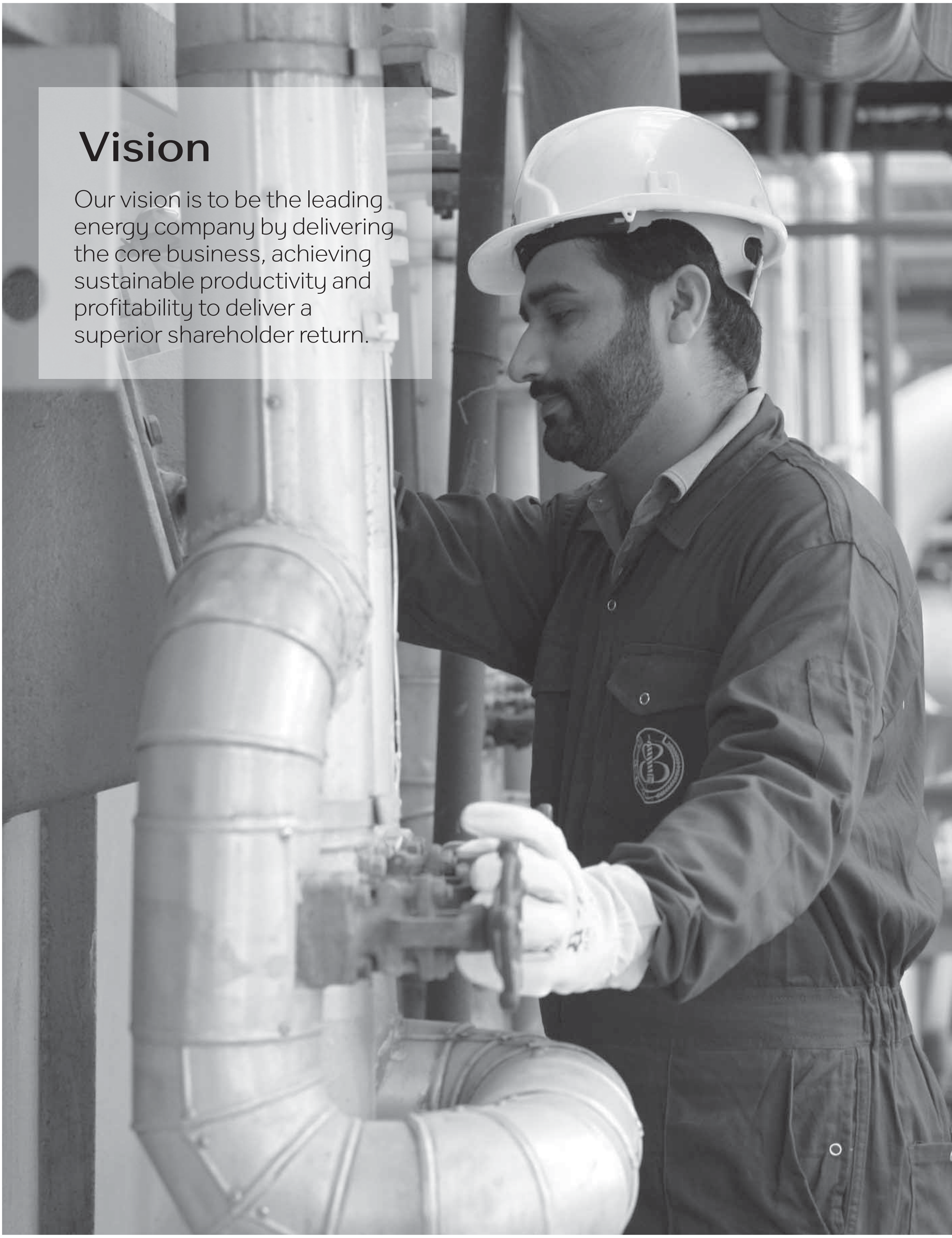
ANNUAL REPORT 2016-17
Byco Petroleum Pakistan Limited

