015: Rs. Nil) has been written down by Rs. 22.287 million (30 June 2015: Rs. Nil) to net realizable value.

9.4 This includes finished product held by third parties and related parties amounting to Rs.1,345.617 million (30 June 2015: Rs. 1,992.633 million) and Rs. 1,157.273 million (30 June 2015: Rs.956.450 million) respectively, as at the balance sheet date.

9.5 This includes finished product in transit amounting to Rs. 729.435 million (30 June 2015: Rs. Nil) as at the balance sheet date.

9.6 Finished products costing Rs. 1,327.639 million (30 June 2015: Rs. 3,026.379 million) has been written down by Rs. 156.158 million (30 June 2015: Rs. 156.625 million) to net realizable value.

	Note	30June 2016	30 June 2015
		(Rupees in '000)	
10. TRADE DEBTS – unsecured			
Considered good			
Due from Pakistan State Oil Company Limited	10.1	4,531,746	4,476,158
Due from related parties:			
- K-Electric Limited		196	1,364,484
- Byco Oil Pakistan Limited – Parent Company		1,005,506	-
- Byco Terminals Pakistan Limited – Subsidiary Company		186,693	866,090
Others		2,562,756	2,642,664
Considered doubtful		2,873,379	2,192,831
		11,160,276	11,542,227
Provision for doubtful debts	10.2	(2,873,379)	(2,192,831)
		8,286,897	9,349,396

10.1 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 5 April 2002 for a period of 10 years. The said agreement states 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 02 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.

Based on the legal opinion, the management is of the considered view that the Company has a legal right to claim markup from PSO. Further, the Company is currently pursuing this matter with the Director General Oil, Ministry of Petroleum and Natural Resources, for the recovery / settlement of the outstanding amount. Hence, the management is confident that the Company would be able to recover the receivable in full from PSO in due course of time.

		Note	30June 2016	30 June 2015
			(Rupees in '000)	
10.2	**Provision for doubtful debts**			
	Opening balance		2,192,831	1,793,223
	Provision made during the year	29	680,548	399,608
	Closing balance		2,873,379	2,192,831
11.	**LOANS AND ADVANCES – unsecured, considered good**			
	Loan to employees		100	100
	Advance to suppliers and contractors	11.1	3,038,052	1,497,210
		11.2	3,038,152	1,497,310

11.1 This includes advances amounting to Rs. 2,928.654 million (30 June 2015: Rs. 1,214.983 million) to BTPL, a subsidiary company, in respect of storage facilities.

11.2 These loans and advances are interest free.

		Note	30June 2016	30 June 2015
			(Rupees in '000)	
12.	**TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS**			
	Current portion of long-term deposits	8	6,955	6,955
	Prepayments			
	- Insurance		16,933	11,978
	- Rent		2,612	4,255
			26,500	23,188
13.	**OTHER RECEIVABLES – considered good**			
	Inland Freight Equalization Margin		397,062	866,192
	Due from related parties	13.1	537,340	414,308
			934,402	1,280,500

13.1 This represents amount of Rs. 346.913 million (30 June 2015: Rs. 282.555 million) receivable in respect of rent for land situated at Mauza Kund, Balochistan, sub-leased to the Parent Company and BTPL and also an amount of Rs. 190.427 million (30 June 2015: Rs. 131.753 million) receivable against pre-commencement and other expenses incurred and purchases made on behalf of BIPL.

		Note	30June 2016	30 June 2015
			(Rupees in '000)	
14.	**CASH AND BANK BALANCES**			
	Cash in hand		102	74
	Cash at banks			
	- Current accounts		130,764	670,904
	- Saving / deposit accounts	14.1& 14.2	102,517	16,598
		14.3	233,281	687,502
			233,383	687,576

14.1 These carry interest at the rates ranging from 5.3 % to 8.2% (30 June 2015: 5.5% to 8.5%) per annum.

14.2 Bank balances with saving accounts are placed under interest arrangements. The Company has conventional banking relationships with all the banks having Islamic window operations.

14.3 This includes Rs. 5.254 million (30 June 2015: Rs. 23.98 million) kept under lien against letter of credit facilities obtained from banks.

15. SHARE CAPITAL

30June 2016	30 June 2015		30June 2016	30 June 2015
(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 issued for cash	9,778,587	9,778,587

As at 30 June 2016, Byco Oil Pakistan Limited (a wholly owned subsidiary of Byco Industries Incorporated) held 790,510,099 (30 June 2015: 790,510,099) ordinary shares of Rs. 10/- each, aggregating to Rs. 7,905.101 million and constituting 80.84% of issued share capital of the Company.

16. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

	Note	30June 2016	30 June 2015
		(Rupees in '000)	
Opening balance		7,435,974	21,793,483
Surplus on revaluation carried out during the year		-	66,939
Surplus on non-current asset held for sale realized during the year		-	(13,661,086)
		-	(13,594,147)
Transfer to accumulated loss in respect of:			
- incremental depreciation charged during the year – net of tax		496,485	519,086
- related deferred tax liability		223,058	244,276
		719,543	763,362
		6,716,431	7,435,974
Less: Related deferred tax liability :			
- on revaluation at the beginning of the year		2,218,498	2,462,774
- on incremental depreciation charged during the year		(223,058)	(244,276)
	20.1	1,995,440	2,218,498
Closing balance		4,720,991	5,217,476

	30 June 2016	30 June 2015
	(Rupees in '000)	

17. LONG-TERM FINANCING AND DEFERRED MARK-UP

	30 June 2016	30 June 2015
Restructured principal and accrued mark-up facilities	12,080,128	12,869,267
Total deferred mark-up on restructured principal facilities	3,337,517	3,084,533
	15,417,645	15,953,800
Current maturity of restructured principal	(5,154,142)	(3,529,000)
Current maturity of deferred mark-up on restructured principal facilities	(288,184)	(200,000)
	(5,442,326)	(3,729,000)
	9,975,319	12,224,800

17.1 The syndicate banks upon request of the Company 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. Further, the restructured facility contains a covenant that the Company cannot pay dividend to its shareholders in the event of a default.

17.2 As per the terms of the Agreement, National Bank of Pakistan (NBP) was paid on priority basis, whereas payment in respect of the remaining principal amount is to be made in fourteen unequal semi-annual installments. Further, an amount of Rs. 50 million out of the total deferred mark-up, 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. The remaining deferred mark-up shall be payable within a period of two years commencing after the repayment of the restructured principal facilities.

17.3 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 recognised at fair value. The difference between the carrying amount of the liability extinguished and the fair value of the new liability had been recognised in the unconsolidated profit and loss account.

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

(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, a Subsidiary Company including storage related assets and crude oil tanks;

(iv) first Pari Passu Hypothecation charge to the extent of Rs. 9,967 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.

18. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2016		2015	
	Lease payments		Lease payments	
	Minimum	Present	Minimum	Present
	(Rupees in '000)			
Less than one year	5,006	4,362	5,726	4,970
One to five years	-	-	1,963	1,730
Total minimum lease payments	5,006	4,362	7,689	6,700
Less: Financial charges allocated to future periods	644	-	989	-
Present value of minimum lease Payments	4,362	4,362	6,700	6,700
Less: Current portion	4,362	4,362	4,970	4,970
	-	-	1,730	1,730

18.1 Presently, the Company has lease agreements with the leasing companies to acquire vehicles. The rentals under the lease agreements are payable upto August 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.

	Note	30June 2016	30 June 2015
		(Rupees in '000)	
19. LONG-TERM DEPOSITS			
Deposit from related party	19.1	3,646	3,646
Trade and other deposits	19.2	127,332	105,332
		130,978	108,978

19.1 This represents interest-free deposit received from Parent Company against land lease rental.

19.2 This represents interest-free deposits received from logistics vendors as security against goods to be transported.

	Note	30June 2016	30 June 2015
		(Rupees in '000)	
20. DEFERRED LIABILITIES			
Deferred taxation	20.1	-	997,548
Employees retirement benefits	20.2	53,472	38,720
		53,472	1,036,268

	Note	30 June 2016	30 June 2015
		(Rupees in '000)	
20.1 DEFERRED TAXATION			
Taxable temporary differences arising in respect of:			
- accelerated tax depreciation		852,685	977,179
- finance lease		-	1,922
- surplus on revaluation of property, plant and equipment	16	1,995,440	2,218,498
		2,848,125	3,197,599
Deductible temporary differences arising in respect of:			
- employees retirement benefit		(16,576)	(12,392)
- provision for doubtful debts		(890,748)	(701,706)
- finance lease		(140)	-
- intangible assets		-	(9,067)
- unabsorbed tax losses		(1,940,661)	(1,476,886)
		(2,848,125)	(2,200,051)
		-	997,548

20.2 Employees retirements benefits - staff gratuity

20.2.1 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 30June 2016, using the "Projected Unit Credit Method". Provision has been made in the unconsolidated 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 2016	30 June 2015
		(Rupees in '000)	
20.2.2 Reconciliation of amount payable to defined benefit plan			
Present value of defined benefit obligation	20.2.3	75,609	74,733
Fair value of plan assets	20.2.4	(22,137)	(36,013)
		53,472	38,720
20.2.3 Movement in the present value of defined benefit obligation:			
Opening balance		74,733	70,969
Current service cost		15,410	16,376
Interest cost		6,342	9,155
Transfer to a Subsidiary Company		-	(2,535)
Transfer to the Parent Company		1,245	(14,011)
Benefits paid during the year		(22,618)	(6,312)
Actuarial loss	20.2.7	497	1,091
Closing balance		75,609	74,733

	Note	30June 2016	30 June 2015
		(Rupees in '000)	
20.2.4 Movement in the fair value of plan assets:			
Opening balance		36,013	15,978
Expected return on plan assets		2,762	1,732
Contributions		18,000	26,000
Benefits paid during the year		(22,618)	(6,312)
Benefits paid to employees of Subsidiary Company		(12,169)	-
Actuarial gain / (loss)	20.2.7	149	(1,385)
Closing balance		22,137	36,013
20.2.5 Movement in net liability			
Opening balance		38,720	54,991
Charge for the year	20.2.6	18,990	23,799
Transfer to a Subsidiary Company		-	(2,535)
Transfer to the Parent Company		1,245	(14,011)
Contributions		(18,000)	(26,000)
Benefits paid to employees of Subsidiary Company		12,169	-
Actuarial loss	20.2.7	348	2,476
Closing balance		53,472	38,720
20.2.6 Charge for the year			
Current service cost		15,410	16,376
Interest cost – net		3,580	7,423
		18,990	23,799
20.2.7 Actuarial re-measurements			
Actuarial loss on defined benefit obligations		497	1,091
Actuarial (gain) / loss on fair value of plan assets		(149)	1,385
		348	2,476
20.2.8 Actuarial assumptions:			
Valuation discount rate per annum		9.00%	10.00%
Salary increase rate per annum		7.00%	8.00%
Expected return on plan assets per annum		9.00%	10.00%
Normal retirement age of employees		60 years	60 years

20.2.9 Comparisons for past years:

As at June 30	2016	2015	2014	2013	2012
	(Rupees `000)				
Present value of defined benefit obligation	75,609	74,733	70,969	44,673	47,764
Fair value of plan assets	(22,137)	(36,013)	(15,978)	-	-
Deficit	53,472	38,720	54,991	44,673	47,764
Experience adjustment on plan liabilities	497	1,091	9,656	7,406	3,391
Experience adjustment on plan assets	(149)	1,385	(65)	-	-
	348	2,476	9,591	7,406	3,391

	30June 2016	30 June 2015
	(Rupees in '000)	
20.2.10 Composition of plan assets		
Cash at bank	22,137	36,013

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

	2016			
	Discount rate		Salary increase	
	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
	(Rupees in '000)			
Present value of defined benefit obligation	66,685	86,224	86,731	66,145

20.2.12 As of 30 June 2016, a total of 274 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. 16.599 million.

	Note	30June 2016	30 June 2015
		(Rupees in '000)	
21. TRADE AND OTHER PAYABLES			
Creditors for supplies and services		18,956,639	16,810,492
Accrued liabilities		294,785	469,522
Due to a related party	21.1	13,658	13,658
Advances from customers	21.2	670,263	1,712,653
Dividend payable		1,146	1,146
Sales tax, duties, levies, penalties and default surcharge		6,570,028	11,931,377
Workers' profit participation fund	21.3	109,445	64,181
Workers' welfare fund	29	15,569	-
Withholding tax deductions payable		1,891	30,595
Payable to staff provident fund		13,778	3,789
		26,647,202	31,037,413

21.1 This represents amount of Rs. 12.014 million (30 June 2015: Rs. 12.014 million) payable in respect of expenses paid on behalf of the Company by Byco Industries Incorporated and also an amount of Rs. 1.644 million (30 June 2015: Rs. 1.644 million) payable against purchases made from Premier Systems (Private) Limited.

21.2 This includes Rs. 138 million (30 June 2015: Rs. 158 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 amortized over the period of the agreed terms. These advances are interest free.

	Note	30 June 2016	30 June 2015
		(Rupees in '000)	
21.3 Workers' profit participation fund			
Opening balance		64,181	56,823
Allocation for the year	29	38,923	-
Mark-up for the year	21.3.1	6,341	7,358
Closing balance		109,445	64,181

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 2016	30 June 2015
			(Rupees in '000)	
22.	**ACCRUED MARK-UP**			
	Short-term borrowings		-	3,327
	Advance from customers		95,692	180,400
			95,692	183,727
23.	**SHORT-TERM BORROWINGS – secured**			
	Finance against trust receipts	23.1	6,593,696	737,609

23.1 The facility has been extended by a commercial bank for working capital requirements aggregating to Rs. 15,000 million (30 June 2015: Rs. 15,000 million) out of which Rs. 8,406.304 million (30 June 2015: Rs. 14,262.391 million) remains unutilized as at the balance sheet date. The facility carries mark-up at 1 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.

24. CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 As at June 30, 2015, the Company had recorded default surcharge and penalties for the tax periods from July 2013 to June 2014 and July 2014 to May 2015 amounting to Rs. 708.883 million and Rs. 398.012 million, respectively.

During the current year, the Company received an order from Deputy Commissioner Inland Revenue (DCIR), dated 20 August 2015, in respect of tax periods July 2013 to June 2014, whereby default surcharge of Rs. 537.730 million and penalty amounting to Rs. 572.963 million were levied. However, on the appeal filed by the Company, Commissioner Inland Revenue Appeals (CIRA), in its order dated 30 September 2015, waived the aforementioned default surcharge and penalty. Accordingly, provision for default surcharge and penalty amounting to Rs. 708.883 million made in this respect in the unconsolidated financial statements for the year ended 30 June 2014, has been reversed in these unconsolidated financial statements.

Further, the Company received various orders from DCIR in respect of tax periods from June 2015 to January 2016 claiming default surcharge amounting to Rs. 21.445 million and penalty amounting to Rs. 68.418 million on late payments. In an appeal filed by the Company, the CIRA waived the aforementioned default surcharge and penalty. Therefore, no accrual in respect of aforementioned tax periods has been made in these unconsolidated financial statements.

Furthermore, the Company received various orders from DCIR in respect of tax periods from October 2015 to January 2016 to recover the amount of sales tax, default surcharge and penalty amounting to Rs 494.286 million. However, on an appeal filed by the Company, the CIRA waived the said amounts. Therefore, no accrual in respect of aforementioned tax periods has been made in these unconsolidated financial statements.

During the current year, the Company has made a provision amounting to Rs. 243.353 million for default surcharge and penalties for periods from June 2015 to September 2015 and February 2016 to May 2016. Therefore as at the balance sheet date, total provision amounting to Rs. 644.781 million has been made in the unconsolidated financial statements in respect of default surcharge and penalties.

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.

24.1.2 Claims against the Company not acknowledged as debts amounting to Rs. 3,834.285 million (30 June 2015: Rs. 3,137 million) comprise of late payment charges on account of delayed payments against crude oil supplies from Oil and Gas Development Company Limited (OGDCL), Mari Gas Limited (MGL) and Pakistan Petroleum Limited (PPL) amounting to Rs. 3,196.378 million, Rs. 233.55 million and Rs. 404.357 million, respectively. The details of the cases filed by MGL and PPL are as follows:

Mari Gas Limited (MGL) had filed a suit bearing number 636 of 2012 in Honorable High Court of Sindh at Karachi whereby a sum of Rs. 817.340 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 late payment surcharge and other associated legal and other cost amounting to a total of Rs. 1,050.890 million. Out of the above mentioned principal, the Company had paid Rs. 203.148 million in previous years and as a matter of prudence, the remaining principal amounting to Rs. 614.192 million has already been recorded in these unconsolidated financial statements.

Pakistan Petroleum Limited (PPL) had filed a suit bearing number 160 of 2013 in the Honorable High Court of Sindh at Karachi for recovery of unpaid sales invoices amounting to Rs. 1,156 million which has already been booked in these unconsolidated financial statements. Additionally, PPL also claims a Late Payment Surcharge (LPS) amounting to Rs. 404 million.

Based on the opinion of legal advisor, 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.

24.1.3 The Company was served with a sales tax order by the 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 43 of 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.

24.1.4 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. However, as a matter of prudence, the said amount has already been provided for in these unconsolidated financial statements.

	30 June 2016	30 June 2015
	(Rupees in '000)	
24.2 Commitments		
Commitment for capital expenditure	11,478	41,146
Outstanding letter of credit	10,722,572	-

		Note	30 June 2016	30 June 2015
			------- (Rupees in '000) -------	
25.	**SALES – net**			
	Gross Sales			
	- Local		107,817,756	110,540,039
	- Export		7,581,901	8,866,314
			115,399,657	119,406,353
	Less: Sales discount, sales tax, excise duty and petroleum development levy		(35,965,783)	(24,599,024)
			79,433,874	94,807,329
26.	**COST OF SALES**			
	Opening stock		4,176,741	6,292,464
	Cost of goods manufactured	26.1	38,269,420	71,553,828
	Finished products purchased during the year		35,915,358	16,271,282
			78,361,519	94,117,574
	Closing stock	9	(4,942,026)	(4,176,741)
			73,419,493	89,940,833
26.1	**Cost of goods manufactured**			
	Raw material consumed	26.1.1	36,182,737	69,056,114
	Salaries, wages and other benefits	26.1.2	344,819	337,133
	Depreciation	5.1.4	1,104,938	1,176,275
	Fuel, power and water		260,475	596,729
	Repairs and maintenance		102,452	88,849
	Insurance		48,072	72,753
	Staff transportation and catering		62,676	67,705
	Industrial gases and chemicals		61,700	63,762
	Stores and spares consumed		67,591	58,754
	Security expenses		24,120	17,014
	Vehicle running		9,840	10,297
	Technical fee		-	8,443
			38,269,420	71,553,828
26.1.1	**Raw material consumed**			
	Opening stock		682,874	2,485,043
	Purchases during the year		37,889,592	67,253,945
			38,572,466	69,738,988
	Closing stock	9	(2,389,729)	(682,874)
			36,182,737	69,056,114

26.1.2 This includes a sum of Rs. 11.509 million (30June 2015: Rs. 8.961 million) in respect of staff retirement benefits.