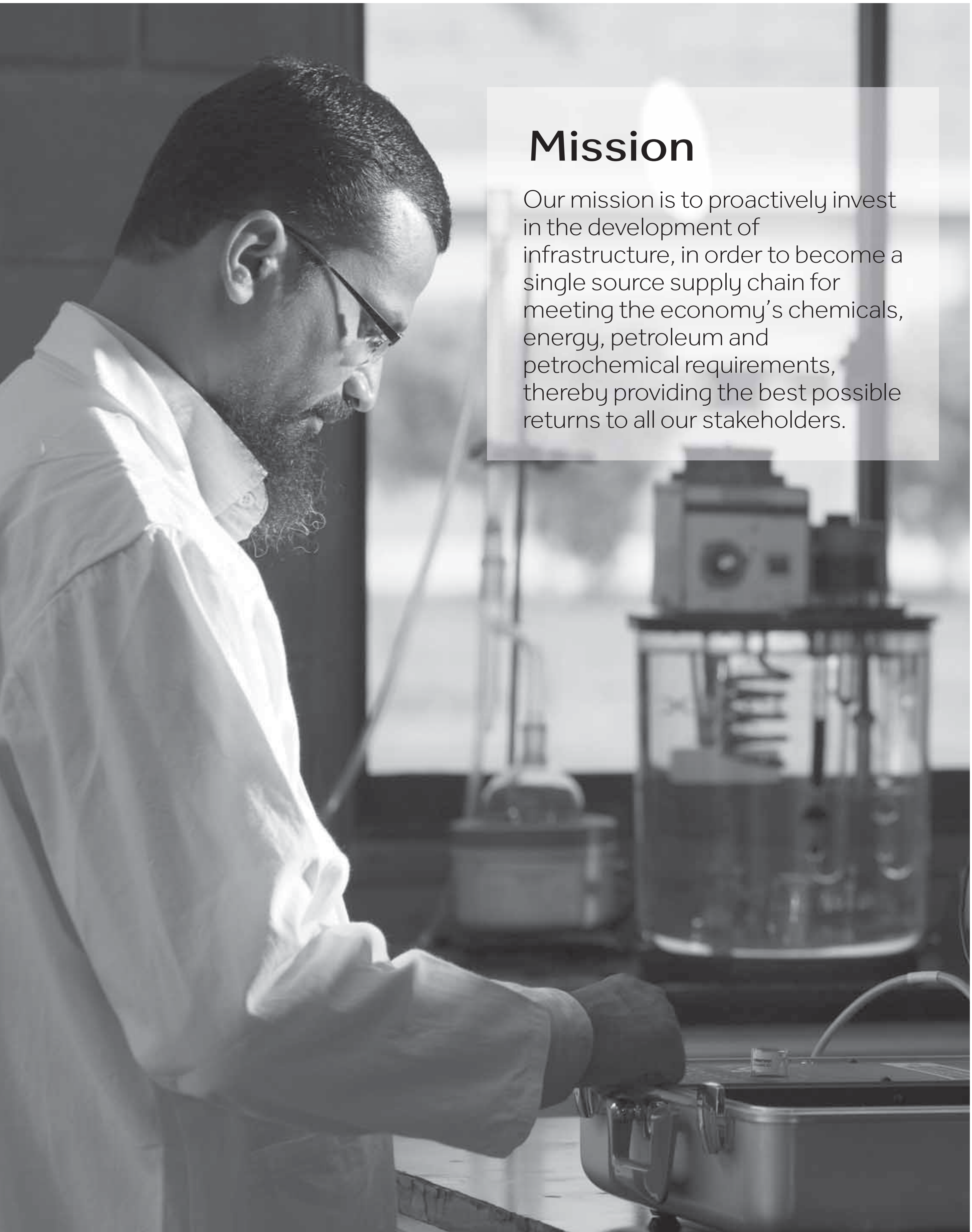
TOWARDS A SUSTAINABLE FUTURE

Contents



Vision

Our vision is to be the leading energy company by delivering the core business, achieving sustainable productivity and profitability to deliver a superior shareholder return.



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 the highest standards of care for the environment, 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 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 in a transparently to all stakeholders, subject to any overriding confidentiality.

Amir Abbassciy
Chief Executive Officer

Company Information

Board of Directors

Akhtar Hussain Malik
Chairman

Amir Abbassciy
Director &
Chief Executive Officer

Muhammad Mahmood Hussain
Director

Syed Arshad Raza
Director

Omar Khan Lodhi
Director

Chaudhary Khaqan Saadullah
Khan
Director

Murtaza Hussain
Director

Audit Committee

Muhammad Mahmood
Hussain, Chairman

Syed Arshad Raza,
Member

Chaudhary Khaqan Saadullah
Khan,
Member

Human Resource and Remuneration Committee

Akhtar Hussain Malik,
Member

Syed Arshad Raza,
Member

Chaudhary Khaqan Saadullah
Khan,
Member

Services & Stake holders Committee

Akhtar Hussain Malik,
Member

Syed Arshad Raza,
Member

Chaudhary Khaqan Saadullah
Khan,
Member

Chief Financial Officer

Naeem Asghar Malik

Company Secretary

Majid Muqtadir

Auditors

EY Ford Rhodes
Chartered Accountants

Bankers

Allied Bank Limited
Al Baraka Bank (Pakistan)
Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Faysal Bank Limited
First Women Bank Limited
Habib Bank Limited
Habib Metropolitan Bank
Limited
Industrial and Commercial
Bank of China Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Pak Oman Investment
Company Limited
Saudi Pak Industrial and
Agricultural Investment
Company Limited
Standard Chartered Bank
(Pakistan) Limited
Soneri Bank Limited
Summit Bank Limited
Silk bank 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,
Karachi 75600, Pakistan

Tel: (92 21) 111 222 081
Fax: (92 21) 111 888 081

Website

www.byco.com.pk

Enviroment 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.