		Note	30 June 2016	30 June 2015
			------- (Rupees in '000) -------	
27.	**ADMINISTRATIVE EXPENSES**			
	Salaries, allowances and other benefits	27.1	293,174	284,155
	Rent, rates and taxes		61,963	65,216
	Depreciation	5.1.4	54,138	57,594
	Repairs and maintenance		32,536	32,408
	Legal and professional		16,718	25,366
	Vehicle running		20,322	23,068
	Travelling and conveyance		23,342	22,013
	Fee and subscriptions		9,307	9,935
	Utilities		7,263	7,935
	Insurance		6,573	6,444
	Printing and stationary		7,482	5,418
	Auditors' remuneration	27.2	4,050	4,351
	SAP maintenance costs		17,986	1,487
	Others		6,390	8,215
			561,244	553,605

27.1 This includes a sum of Rs. 4.742 million (30 June 2015: Rs. 9.348 million) in respect of staff retirement benefits.

		Note	30 June 2016	30 June 2015
			------- (Rupees in '000) -------	
27.2	**Auditors' remuneration**			
	Statutory audit		1,300	1,300
	Half yearly review		500	500
	Consolidation of financial statements		400	400
	Special audit and other certifications		1,400	1,850
	Out of pocket expenses		450	301
			4,050	4,351
28.	**SELLING AND DISTRIBUTION EXPENSES**			
	Salaries, allowances and other benefits	28.1	169,334	164,402
	Transportation and product handling charges		1,972,225	1,838,354
	Sales commission		177,903	447,639
	Rent, rates and taxes		86,461	63,212
	Advertisement		47,510	28,634
	Depreciation	5.1.4	37,643	38,195
	Export development surcharge		16,568	20,772
	Wharfage and other export expenses		30,574	16,045
	Insurance		2,036	11,667
			2,540,254	2,628,920

28.1 This includes a sum of Rs. 2.739 million (30June 2015: Rs. 5.49 million) in respect of staff retirement benefits.

	Note	30 June 2016	30 June 2015
		------- (Rupees in '000) -------	
29. OTHER EXPENSES			
Late payment surcharge and penalties		243,353	401,428
Provision for doubtful debts	10.2	680,548	399,608
Workers' profit participation fund	21.3	38,923	-
Workers' welfare fund	21	15,569	-
		978,393	801,036
30. OTHER INCOME			
Income from financial assets			
Interest on balances due from customers		497,229	745,242
Interest income on saving accounts		17,271	35,584
		514,500	780,826
Income from non-financial assets			
Reversal of excess sales tax surcharge provision		708,883	913,576
Inland Freight Equalisation Margin (IFEM)		-	256,408
Land lease rent		55,962	55,962
Storage and handling income		28,158	41,658
Gain on disposal of operating fixed assets	5.1.5	2,974	944
Dealership income		8,100	2,400
		1,318,577	2,051,774
31. FINANCE COSTS			
Mark-up on:			
- Long-term financing		1,560,519	1,692,106
- Short-term borrowings		655,286	969,591
- Workers' profit participation fund	21.3	6,341	7,358
- Advances from customers		20,159	26,994
		2,242,305	2,696,049
Exchange loss– net	31.1	226,447	328,617
Bank and other charges		66,693	61,477
		2,535,445	3,086,143

31.1 Represents exchange loss - net arising on revaluation of foreign currency financial assets and liabilities and on transactions in foreign currencies.

	30 June 2016	30 June 2015
	------- (Rupees in '000) -------	
32. TAXATION		
Current	(434,673)	(518,368)
Prior year	87,001	-
Deferred	997,548	742,099
	649,876	223,731

32.1 The returns of income tax have been filed up to and including tax year 2015. These, except for those mentioned below, are deemed to be 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.

32.2 Relationship between accounting profit and income tax expense for the period

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.

33. EARNINGS PER ORDINARY SHARE – basic and diluted

	30 June 2016	30 June 2015
	------- (Rupees in '000) ------	
Profit after taxation	1,367,498	72,297
	------ (Number) ------	
Weight average number of ordinary shares	977,858,737	977,858,737
	------ (Rupees) ------	
Earnings per share – basic / diluted	1.40	0.07

34. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of ultimate parent company, parent company, subsidiary companies, associated companies, directors, key management personnel, staff provident fund and staff gratuity fund. All transactions involving related parties arising in the normal course of business are conducted at agreed terms and conditions. Details of transactions and balances with related parties during the year are as follows:

34.1 Transactions with related parties

	30 June 2016	30 June 2015
	------- (Rupees in '000) -------	
Parent Company		
Land lease rentals	52,937	52,937
Purchases	41,970,503	62,475,593
Sales	12,614,170	3,726,181
Markup charged	413,067	668,005
Allocation of gratuity expense	1,245	14,011
Allocation of group expenses	284,954	290,137
Subsidiary Companies		
Land lease rentals	3,025	3,025
Sales	185,981	198,052
Services received	549,426	416,258
Interest income	31,978	58,425
Operating fixed assets sold during the year	-	96,297
Allocation of gratuity expense	-	2,535
Other expenses incurred	58,674	115,118
Non-current assets held for sale sold during the year	-	16,931,504

	30 June 2016	30 June 2015
	(Rupees in '000)	
Associated Companies		
Sales	1,063,832	7,791,034
Purchase of operating fixed assets and services	-	5,324
Interest income	28,348	198,216
Staff Provident Fund		
Contribution to staff provident fund	37,077	40,985

34.2 Balances with related parties

	30 June 2016	30 June 2015
Ultimate Parent Company		
Payable against expenses	12,014	12,014
Parent Company		
Receivable against land lease rental	329,134	268,255
Accrued interest	18,924	18,924
Security deposits payable	3,646	3,646
Payable against purchases and expenses	-	1,376,893
Receivable against purchase of goods and services	1,005,506	-
Subsidiary Companies		
Receivable against sales	186,693	866,090
Advance against services	2,928,654	1,214,983
Receivable against land lease rentals	17,779	14,300
Receivable against expenses incurred	190,427	131,753
Accrued interest	219,462	187,484
Associated Companies		
Long term deposit receivable	95	95
Trade debts	196	1,364,484
Advance against purchases	9,407	9,407
Accrued interest	259,302	366,202
Payable against purchases	1,644	1,644
Staff Provident Fund		
Payable to staff provident fund	13,778	3,789

34.3 There are no transactions with key management personnel other than under the terms of employment as disclosed in note 35 to the financial statements.

35. REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVE DIRECTOR 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:

	2016			2015		
	Chief Executive	Executive Director	Executives	Chief Executive	Executive Director	Executives
	(Rupees in '000)					
Managerial remuneration	10,678	6,053	143,660	13,488	7,078	133,663
Staff retirement benefits	1,779	1,008	23,749	2,247	1,179	21,861
Housing and utilities	3,203	1,816	46,428	4,261	2,241	44,419
Leave fare assistance	890	504	11,967	1,124	590	11,134
	16,550	9,381	225,804	21,120	11,088	211,077
Number of persons	1	1	141	1	1	125

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

35.2 As at 30June 2016, the Company's Board of Directors consists of 8 Directors (of which 7 are Non-Executive Directors). Except for Chief Executive and a director, no remuneration and other benefits have been paid to any Director.

36. 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 short-term borrowings and financing 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 companies, which are directly related to its operations.

The Company’s overall risk management policy focuses on minimizing potential adverse effects on the Company’s financial performance. The overall risk management of the Company is carried out by the Company’s senior management team under policies approved by the Board of Directors. No changes were made in the objectives, policies or processes and assumptions during the year ended 30June 2016.

The policies for managing each of these risk are summarized below:

36.1 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.

36.1.1 Interest Rate Risk

Interest rate risk is the risk that the fair value of 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 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:

Variable Rate Instruments	30June 2016	30June 2015
	---------- (Rupees in '000) ----------	
Financial assets		
Trade debts	6,132,327	6,425,905
Financial liabilities		
Long-term financing and deferred mark-up	15,417,645	15,953,800
Liability against asset subject to finance lease	4,362	6,700
Short-term borrowings	6,593,696	737,609
	22,015,703	16,698,109

A change of 1% in interest rates at the year-end would have increased or decreased the profit before tax by Rs. 159.612 million (30 June 2015: Rs. 102.722 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for June 2015.

36.1.2 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 purchases that are denominated in currency other than Pak Rupees. As the Company imports and exports finished petroleum products, it is exposed to currency risk. The currency in which these transactions are undertaken is US Dollar.

As at 30June 2016, the company is not exposed to any material foreign currency risk.

36.1.3 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.

36.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counter party to a financial instrument fails to meet its contractual obligation, and arises principally from the Company’s receivables from customers and balances held with banks.

Management of credit risk

The Company’s policy is to enter into financial contracts in accordance with the guidelines set by the Board of Directors and other internal guidelines.

Credit risk is managed and controlled by the management of the Company in the following manner:

- Credit rating and / or 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	30June 2016	30 June 2015
		---------Rupees in '000-------	
Long-term deposits	8	10,278	9,803
Trade debts	10	8,286,897	9,349,396
Loans and advances	11	3,038,152	1,497,310
Trade deposits	12	6,955	6,955
Other receivables	13	934,402	1,280,500
Accrued interest		497,688	572,610
Bank balances	14	233,281	687,502
		13,007,653	13,404,076

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 2016	30 June 2015
	---------Rupees in '000-------	
Trade debts		
The aging of unimpaired debtors at the balance sheet date is as follows:		
Neither past due nor impaired	3,858,095	2,251,845
Past due 1-30 days	20,196	1,495,382
Past due 31-180 days	56,745	1,619,322
Past due 180-365 days	1,005,506	1,395,770
Above 365 days	3,346,355	2,587,077
	8,286,897	9,349,396
Bank balances		
A-1+	22,349	116,869
A1+	113,342	455,373
A1	1,406	16,260
A-1	72,258	98,091
A-2	23,926	-
C	-	909
	233,281	687,502

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

36.3 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)				
June2016					
Long-term financing and deferred mark-up	-	1,632,326	3,810,000	9,975,319	15,417,645
Liabilities against assets subject to finance lease	-	4,362	-	-	4,362
Long-term deposits	-	-	-	130,978	130,978
Trade and other payables	1,146	26,646,056	-	-	26,647,202
Short-term borrowings	-	6,593,696	-	-	6,593,696
Accrued mark-up	95,692	-	-	-	95,692
	96,838	34,876,440	3,810,000	10,106,297	48,889,575

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees in '000)				
June 2015					
Long-term financing and deferred mark-up	-	-	3,729,000	12,224,800	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	3,732,777	12,335,508	28,064,580

36.4 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 2016.

The Company is not exposed to externally imposed capital requirement.

37. 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. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities,

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market date (unobservable inputs).

As of the balance sheet date, the Company does not have any financial instruments measured at fair value.

38. 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 is engaged in trading of petroleum products, procuring products from oil refining business as well as from other sources. The quantitative data for segments is given below:

	Oil Refining Business		Petroleum Marketing Business		Total	
	2016	2015	2016	2015	2016	2015
	(Rupees in '000)					
Revenue						
Net Sales to external customers	47,411,465	50,186,823	32,022,409	44,620,506	79,433,874	94,807,329
Inter-segment sales	27,419,742	39,077,387	-	-	27,419,742	39,077,387
Eliminations	(27,419,742)	(39,077,387)	-	-	(27,419,742)	(39,077,387)
Total revenue	47,411,465	50,186,823	32,022,409	44,620,506	79,433,874	94,807,329
Result						
Segment profit	2,668,690	1,501,415	1,048,270	1,453,504	3,716,960	2,954,919
Unallocated expenses:						
Finance cost					(2,535,445)	(3,086,143)
Interest income					514,500	780,826
Other expenses					(978,393)	(801,036)
Taxation					649,876	223,731
Profit for the year					1,367,498	72,297
Segmental Assets	54,459,089	45,598,416	1,434,660	3,929,311	55,893,749	49,527,727
Unallocated Assets					-	5,408,074
	54,459,089	45,598,416	1,434,660	3,929,311	55,893,749	54,935,801
Segmental Liabilities	48,142,536	41,070,747	1,195,784	3,508,482	49,338,320	44,579,230
Unallocated Liabilities					-	5,168,292
	48,142,536	41,070,747	1,195,784	3,508,482	49,338,320	49,747,522
Capital expenditure	61,942	80,996	2,249	11,597	64,191	92,593
Other Information						
Depreciation and amortization	1,159,076	1,196,470	37,643	75,594	1,196,719	1,272,064

39. 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 2016	30 June 2015
	(Rupees in '000)	
Size of the fund - Net assets	130,997	146,148
Cost of the investment made	111,908	120,443
Fair value of the investment	128,885	132,520
Percentage of the investment	85%	82%

The breakup of fair value of the investment is:

	30 June 2016		30 June 2015	
	(Rupees in '000)	%	(Rupees in '000)	%
Bank Deposits	39,846	30.92%	33,080	24.96%
Debt securities	24,881	19.30%	32,731	24.70%
Unit trust schemes	64,158	49.78%	66,709	50.34%
	128,885	100%	132,520	100%

The management, based on the un-audited 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.

40. CAPACITY AND ANNUAL PRODUCTION

Against the designed annual capacity (based on 330 days) of 11.55 million barrels (30 June 2015: 11.55 million barrels), the actual throughput during the year was 8.362 million barrels (30June2015: 9.55 million barrels). The Company 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 2016 were 291 (30 June 2015: 358) and average number of employees were 324 (30 June 2015: 384).

42. RECLASSIFICATION

Following corresponding figures have been reclassified for better presentation:

From	To	(Rupees in '000')
Administrative expenses	Selling and distribution expenses	28,634

43. GENERAL

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

44 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statement were authorised for issue on 06th September 2016 by the board of directors.

Mohammad Wasi Khan
Chief Executive

Syed Arshad Raza
Director

Consolidated
Financial Statements
For The Year Ended June 30, 2016

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 as at **30 June 2016** 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 opinions on the financial statements of the Holding Company and its subsidiary companies namely Byco Terminals Pakistan Limited (BTPL) and Byco Isomerisation Pakistan (Private) Limited (BIPL).

These 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 Byco Petroleum Pakistan Limited (the Holding Company) and its subsidiary companies as at 30 June 2016 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 accumulated losses as at 30 June 2016 amounting to Rs. 25,469.576 million and its current liabilities exceed its current assets by Rs. 22,332.109 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.

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

06th September 2016

Consolidated Balance Sheet
As at 30 June 2016

	Note	30 June 2016	30 June 2015
ASSETS		(Rupees in '000)	
NON-CURRENT ASSETS			
Property, plant and equipment	5	35,652,029	37,972,932
Intangible asset	6	23,746	23,746
Long-term loans and advances	7	1,753,780	2,064,817
Long-term deposits	8	31,332	31,068
		37,460,887	40,092,563
CURRENT ASSETS			
Stores and spares		293,689	279,196
Stock-in-trade	9	7,331,755	4,859,615
Trade debts	10	8,278,080	8,690,271
Loans and advances	11	555,535	683,429
Trade deposits and short-term prepayments	12	53,217	44,198
Other receivables	13	1,276,715	1,660,951
Interest accrued		353,193	435,888
Cash and bank balances	14	240,532	692,425
		18,382,716	17,345,973
TOTAL ASSETS		55,843,603	57,438,536
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	15	9,778,587	9,778,587
Accumulated losses		(25,469,576)	(26,839,084)
		(15,690,989)	(17,060,497)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	16	13,490,917	14,474,151
NON-CURRENT LIABILITIES			
Long-term financing and deferred mark-up	17	12,170,263	12,933,211
Liabilities against assets subject to finance lease	18	-	1,730
Long-term deposits	19	130,978	108,978
Deferred liabilities	20	5,027,609	6,471,976
		17,328,850	19,515,895
CURRENT LIABILITIES			
Trade and other payables	21	27,576,892	31,984,348
Accrued mark-up	22	194,643	661,046
Short-term borrowings	23	6,940,999	3,264,912
Current portion of long-term financing and deferred mark-up	24	5,596,765	3,900,058
Current portion of liabilities against assets subject to finance lease	18	4,362	4,970
Taxation – net		401,164	693,653
		40,714,825	40,508,987
CONTINGENCIES AND COMMITMENTS	25		
		55,843,603	57,438,536

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

Mohammad Wasi Khan
Chief Executive

Syed Arshad Raza
Director

Consolidated Profit and Loss Account
For the year ended 30 June 2016

	Note	30 June 2016	30 June 2015
		(Rupees in '000)	
Sales – net	26	80,088,405	95,372,404
Cost of sales	27	(75,235,149)	(90,810,151)
Gross profit		4,853,256	4,562,253
Administrative expenses	28	(693,612)	(668,099)
Selling and distribution expenses	29	(2,426,138)	(2,628,920)
Other expenses	30	(980,367)	(805,332)
Other income	31	1,557,281	2,015,422
		(2,542,836)	(2,086,929)
Operating profit		2,310,420	2,475,324
Finance costs	32	(2,778,621)	(3,413,267)
Loss before taxation		(468,201)	(937,943)
Taxation	33	854,526	290,045
Profit / (loss) after taxation		386,325	(647,898)
		Rupees	
Earnings / (loss) per ordinary share – basic and diluted	34	0.40	(0.66)

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

Mohammad Wasi Khan
Chief Executive

Syed Arshad Raza
Director

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2016

	30 June 2016	30 June 2015
	(Rupees in '000)	
Profit / (loss)after taxation	386,325	(647,898)
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	(51)	(2,610)
Total comprehensive income for the year	386,274	(650,508)

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

Mohammad Wasi Khan
Chief Executive

Syed Arshad Raza
Director

Consolidated Cash Flow Statement
For the year ended 30 June 2016

	Note	30 June 2016	30 June 2015
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(468,201)	(937,943)
Adjustments for non-cash items and other charges:			
Depreciation	5.1.4	2,471,021	1,962,098
Finance costs	32	2,778,621	3,413,267
Provision for doubtful debts	10.2	680,548	399,608
Provision for gratuity	20.2.6	22,348	27,571
Interest income	31	(756,159)	(746,750)
Gain on disposal of operating fixed assets	31	(3,044)	(1,693)
Net cash flows before working capital changes		4,725,134	4,116,158
Movement in working capital			
(Increase)/ decrease in current assets			
Stores and spares		(14,493)	(74,898)
Stock-in-trade		(2,472,140)	3,917,892
Trade debts		168,658	995,394
Loans and advances		127,894	(120,755)
Trade deposits and short-term prepayments		(9,019)	93,695
Other receivables		384,236	(553,535)
		(1,814,864)	4,257,793
(Decrease) / increase in current liabilities			
Trade and other payables		(4,406,882)	3,215,185
Cash (used in) / generated from operations		(1,496,612)	11,589,136
Finance costs paid		(1,089,108)	(1,837,387)
Income taxes paid		(659,018)	(360,064)
Gratuity paid		(18,000)	(27,867)
Interest income received		178,730	223,578
Net cash (used in) / generated from operating activities		(3,084,008)	9,587,396
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(153,110)	(874,974)
Proceeds from disposal of operating fixed assets		6,037	6,706
Long-term deposits – net		21,736	19,011
Advance against investment in shares		(135,000)	(100,000)
Transaction cost received		446,037	-
Net cash generated from /(used in) investing activities		185,700	(949,257)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing – net		(1,227,334)	(2,944,179)
Short-term borrowings – net		3,676,087	(5,458,196)
Liabilities against assets subject to finance lease – net		(2,338)	(16,874)
Net cash generated from /(used in) financing activities		2,446,415	(8,419,249)
Net (decrease) / increase in cash and cash equivalents		(451,893)	218,890
Cash and cash equivalents as at beginning of the year		692,425	473,535
Cash and cash equivalents as at end of the year		240,532	692,425

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

Mohammad Wasi Khan
Chief Executive

Syed Arshad Raza
Director

Consolidated Statement of Changes in Equity
For the year ended 30 June 2016

	Issued, subscribed and paid-up capital	Accumulated losses	Total
	Rupees in '000		
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)
Balance as at 01 July 2015	9,778,587	(26,839,084)	(17,060,497)
Net profit for the year	-	386,325	386,325
Other comprehensive income for the year	-	(51)	(51)
Total comprehensive income for the year	-	386,274	386,274
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	-	983,234	983,234
Balance as at 30 June 2016	9,778,587	(25,469,576)	(15,690,989)

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

Mohammad Wasi Khan
Chief Executive

Syed Arshad Raza
Director

Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

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 (the Ordinance) and was granted a certificate of commencement of business on 13 March 1995. The shares of the Holding Company are listed on Pakistan Stock Exchange. 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 2015: 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 Ordinance. 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, 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 Ordinance 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 The Board of Directors (the Board) of the Holding Company in a meeting held on 14 April 2016 considered and approved in principle a potential merger of the Holding Company, its wholly owned subsidiary Byco Terminals Pakistan Limited and the Parent Company in accordance with terms of a scheme of arrangement prepared under the provisions of Section 284 to Section 288 of the Ordinance and subject to the sanction of the High Court of Sindh. Under the said scheme, the Holding Company would be the surviving entity.

2. GOING CONCERN ASSUMPTION

As at 30 June 2016, the Group’s accumulated losses amounted to Rs. 25,469.576 million (30 June 2015: Rs.26,839.084) million. Moreover, current liabilities of the Group exceeded its current assets by Rs. 22,332.109 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 Group earned a profit after tax amounting to Rs. 386.325 million for the year as compared to a loss after tax of Rs. 647.898 million last year, showing improvement in the Group's profitability as compared to last year;

- the sales volume of the Holding Company has increased by 27% showing improvement in the Holding Company's performance as compared to 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;

- The Holding Company is contemplating a restructuring plan of the Group Companies which would bring efficiencies in the operations as stated in note 1.2;

- the Parent Company refinery, which is temporarily closed, is expected to resume its operations in foreseeable future;

- 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 the year, a Subsidiary Company (BTPL) restructured its financing from a commercial bank, amounting to Rs. 1,800 million as disclosed in note 17.3 to the consolidated financial statements.

- 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 in accordance with IAS 16 “Property, Plant and Equipment” as disclosed in note 5.1 to these consolidated financial statements; and

- Defined benefit gratuity plan which is carried at present value of defined benefit obligation net of fair value of plan assets in accordance with the requirements of IAS 19 "Employee Benefits", as disclosed in note 20.2 to the consolidated financial statements;

3.3 Basis of consolidation

These consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies, here-in-after referred to as “the Group”.

A company is a subsidiary, if an entity (the Holding Company) directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting year as the Holding Company, using consistent accounting policies. The accounting policies of the subsidiaries have been changed to conform to accounting policies of the Group, where required.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Where the ownership of a subsidiary is less than 100% and therefore, a non-controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the subsidiary companies’ shareholders’ equity in the 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 Standards, Interpretations and Amendments

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

IFRS 10 – Consolidated Financial Statements
IFRS 11 – Joint Arrangements
IFRS 12 – Disclosure of Interests in Other Entities
IFRS 13 – Fair Value Measurement
IAS 27 – Equity Method in Separate Financial Statements
IAS 28 – Investments in Associates and Joint Ventures

The adoption of the above accounting standards did not have any material effect on the consolidated 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 2: Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IFRS 10: Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – 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)	Not yet finalized
IFRS 11: Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	01 January 2016
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)	01 January 2016
IAS 7 Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	01 January 2017
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	01 January 2017
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 consolidated financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014. 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 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
IFRS 16 – Leases	01 January 2019

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) Provision for doubtful debts and other receivables (note 4.4 and 10.2);
iv) Impairment against other financial and non-financial assets (note 4.7);
v) Estimates of receivables and payables in respect of staff retirement benefit schemes (note 4.10 and 20.2);
vi) Provision for compensated absences (note 4.11);
vii) Provision for taxation (note 4.14, 20.1 and 33); and
viii) Contingencies (note 25.1).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment

Owned

These are initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses, if any, except for 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.

Depreciation / amortization 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 / amortization 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 year 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 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 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 is 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 Realizable Value (NRV).

Raw materials

Cost in relation to crude oil is determined on the basis of First-In-First-Out (FIFO) basis. NRV 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 / amortization, are allocated to throughput proportionately on the basis of normal capacity.

NRV 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 / 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 / amortization on revalued assets, in accordance with Securities and Exchange Commission of Pakistan’s (SECP) SRO 45(1)/2003 dated 13 January 2003:

- depreciation / amortization on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation / amortization charge for the year is taken to the consolidated profit and loss account; and
- an amount equal to incremental depreciation / amortization for the year 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 / amortization charge for the year.

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 les 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.

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 2016 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 accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provisions to cover the obligation are made using the current salary levels of the employees. No actuarial valuation of compensated absences is carried out as the management considers that the financial impact is not material.

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 the consolidated profit or loss on a straight line basis over the term of the lease.

4.14 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation in accordance with 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. 2,753.369 million (30 June 2015: Rs. 3,467.006 million) has not been recognised in these consolidated 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 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 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 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 customer which coincide with the dispatch of goods to the customers.
- Export sales are recognised on the basis of product shipped to the customers.
- Handling and storage income, pipeline charges, rental income and other services income is recognised on accrual basis.
- Blending, refining and processing of petroleum naphtha to produce petroleum products and other services income is recognized on 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.
- Scrap 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. to these consolidated financial statements.

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.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	30 June 2016	30 June 2015
		Rupees in '000	
Operating fixed assets	5.1	35,216,520	37,189,732
Capital work-in-progress	5.2	435,509	783,200
		35,652,029	37,972,932

5.1 Operating fixed assets

	COST / REVALUATION						ACCUMULATED DEPRECIATION/ AMORTIZATION						Written down value as at 30 June 2016	Depreciation rate
	As at 01 July 2015	Additions*	Revaluation Surplus (note 5.1.2)	Transfers	Disposals	As at 30 June 2016	As at 01 July 2015	Charge for the year	Transfers	Disposals	Revaluation surplus adjustment	As at 30 June 2016		%
	(Rupees in '000)													
Owned														
Freehold land	884,157	-	-	-	-	884,157	-	-	-	-	-	-	884,157	-
Leasehold land	853,831	-	-	-	-	853,831	72,953	37,128	-	-	-	110,081	743,750	0-20
Building on freehold land, roads and civil works	909,467	6,199	-	-	-	915,666	132,988	36,503	-	-	-	169,491	746,175	4
Building on leasehold land	76,939	-	-	-	-	76,939	9,941	3,364	-	-	-	13,305	63,634	4
Plant and machinery	36,368153	491,307	-	-	-	36,859,460	7,468,313	2,059,786	-	-	-	9,528,099	27,331,361	4-5
Single point mooring and installations	5,513,062	-	-	-	-	5,513,062	351,525	241,264	-	-	-	592,789	4,920,273	5
Generators	426,186	-	-	-	-	426,186	262,965	28,609	-	-	-	291,574	134,612	6.70
Furniture and fixtures	53,661	-	-	-	-	53,661	39,906	5,366	-	-	-	45,272	8,389	10
Portable cabins	11,199	-	-	-	-	11,199	9,966	210	-	-	-	10,176	1,023	10
Vehicles	201,340	965	-	6,599	(11,691)	197,213	200,177	1,471	4,066	(8,717)	-	196,997	216	20
Filling stations (5.1.1)	636,591	2,249	-	-	-	638,840	222,286	37,643	-	-	-	259,929	378,911	5-12.5
Computer and allied equipments	110,085	82	-	-	(62)	110,105	106,830	3,208	-	(43)	-	109,995	110	33.33
Safety and lab equipments	1,351,503	-	-	-	-	1,351,503	1,341,297	10,206	-	-	-	1,351,503	-	20-25
	47,396,174	500,802	-	6,599	(11,753)	47,891,822	10,219,147	2,464,758	4,066	(8,760)	-	12,679,211	35,212,611	
Leased														
Vehicles	20,848	-	-	(6,599)	-	14,249	8,143	6,263	(4,066)	-	-	10,340	3,909	20
	47,417,022	500,802	-	-	(11,753)	47,906,071	10,227,290	2,471,021	-	(8,760)	-	12,689,551	35,216,520	

*Additions of Rs. 500.802 million, as shown above include an amount of Rs. 416.194 million transferred from capital work-in-progress during the year, as shown in note 5.2.

	COST / REVALUATION						ACCUMULATED DEPRECIATION/ AMORTIZATION						Written down value as at 30 June 2015	Depreciation rate
	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	Disposals	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	-	-	-	36,368153	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	6.70
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	33.33
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 duringthe 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 years 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 of the Holding Company resulting in surplus on revaluations amounting to Rs.1,901.021 million, Rs. 4,062.989 million, Rs. 3,484.024 million, 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 were carried out by independent valuers of a Subsidiary Company (BTPL) resulting in surplus on revaluations amounting to Rs.120.888 million Rs. 66.298 million, respectively.

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.

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 2016	30 June 2015
		Rupees in '000	
Freehold land		50,654	50,654
Leasehold land		213,200	213,200
Buildings on freehold land, roads and civil works		805,957	1,168,381
Plant and machinery		9,908,524	10,411,868
Generators		55,975	65,365
Safety and lab equipments		-	8,379
		11,034,310	11,917,847

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

	Note	30 June 2016	30 June 2015
Cost of sales	27.1	2,378,726	1,865,229
Administrative expenses	28	54,652	58,674
Selling and distribution expenses	29	37,643	38,195
		2,471,021	1,962,098

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

	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain on disposal	Mode of disposal	Particulars of Buyer: Name	Status	Address
	(Rupees in '000)								
Toyota Corolla	441	-	441	511	70	Group Policy	Saeed Ahmed Sheikh	Employee	Karachi
Honda City	1,399	1,119	280	350	70	Group Policy	Muhammad Maroof	Employee	Karachi
Honda Civic	1,288	1,288	-	690	690	Tender	Hammad Ahmed Khan	Independent	Karachi
Toyota Corolla	999	999	-	527	527	Tender	Ittehad Motors	Independent	Karachi
Toyota Corolla	999	999	-	457	457	Tender	Ittehad Motors	Independent	Karachi
Suzuki Cultus	585	585	-	440	440	Tender	Ittehad Motors	Independent	Karachi
Suzuki Cultus	780	780	-	530	530	Tender	Muhammad Maroof	Employee	Karachi
Audi	5,200	2,947	2,253	2,513	260	Group Policy	Mujataba Jafarey	Employee	Karachi
Laptop	62	43	19	19	-	Group Policy	Muhammad Imran Farooki	Employee	Karachi
June 2016	11,753	8,760	2,993	6,037	3,044				
June 2015	25,062	20,049	5,013	6,706	1,693				

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 2016	Closing balance 2015
	(Rupees in '000)				
Plant and machinery	774,196	68,503	416,194	426,505	774,196
Building on freehold land, roads and civil works	691	-	-	691	691
Filling stations	8,313	-	-	8,313	8,313
	783,200	68,503	416,194	435,509	783,200

	Note	30 June 2016	30 June 2015
		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 exceeds 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 are based would not significantly cause the carrying amount to exceed the recoverable amount.

	Note	30 June 2016	30 June 2015
		Rupees in '000	
7. LONG-TERM LOANS AND ADVANCES – unsecured			
Loan to Coastal Refinery Limited (CRL)	7.1& 7.2	1,518,780	1,518,780
Amortization of arrangement fee	7.2	-	446,037
Advance against investment in shares	7.3	235,000	100,000
		1,753,780	2,064,817

7.1 The Subsidiary Company (BTPL) had entered into a Share Purchase Agreement (the Original Agreement) with CRL dated April 12, 2010 whereby it was agreed that the shareholders' of CRL will sell their entire existing shareholding in CRL to BTPL against the consideration of construction cost of the Buoy (in ownership of CRL) financed by BTPL amounting to Rs. 830 million. The Original Agreement was revised (the Revised Agreement) on February 21, 2011, which was further amended and restated (the First Amended and Restated Share Purchase Agreement) on April 12, 2013, thereby canceling the Original Agreement and the Revised Agreement.

According to the First Amended and Restated Share Purchase Agreement, BTPL financed the construction cost of the Buoy (in ownership of CRL) amounting to Rs. 830 million and the cost was to be recovered from CRL through issuance of CRL's shares to BTPL at a face value of Rs. 10 each.
However, on December 26, 2014, BTPL entered into another Amended and Restated Share Purchase Agreement, thereby cancelling the First Amended and Restated Share Purchase Agreement and according to which the financing for construction of the Buoy was converted into a long-term loan. Moreover, as per the Amended and Restated Share Purchase Agreement, BTPL will subscribe for 83 million right shares of CRL at a par value of Rs. 10 each and pay CRL Rs. 830 million in two installments by July 31, 2016 and October 31, 2017 as purchase consideration of right shares. Further, as per the Amended and Restated Share Purchase Agreement, CRL will pay the installments amount received from the right issue to settle the aforesaid loan of Rs. 830 million from BTPL. The aforesaid loan is interest free.

7.2 Pursuant to the Amended and Restated Share Purchase Agreement, BTPL entered into another agreement dated December 30, 2014, to provide CRL a loan amounting to Rs. 688.78 million. For this purpose, BTPL obtained a long term finance facility of Rs. 348.78 million from Syndicate of four banks and entered into a long term Musharaka arrangement for Rs. 340 million as fully disclosed in note 17.4 and 17.5 to the consolidated financial statements. These loans were specifically obtained for the purpose of financing CRL and are repayable semi-annually in arrears in 8 years with an initial 2 years grace period commencing from 30 June 2017. The loan carries interest at the rate of 8% per annum.

Further, BTPL also entered into an agreement dated December 30, 2014, according to which BTPL was liable to pay arrangement fee to Syndicate banks and Musharaka arrangement amounting to Rs. 214.645 million and Rs. 231.392 million, respectively, as fully disclosed in note 17.6 to the consolidated financial statements. However, during the year, the Syndicate Banks and Al Baraka Bank (Pakistan) Limited have waived an amount of Rs. 223.019 million pursuant to the signing of the waiver letter. During the year, BTPL recovered arrangement fee in full amounting to Rs. 446.037 million from CRL, however, a corresponding advance as disclosed in note 11 was booked against CRL.

7.3 According to the Amended and Restated Share Purchase Agreement, BTPL will purchase CRL's shares from the existing shareholders by acquiring 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. As at June 30, 2016, BTPL has made a total payment of Rs. 235 million against the purchase price, as specified in the Amended and Restated Share Purchase Agreement, however, Rs. 30 million which had to be paid by the said date has not been paid. The aforesaid payment is being made in an Escrow Account managed by a commercial bank.

	Note	30 June 2016	30 June 2015
		Rupees in '000	
8. LONG-TERM DEPOSITS			
Finance lease		6,955	6,955
Ijarah financing	8.1	20,010	20,321
Leasehold land		931	931
Rental premises		7,089	7,089
Central Depository Company of Pakistan		13	13
Others		3,289	2,714
	8.2	38,287	38,023
Less: current portion of finance lease deposits	12	(6,955)	(6,955)
		31,332	31,068

8.1 Represents security deposit paid by a Subsidiary Company to a bank on entering into a lease agreement (ijarah) of Rs. 200 million.

8.2 These deposits are interest free.

	Note	30 June 2016	30 June 2015
		(Rupees in '000)	
9. STOCK-IN-TRADE			
Raw material	9.1 & 9.2	2,389,729	682,874
Finished products	9.3, 9.4& 9.5	4,942,026	4,176,741
		7,331,755	4,859,615

9.1 This includes raw material in transit amounting to Rs. 1,492.395 million (30 June 2015: Rs. Nil) as at the balance sheet date.