Amir Abbassciy
Chief Executive Officer

Financial Highlights

Byco Petroleum Pakistan Limited
Investor Information

	2017	2016	2015	2014	2013	2012
			----Rs. In million----			
BALANCE SHEET						
Share Capital	53,299	9,779	9,779	9,779	9,779	9,779
Share holders' equity	20,936	1,834	(29)	(14,279)	(8,667)	(6,723)
Property, plant and equipment	73,047	12,581	13,716	14,928	17,625	18,373
Long term investment	16,932	22,661	5,729	5,729	5,729	5,729
Long term loan, advances and rec	1,778	-	16,931	-	-	-
Stock in trade	12,583	7,332	4,860	8,778	5,704	2,956
Trade debts	4,858	8,287	9,349	10,245	12,124	9,729
Total current assets	20,799	20,642	18,549	38,589	20,537	14,483
Total current liabilities	56,565	39,179	36,376	37,786	29,470	37,177
Short term borrowings	3,372	6,594	738	6,402	6,800	7,650
Current portion of non-current liabilities	7,932	5,442	3,729	2,655	1,636	2,442
Non-current liabilities	31,355	10,160	13,372	16,216	17,848	2,574
PROFIT AND LOSS ACCOUNT						
Net sales	88,573	77,702	94,807	92,545	66,187	19,453
Cost of sales	83,957	73,419	89,941	92,136	66,111	21,170
Gross profit / (loss)	4,616	4,283	4,866	409	76	(1,717)
Operating profit / (loss)	3,707	3,253	2,935	(2,695)	751	(233)
Financial charges	2,261	2,309	2,758	2,793	2,645	2,965
Profit / (Loss) before taxation	1,268	718	(151)	(6,325)	(2,085)	(3,197)
Profit / (Loss) after taxation	2,122	1,367	72	(5,937)	(2,259)	(3,078)

Financial Highlights

Byco Petroleum Pakistan Limited
Investor Information

		2017	2016	2015	2014	2013	2012
Profitability Ratios							
Gross Profit	%	5.21%	5.51%	5.13%	0.45%	0.12%	-8.82%
Profit before Tax	%	1.43%	0.92%	-0.16%	-6.83%	-3.15%	-16.44%
Net Profit	%	2.40%	1.76%	0.08%	-6.42%	-3.41%	-15.82%
EBITDA Margin to sales	%	7.31%	5.73%	4.44%	-1.83%	2.67%	4.76%
Return on equity	%	8.18%	20.86%	1.39%	-117.52%	66.23%	-270.00%
Liquidity Ratios							
Current Ratio	Times	0.37	0.53	0.51	1.02	0.70	0.39
Quick / Acid Test Ratio	Times	0.15	0.34	0.38	0.78	0.50	0.31
Activity / Turnover Ratios							
Inventory turnover	Days	43.29	30.31	27.67	28.69	23.90	60.90
Debtors turnover	Days	27.08	41.42	37.72	44.11	60.30	153.70
Creditors turnover	Days	147.49	141.72	119.75	95.39	111.00	446.60
Inventory turnover	Times	8.43	12.04	13.19	12.72	11.60	6.58
Debtors turnover	Times	13.48	8.81	9.68	8.27	5.46	2.00
Creditors turnover	Times	2.47	2.58	3.05	3.83	3.29	0.82
Total assets turnover ratio	Times	0.78	1.39	1.71	1.56	1.51	0.50
Fixed assets turnover ratio	Times	1.21	6.18	6.91	6.20	3.76	1.06
Financial Leverage Ratios							
Interest coverage ratio	Times	1.64	1.41	1.06	(0.96)	0.28	(0.08)
Debt to equity ratio	Times	2.04	12.10	(615.14)	(1.77)	(3.03)	(2.21)
Investment / Market Ratios							
Earnings per share	Rs.	0.40	1.40	0.07	(6.07)	(2.31)	(3.15)

Chairman's Review Report
For the year ended June 30, 2017
Byco Petroleum Pakistan Limited

On behalf of the Board of Directors, I am 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, 2017.

During the year, the Honourable High Court of Sindh at Karachi approved the merger of the Company with its parent company, Byco Oil Pakistan Limited, and subsidiary company, Byco Terminals Pakistan Limited with effect from the close of business at June 30, 2016. Your Company now, represents the country's largest refining complex of 155,000 barrels per day (bpd) with backward and forward integration in the form of Single Point Mooring (SPM) facility and oil marketing license respectively.

During the year under review, the Company reported a profit after taxation of Rs. 2.1 billion as compared to a profit after taxation of Rs. 1.4 billion last year. This was due to better refining and marketing margins, advantageous pricing in product import and better working capital management.

The Company did not installed Diesel Hydro Desulphurisation unit (DHDS) by the target date of June 30, 2017 however, efforts are underway on priority basis.

The Company issued AAA rated Sukuk certificates of Rs.3.2 billion to raise capital for a few of the expansion plans of the Company to improve efficiency and performance. We are thankful to sukuk investors for showing confidence in our Company by over subscribing the issue.

The Board acknowledges the efforts of the management and specially the Projects team installing the Crude Charge Heater in record time. With the combined efforts of the management team the refining complex 2, after completion of the furnace with state of the art control features, became operational in first week of August 2017.

Refineries being capital intensive in nature requires significant amount of investment for their upgradation / modernization. The Government, however, has levied income tax if the profits are not distributed. We are of the view that the decision to invest further in the business or to pay dividends is shareholders prerogative and should not be made mandatory. The decision about distribution of profits would be made with the consent of shareholders and in the better interest of overall business.