9.2 Raw material costing Rs. 2,368.790 million (30 June 2015: Rs. Nil) has been written down by Rs. 22.287 million (30 June 2015: Rs. Nil) to Net Realizable Value.

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 provision for the above claim 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 provision for the above demand has been made in these consolidated financial statements.

25.1.6 During the current year, the customs authorities raised demand of Rs.273.58 million on account of import duty and taxes on import of Tugs being used for the purposes of towing and mooring of vessels discharging petroleum products at the Single Point Mooring (SPM). Since, the tug boats in question are imported on a temporary basis, the management of a Subsidiary Company (BTPL) is of the view that such tugs are entitled to exemption from import duty and taxes under SRO 678(I) of 2004. The benefit of the said SRO was previously granted to BTPL, however, the customs authorities have recently changed their view as to the applicability of the said SRO to the tugs in question and have issued show cause notices to BTPL to pay the customs duties and taxes as assessed by the customs authorities and have refused to complete the goods declaration of the tugs, therefore, the tugs in question cannot be re-exported by BTPL until the entitlement to benefit of the SRO is finally adjudicated upon the customs adjudication or the court of law. BTPL on the basis of the advice of its legal advisor have filed CP No.408 / 2015 and CP No.828 / 2015 before the High Court of Balochistan at Quetta at seeking a determination as to the applicability of the SRO to the tugs imported by BTPL and has also filed CP No.828 of 2015 in order to seek a direction of the court to release a tug of BTPL. Based on the opinion of legal advisor, the management is confident that the matter will be decided in its favor. Hence, no provision for the above demand has been made in these 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, Karachi which is pending for adjudication. However, as a matter of prudence, the said amount has already been provided for in the consolidated financial statements.

		30 June 2016	30 June 2015
		Rupees in '000	
25.2	**Commitments**		
25.2.1	Outstanding letters of credit	10,722,572	4,606

		Note	30 June 2016	30 June 2015
			Rupees in '000	
25.2.2	Commitments for capital expenditure		11,478	41,146
25.2.3	Commitments in respect of Ijarah financing:			
	Not later than one year		35,542	65,553
26.	**SALES - net**			
	Gross Sales			
	Local		108,685,777	111,245,979
	Export		7,581,901	8,866,314
			116,267,678	120,112,293
	Less: Sales discount, sales tax, excise duty and petroleum development levy		(36,179,273)	(24,739,889)
			80,088,405	95,372,404
27.	**COST OF SALES**			
	Opening stock		4,176,741	6,292,464
	Cost of goods manufactured	27.1	40,085,076	72,423,146
	Finished products purchased during the year		35,915,358	16,271,282
			80,177,175	94,986,892
	Closing stock	9	(4,942,026)	(4,176,741)
			75,235,149	90,810,151
27.1	**Cost of goods manufactured**			
	Raw material consumed	27.1.1	35,561,446	68,441,804
	Salaries, wages and other benefits	27.1.2	390,677	388,802
	Depreciation	5.1.4	2,378,726	1,865,229
	Fuel, power and water		263,469	602,827
	Operation cost		903,093	578,222
	Insurance		106,915	101,719
	Repairs and maintenance		177,363	101,640
	Rent, rates and taxes		67,640	89,794
	Industrial gases and chemicals		61,700	76,326
	Staff transportation and catering		62,676	67,705
	Stores and spares consumed		67,591	58,754
	Security expenses		24,120	17,014
	Vehicle running		9,840	10,297
	Technical fee		-	8,443
	Others		9,820	14,570
			40,085,076	72,423,146

		Note	30 June 2016	30 June 2015
			Rupees in '000	
27.1.1	**Raw material consumed**			
	Opening stock		682,874	2,485,043
	Purchases during the year		37,268,301	66,639,635
			37,951,175	69,124,678
	Closing stock	9	(2,389,729)	(682,874)
	Raw material consumed		35,561,446	68,441,804

27.1.2 This includes a sum of Rs. 12.938 million (30 June 2015: Rs.10.996 million) in respect of staff retirement benefits.

		Note	30 June 2016	30 June 2015
			Rupees in '000	
28.	**ADMINISTRATIVE EXPENSES**			
	Salaries, allowances and other benefits	28.1	382,062	359,122
	Rent, rates and taxes		67,318	70,204
	Depreciation	5.1.4	54,652	58,674
	Repairs and maintenance		36,309	36,308
	Legal and professional		26,673	34,141
	Travelling and conveyance		27,359	28,129
	Vehicle running		24,098	23,777
	Utilities		7,630	11,364
	Fee and subscriptions		10,140	10,332
	Insurance		7,878	7,765
	Auditors' remuneration	28.2	5,281	5,857
	Printing and stationary		7,687	5,495
	SAP maintenance costs		17,986	1,487
	Others		18,539	15,444
			693,612	668,099

28.1 This includes a sum of Rs.6.671 million (30 June 2015: Rs. 10.270 million) in respect of staff retirement benefits.

		30 June 2016	30 June 2015
		Rupees in '000	
28.2	**Auditors' remuneration**		
	Statutory audit	1,800	1,800
	Half yearly review	500	500
	Consolidation of financial statements	400	400
	Special audit and other certifications	2,006	2,250
	Out of pocket expenses	575	907
		5,281	5,857

		Note	30 June 2016	30 June 2015
			Rupees in '000	
29.	**SELLING AND DISTRIBUTION EXPENSES**			
	Salaries, allowances and other benefits	29.1	169,334	164,402
	Transportation and product handing charges		1,858,109	1,838,354
	Sales commission		177,903	447,639
	Advertisement		47,510	28,634
	Rent, rates and taxes		86,461	63,212
	Depreciation	5.1.4	37,643	38,195
	Export development surcharge		16,568	20,772
	Wharfage and other export expenses		30,574	16,045
	Insurance		2,036	11,667
			2,426,138	2,628,920

29.1 This includes a sum of Rs.2.739 million (30 June 2015: Rs. 5.940 million) in respect of staff retirement benefits.

		Note	30 June 2016	30 June 2015
			Rupees in '000	
30.	**OTHER EXPENSES**			
	Late payment surcharge and penalties		245,327	405,724
	Provision for doubtful debts	10.2	680,548	399,608
	Workers' profit participation fund	21.4	38,923	-
	Workers' welfare fund	21	15,569	-
			980,367	805,332
31.	**OTHER INCOME**			
	Income from financial assets			
	Interest on balances due from customers		465,251	686,817
	Interest income on saving accounts		17,271	35,584
	Interest on loan to CRL		50,618	24,349
			533,140	746,750
	Deferred arrangement fee payable written back	20	223,019	-
	Income from non-financial assets			
	Reversal of excess sales tax surcharge provision		708,883	913,576
	Inland Freight Equalization Margin		-	256,408
	Land lease rent		52,937	52,937
	Storage and handling income		28,158	41,638
	Gain on disposal of operating fixed assets	5.1.5	3,044	1,693
	Dealership income		8,100	2,420
			801,772	1,268,672
			1,557,281	2,015,422

		Note	30 June 2016	30 June 2015
			Rupees in '000	
32.	**FINANCE COSTS**			
	Mark-up on:			
	- Long-term financing		1,560,519	1,692,106
	- Loan from a commercial bank	17.2 &17.3	173,712	-
	- Loan from syndicate banks	17.4	25,877	10,861
	- Short-term borrowings		696,248	1,292,564
	- Loan from the Parent Company		-	21,054
	- Musharaka facility	17.5	24,741	13,488
	- Advance from customers		20,159	26,994
	- Workers' profit participation fund	21.4	6,341	7,358
			2,507,597	3,064,425
	Unwinding of arrangement fee		20,971	19,631
	Exchange loss – net	32.1	229,070	337,753
	Bank and other charges		67,405	61,859
			2,825,043	3,483,668
	Recovery of mark-up from Parent Company relating to short-term borrowings		(25,451)	(50,770)
	Reimbursement of arrangement fee from CRL		(20,971)	(19,631)
			(46,422)	(70,401)
			2,778,621	3,413,267

32.1 Represents exchange loss - net arising on revaluation of foreign currency financial assets and liabilities and on transactions in foreign currencies.

	Note	30 June 2016	30 June 2015
		Rupees in '000	
33. TAXATION			
Current		(448,164)	(529,988)
Prior year		81,635	-
Deferred		1,221,055	820,033
		854,526	290,045

33.1 The income tax returns of the Holding Company and a Subsidiary Company (BTPL) have been filed up to and including tax year 2015. 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 and a Subsidiary 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.

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 2016	30 June 2015
	Rupees in '000	
34. EARNINGS / (LOSS) PER ORDINARY SHARE – basic and diluted		
Profit / (loss) after taxation	386,325	(647,898)
	(Number)	
Weighted average number of ordinary shares	977,858,737	977,858,737
	Rupees	
Earnings / (loss) per share – basic and diluted	0.40	(0.66)

35. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Group has related party transactions with its ultimate parent company, parent company, 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 2016	30 June 2015
		Rupees in '000	
35.1	**Transactions with related parties**		
	Parent Company		
	Land lease rentals	52,634	52,861
	Purchases	41,998,051	62,487,341
	Loan received	400,000	-
	Sales	13,469,307	4,489,445
	Mark-up charged - net	368,345	638,289
	Interest received	27,994	-
	Allocation of gratuity expense	484	14,916
	Allocation of group expenses	378,194	352,044
	Purchase of operating fixed assets	-	416,195
	Associated Companies		
	Sales	1,063,832	7,791,034
	Consultancy services from associated company	13,076	17,388
	Purchase of operating fixed assets and services	-	5,324
	Interest income	28,348	198,216
	Port services rendered	44,655	38,201
	Receipt of short-term loan	20,000	206,303
	Staff Provident Fund		
	Contribution made to staff provident fund	42,367	62,317

		30 June 2016	30 June 2015
		Rupees in '000	
35.2	**Balances with related parties**		
	Ultimate Parent Company		
	Payable against expenses	12,014	12,014
	Parent Company		
	Receivable against land lease rent	329,134	268,255
	Interest accrued	18,924	45,337
	Security deposit payable	3,646	3,646
	Receivable against services	167,197	201,810
	Payable against purchases and expenses	433,389	1,812,909
	Receivable against purchase of goods and services	1,005,506	-
	Loan receivable - net of mark-up	-	400,000
	Associated Companies		
	Long-term deposit receivable	95	95
	Trade debts	9,703	1,369,174
	Advance against purchases	9,407	9,407
	Interest accrued	259,302	366,204
	Payable against purchases	11,709	8,455
	Receipt of short term loan	-	327,303
	Staff Provident Fund		
	Payable to staff provident fund	13,934	4,302

36. REMUNERATION OF CHIEF EXECUTIVES, EXECUTIVE DIRECTOR 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 Executives		Executive Director		Executives		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	(Rupees in '000)							
Managerial remuneration	18,403	22,348	6,674	8,195	156,580	154,854	181,657	185,397
Housing and utilities	5,285	3,723	2,002	1,365	50,303	25,391	57,590	30,479
Leave fare assistance	1,467	7,057	556	2,595	13,043	51,094	15,066	60,746
Staff retirement benefits	2,935	1,861	1,112	685	25,887	12,659	29,934	15,205
	28,090	34,989	10,344	12,840	245,813	243,998	284,247	291,827
Number of persons	3	3	1	1	151	136	155	140

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

36.2 As at 30 June 2016, the Group's Board of Directors consists of 8 Directors (of which 7 are Non-Executive Directors). Except for the Chief Executives and the Executive Director, no remuneration and other benefits have been 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 instruments comprise loans from financial institutions, short-term borrowings 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 Group has various financial assets such as cash (including balances with banks), trade debtors, deposits, loans and advances, other receivables, etc. which are directly related to Group's operations.

The Group's overall risk management policy focuses on minimizing potential adverse effects on the Group's financial performance. The overall risk management of the Group is carried out by the Group's senior management team under policies approved by the Board of Directors. No changes were made in the objectives, policies or processes and assumptions during the year ended 30 June 2016.

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, loan to Coastal Refinery Limited (CRL) 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:

Variable Rate Instruments	Note	30 June 2016	30 June 2015
		(Rupees in '000)	
Financial assets			
Trade debts		6,132,327	5,840,642
Loan to the Parent Company		-	400,000
Long term loan to CRL		1,518,780	1,518,780
		7,651,107	7,759,422
Financial liabilities			
Long-term financing and deferred mark-up	17	17,767,028	16,833,269
Short-term borrowings	23	6,593,696	3,264,912
Current portion of liabilities against asset subject to finance lease	18	4,362	6,700
		24,365,086	20,104,881

A change of 1% in interest rates at the year-end would have increased or decreased the loss before tax by Rs. 169.007 million (June 2015: Rs. 122.989 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for June 2015.

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 and exports finished petroleum products, it is exposed to currency risk. The currency is which these transactions are undertaken is US Dollar.

As at 30 June 2016, 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 is the risk of financial loss to the Group if a customer or a counter party to a financial instrument fails to meet its contractual obligation, and arises principally from the Group's receivables from customers and balances held with banks. The Group manages credit risk in the following manner:

Management of credit risk

The Group's policy is to enter into financial contracts in accordance with the guidelines set by the Board of Directors and other internal guidelines.

Credit risk is managed and controlled by the management of the Group 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 2016	30 June 2015
		Rupees in '000	
Long-term loans and advances	7	1,753,780	1,638,411
Long-term deposits	8	31,332	31,068
Trade debts	10	8,278,080	8,690,271
Loans and advances	11	555,535	683,429
Trade deposits	12	16,747	44,198
Other receivables	13	1,276,715	1,660,951
Interest accrued		353,193	435,888
Cash and bank balances	14	240,330	692,425
		12,505,712	13,876,641

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 2016	30 June 2015
	Rupees in '000	
Trade debts		
The aging of unimpaired debtors at the balance sheet date is as follows:		
Neither past due nor impaired	4,026,464	2,304,981
Past due 1-30 days	20,196	1,574,247
Past due 31-180 days	57,061	1,486,168
Past due 181 -365 days	1,010,007	737,798
Above 365 days	3,164,352	2,587,077
	8,278,080	8,690,271
Bank balances		
A-1+	22,486	116,869
A1+	119,307	455,373
A1	1,805	20,750
A-1	72,541	98,091
A2	24,191	259
C	-	909
	240,330	692,251

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)		
2016					
Long-term loans and deferred mark-up	-	1,632,326	3,964,439	12,170,263	17,767,028
Liabilities against assets subject to finance lease	-	4,362	-	-	4,362
Long-term deposits	-	-	-	130,978	130,978
Trade and other payables	633,185	26,943,707	-	-	27,576,892
Short-term borrowings	347,303	6,593,696	-	-	6,940,999
Accrued mark-up	95,692	98,951	-	-	194,643
	1,076,180	35,273,042	3,964,439	12,301,241	52,614,902

	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

37.4 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 2016.

The Group is not exposed to externally imposed capital requirement.

38. 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. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities,

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market date (unobservable inputs).

As of the balance sheet date, the Group does not have any financial instruments measured at fair value.

39. OPERATING SEGMENTS

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

9.3 This includes finished product held by third parties amounting to Rs. 1,345.617million (30 June 2015: Rs. 1,992.633 million) as at the balance sheet date.

9.4 This includes finished product in transit amounting to Rs. 729.435 million (30 June 2015: Rs. Nil) as at the balance sheet date.

9.5 Finished products costing Rs. 1,327.639 million (30 June 2015: Rs. 3,026.379 million) has been written down by Rs. 156.158 million (30 June 2015: Rs. 156.625 million) to Net Realizable Value.

	Note	30 June 2016	30 June 2015
		Rupees in '000	
10. TRADE DEBTS – unsecured			
Considered good			
Due from Pakistan State Oil Company Limited	10.1	4,531,746	4,476,158
Due from related parties:			
- K-Electric Limited		196	1,364,484
- Standard Shipping Pakistan Limited		9,507	4,690
- Byco Oil Pakistan Limited – the Parent Company		1,172,703	201,810
		1,182,406	1,570,984
Others		2,563,928	2,643,129
Considered doubtful		2,873,379	2,192,831
		11,151,459	10,883,102
Provision for doubtful debts	10.2	(2,873,379)	(2,192,831)
		8,278,080	8,690,271

10.1 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 02 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.

Based on the legal opinion, the management is of the considered view that the Holding Company has a legal right to claim markup from PSO. Further, the Holding Company is currently pursuing this matter with the Director General Oil, Ministry of Petroleum and Natural Resources, for the recovery / settlement of the outstanding amount. Hence, the management is confident that the Holding Company would be able to recover the receivable in full from PSO in due course of time.

	Note	30 June 2016	30 June 2015
		(Rupees in '000)	
10.2 Provision for doubtful debts			
Opening balance		2,192,831	1,793,223
Provision made during the year	30	680,548	399,608
Closing balance		2,873,379	2,192,831
11. LOANS AND ADVANCES – unsecured,considered good			
Loan to employees		100	100
Advance to CRL	7.2	446,037	-
Advance to suppliers and contractors		109,398	283,329
	11.1	555,535	283,429
Loan to Parent Company	11.2	-	400,000
		555,535	683,429

11.1 These loans and advances are interest free.

11.2 This carried mark-up at the rate of six months KIBOR plus 3.25% per annum, receivable semi-annually in arrears. The principal amount outstanding was received during May 2016.

12. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

	Note	30 June 2016	30 June 2015
		(Rupees in '000)	
Current portion of finance lease deposits	8	6,955	6,955
Trade deposits		3,522	5,140
Margin against letters of credit		6,270	3,815
		16,747	15,910
Prepayments:			
- Insurance		33,858	24,033
- Rent		2,612	4,255
		53,217	44,198

13. OTHER RECEIVABLES

	Note	30 June 2016	30 June 2015
Inland Freight Equalization Margin		397,062	866,192
Receivable from CRL	13.1	550,518	526,504
Lease rentals due from the Parent Company	13.2	329,135	268,255
		1,276,715	1,660,951

13.1 This represents expenses incurred by a Subsidiary Company (BTPL) on behalf of CRL. The outstanding balance is being adjusted against 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 to the Parent Company.