The overall performance of the Board of Directors remained good through out the year. The Board is composed of a mix of Directors in terms of relevant experience and skills and its Committees have been operating efficiently. Current year's financial results and bringing back the 120,000 bpd refinery into operations is a clear indication of the effective role played by the Board in achieving Company's objectives.

On behalf of the Board, I would like to thank all the stakeholders for their trust and support. I am confident that the Company has all the ingredients necessary to achieve the expectations of all its stakeholders.

Akhtar Hussain Malik
Chairman
Karachi
December 20, 2017

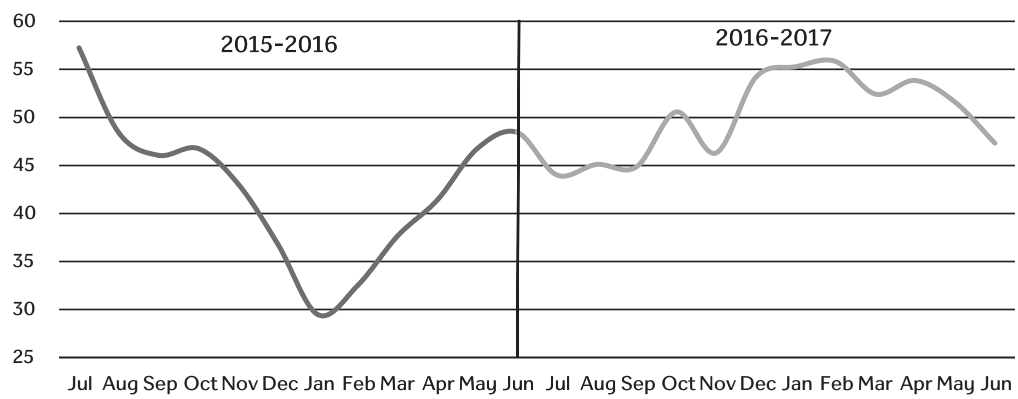
Directors' Report for the year ended June 30, 2017

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, 2017.

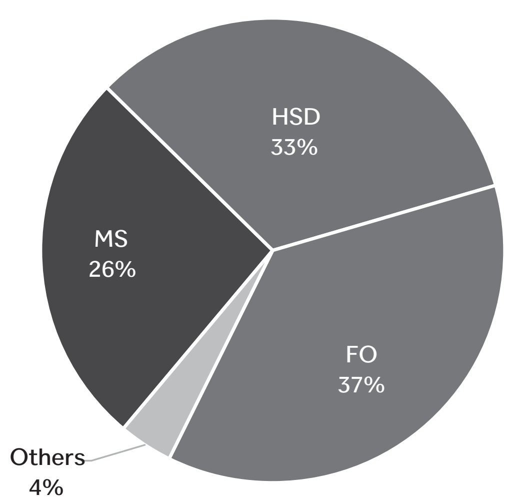
The declining trend of international crude oil prices came to an end when the lowest price of US $ 29 a barrel was achieved last year in January 2016 after which it immediately started recovering. In current year, an increasing trend was observed however, there were fluctuations in prices throughout the year. An average increase of US $ 7 a barrel was noted in the price of crude oil compared to the last year thereby creating a challenge for the oil companies.

Crude Oil Price in US $ / Barrel



Pakistan economy grew by 5.3% in current year which is the highest growth in past 10 years. The growing economy coupled with the continuous decline in oil prices contributed significantly in the volumetric growth of oil consumption in Pakistan. In current year, oil consumption increased by about 10% most of which came from growth in consumption of Motor Spirit (MS) followed by Diesel (HSD) and Furnace Oil (FO). Availability of cheaper fuel, growth in number of vehicles being produced locally as well as imported and development of infrastructure are the main factors contributing towards the increased consumption of oil in the country. However, subsequent to the end of the year, there was a significant reduction in the consumption of FO by the power sector thereby posing a threat to all the refineries in the country. The oil industry is pursuing the Government for an amicable solution of the issue.

Product share in country consumption



Directors' Report for the year ended June 30, 2017

COMPANY PERFORMANCE

During the year, the Honourable High Court of Sindh at Karachi approved the merger of the Company with its parent company, Byco Oil Pakistan Limited (BOPL), and subsidiary company, Byco Terminals Pakistan Limited (BTPL) with effect from the close of business at June 30, 2016. Accordingly, financial statements for the current year includes results of operations of the merged entity however, comparative numbers of prior years have not been restated as per the accounting requirement of pooling of interest method.

Your Company now, represents the country's largest refining complex of 155,000 barrels per day (bpd) with backward and forward integration in the form of Single Point Mooring (SPM) facility and oil marketing license respectively.

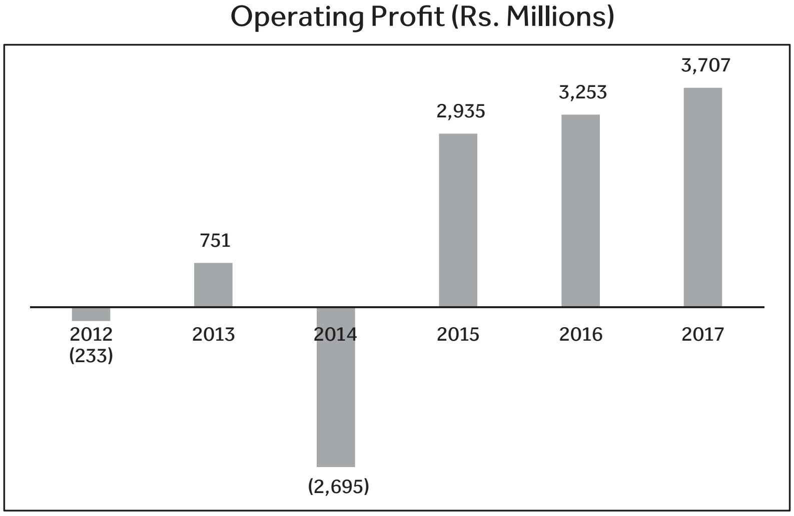
We are pleased to inform that the Company maintained its pursuit of growth in higher margin products and was able to increase sales volume of MS by 54% while maintaining the volume of HSD at current level. This was achieved through the import of MS and HSD at the SPM facility of the Company which greatly helped in bringing operational efficiencies together with reduction in cost and time. The sale volume of FO however was reduced as the Company, foreseeing the impeding challenges, did away with the import of FO in current year. As a result, the Company recorded gross sales of Rs. 115.4 billion in current year compared to Rs. 113.6 billion last year.

For the first time in Pakistan, the Company brought crude vessel of over 102,000 M. Tons at its SPM facility. This was the largest crude vessel ever berth in any port of Pakistan. With larger vessels, the Company saves substantial amount on freight costs. In all, 60 vessels berthed at the SPM carrying crude and petroleum products, proving the efficiency and reliability of Byco SPM. Currently the SPM is handling about 14% of country's crude oil imports, which will increase with the commencement of operations of Company's larger refinery.

The Company earned gross profit of Rs. 4.6 billion in current year as compared to Rs. 4.3 billion last year which is primarily attributed to better refining & marketing margins and import of products at competitive pricing.

As mentioned earlier, the profit and loss account for the current year includes results of operations of BOPL and BTPL as well whereas comparative figures represent results of operations of BPPL only. As a result of this, administrative expenses appear to have increase significantly whereas infact these have remained within budget. The Company earned operating profit of Rs. 3.7 billion compared to Rs. 3.2 billion earned last year. The Company remained under the regime of minimum tax on turnover basis in the current year as well.

Directors' Report for the year ended June 30, 2017



The Company continued to increase its penetration in retail sector through its marketing arm supported by 300 retail stations across the country. The deployment of retail stations and development of storage facilities at key consumption areas is the main focus of the marketing arm which has contributed towards the profitability and operational flexibility. Subsequent to the end of the year, the Company commenced operations of its terminal at Mehmoodkot.

Based on above results, profit after tax for the year amounted to Rs. 2.1 billion (2016: Rs. 1.4 billion) and earnings per share for the year was Rs. 0.40 compared to Rs. 1.40 per share last year. On a consolidated basis, the Company's Group earnings per share amounted to Rs. 0.26 (2016: Rs. 0.40). Despite a 50% increase in profit after tax, the earnings per share have declined due to the issuance of 5.1 billion shares during the year in respect of the merger of BOPL and BTPL. It is expected that with the operations of larger refinery, there would be improvement in earnings per share in future. Byco Isomerisation Pakistan (Private) Limited (BIPL), the wholly owned subsidiary of the Company, incurred a net loss of Rs. 924 million primarily due to the depreciation on fixed assets. It is expected that once in operations, BIPL will generate significant profits. There has been a delay in payment of Government dues (as mentioned in note 23 to the financial statements) due to delay in recovery / utilization of funds for clearing some old outstanding government dues.

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

Directors' Report for the year ended June 30, 2017

RESUMPTION OF OPERATIONS OF THE LARGER REFINERY

We are pleased to inform that the Company started operating its larger refinery of 120,000 bpd capacity from August 5th, 2017 with its new Crude Charge Heater / Furnace. The refinery was operated successfully without any operating hindrances and products were supplied to all the major Oil Marketing Companies (OMCs).

The Company is working to make its HSD product Euro II compliant for which necessary arrangements are being made. As per the current Government approved pricing formula, the Company would get lower price of HSD till the time it gets its HSD product Euro II compliant.

REASONS FOR NOT DECLARING DIVIDEND

Considering the Company's financial commitments, the Directors do not recommend any ap propriations for the year ended 30th June 2017.

AUDITORS' OBSERVATION

BOPL, in prior years, had included certain expenses in cost of the plant & machinery as, in management view, all such costs relate to the refinery construction and its trial run. The Company considers the above as directly attributable to the construction of the refinery and hence, the same have been made part of the cost of its plant & machinery in respect of which auditors have expressed their reservation.