14. CASH AND BANK BALANCES

	Note	30 June 2016	30 June 2015
		(Rupees in '000)	
Cash in hand		102	74
Stamp papers		100	100
Cash at banks			
- Current accounts		137,813	675,653
- Saving / deposit accounts	14.1 &14.2	102,517	16,598
	14.3	240,330	692,251
		240,532	692,425

14.1 These carry interest at the rates ranging from 5.3 % to 8.2% (30 June 2015: 5.5% to 8.5%) per annum.

14.2 Bank balances with saving accounts are placed under interest arrangements. The Group has conventional banking relationships with all the banks having Islamic window operations.

14.3 This includes Rs. 5.254 million (30 June 2015: Rs. 23.98 million) kept under lien against letter of credit facilities obtained from banks.

15. SHARE CAPITAL

30 June 2016	30 June 2015		30 June 2016	30 June 2015
(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

As at 30 June 2016, Byco Oil Pakistan Limited (a wholly owned subsidiary of Byco Industries Incorporated) held 790,510,099 (30 June 2015: 790,510,099) ordinary shares of Rs. 10/- each, aggregating to Rs. 7,905.101 million and constituting 80.84% of issued share capital of the Holding Company.

	Note	30 June 2016	30 June 2015
		(Rupees in '000)	
16. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Opening balance		21,687,674	22,627,641
Surplus on revaluation carried out during the year	5.1.2	-	66,939
Surplus on revaluation of Isomerization plant		-	-
		-	66,939
Transfer to accumulated loss in respect of:			
- incremental depreciation charged during the year - net of tax		(983,234)	(684,696)
- related deferred tax liability		(446,565)	(322,210)
		(1,429,799)	(1,006,906)
		20,257,875	21,687,674
Less: related deferred tax liability:			
- on revaluation at the beginning of the year		7,213,523	7,535,733
- related to revaluation carried out during the year		-	-
- on incremental depreciation charged during the year		(446,565)	(322,210)
	20.1	6,766,958	7,213,523
Closing balance		13,490,917	14,474,151
17. LONG-TERM FINANCING AND DEFERRED MARK-UP			
Restructured principal and accrued mark-up facilities		12,080,128	12,869,267
Total deferred mark-up on restructured principal facilities		3,337,517	3,084,533
	17.1	15,417,645	15,953,800
Loan from commercial bank – I	17.2	-	171,058
Loan from commercial bank – II	17.3	1,620,000	-
Loan form syndicate banks	17.4 & 17.6	348,780	348,780
Musharaka facility	17.5& 17.6	340,000	340,000
Unwinding of arrangement fee	17.6	40,603	19,631
		17,767,028	16,833,269
Current maturity:			
- restructured principal facilities		(5,154,142)	(3,529,000)
- deferred mark-up on restructured principal facilities		(288,184)	(200,000)
- loan from commercial bank – I		-	(171,058)
- loan from commercial bank – II		(154,439)	-
	24	(5,596,765)	(3,900,058)
		12,170,263	12,933,211

17.1 The syndicate banks upon request of the Holding Company 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) was paid on a priority basis, whereas payment in respect of the remaining principal amount is to be made in fourteen unequal semi-annual installments. Further, an amount of Rs. 50 million out of the total deferred mark-up during the restructured period shall be payable by the Holding Company on each installment date in the first year and Rs. 100 million on each installment date in the following six years. The 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.

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. 7,670million;

(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 Represents a long-term loan obtained by a Subsidiary Company (BTPL) from a commercial bank amounting to Rs. 342.116 million. The loan carried mark-up at the rate of one year KIBOR plus 2.75% per annum, 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.This was secured by hypothecation on all movable assets of BTPL. The amount has been repaid in full during the current year.

17.3 Represents a long-term loan obtained by a Subsidiary Company (BTPL) from a commercial bank amounting to Rs. 1,800 million. The loan carries mark-up at the rate of six month KIBOR plus 2.75% per annum, payable semi-annually from the date of disbursement i.e. 2 November 2011 and is secured by hypothecation on all movable assets of BTPL. The principal outstanding was repayable as a bullet payment in November 2013, however, during the current year, the commercial bank upon the request of BTPL has restructured the facility (refer note 23.1). Based on the revised agreement, the loan will now be repayable in fourteen stepped up quarterly installments which has commenced from August 2015 and is payable latest by May 2019 and carry mark-up at the abovementioned rate.

17.4 Represents a long-term facility amounting to Rs.348.780 million obtained by a Subsidiary Company (BTPL) from syndicate banks carrying mark-up at the rate of 8% per annum for the first two years from the date of disbursement i.e 30 June 2015 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. 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.

17.5 Represents a long-term Musharaka facility amounting to Rs. 340 million obtained by a Subsidiary Company (BTPL) from a 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.

17.6 Represents unwinding of arrangement fee comprising of Rs. 21.753 million and Rs. 18.850 million, calculated at an effective interest rate of 10.862% and 10.89%, respectively. The said amounts relate to the arrangement fee amounting to Rs. 214.645 million and Rs. 231.392 million payable from 9th year onwards on the loan from the Syndicate banks and Musharaka facility availed by a Subsidiary Company (BTPL).However, during the current year, the Syndicate Banks and Al Baraka Bank (Pakistan) Limited have waived Rs. 223.019 million out of the said arrangement fees as disclosed in note 7.2 to these consolidated financial statements.

18. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	June 2016		June 2015	
	Lease Payments		Lease Payments	
	Minimum	Present value	Minimum	Present value
	(Rupees in '000)			
Less than one year	5,006	4,362	5,726	4,970
One to five years	-	-	1,963	1,730
Total minimum lease payments	5,006	4,362	7,689	6,700
Less: Financial charges allocated to the future period	644	-	989	-
Present value of minimum lease payments	4,362	4,362	6,700	6,700
Less: Current portion under current liabilities	4,362	4,362	4,970	4,970
	-	-	1,730	1,730

18.1 Presently, the Holding Company has lease agreements with the leasing companies to acquire vehicles. The rentals under the lease agreements are payable upto August 2016. The cost of operating and maintaining the leased assets is borne by the Holding Company. 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 2016	30 June 2015
		Rupees in '000	
19. LONG-TERM DEPOSITS			
Deposit from related party	19.1	3,646	3,646
Trade and other deposits	19.2	127,332	105,332
		130,978	108,978

19.1 Represents interest-free deposit received from Parent Company against land lease rental.

19.2 Represents interest-free deposits received from its logistics vendors as security against goods to be transported.

	Note	30 June 2016	30 June 2015
		Rupees in '000	
20. DEFERRED LIABILITIES			
Deferred taxation	20.1	4,771,519	5,992,573
Employees retirements benefits	20.2	57,880	52,997
Arrangement fee	7.2 & 17.6	198,210	426,406
		5,027,609	6,471,976

20.1 DEFERRED TAXATION

	Note	30 June 2016	30 June 2015
Taxable temporary differences arising in respect of:			
- accelerated tax depreciation		1,983,711	1,918,692
- finance lease		-	1,922
- surplus on revaluation of property, plant and equipment	16	6,766,958	7,213,523
		8,750,669	9,134,137
Deductible temporary differences arising in respect of:			
- staff gratuity fund		(17,942)	(16,961)
-provision for doubtful debts		(890,748)	(701,706)
-finance lease		(140)	-
-intangibles		-	(9,067)
- pre-commencement expenditure		-	(6,006)
- unabsorbed tax losses		(3,070,320)	(2,407,824)
		(3,979,150)	(3,141,564)
		4,771,519	5,992,573

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 2016, 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 2016	30 June 2015
		Rupees in '000	
20.2.2 Reconciliation of amount payable to defined benefit plan			
Present value of defined benefit obligation	20.2.3	80,017	89,010
Fair value of plan assets	20.2.4	(22,137)	(36,013)
		57,880	52,997
20.2.3 Movement in the present value of defined benefit obligation:			
Opening balance		89,010	81,577
Current service cost		17,949	18,842
Interest cost		7,161	10,461
Transfer to the Parent Company		484	(14,916)
Benefits paid during the year		(34,787)	(8,179)
Actuarial loss		200	1,225
		80,017	89,010

	Note	30 June 2016	30 June 2015
		Rupees in '000	
20.2.4 Reconciliation of fair value of plan assets:			
Opening balance		36,013	15,978
Expected return on plan assets		2,762	1,732
Contributions		18,000	26,000
Benefits paid during the year		(34,787)	(6,312)
Actuarial gain / (loss)		149	(1,385)
		22,137	36,013

20.2.5 Movement in net liability:

Opening balance		52,997	65,599
Charge for the year	20.2.6	22,348	27,571
Transfer to the Parent Company		484	(14,916)
Benefits paid on behalf of the fund		-	(1,867)
Contributions		(18,000)	(26,000)
Actuarial loss chargeable in other comprehensive income	20.2.7	51	2,610
		57,880	52,997

20.2.6 Charge for the year

Current service cost	17,949	18,842
Interest cost – net	4,399	8,729
	22,348	27,571

20.2.7 Actuarial re-measurements

Actuarial loss on defined benefit obligations	200	1,225
Actuarial (gain) / loss on fair value of plan assets	(149)	1,385
	51	2,610

20.2.8 Actuarial assumption

Valuation discount rate per annum	9.00%	10.00%
Salary increased rate per annum	7.00%	11.50%
Expected return on plan assets per annum	9.00%	10.00%
Normal retirement age of employees	60 years	60 years

20.2.9 Comparisons for past years:

As at June 30	2016	2015	2014	2013	2012
			(Rupees `000)		
Present value of defined benefit obligation	80,017	89,010	81,577	52,306	47,764
Fair value of plan assets	(22,137)	(36,013)	(15,978)	-	-
Deficit	57,880	52,997	65,599	52,306	47,764
Experience adjustment on plan liabilities	200	1,225	11,445	7,406	3,391
Experience adjustment on plan assets	(149)	1,385	(65)	-	-
	51	2,610	11,380	7,406	3,391

20.2.10 Composition of plan assets

	30 June 2016	30 June 2015
	Rupees in '000	
Cash at bank	22,137	36,013

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

	2016			
	Discount rate		Salary increase	
	+100 bps	- 100 bps	+100 bps	- 100 bps
		(Rupees in '000)		
Present value of defined benefit obligation	70,642	91,151	91,686	70,072

20.2.12 As of 30 June 2016, a total of 286 (30 June 15: 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. 17.735 million.

		Note	30 June 2016	30 June 2015
			(Rupees in '000)	
21.	**TRADE AND OTHER PAYABLES**			
	Creditors for supplies and services	21.1	19,677,480	17,250,734
	Accrued liabilities		472,976	505,605
	Due to related party	21.2	13,658	13,658
	Payable to the Parent Company		-	436,016
	Advance from customers	21.3	670,263	1,712,653
	Dividend payable		1,146	1,146
	Sales tax, duties, levies and late payment surcharge		6,591,541	11,952,685
	Workers' profit participation fund	21.4	109,445	64,181
	Workers' welfare fund	30	15,569	-
	Withholding tax deductions payable		3,684	35,608
	Payable to staff provident fund		13,934	4,302
	Others		7,196	7,760
			27,576,892	31,984,348

21.1 This includes an amount of Rs. 22.983 million (30 June 2015: 70.589 million) payable to China Harbour Engineering Company (CHEC) with respect to engineering, fabrication and installation of SPM offshore and onshore pipelines.

21.2 This represents amount of Rs. 12.014 million (30 June 2015: Rs. 12.014 million) payable in respect of expenses paid on behalf of the Holding Company by Byco Industries Incorporated and also an amount of Rs. 1.644 million (30 June 2015: Rs. 1.644 million) payable against purchases made from Premier Systems (Private) Limited.

21.3 This includes an amount of Rs. 138 million (30 June 2015: Rs. 158 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 commissioning of refinery of the Parent Company and 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. These advances are interest free.

		Note	30 June 2016	30 June 2015
			(Rupees in '000)	
21.4	**Workers' profit participation fund**			
	Opening balance		64,181	56,823
	Allocation for the year	30	38,923	-
	Mark-up charged for the year	21.4.1& 32	6,341	7,358
			109,445	64,181

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

	Note	30 June 2016	30 June 2015
		(Rupees in '000)	
22. ACCRUED MARK-UP			
Long-term financing		98,951	24,349
Short-term borrowings		-	456,297
Advance from customers		95,692	180,400
		194,643	661,046
23. SHORT-TERM BORROWINGS			
From commercial banks – secured			
- Short-term finance facility	23.1	-	1,800,000
- Short-term finance facility	23.2	-	400,000
- Finance against trust receipt	23.3	6,593,696	737,609
From a related party – unsecured	23.4	-	327,303
Other – unsecured	23.4	347,303	-
		6,940,999	3,264,912

23.1 As disclosed in note 17.3 to these consolidated financial statements, the commercial bank upon request of a Subsidiary Company (BTPL) has restructured the facility.

23.2 This represents loan obtained by a Subsidiary Company (BTPL) 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 installments; Rs. 250 million on 27th January 2016 and Rs. 150 million on 10 February 2016. This loan has been secured by pledge on shares of the Parent Company with 35% margin. The loan has been fully repaid during the year.

23.3 The facility has been extended by a commercial bank for working capital requirements aggregating to Rs. 15,000 million (30 June 2015: Rs. 15,000 million) out of which Rs. 8,406.304 million (30 June 2015: Rs. 14,262.391 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 During the current year the loan obtained from CUSP Pakistan Limited, a related party, amounting to Rs. 347.303 million has been novated to Cnergyico Acisal Incorporated as per the Novation Agreement dated April 14, 2016. The loan is unsecured, interest free and repayable on demand.

	Note	30 June 2016	30 June 2015
		Rupees in '000	
24. CURRENT PORTION OF LONG-TERM FINANCING AND DEFERRED MARK-UP			
Long-term financing and deferred mark-up	17	5,596,765	3,900,058

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 As at June 30, 2015, the Holding Company had recorded default surcharge and penalties for the tax periods from July 2013 to June 2014 and July 2014 to May 2015 amounting to Rs. 708.883 million and Rs. 398.012 million, respectively.

During the current year, the Holding Company received an order from Deputy Commissioner Inland Revenue (DCIR), dated 20 August 2015, in respect of tax periods July 2013 to June 2014, whereby default surcharge of Rs. 537.730 million and penalty amounting to Rs. 572.963 million were levied. However, on the appeal filed by the Holding Company, Commissioner Inland Revenue Appeals (CIRA), in its order dated 30 September 2015, waived the aforementioned default surcharge and penalty. Accordingly, provision for default surcharge and penalty amounting to Rs. 708.883 million made in this respect in the consolidated financial statements for the year ended 30 June 2014, has been reversed in the consolidated financial statements.

Further, the Holding Company received various orders from DCIR in respect of tax periods from June 2015 to January 2016 claiming default surcharge amounting to Rs. 21.445 million and penalty amounting to Rs. 68.418 million on late payments. In an appeal filed by the Holding Company, the CIRA waived the aforementioned default surcharge and penalty. Therefore, no accrual in respect of aforementioned tax periods has been made in these consolidated financial statements.

Furthermore, the Holding Company received various orders from DCIR in respect of tax periods from October 2015 to January 2016 to recover the amount of sales tax, default surcharge and penalty amounting to Rs 494.286 million. However, on an appeal filed by the Company, the CIRA waived the said amounts. Therefore, no accrual in respect of aforementioned tax periods has been made in these consolidated financial statements.

During the current year, the Holding Company has made a provision amounting to Rs. 243.353 million for default surcharge and penalties for periods from June 2015 to September 2015 and February 2016 to May 2016. Therefore as at the balance sheet date, total provision amounting to Rs. 644.781 million has been made in the consolidated financial statements in respect of default surcharge and penalties.

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. 3,834.285 million (30 June 2015: Rs. 3,137 million) comprise of late payment charges on account of delayed payments against crude oil supplies from Oil and Gas Development Company Limited (OGDCL), Mari Gas Limited (MGL) and Pakistan Petroleum Limited (PPL) amounting to Rs. 3,196.378 million, Rs. 233.55 million and Rs. 404.357 million respectively. The details of the cases filed by MGL and PPL are as follows:

Mari Gas Limited (MGL) had filed a suit bearing number 636 of 2012 in Honorable High Court of Sindh at Karachi whereby a sum of Rs. 817.340 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 late payment surcharge and other associated legal and other cost amounting to a total of Rs. 1,050.890 million. Out of the above mentioned principal, the Holding Company had paid Rs. 203.148 million in previous years and as a matter of prudence, the remaining principal amounting to Rs. 614.192 million has already been recorded in these consolidated financial statements.

Pakistan Petroleum Limited (PPL) had filed a suit bearing number 160 of 2013 in the Honorable High Court of Sindh at Karachi for recovery of unpaid sales invoices amounting to Rs. 1,156 million which has already been booked in these consolidated financial statements. Additionally, PPL also claims a Late Payment Surcharge (LPS) amounting to Rs. 404 million.

Based on the opinion of legal advisor, 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 by the 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 provision for the above claim 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 provision for the above demand has been made in these consolidated financial statements.

25.1.6 During the current year, the customs authorities raised demand of Rs.273.58 million on account of import duty and taxes on import of Tugs being used for the purposes of towing and mooring of vessels discharging petroleum products at the Single Point Mooring (SPM). Since, the tug boats in question are imported on a temporary basis, the management of a Subsidiary Company (BTPL) is of the view that such tugs are entitled to exemption from import duty and taxes under SRO 678(I) of 2004. The benefit of the said SRO was previously granted to BTPL, however, the customs authorities have recently changed their view as to the applicability of the said SRO to the tugs in question and have issued show cause notices to BTPL to pay the customs duties and taxes as assessed by the customs authorities and have refused to complete the goods declaration of the tugs, therefore, the tugs in question cannot be re-exported by BTPL until the entitlement to benefit of the SRO is finally adjudicated upon the customs adjudication or the court of law. BTPL on the basis of the advice of its legal advisor have filed CP No.408 / 2015 and CP No.828 / 2015 before the High Court of Balochistan at Quetta at seeking a determination as to the applicability of the SRO to the tugs imported by BTPL and has also filed CP No.828 of 2015 in order to seek a direction of the court to release a tug of BTPL. Based on the opinion of legal advisor, the management is confident that the matter will be decided in its favor. Hence, no provision for the above demand has been made in these 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, Karachi which is pending for adjudication. However, as a matter of prudence, the said amount has already been provided for in the consolidated financial statements.

		30 June 2016	30 June 2015
		Rupees in '000	
25.2	**Commitments**		
25.2.1	Outstanding letters of credit	10,722,572	4,606

		Note	30 June 2016	30 June 2015
			Rupees in '000	
25.2.2	Commitments for capital expenditure		11,478	41,146
25.2.3	Commitments in respect of Ijarah financing:			
	Not later than one year		35,542	65,553
26.	**SALES - net**			
	Gross Sales			
	Local		108,685,777	111,245,979
	Export		7,581,901	8,866,314
			116,267,678	120,112,293
	Less: Sales discount, sales tax, excise duty and petroleum development levy		(36,179,273)	(24,739,889)
			80,088,405	95,372,404
27.	**COST OF SALES**			
	Opening stock		4,176,741	6,292,464
	Cost of goods manufactured	27.1	40,085,076	72,423,146
	Finished products purchased during the year		35,915,358	16,271,282
			80,177,175	94,986,892
	Closing stock	9	(4,942,026)	(4,176,741)
			75,235,149	90,810,151
27.1	**Cost of goods manufactured**			
	Raw material consumed	27.1.1	35,561,446	68,441,804
	Salaries, wages and other benefits	27.1.2	390,677	388,802
	Depreciation	5.1.4	2,378,726	1,865,229
	Fuel, power and water		263,469	602,827
	Operation cost		903,093	578,222
	Insurance		106,915	101,719
	Repairs and maintenance		177,363	101,640
	Rent, rates and taxes		67,640	89,794
	Industrial gases and chemicals		61,700	76,326
	Staff transportation and catering		62,676	67,705
	Stores and spares consumed		67,591	58,754
	Security expenses		24,120	17,014
	Vehicle running		9,840	10,297
	Technical fee		-	8,443
	Others		9,820	14,570
			40,085,076	72,423,146

		Note	30 June 2016	30 June 2015
			Rupees in '000	
27.1.1	**Raw material consumed**			
	Opening stock		682,874	2,485,043
	Purchases during the year		37,268,301	66,639,635
			37,951,175	69,124,678
	Closing stock	9	(2,389,729)	(682,874)
	Raw material consumed		35,561,446	68,441,804

27.1.2 This includes a sum of Rs. 12.938 million (30 June 2015: Rs.10.996 million) in respect of staff retirement benefits.

	Note	30 June 2016	30 June 2015
		Rupees in '000	
28. ADMINISTRATIVE EXPENSES			
Salaries, allowances and other benefits	28.1	382,062	359,122
Rent, rates and taxes		67,318	70,204
Depreciation	5.1.4	54,652	58,674
Repairs and maintenance		36,309	36,308
Legal and professional		26,673	34,141
Travelling and conveyance		27,359	28,129
Vehicle running		24,098	23,777
Utilities		7,630	11,364
Fee and subscriptions		10,140	10,332
Insurance		7,878	7,765
Auditors' remuneration	28.2	5,281	5,857
Printing and stationary		7,687	5,495
SAP maintenance costs		17,986	1,487
Others		18,539	15,444
		693,612	668,099

28.1 This includes a sum of Rs.6.671 million (30 June 2015: Rs. 10.270 million) in respect of staff retirement benefits.

	30 June 2016	30 June 2015
	Rupees in '000	
28.2 Auditors' remuneration		
Statutory audit	1,800	1,800
Half yearly review	500	500
Consolidation of financial statements	400	400
Special audit and other certifications	2,006	2,250
Out of pocket expenses	575	907
	5,281	5,857

	Note	30 June 2016	30 June 2015
		Rupees in '000	
29. SELLING AND DISTRIBUTION EXPENSES			
Salaries, allowances and other benefits	29.1	169,334	164,402
Transportation and product handing charges		1,858,109	1,838,354
Sales commission		177,903	447,639
Advertisement		47,510	28,634
Rent, rates and taxes		86,461	63,212
Depreciation	5.1.4	37,643	38,195
Export development surcharge		16,568	20,772
Wharfage and other export expenses		30,574	16,045
Insurance		2,036	11,667
		2,426,138	2,628,920

29.1 This includes a sum of Rs.2.739 million (30 June 2015: Rs. 5.940 million) in respect of staff retirement benefits.

		Note	30 June 2016	30 June 2015
			Rupees in '000	
30.	**OTHER EXPENSES**			
	Late payment surcharge and penalties		245,327	405,724
	Provision for doubtful debts	10.2	680,548	399,608
	Workers' profit participation fund	21.4	38,923	-
	Workers' welfare fund	21	15,569	-
			980,367	805,332
31.	**OTHER INCOME**			
	Income from financial assets			
	Interest on balances due from customers		465,251	686,817
	Interest income on saving accounts		17,271	35,584
	Interest on loan to CRL		50,618	24,349
			533,140	746,750
	Deferred arrangement fee payable written back	20	223,019	-
	Income from non-financial assets			
	Reversal of excess sales tax surcharge provision		708,883	913,576
	Inland Freight Equalization Margin		-	256,408
	Land lease rent		52,937	52,937
	Storage and handling income		28,158	41,638
	Gain on disposal of operating fixed assets	5.1.5	3,044	1,693
	Dealership income		8,100	2,420
			801,772	1,268,672
			1,557,281	2,015,422

		Note	30 June 2016	30 June 2015
			Rupees in '000	
32.	**FINANCE COSTS**			
	Mark-up on:			
	- Long-term financing		1,560,519	1,692,106
	- Loan from a commercial bank	17.2 &17.3	173,712	-
	- Loan from syndicate banks	17.4	25,877	10,861
	- Short-term borrowings		696,248	1,292,564
	- Loan from the Parent Company		-	21,054
	- Musharaka facility	17.5	24,741	13,488
	- Advance from customers		20,159	26,994
	- Workers' profit participation fund	21.4	6,341	7,358
			2,507,597	3,064,425
	Unwinding of arrangement fee		20,971	19,631
	Exchange loss – net	32.1	229,070	337,753
	Bank and other charges		67,405	61,859
			2,825,043	3,483,668
	Recovery of mark-up from Parent Company relating to short-term borrowings		(25,451)	(50,770)
	Reimbursement of arrangement fee from CRL		(20,971)	(19,631)
			(46,422)	(70,401)
			2,778,621	3,413,267

32.1 Represents exchange loss - net arising on revaluation of foreign currency financial assets and liabilities and on transactions in foreign currencies.

	Note	30 June 2016	30 June 2015
		Rupees in '000	
33. TAXATION			
Current		(448,164)	(529,988)
Prior year		81,635	-
Deferred		1,221,055	820,033
		854,526	290,045

33.1 The income tax returns of the Holding Company and a Subsidiary Company (BTPL) have been filed up to and including tax year 2015. 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 and a Subsidiary 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.

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 2016	30 June 2015
	Rupees in '000	
34. EARNINGS / (LOSS) PER ORDINARY SHARE – basic and diluted		
Profit / (loss) after taxation	386,325	(647,898)
	(Number)	
Weighted average number of ordinary shares	977,858,737	977,858,737
	Rupees	
Earnings / (loss) per share – basic and diluted	0.40	(0.66)

35. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Group has related party transactions with its ultimate parent company, parent company, 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 2016	30 June 2015
		Rupees in '000	
35.1	**Transactions with related parties**		
	Parent Company		
	Land lease rentals	52,634	52,861
	Purchases	41,998,051	62,487,341
	Loan received	400,000	-
	Sales	13,469,307	4,489,445
	Mark-up charged - net	368,345	638,289
	Interest received	27,994	-
	Allocation of gratuity expense	484	14,916
	Allocation of group expenses	378,194	352,044
	Purchase of operating fixed assets	-	416,195
	Associated Companies		
	Sales	1,063,832	7,791,034
	Consultancy services from associated company	13,076	17,388
	Purchase of operating fixed assets and services	-	5,324
	Interest income	28,348	198,216
	Port services rendered	44,655	38,201
	Receipt of short-term loan	20,000	206,303
	Staff Provident Fund		
	Contribution made to staff provident fund	42,367	62,317

		30 June 2016	30 June 2015
		Rupees in '000	
35.2	**Balances with related parties**		
	Ultimate Parent Company		
	Payable against expenses	12,014	12,014
	Parent Company		
	Receivable against land lease rent	329,134	268,255
	Interest accrued	18,924	45,337
	Security deposit payable	3,646	3,646
	Receivable against services	167,197	201,810
	Payable against purchases and expenses	433,389	1,812,909
	Receivable against purchase of goods and services	1,005,506	-
	Loan receivable - net of mark-up	-	400,000
	Associated Companies		
	Long-term deposit receivable	95	95
	Trade debts	9,703	1,369,174
	Advance against purchases	9,407	9,407
	Interest accrued	259,302	366,204
	Payable against purchases	11,709	8,455
	Receipt of short term loan	-	327,303
	Staff Provident Fund		
	Payable to staff provident fund	13,934	4,302

36. REMUNERATION OF CHIEF EXECUTIVES, EXECUTIVE DIRECTOR 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 Executives		Executive Director		Executives		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	(Rupees in '000)							
Managerial remuneration	18,403	22,348	6,674	8,195	156,580	154,854	181,657	185,397
Housing and utilities	5,285	3,723	2,002	1,365	50,303	25,391	57,590	30,479
Leave fare assistance	1,467	7,057	556	2,595	13,043	51,094	15,066	60,746
Staff retirement benefits	2,935	1,861	1,112	685	25,887	12,659	29,934	15,205
	28,090	34,989	10,344	12,840	245,813	243,998	284,247	291,827
Number of persons	3	3	1	1	151	136	155	140

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

36.2 As at 30 June 2016, the Group's Board of Directors consists of 8 Directors (of which 7 are Non-Executive Directors). Except for the Chief Executives and the Executive Director, no remuneration and other benefits have been 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 instruments comprise loans from financial institutions, short-term borrowings 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 Group has various financial assets such as cash (including balances with banks), trade debtors, deposits, loans and advances, other receivables, etc. which are directly related to Group's operations.

The Group's overall risk management policy focuses on minimizing potential adverse effects on the Group's financial performance. The overall risk management of the Group is carried out by the Group's senior management team under policies approved by the Board of Directors. No changes were made in the objectives, policies or processes and assumptions during the year ended 30 June 2016.

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, loan to Coastal Refinery Limited (CRL) 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:

Variable Rate Instruments	Note	30 June 2016	30 June 2015
		(Rupees in '000)	
Financial assets			
Trade debts		6,132,327	5,840,642
Loan to the Parent Company		-	400,000
Long term loan to CRL		1,518,780	1,518,780
		7,651,107	7,759,422
Financial liabilities			
Long-term financing and deferred mark-up	17	17,767,028	16,833,269
Short-term borrowings	23	6,593,696	3,264,912
Current portion of liabilities against asset subject to finance lease	18	4,362	6,700
		24,365,086	20,104,881

A change of 1% in interest rates at the year-end would have increased or decreased the loss before tax by Rs. 169.007 million (June 2015: Rs. 122.989 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for June 2015.

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 and exports finished petroleum products, it is exposed to currency risk. The currency is which these transactions are undertaken is US Dollar.

As at 30 June 2016, 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 is the risk of financial loss to the Group if a customer or a counter party to a financial instrument fails to meet its contractual obligation, and arises principally from the Group's receivables from customers and balances held with banks. The Group manages credit risk in the following manner:

Management of credit risk

The Group's policy is to enter into financial contracts in accordance with the guidelines set by the Board of Directors and other internal guidelines.

Credit risk is managed and controlled by the management of the Group 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 2016	30 June 2015
		Rupees in '000	
Long-term loans and advances	7	1,753,780	1,638,411
Long-term deposits	8	31,332	31,068
Trade debts	10	8,278,080	8,690,271
Loans and advances	11	555,535	683,429
Trade deposits	12	16,747	44,198
Other receivables	13	1,276,715	1,660,951
Interest accrued		353,193	435,888
Cash and bank balances	14	240,330	692,425
		12,505,712	13,876,641

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 2016	30 June 2015
	Rupees in '000	
Trade debts		
The aging of unimpaired debtors at the balance sheet date is as follows:		
Neither past due nor impaired	4,026,464	2,304,981
Past due 1-30 days	20,196	1,574,247
Past due 31-180 days	57,061	1,486,168
Past due 181 -365 days	1,010,007	737,798
Above 365 days	3,164,352	2,587,077
	8,278,080	8,690,271
Bank balances		
A-1+	22,486	116,869
A1+	119,307	455,373
A1	1,805	20,750
A-1	72,541	98,091
A2	24,191	259
C	-	909
	240,330	692,251

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)				
2016					
Long-term loans and deferred mark-up	-	1,632,326	3,964,439	12,170,263	17,767,028
Liabilities against assets subject to finance lease	-	4,362	-	-	4,362
Long-term deposits	-	-	-	130,978	130,978
Trade and other payables	633,185	26,943,707	-	-	27,576,892
Short-term borrowings	347,303	6,593,696	-	-	6,940,999
Accrued mark-up	95,692	98,951	-	-	194,643
	1,076,180	35,273,042	3,964,439	12,301,241	52,614,902

	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

37.4 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 2016.

The Group is not exposed to externally imposed capital requirement.

38. 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. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities,

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market date (unobservable inputs).

As of the balance sheet date, the Group does not have any financial instruments measured at fair value.

39. OPERATING SEGMENTS

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

	2016				
	Oil refining business	Petroleum marketing business	Petroleum storage services	Elimination	Total
	(Rupees in '000)				
Revenue					
Net sales to external customers	47,266,355	32,022,409	799,641	-	80,088,405
Inter-segment sales	27,605,723	-	549,426	(28,155,149)	-
Total revenue	74,872,078	32,022,409	1,349,067	(28,155,149)	80,088,405
Result					
Segment profit / (loss)	2,120,876	1,048,270	(634,518)		2,534,628
Unallocated expenses:					
Other expenses					(980,367)
Finance costs					(2,778,621)
Interest income					756,159
Taxation					854,526
Profit for the year					386,325
Segmental Assets	70,780,563	1,434,661	11,249,051	(27,620,672)	55,843,603
Unallocated Assets	-	-	-	-	-
	70,780,563	1,434,661	11,249,051	(27,620,672)	55,843,603
Segmental Liabilities	48,790,204	1,195,786	6,877,064	1,180,621	58,043,675
Unallocated Liabilities	-	-	-	-	-
	48,790,204	1,195,786	6,877,064	1,180,621	58,043,675
Capital expenditure	81,393	2,249	69,468	-	153,110
Other Information					
Depreciation and amortization	2,027,614	37,643	405,764	-	2,471,021

	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	11,323,856	(26,492,121)	52,220,946
Unallocated Assets	-	-	-	-	5,217,590
	62,469,621	4,919,590	11,323,856	(26,492,121)	57,438,536
Segmental Liabilities	42,027,950	4,333,511	6,672,004	(2,520,842)	50,512,623
Unallocated Liabilities	-	-	-	-	9,512,259
	42,027,950	4,333,511	6,672,004	(2,520,842)	60,024,882
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.

40. 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 2016	30 June 2015
	Rupees in '000	
Size of the fund - net assets	143,979	162,512
Cost of investments made	111,908	120,443
Fair value of investments	128,885	132,520
Percentage of investments	78%	74%

The breakup of fair value of investments is :

	2016		2015	
	(Rs in '000)	%	(Rs in '000)	%
Bank deposits	39,846	30.92%	33,080	24.96%
Debt securities	24,881	19.30%	32,731	24.70%
Unit trust schemes	64,158	49.78%	66,709	50.34%
	128,885	100%	132,520	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 (2015: 11.55 million barrels), the actual throughput during the year was 8.362 million barrels (2015: 9.55 million barrels). The Group 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 2016 were 305 (30 June 2015: 395) and average number of employees were 350 (30 June 2015: 419).

43. RECLASSIFICATION

Following corresponding figures have been reclassified for better presentation:

From	To	(Rs. in '000)
Administrative expenses	Selling and distribution expenses	28,634

44. GENERAL

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

45. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on 06th September 2016 by the Board of Directors of the Group.