In addition, 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 however, the financial statements have been prepared on the going concern basis for the reasons mentioned in note 2 to the financial statements.

The Board conforms the management's assessment in this respect and is of the view that these negative conditions are temporary and would reverse in foreseeable future. Therefore, the use of going concern assumption is justified.

Directors' Report for the year ended June 30, 2017

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Byco as a responsible corporate citizen has demonstrated its social responsibility particularly towards its neighboring communities in the area adjoining its refinery. Providing job opportunities, social services, engaging the youth positively through sports and materially and financially supporting the underserved communities near our refinery are some of the key areas which remain our focus throughout the year. Some of the specific contributions are:

- Financial support for sports to induce a healthy competitive spirit among youth.
- Regular repair and maintenance of road infrastructure to facilitate the neighboring villages.
- Rehabilitation of people of the area suffering from natural calamities.
- Job opportunities to skilled, semi-skilled/ unskilled human resource from the villages to chart a path out of poverty.
- Award of contracts in and outside our refinery to locals for their economic empowerment.
- Medical camp for women & children to educate and address hygiene and health issues.
- Provision of free ambulance service to villagers and providing hospitalization as required in case of emergencies.
- Financial assistance for projects facilitating locals, including provision of a solar powered tubewell to provide clean drinking water for the village people.
- Educational Support: Repair and renovation of school and mosques as a standing obligation.
- Provision of fresh water supply to surrounding villages from Byco sponsored wells.
- Cleanliness of Hub City under the banner of District Government.
- Periodic repair and maintenance of nearby Pirkus Road.

ENVIRONMENT, HEALTH, SAFETY AND SECURITY (EHSS)

During the year the Company set its focus on EHS Resources Development & Sustainability; Safe Installation of new Equipment and Turnaround of both Refineries.

Safety Perception & Gap Analysis Surveys were carried out during the year which was based on the methodology provided by world renowned safety consultant. This was followed by EHS organization restructuring and appointment of EHS Professionals at Refinery Site. Next phase encompassed EHS policy formulation encouraging Injury, Illness and Near miss reporting.

Employee Skill, Knowledge and Competence were improved by introducing Certification Process and EHS Trainings. Further, Safe Work practices including permit to work system have also been revamped.

Directors' Report for the year ended June 30, 2017

Employee Health & Environmental Conservation maintained by a priority. Environment monitoring plan and short comings in compliance to regulations was assessed. Additionally, Employees Annual Health Assessment and Employees Vaccination were carried out during the year.

Pre commissioning Hazard Review was conducted to ensure all Environment, Health & Safety considerations are fulfilled before inducting new equipment in service. Daily tool box talks were held to improve hazard communication and awareness among the Company and the Contractors' work force.

A total of 3.2 million safe man hours were achieved during the year. Total Recordable Injury Rate (TRIR) for the year was 0.81 per man hours per 100 employees.

CONTRIBUTION TO THE NATIONAL EXCHEQUER

During the current year, your Company contributed an amount of Rs. 27 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$ 48 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 (now Companies Act, 2017).
- Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgments.
- 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 seven meetings of the Board of Directors were held and attendance by the directors was as follows:

Name of Director	Number of Meetings Attended
Mr. Amir Abbassciy	7
Mr. Muhammad Mahmood Hussain	7
Mr. Akhtar Hussain Malik	4
Mr. Syed Arshad Raza	6
Mr. Omar Khan Lodhi	-
Mr. Chaudhary Khaqan Saadullah Khan	6
Mr. Mohammad Wasi Khan (Resigned on 30th December 2016)	4
Mr. Muhammad Raza Hasnani (Resigned on 21st November 2016)	1
Mr. Nayyer Hussain (Appointed on 22nd December 2016)	2

Directors' Report for the year ended June 30, 2017

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 the Board.

Audit Committee

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

	Meetings Attended
Muhammad Mahmood Hussain	4
Syed Arshad Raza	4
Mr. Chaudhary Khaqan Saadullah Khan (from 22nd December 2016)	2
Muhammad Raza Hasnani (upto 22nd November, 2016)	1

Human Resource and Remuneration Committee

The Human Resource and Remuneration Committee did not hold any meeting during the year.

PATTERN OF SHAREHOLDING

- The pattern of shareholding and additional information as at 30th June 2017 appears on page 100 of the Annual Report.
- Byco Industries Incorporated, based in Mauritius, holds 91.83% shares, financial institutions and banks hold 4.66% shares, and 3.51% shares are held by individuals.
- No trading in the shares of the Company was done by the directors, executives or their spouses and minor children during the year.

VALUE OF INVESTMENT IN POST EMPLOYMENT BENEFIT FUND

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

	2017	2016
As at June 30 (Rs. in '000)	213,164	111,908

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, 2018.

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.

For and on behalf of the Board of Directors

Amir Abbassicy
Chief Executive Officer

Syed Arshad Raza
Director

Karachi
December 20, 2017

Statement of Compliance

With the code of Coprporate Governance
Byco Petroleum Pakistan Limited
Year ended 30th June 2017

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 2017, the Board consisted of:

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

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

2. The directors have confirmed that none of them is serving as a director on 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 Development Financial Institution or a Non-Banking Financial Institution or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.