Mohammad Wasi Khan
Chief Executive

Syed Arshad Raza
Director

Pattern of Shareholding

Shareholders Category	NO. OF SHAREHOLDERS	NO. OF SHARES	%
Directors, Chief Executive Officer and their spouse and minor children.	8	19,800	0.00
Associated Companies, Undertakings and Related Parties	1	790,510,099	80.84
Executives	3	51,000	0.01
NIT and ICP	-	-	-
Banks, Development Finance Institutions, Non-Banking Financial Institutions	7	2,437,567	0.25
Insurance Companies	1	200	0.00
Modarabas and Mutual Funds	12	1,142,500	0.12
General Public	15,798	168,755,557	17.25
Others	107	14,942,014	1.53
TOTAL	**15,937**	**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 Dawood Islamic Fund	1	35,000
CDC - Trustee First Capital Mutual Fund	1	59,000
CDC - Trustee First Dawood Mutual Fund	1	35,000
CDC - Trustee KSEMeezan Index Fund	1	371,500
MCBFSL - Trustee Pak Oman Advantage Asset Allocation Fund	1	90,000
MCBFSL - Trustee Pak Oman Islamic Asset Allocation Fund	1	90,000
Trustee Pak Qatar Family Takaful Limited Aggressive Fund	1	200,000
Trustee Pak Qatar Family Takaful Limited Balance Fund (BF)	1	200,000
Directors and their spouse and minor children (name wise details)		
Mr. Amir Abbassciy	1	2,500
Mr. Muhammad Raza Hasnani	1	500
Syed Arshad Raza	1	5,600
Mrs. Uzma Abbassciy (wife of Mr. Amir Abbassciy)	1	5,600
Mrs. Fazilay Ghulam Ali Raza (wife of Syed Arshad Raza)	1	5,600
Executives	3	51,000
Public Sector Companies and Corporations	-	-
Banks, Development Financial Institutions, Non-Banking Finance companies, insurance companies, takaful, modarabas and pension funds.	13	2,509,233
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 2016

SIZE OF HOLDING FROM	TO	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES HELD
1	100	764	33,392
101	500	2,390	1,068,511
501	1000	2,835	2,729,297
1001	5000	5,840	16,759,447
5001	10000	1,800	14,498,722
10001	15000	569	7,404,235
15001	20000	442	8,147,919
20001	25000	281	6,609,207
25001	30000	187	5,385,615
30001	35000	111	3,674,083
35001	40000	79	3,044,043
40001	45000	46	1,985,620
45001	50000	114	5,639,832
50001	55000	41	2,196,970
55001	60000	35	2,049,600
60001	65000	26	1,654,940
65001	70000	27	1,854,550
70001	75000	26	1,907,019
75001	80000	22	1,718,480
80001	85000	19	1,569,485
85001	90000	22	1,949,630
90001	95000	10	934,000
95001	100000	56	5,583,196
100001	105000	11	1,120,800
105001	110000	15	1,638,900
110001	115000	2	226,000
115001	120000	8	950,000
120001	125000	9	1,120,501
125001	130000	5	648,500
130001	135000	5	668,500
135001	140000	4	555,100
140001	145000	3	426,787
145001	150000	17	2,544,300
150001	155000	3	455,500
155001	160000	3	478,000
160001	165000	3	490,500
165001	170000	7	1,179,530
170001	175000	5	867,800
180001	185000	2	364,500
185001	190000	2	376,300
190001	195000	1	191,986
195001	200000	17	3,398,530
200001	205000	1	203,000
205001	210000	2	416,500
210001	215000	1	212,500
215001	220000	2	434,000
230001	235000	1	230,000
235001	240000	1	236,000

Pattern of Shareholding
As on 30th June 2016

240001	245000	1	243,143
250001	255000	5	1,251,000
260001	265000	1	262,000
265001	270000	1	268,000
275001	280000	2	550,000
280001	285000	1	283,500
285001	290000	1	288,500
295001	300000	4	1,197,000
320001	325000	1	320,000
335001	340000	1	337,500
355001	360000	1	357,000
370001	375000	3	1,121,500
380001	385000	1	380,000
390001	395000	1	391,000
395001	400000	1	397,000
450001	455000	2	900,000
465001	470000	1	465,500
495001	500000	5	2,495,500
500001	505000	2	1,007,500
550001	555000	1	550,000
580001	585000	1	581,000
625001	630000	1	625,500
650001	655000	2	1,307,000
700001	705000	1	700,000
705001	710000	1	706,000
790001	795000	1	791,000
860001	865000	1	862,000
865001	870000	1	867,000
870001	875000	1	872,554
880001	885000	1	880,000
900001	905000	1	900,000
965001	970000	1	966,000
1090001	1095000	1	1,092,500
1115001	1120000	1	1,118,528
1250001	1255000	1	1,250,000
1340001	1345000	1	1,342,000
1595001	1600000	1	1,595,500
1615001	1620000	1	1,615,000
1940001	1945000	1	1,944,086
2320001	2325000	1	2,321,500
2365001	2370000	1	2,368,500
3000001	3005000	1	3,000,000
4010001	4015000	1	4,011,000
4080001	4085000	1	4,084,500
4650001	4655000	1	4,650,000
8000001	8005000	2	16,000,000
790510001	790515000	1	790,510,099
		15,937	**977,858,737**

Notice of 22nd Annual General Meeting

Byco Petroleum Pakistan Limited

Notice is hereby given that the 22nd Annual General Meeting of Byco Petroleum Pakistan Limited will be held on Wednesday, 26th October 2016 at 2:30 pm at the Moosa D. Desai Audtorium, ICAP, Clifton, Karachi, to transact the following ordinary business:

1. To confirm the minutes of the Extraordinary General Meeting of the Company held on 29th August 2016.

2. To receive, consider and adopt the audited separate and consolidated financial statements for the financial year ended June 30th, 2016, together with the Directors' and Auditors' reports thereon.

3. To re-appoint the auditors and to fix their remuneration for the financial year 2016-17.

Majid Muqtadir
Company Secretary

6th September 2016
Karachi

NOTES:

Book Closure

The register of members and the share transfer books of the Company will remain closed from Wednesday, 19th October 2016 until Wednesday, 26th October 2016.

Participation in the Meeting

Only persons whose names appear in the register of members of the Company as on Tuesday, 18th October 2016, 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 thespecimen signature of the attorney.

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Admission Slip

The 22nd Annual General Meeting of Byco Petroleum Pakistan Limited will be held on Wednesday, 26th October 2016 at 2:30 pm at Moosa D. Desai Auditorium, ICAP, Clifton-Karachi.

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

Majid Muqtadir
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.

Form of Proxy

22nd 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 22nd Annual General Meeting of the Company to be held on **Wednesday, 26th October 2016** and in case of adjournment, at any reconvened Meeting.

Signed / Seal and Delivered by____

in the presence of:

1.	Name:	_________________________	2.	Name:	_________________________
	CNIC No.:	_________________________		CNIC No.:	_________________________
	Address:	_________________________		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.

Mr. Majid Muqtadir
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

ڈاک ٹکٹ
یہاں چسپاں کریں

ماجد مقتدر
کمپنی سیکریٹری

بائیکو پیٹرولیم پاکستان لمیٹیڈ
نویں منزل، دی ہاربر فرنٹ، ڈالمن سٹی
HC-3، بلاک 4، میرین ڈرائیو، کلفٹن،
کراچی-75600، پاکستان

پراکسی کا فارم

22ویں سالانہ جنرل میٹنگ

کمپنی سیکریٹری
بائیکو پیٹرولیم پاکستان لمیٹیڈ
نویں منزل، دی ہاربر فرنٹ، ڈالمن سٹی
HC-3، بلاک 4، میرین ڈرائیو کلفٹن،
کراچی

میں/ہم -- برائے ------------------ بحثیت رکن بائیکو پیٹرولیم

پاکستان لمیٹڈ اور حامل ------------------- حصص مقرر کرتا ہوں بطور نائب محترم/محترمہ -------------------------

برائے ------------------- یا ان کی عدم موجودگی کی صورت میں محترم/محترمہ -------------------------

برائے ---------------، جو بائیکو پیٹرولیم پاکستان کے ممبر بھی ہے، میری غیر موجودگی کی صورت میں بطور میرے نائب کمپنی کی 22ویں سالانہ جنرل میٹنگ میں شرکت کرنے اور حق رائے دہی استعمال کر سکتے ہیں۔ اس میٹنگ کا انعقاد بروز بدھ 26 اکتوبر 2016ء کو یا اس کے التواء کی صورت میں متبادل تاریخ اور جگہ پر طلب کی جاسکتی ہے۔

دستخط/مہر اور کی طرف سے بھیج دیا گیا: --

کی موجودگی میں:

۱۔ نام: ---------------------------------
شناختی کارڈ نمبر: ---------------------------
پتہ: ---------------------------------------

۲۔ نام: ---------------------------------
شناختی کارڈ نمبر: ---------------------------
پتہ: ---------------------------------------

فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر

یہ دستخط کمپنی میں موجود نمونہ دستخط سے ملنے چاہیئے

اہم امور:

۱۔ متعلقہ اتھارٹی فارم کو مکمل کر کے اور اپنے دستخط کر کے کمپنی کے رجسٹرڈ آفس 9ویں منزل، ہاربر فرنٹ، ڈالمن سٹی، HC-3، بلاک 4، میرین ڈرائیو کلفٹن کراچی میں میٹنگ کے وقت سے 48 گھنٹے قبل ارسال کریں۔
۲۔ صرف کمپنی کے ممبران ماسوائے کارپوریٹ ممبران کا تقرر کیا جاسکتا ہے۔
۳۔ اگر ایک سے زائد نمائندے کا انتخاب کرنا ہو تو کسی بھی ایک ممبر کے لئے دستاویز جمع کرائے جائیں۔ بصورت دیگر وہ اتھارٹی اہل نہیں ہوگی۔

برائے CDC اکاؤنٹ ہولڈر/کارپوریٹ ادارہ:

مذکورہ بالا کے علاوہ درج ذیل ضروریات درکار ہونگی:

۱۔ جاری کردہ اختیارات کا فارم جس کی تصدیق دو گواہ کرینگے جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج کئے جائیں گے۔
۲۔ فارم کے ساتھ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں جمع کرانی ہونگی۔
۳۔ اختیارات کا حامل شخص اپنا اصل شناختی کارڈ یا پاسپورٹ میٹنگ کے وقت پیش کرے گا۔
۴۔ کارپوریٹ اتھارٹی میٹنگ کے وقت بورڈ آف ڈائریکٹرز کی قرارداد کی ایک تصدیق شدہ کاپی فراہم کرے گا یا پاور آف اٹارنی جس پر اٹارنی کے دستخط موجود ہوں پیش کرنا ہوگا۔

بعد از ملازمت فنڈ کی مراعات میں سرمایہ کاری کی ویلیو:

غیر آڈٹ شدہ اکاؤنٹس کی بنیاد پر پروویڈنٹ فنڈ میں سرمایہ کاری کی ویلیو درج ذیل ہے:

	2016	2015
30 جون میں (روپے ہزار میں)	89,039	99,440

ایکسٹرنل آڈیٹرز:

آڈیٹرز میسرز Ey Ford Rhodes چارٹرڈ اکاؤنٹینٹس جو کہ ریٹائر ہوئے اور اب انہوں نے دوبارہ تقرری کیلئے پیشکش کی ہے۔

آڈٹ کمیٹی نے میسرز Ey Ford Rhodes کو مالیاتی سال 30 جون 2017ء کے لئے بطور آڈیٹرز دوبارہ تقرری کیلئے سفارش کی ہے۔

اقرارنامہ:

کمپنی کے ڈائریکٹرز اس موقع پر تمام حصّہ داروں کا ان کی حوصلہ افزائی اور تعاون کیلئے شکریہ ادا کرتے ہیں۔ ہم حکومت پاکستان اور ہمارے شراکت دار بشمول مالیاتی ادارے، فروخت کنندگان، ترسیل کنندگان، صارفین اور حاملان حصص کو بھی خراج تحسین پیش کرتے ہیں۔

ہم ان تمام ملازمین کے شکر گزار ہیں جنھوں نے پائیدار آپریشن کے دوران تعاون کیا۔

برائے اور بورڈ آف ڈائریکٹرز کی جانب سے

محمد وصی خان صاحب

چیف ایگزیکٹیو آفیسر

کراچی

مورخہ 6 ستمبر 2016

آڈٹ کمیٹی:

آڈٹ کمیٹی نے سال کے دوران چار اجلاس رکھے۔ ہر رکن کی حاضری درج ذیل تھی:

	اجلاسوں میں شرکت کی تعداد
محمد رضا حسنانی	4
فلپ حارث (26 مئی 2016 تک)	2
ڈیانا برش (26 مئی 2016 تک)	2
محمد محمود حسین (26 مئی 2016 سے)	کوئی نہیں
سیّد ارشد رضا (26 مئی 2016 سے)	کوئی نہیں

حکمت عملی اور خطرہ انتظامیہ کمیٹی:

حکمت عملی اور خطرہ انتظامیہ کمیٹی نے دورانِ سال ایک اجلاس رکھا۔ ہر رکن کی حاضری درج ذیل تھی:

	اجلاسوں میں شرکت کی تعداد
محمد رضا حسنانی	1
حامد امتیاز حنفی (30 اپریل 2016 تک)	1
ڈیانا برش (26 مئی 2016 تک)	1
اختر حسین ملک (26 مئی 2016 سے)	کوئی نہیں
سیّد ارشد رضا (26 مئی 2016 سے)	کوئی نہیں

شیئر ہولڈنگ کا طریقہ کار:

- ☆ شیئر ہولڈنگ کا طریقہ کار اور 30 جون 2016ء کو اضافی معلومات آپ کی کمپنی کی سالانہ رپورٹ کے صفحہ نمبر ۱۰۹ پر موجود ہے۔
- ☆ بائیکو آئل پاکستان لمیٹڈ کے %80.84 شیئر، مالیاتی اداروں اور بینکس کے %0.37 شیئرز اور انفرادی شیئرز کا تناسب %18.79 ہے
- ☆ کمپنی کے شیئرز میں کوئی بھی تجارت ڈائریکٹرز، ایگزیکیٹیو یا ان کی بیوی اور نابالغ بچوں نے اس سال کے دوران نہیں کی۔ جس کا شیئر ہولڈنگ کا طریقہ کار درج کیا گیا ہے۔

ڈائریکٹرز کے نام	اجلاسوں میں شرکت کی تعداد
جناب عامر عباسی (26 مئی 2016 کو مقرر)	2
جناب محمد محمود حسین (26 مئی 2016 کو مقرر)	1
جناب اختر حسین ملک (26 مئی 2016 کو مقرر)	1
جناب سیّد ارشد رضا (26 مئی 2016 کو مقرر)	1
جناب عمر خان لودھی (26 مئی 2016 کو مقرر)	1
جناب چودھری خاقان سعداللہ خان (26 مئی 2016 کو مقرر)	2
جناب محمد وصی خان (1 اپریل 2016 کو مقرر)	5
جناب محمد رضا حسنانی	11
جناب جاوید اکبر (1 فروری 2016 کو استعفیٰ دے دیا)	5
جناب سیّد محمد مجتبیٰ جعفری (31 مارچ 2016 کو استعفیٰ دے دیا)	6
جناب حامد امتیاز حنفی (30 اپریل 2016 کو استعفیٰ دے دیا)	9
جناب اویس منصور نقوی (26 مئی 2016 کو استعفیٰ دے دیا)	کوئی نہیں
محترمہ ڈیانا برش (26 مئی 2016 کو استعفیٰ دے دیا)	7
جناب رچرڈ لیگرنڈ (26 مئی 2016 کو استعفیٰ دے دیا)	6
جناب فلپ حارث (26 مئی 2016 کو استعفیٰ دے دیا)	7

بورڈ آف ڈائریکٹرز نے غیر حاضر رہنے والے ڈائریکٹرز کو چھٹی عنایت کی۔

بورڈ نے تمام ڈائریکٹرز کی خدمات کو سراہا اور درج کیا۔

آپ کی کمپنی نے اپنے کچھ ریٹیل اسٹیشن پر سولر پینلز کا تعارف کروایا ہے جہاں پر بنیادی بجلی کی ضروریات کو گرین انرجی کے توسط سے مکمل کیا۔ کمپنی یہ چاہتی ہے کہ اپنے ریٹیل اسٹیشن پر زیادہ سے زیادہ پینلز مرتب کئے جائیں اس کے علاوہ شجرکاری بھی اس سرگرمی کا ایک حصہ ہے جس کا کمپنی جائزہ لے رہی ہے۔

قومی خزانے میں حصہ داری:

موجودہ سال کے دوران آپ کی کمپنی نے بالواسطہ اور بلاواسطہ طور پر قومی خزانے میں ٹیکسز وغیرہ کے حوالے سے 36 ارب روپے ادا کئے ہیں۔ اس کے علاوہ کمپنی نے اقتصادی امور کیلئے زرمبادلہ مبلغ 73 ملین امریکی ڈالر بھی فراہم کیا۔ پیٹرولیم مصنوعات کی برآمدات کے ذریعے کمی کو پورا کرنے کے لئے ملک کی بیلنس ادائیگی فراہم کر رہی ہے۔

نظم وضبط کے کوڈ پر عملدرآمد:

کمپنی نظم وضبط کے کوڈ پر عملدرآمد کرنے کے سلسلے میں مستقل طور پر جدوجہد کر رہی ہے اور پاکستان اسٹاک ایکسچینج کے قواعد پر عمل کر رہی ہے جیسا کہ نظم وضبط کے کوڈ میں درکار ہے۔ مالیاتی رپورٹنگ فریم ورک کے سلسلے میں درج ذیل تفصیلات ہیں:

ڈائریکٹرز یہ تصدیق کرتے ہیں کہ:

☆ مالیاتی حسابات جو کہ کمپنی کی انتظامیہ نے مرتب کیا ہے جس میں تمام تر معاملات صحیح پیش کئے گئے ہیں جس میں اس کے آپریشنز، کیش فلو اور ایکوئیٹی میں تبدیلی کے نتائج شامل ہیں۔

☆ مناسب حساب کے کھاتے کمپنیز آرڈیننس 1984ء کے تحت مرتب کئے گئے ہیں۔

☆ مناسب اکاؤنٹنگ کی پالیسیوں کے حوالے مالیاتی حسابات کی تیاری میں عمل کیا جارہا ہے۔ اکاؤنٹنگ کا تخمینہ جو کہ فیصلے کی بنیاد پر ہے۔

☆ اندرونی کنٹرول کا سسٹم بے حد مضبوط ہے اور موثر طور پر عملدرآمد کیا جارہا ہے۔

☆ اس سال کے دوران بورڈ آف ڈائریکٹرز کی 12 میٹنگز منعقد ہو چکی تھیں جس میں درج ذیل ڈائریکٹرز نے شرکت کی:

مذکورہ بالا اسکیم کے تحت کمپنی نے ایک درخواست ہائی کورٹ میں مورخہ 24 جون 2016ء کو داخل کی جو کہ مطلوبہ قانونی امور اور مذکورہ انتظامات سے متعلق طریقہ کار کو مکمل کرنے کے عمل میں ہے۔

مستند سماجی ذمہ داریاں (CSR):

اپنے اسٹیک ہولڈرز کے مفاد میں آپ کی کمپنی ایک ذمہ دار شہری کے طور پر مستقل جدوجہد میں ہے تاکہ معاشرے پر مثبت اثر پڑ سکے۔

آپ کی کمپنی کی ایک اور حکمت عملی جو کہ معاشرے کی ترقی سے متعلق آپ کی کمپنی کمیونٹیز کے ساتھ کام کرنے کے حوالے سے اپنی کاروباری سرگرمیوں کے تحت معاشی اقتصادی امور کو منظّم کر رہی ہے۔ کمپنی کے مینجمنٹ ٹرینگ اینڈ انٹرن شپ پروگرام اور دیگر جاب کے دوران تربیت کے مواقع کے سلسلے میں کمپنی نے لوکل ورک فورس رکھی ہے اور انہیں اس سلسلے میں مدد فراہم کی ہے۔ آپ کی کمپنی مستقل طور پر ایمرجنسی میڈیکل علاج، ایمبولینس کی سروس، پینے کے پانی کی دستیابی، تعلیم اور اسپورٹس کی سرگرمیوں میں مدد فراہم کر رہی ہے۔