4. During the year, two casual vacancies occurred on the Board, which were created by the resignations of Mr. Muhammad Raza Hasnani on 21st November 2016 and Mr. Muhammad Wasi Khan on 22nd December 2016. Mr. Nayyer Hussain was appointed as a director to fill the casual vacancy on 22nd December 2016 and Mr. Amir Abbassciy was appointed as the Chief Executive Officer to fill the casual vacancy on 1st January 2017.

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

6. The Board has developed a vision / mission statement and overall corporate strategy. The Board approved significant policies as required by the Code. A complete record of particulars of significant 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 seven times. 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, 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. The training of the directors is an ongoing process and the directors, on a regular basis, are provided with and updated on relevant laws, codes, and guidelines on best practices of good corporate governance. Most of the directors are professionals and senior executives having wide experience and awareness of the duties and responsibilities of the directors. Two directors have acquired certification under Directors Training Program (DTP), while one director possesses the requisite criteria of education and experience as laid down in the Code for an exemption from certification under any directors' training program. Registration of other directors is under way and DTP certification will be completed according to the requirement specified under the Code.

Statement of Compliance

With the code of Coprporate Governance
Byco Petroleum Pakistan Limited
Year ended 30th June 2017

10. During the year, the Board has approved the appointment of Mr. Naeem Asghar Malik, as the Chief Financial Officer of the Company as of 1st January 2017 in place of Mr. Asad Azhar Siddiqui, on the existing terms and conditions of his employment with the Company. There were no change in the positions of Company Secretary and Head of Internal Audit.

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

12. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer 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 that disclosed in the pattern of shareholding.

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

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

16. The meetings of the Audit Committee were held at least 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, comprising three members, all of whom are non-executive directors, including the chairman of the Committee.

18. The Board has set up an effective internal audit function and that is involved in the Internal Audit on full time basis relating to business and other affairs of the Company.

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 of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the 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. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

24. We confirm that all other material principles enshrined in the Code have been complied with.

Amir Abbassicy
Chief Executive Officer
December 20th 2017

Review Report to the Members on Statements 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 2017 to comply with the requirements of Rule Book of Pakistan Stock Exchange Limited Chapter 5, Clause 5.19.24(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 30June 2017.

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

December 20, 2017

Unconsolidated Financial Statements For The Year Ended June 30, 2017

Auditors’ Report to the Members

We have audited the annexed unconsolidated balance sheet of **Byco Petroleum Pakistan Limited as at 30 June 2017** 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) Certain expenses aggregating to Rs. 4,192.303 million have been capitalized by the Company which do not meet the criteria for the recognition of assets and have not been incurred in respect of qualifying assets. These expenses include exchange losses and interest expenses, aggregating to Rs. 1,493.232 million, incurred on certain foreign currency borrowings, equity arrangement fee and shares issuance cost aggregating to Rs. 620.845 million, production loss of Rs. 546.490 million incurred on crude oil used by the Company, loss of Rs. 772.466 million on the write down of stock in trade item and guaranteed throughput cost of Rs. 759.270 million.

Had the above capitalization not been done,the costof property, plant and equipmentand net equity as of 30 June 2017, would have been lower by Rs. 4,016.929 million and profit for the year would have been higher by Rs. 60.199 million.

b) in our opinion, except for the effect of the matters stated in paragraph (a) above, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

c) in our opinion:

i) except for the effect of the matters stated in paragraph (a) above, the unconsolidated balance sheet and unconsolidated profit and loss account together with the notes there on 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;

Auditors' Report to the Members

d) except for the effects of the matters stated in paragraph (a), in our opinion and to the best of our information and according to the explanations given to us, the unconsolidated balance sheet, unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part there of, 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 2017 and of the profit, its comprehensive income, cash flows and changes in equity for the year then ended; and

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

f) We draw attention to note 2 to the unconsolidated financial statements which states that the current liabilities of the Company exceed its current assets by Rs.35, 765.751 million. This condition along with other factors stated in the said note indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