ماحول، صحت، حفاظت اور تحفظ (EHSS):

گذشتہ سال کے دوران کمپنی کا انحصار مستقل طور پر EHSS پر رہا اور خصوصی طور پر تمام آپریشنز کے اہم حصے کے طور پر حفاظت کے عمل سے آگاہی حاصل کرنا ہے۔ تربیتی اور ترقیاتی اسٹاف جو کہ پیشہ ورانہ طور پر اپنی توجہ مرکوز کئے ہوئے ہے۔

DuPont جسے کمپنی کے تعاون کے لئے حاصل کیا گیا ہے تاکہ اثاثہ جات کے انتخاب اور ڈیزائن میں سیفٹی سے متعلق رابطہ کیا جا سکے اور کام کی جگہ پر ماحول کے اثر کو مرتب کیا جا سکے۔

ٹھیکیداران نے تمام تربیتی اور ترقیاتی پروگراموں میں اپنی شمولیت کو یقینی بنایا، ریفائنری پر پانی و بجلی جو کہ EHSS کے مقاصد کا ایک اہم حصہ تھا۔

آگ لگنے کے حادثہ سے متاثر ہونے کے باوجود ہماری موجودہ کمپنی کی ریفائنری، آپریشن جاری ہے۔ پیشہ ورانہ طور پر صحت اور حفاظت کی کارکردگی مسلسل رواں دواں ہے اور ریفائنری کمپلیکس، ٹرمینلز اور ریٹیل پر حادثہ سے متعلق صحت یا کسی اور امور کو نقصان نہیں پہنچا۔

گزشتہ سال کے دوران کل 1.22 ملین محفوظ افراد گھنٹے گزرے اور یہ تناسب 10.55 ملین گھنٹے بغیر کسی جانی نقصان کے ہو چکا ہے نومبر 2005ء سے اور کل قابل ریکارڈ انجری کا تناسب اس سال 0.284 فی ملین فرد کے حساب سے تھا۔

ڈیزل ہائیڈرو ڈی سلفیورائزیشن(DHDS):

آ پکی کمپنی ایک DHDS یونٹ لگانے کا عزم کیئے ہوئے ہے جو ڈیزل میں گندھک کی مقدار گھٹا تا ہے جس سے تیل کو ماحولیات کیلئے کم نقصان دہ بنانے اور یوروII کی تعمیل میں مدد ملتی ہے۔ حکومت نے جون 2016 کی ایک حد مقرر کردی ہے تا کہ تمام ریفائنریوں میں DHDS یونٹ کرلئے جائیں ۔ ہر ممکن کوشش کی جارہی ہے کہ حکومت کی معینہ مدّت ختم ہونے سے قبل اسے پایہ تکمیل تک پہنچا دیا جائے ۔ یہ بھی ممکن ہے کہ منصوبہ کی تکمیل میں کچھ تاخیر ہوجائے اور یہ وقتِ مقررہ پر تکمیل نہ پا سکے۔

حصص پر منافع نہ بتانے کی وجوہات:

کمپنی کی مالیاتی تقاضوں کو مدّ نظر رکھتے ہوئے ڈائریکٹرز سال مختتمہ 30 جون 2016 کیلئے کوئی حتمی اعلان کرنے کی سفارش نہیں کرتے ۔

محاسبین کا جائزہ:

آ ڈیٹرز نے اپنی رپورٹ میں ایک پیرا گراف شامل کیا ہے جس میں مالیاتی اسٹیٹمنٹس کی تیاری میں چلتے ہوئے اداروں کے استعمال میں مفروضات کی پیروی کی گئی ہے۔ جائزہ رپورٹ میں کچھ منفی اشارے جیسا کہ مجتمع خسارے اور موجودہ قرضہ جات اس کی بنیاد ہیں۔ انتظامیہ نے متعدد اقدامت کئے ہیں تا کہ اس مسئلے کو بیان کیا جا سکے جو کہ فراہمی کا سلسلہ اور زر تلافی کے دائرہ کار میں بہتری لانے ، نئے خریداروں ریفائنری کی پیداوار/ مصنوعات کی فروخت ، صارفین کے فروخت بزنس ، اضافہ شدہ بزنس کی تکمیل وغیرہ سے ہی ممکن تھا۔ جس کے نتیجے میں کاروباری حجم میں اضافہ ہوا جس کی بدولت کمپنی نے ٹیکس کی ادائیگی کے بعد بھی نمایاں منافع ظاہر کیا۔

مندرجہ بالا عوامل کی بنیاد پر کمپنی کا خیال ہے کہ یہ منفی صورت حال عارضی ہے اور ایسا نظر آ تا ہی کہ مستقبل میں یہ صورت حال یکسر تبدیل ہو جائیگی ۔ لہٰذا مالیاتی (اسٹیٹمنٹس) بیانات حالیہ تشویش کو مدّ نظر رکھتے ہوئے بنائے گئے ہیں۔

کمپنی میں بائیکو آئل پاکستان لمیٹڈ اور بائیکو ٹرمینلز پاکستان لمیٹڈ کا انضمام:

کمپنی کے بورڈ آف ڈائریکٹرز (دی بورڈ) نے ایک میٹنگ منعقدہ 14 اپریل 2016 میں غور و خوض کے بعد کمپنی کے انضمام کی بالقوت اصولی منظوری دی۔ اس انظمام میں بنیادی (پیرنٹ) کمپنی اور اس کی مکمل ملکیتی ذیلی کمپنی (BTPL) شامل ہیں ۔ یہ انظمام اسکیم آف ارینجمنٹ کی شرائط کیمطابق تھا۔ جسے سیکشن 284 اور سیکشن 228 بمطابق کمپنیز آرڈیننس مجریہ 1984 عمل میں لایا گیا لیکن اسکی منظوری معزز عدالت ہائی کورٹ آف سندھ کی منظوری سے مشروط ہے۔

بائیکو ٹرمینلز پاکستان لمیٹڈ۔ذیلی کمپنی:

ہماری ذیلی کمپنی بائیکو ٹرمینلز پاکستان لمیٹڈ (BTPL) کا پروجیکٹ (SMP) پورا سال کامیابی سے چلتا رہا ہے اور سستے خام تیل اور مصنوعات کی درآمدات جاری رہی۔ سال کے دوران SPM پر 41 بحری جہاز لگے جبکہ گذشتہ سال ان کی تعداد 29 جہاز رہی تھے جس سے SPM کی نمایاں کارکردگی، تیل کی تیز ترین اور کم نرخ پر درآمد ثابت ہونا ظاہر ہوتا ہے۔ جیسا کہ اوپر بیان کیا جاچکا ہے کہ SPM کے استعمال کا دائرہ وسیع کرنے کیلئے آپ کی کمپنی نے تمام پیٹرولیم مصنوعات کی درآمد کیلئے SPM کی سہولت کا استعمال شروع کردیا ہے تاکہ اسے خریدار تک بروئے کار لایا جاسکے۔

BTPL کو مجموعی طور پر 280 ملین روپے کا خسارہ ہوا (2015 میں 48 کروڑ روپے) بنیادی طور پر یہ خسارہ طویل المدّت قرضوں کے سود کے باعث ہوا۔ اس بات کی توقع کی جاتی ہے کہ یہ خسارہ آئندہ برسوں میں SPM کی سہولت اور اسٹوریج ٹرمینلز کے بکثرت استعمال سے پورا کرلیا جائیگا۔

بائیکو آئیسومیرائزیشن پاکستان (پرائیویٹ) لمیٹڈ۔ذیلی کمپنی:

آئیسومیرائزیشن یونٹ کو سال کے کچھ حصّے کے دوران چلایا گیا۔ بہرحال بدقسمتی سے پیرنٹ کمپنی کی ریفائنری میں آتشزدگی کے واقعہ کے باعث فیڈ اسٹاک کی سپلائی میں خلل واقع ہوا جس کے نتیجے میں یونٹ بند کردیا گیا۔ امکان یہ ہے کہ مذکورہ یونٹ پیرنٹ کمپنی کی ریفائنری کے ساتھ 2017 میں چلایا جائے گا۔

BIPL کو مجموعی طر پر اس سال 913 ملین روپے کا خسارہ ہوا جس کا سبب مقرر اثاثہ جات کی قدر و قیمت میں 868 ملین روپے گھٹ جانا تھا۔ توقع ہے کہ بائیکو آئل پاکستان لمیٹڈ (BOPL) ریفائنری کے دوبارہ چلنے سے آئندہ سال کثیر مقدار میں خام مال پر عمل کیا جاسکے جس سے کمپنی منافع بڑھانے میں مدد ملے گی۔

SPM کی لچک نے کمپنی کو موقع مہیا کیا کہ کمپنی خام تیل اور دیگر تیل کی مصنوعات کی درآمد پر مزید توجہ دے سکے۔ ہم ایک بار پھر یہ اطلاع دیتے ہوئے مسّرت محسوس کرتے ہیں کہ آئل اینڈ گیس ریگولیٹری اتھارٹی (اوگرا) نے وائٹ آئل پیٹرولیم مصنوعات کی درآمد کی باقاعدہ منظوری دے دی ہے جسکا اطلاق اس سال کے آخر کے بعد ہوگا اور یہ درآمد بذریعہ SPM ہوگی۔

کمپنی کو موجود سال 6.01 ارب روپے کا مجموعی منافع ہوا جبکہ سال گذشتہ یہ منافع 4.9 ارب روپے تھا۔ موجودہ منافع کی شرح میں اضافے کی بنیادی وجہ فروخت کے حجم میں نمایاں اضافہ، نسبتاً کم قیمت پر مصنوعات کی درآمد اور فروخت میں بہتر شرح منافع تھی۔ مصنوعات کی تیاری، انتظام وانظمام، فروخت اور تقسیم کاری پر آنے والے اخراجات بجٹ کی حدود میں رہے اور کمپنی کو آپریٹنگ منافع 3 ارب 20 کروڑ روپے ہوا جو کہ گزشتہ سال کی نسبت 11 فیصد زیادہ ہے۔ کمپنی بدستور اس سال بھی آمدن پر کم سے کم ٹیکس کے نظام کے تحت رہی۔

مندرجہ بالا نتائج کی بنیاد پر اس سال ٹیکس کی کٹوتی کی بعد منافع کی رقم ایک 1.4 ارب روپے رہی (سال 2015:72 ملین) اس سال منافع کا حصول فی حصص 1.40 روپے رہا جبکہ گزشتہ سال 0.07 روپے فی حصص تھا۔ استحکامی بنیاد پر کمپنی کی گروپ آمدن فی شیئر کی شرح 44 پیسے (2015 میں فی شیئر خسارہ 0.66 روپے تھا)۔ سرکاری واجبات کی ادائیگی میں کچھ تاخیر ہوئی (جس کا تذکرہ مالیاتی اسٹیٹمنٹ کے نوٹ نمبر 21 میں کیا گیا ہے) جس کا سبب وصولیابی میں تاخیر اور فنڈز کا استعمال سابقہ سرکاری واجبات کا حساب بیباق کرنا تھا۔

مختصر الفاظ میں خلاصہ یہ ہے کہ کمپنی کے مجتمع کاروباری سمت کے تعین کی عکاسی ہوئی ہے، استعداد کار میں اضافہ اور مشکل دور میں ابھرنے کی صلاحیت کا اندازہ ہوتا ہے۔ زیر جائزہ سال کمپنی کے آمدن و اخراجات میں نمایاں بہتری کا سال تھا۔ ہم آئندہ برسوں میں مزید بہتری کی توقعات رکھتے ہیں۔

گزشتہ چھ سال کے دوران کمپنی کے مالیاتی اتار چڑھاؤ کے تفصیلی جائزی کیلئے ملاحظہ فرمائیں صفحہ نمبر ۸

کمپنی کی کارکردگی:

ہمیں یہ بتاتے ہوئے مسّرت ہورہی ہے کہ باوجود سخت مسابقت آپ کی کمپنی نے فروخت کے حجم میں اضافے اور مذید جگہ بنانے اور لگانے کی روایت برقرار رکھی ہے جس سے موجودہ فروخت میں 27 فیصد اضافہ ہوا۔ بہرحال حجم میں اس اضافہ کو متوازن کردیا ہے تیل کی قیمتوں میں 23 فیصد کمی نے۔ موجودہ سال میں کمپنی مجموعی فروخت 115.40 ارب روپے رہی جبکہ گزشتہ سال یہ حجم 119.4 ارب روپے تھا۔

مصنوعات کی گرتی ہوئی قیمت کے رجحان سے مستفید ہونے کیلئے کمپنی نے زیادہ منافع بخش مصنوعات میں اضافے پر توجہ دی اور یہ ممکن بنایا کہ اپنی ریفائنری سے حاصل کردہ مصنوعات کی گاہکوں کیلئے دستیابی اور مصنوعات کی درآمد بذریعہ Single Point Mooring (SPM) جس سے قیمت اور وقت کے زمرے میں استعداد کار میں اضافہ ہوا۔ مجموعی طور پر 41 بحری جہاز SPM ساحل پر لگے۔ بشمول مصنوعات لانے والے اب تک کے سب سے بڑے جہاز کی آمد ہوئی جو ایک لاکھ میٹرک ٹن تیل کی مصنوعات لایا۔ جس سے Byco SPM کا قابل اعتماد اور قابل عمل ہونا ثابت ہوتا ہے۔ اس وقت SPM ملک کی تیل کی مجموعی درآمد کے تقریباً 9 فیصد کی باگ دوڑ سنبھال لیتا ہے۔ توقع ہے کہ اس میں آئندہ برسوں میں مزید اضافہ ہوگا۔

Byco کے SPM کو بروئے کار لانے کے فوائد درج ذیل ہیں:

☆ SPM پر جہازوں کے لگنے اور روانگی کی سہولت ہفتے کے ساتوں دن اور 24 گھنٹے مہیا کی جاسکتی ہے بغیر اونچی لہر پر بھروسہ کئے ہوئے جبکہ یہ سہولت ملک کی دیگر بندرگاہوں پر میسر نہیں ہے۔ بہرحال مون سون کے موسم میں کام کا طریقہ کار مختلف ہوتا ہے۔

☆ SPM نقطہ نظر کیلئے چینلز کی ضرورت نہیں ہوتی بلکہ یہ مدّ و جزر کے بہاؤ کے خلاف 360 ڈگری پر قابل رسائی ہوتی ہے۔

☆ SPM کا نمونہ اس طرح تیار کیا گیا ہے کہ اس پر خام تیل سے لدے بہت بڑے بحری جہاز Very Large Crude Carriers (VLCC) لگ سکیں اسلئے کہ اسکی زیادہ سے زیادہ گہرائی 25 میٹرز ہے جبکہ ملک کی دیگر بندرگاہوں پر نسبتاً گہرائی 12 سے 14 میٹرز ہے۔

☆ SPM کا نمونہ ایسے تیار کیا گیا ہے کہ وہ ناموافق موسمی حالات کی تاب لا سکے۔

بائیکو پیٹرولیم پاکستان لمیٹڈ

ڈائریکٹرز کی رپورٹ برائے سال مختتمہ 30 جون 2016

بسم اللہ الرحمٰن الرحیم

آپ کی کمپنی کے ڈائریکٹرز بامسرت کمپنی کی سالانہ رپورٹ مع ایک جانب آڈٹ شدہ اور مستحکم رپورٹ مالیاتی تذکرے اور محاسبین کی رپورٹ برائے سال مختتمہ 30 جون 2016 بامسرت پیش کرتے ہیں۔

پیٹرول کی بین الاقوامی قیمتیں اور پاکستانی معیشت:

آئل سیکٹر کیلئے یہ بھی ایک مشکل سال تھا جیسا کہ تیل کی قیمتوں میں تنزلی برقرار رہی، متذکرہ مدّت کے بیشتر حصے میں گراوٹ قائم رہی۔ سال 2014 سے تیل کی قیمتوں میں نمایاں کمی دیکھنے میں آئی جس سے خام تیل کی طلب کی رفتار میں کمی اور بین الاقوامی طور پر تیل کی پیداوار میں اضافہ دیکھنے میں آیا۔ زیرِنظر سال کے دوران تیل کی قیمتیں تقریباً 23 فیصد گریں۔

پاکستان کو جس کا تمام تر دارومدار تیل کی درآمد پر ہے بین الاقوامی طور پر تیل کی قیمتوں میں کمی سے نمایاں فوائد حاصل ہوئے کیونکہ پاکستان کی کل درآمدات کا 20 فیصد صرف تیل کی درآمد پر خرچ ہوتا ہے۔ گزشتہ برسوں کی بہ نسبت ایندھن کی دستیابی واقعی کم قیمت پر ہونے کے باعث درحقیقت اندرون ملک تیل کی کھپت میں اضافہ ہوا اور زیرِنظر سال کے دوران پیٹرول کی کھپت میں 22 فیصد اضافہ ہوا جبکہ ہائی اسپیڈ ڈیزل (HSD) کی کھپت میں 4 فیصد اضافہ ہوا۔ تیل کی قیمت میں کمی سے حاصل ہونے والے فوائد کا کچھ حصّہ حکومت نے عوام الناس کو بھی منتقل کیا۔ یہ ایک ایسا آلہ کار ثابت ہوا جس میں تیل کی کھپت میں اضافہ ہوا اور اس سے افراطِ زر کی شرح کو گزشتہ 10 سال کی مدّت میں کم ترین سطح پر برقرار رکھنے میں مدد ملی۔

پیٹرول کی بڑھتی ہوئی کھپت کو مدِنظر رکھتے ہوئے حکومت نے ماحولیات کا مثبت جائزہ لیا اور پیٹرول ملکی تصریحات پر نظر ثانی کی اور 92 Research Octane Number (RON) MS متعارف کرائی جس سے گاڑیوں کی استعداد میں اضافہ ہوگا اور ماحولیات کو تحفظ ملے گا۔ RON 87 کی فروخت بھی RON 92 کے ساتھ جاری رہے گی۔

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