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

December 20, 2017

Unconsolidated Balance Sheet
As at 30 June 2017

	Note	2017	2016
		------- (Rupees	in '000) -------
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	**73,046,950**	12,580,784
Long-term investment	6	**16,931,504**	22,660,762
Long-term loans and advances	7	**1,777,936**	-
Long-term deposits	8	**16,956**	10,278
Deferred taxation	9	**1,282,932**	-
		93,056,278	35,251,824
CURRENT ASSETS			
Stores and spares		**483,884**	293,148
Stock-in-trade	10	**12,582,849**	7,331,755
Trade debts	11	**4,858,318**	8,286,897
Loans and advances	12	**226,064**	3,038,152
Trade deposits and short-term prepayments	13	**13,173**	26,500
Accrued interest		**237,951**	497,688
Other receivables	14	**2,147,976**	934,402
Cash and bank balances	15	**249,577**	233,383
		20,799,792	20,641,925
TOTAL ASSETS		**113,856,070**	55,893,749
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	16	**53,298,847**	9,778,587
Merger reserve		**(21,303,418)**	-
Accumulated losses		**(11,820,649)**	(7,944,149)
		20,174,780	1,834,438
Contribution against future issue of shares	17	**761,129**	-
		20,935,909	1,834,438
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	18	**4,999,836**	4,720,991
NON-CURRENT LIABILITIES			
Long-term financing and mark-up	19	**24,718,476**	9,975,319
Loans from related parties	20	**6,110,417**	-
Long-term deposits	21	**172,375**	130,978
Deferred liabilities	22	**353,514**	53,472
		31,354,782	10,159,769
CURRENT LIABILITIES			
Trade and other payables	23	**41,875,189**	25,976,939
Advance from customers	24	**2,472,871**	670,263
Accrued mark-up	25	**564,213**	95,692
Short-term borrowings - secured	26	**3,371,784**	6,593,696
Current portion of long-term financing and mark-up		**7,932,304**	5,442,326
Current portion of liabilities against assets subject to finance lease		**-**	4,362
Taxation – net		**349,182**	395,273
		56,565,543	39,178,551
CONTINGENCIES AND COMMITMENTS	27		
TOTAL EQUITY AND LIABILITIES		**113,856,070**	55,893,749

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

Amir Abbassciy	**Syed Arshad Raza**	**Naeem Asghar Malik**
Chief Executive	Director	Chief Financial Officer

Unconsolidated Profit and Loss Account
For the year ended 30 June 2017

	Note	2017	2016
		------ (Rupees in '000) -----	
Turnover – net	28	**88,572,580**	77,702,167
Cost of sales	29	**(83,956,677)**	(73,419,493)
Gross profit		**4,615,903**	4,282,674
Administrative expenses	30	**(814,827)**	(561,244)
Selling and distribution expenses	31	**(602,701)**	(808,547)
Other income	32	**1,616,382**	1,318,577
Other expenses	33	**(1,107,223)**	(978,393)
		(908,369)	(1,029,607)
Operating profit		**3,707,534**	3,253,067
Finance costs	34	**(2,439,972)**	(2,535,445)
Profit before taxation		**1,267,562**	717,622
Taxation	35	**854,675**	649,876
Profit after taxation		**2,122,237**	1,367,498
Earnings per ordinary share – basic and diluted (Rupees)	36	**0.40**	1.40

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

Amir Abbassciy	**Syed Arshad Raza**	**Naeem Asghar Malik**
Chief Executive	Director	Chief Financial Officer

Unconsolidated Statement of Comprehensive income

For the year ended 30 June 2017

	2017	2016
	-------- (Rupees in '000)	------
Profit after taxation	**2,122,237**	1,367,498
Other comprehensive income for the year		
Items that may not be reclassified subsequently to profit and loss account		
Re-measurement loss ondefined benefit obligation	**(21,505)**	(348)
Total comprehensive income for the year	**2,100,732**	1,367,150

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

Amir Abbassciy	**Syed Arshad Raza**	**Naeem Asghar Malik**
Chief Executive	Director	Chief Financial Officer

Unconsolidated Cash Flow Statement
For the year ended 30 June 2017

	Note	2017	2016
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,267,562	717,622
Adjustments for non-cash and other items:			
Depreciation	5.1	2,768,850	1,196,719
Finance cost	34	2,439,972	2,535,445
Provision for doubtful debts	11.3	748,522	680,548
Provision for gratuity	22.1.6	54,375	18,990
Interest income	32	(537,134)	(514,500)
Gain on disposal of operating fixed assets	32	-	(2,974)
Net cash flow before working capital changes		6,742,147	4,631,850
Decreace/(Increase) in current assets			
Stores and spares		(54,420)	(13,952)
Stock-in-trade		(4,915,388)	(2,472,140)
Trade debts		2,044,537	381,952
Loans and advances		533,217	(1,540,842)
Trade deposits and short-term prepayments		41,215	(3,312)
Other receivables		(1,163,244)	346,098
		(3,514,083)	(3,302,196)
Increase / (decrease) in current liabilities			
Trade and other payables		9,331,897	(4,338,832)
Cash generated from / (used in) operations		12,559,961	(3,009,178)
Finance cost paid		(273,256)	(743,321)
Income taxes paid		(412,697)	(635,426)
Gratuity paid		(15,649)	(18,000)
Interest income received		120,552	120,000
Net cash generated from / (used in) operating activities		11,978,911	(4,285,925)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(3,592,835)	(64,191)
Proceeds from disposal of operating fixed assets		-	5,507
Advance against investment in shares		(125,000)	-
Long term deposits – net		70,021	21,525
Net cash used in investing activities		(3,647,814)	(37,159)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing		981,121	(1,984,858)
Short term borrowings		(10,065,138)	5,856,087
Liabilities against assets subject to finance lease – net		(4,362)	(2,338)
Net cash (used in) / generated from financing activities		(9,088,379)	3,868,891
Net decrease in cash and cash equivalents		(757,282)	(454,193)
Cash and cash equivalents at the beginning of the year		233,383	687,576
Transfer upon merger		(826,524)	-
Cash and cash equivalents at the end of the year	37	(1,350,423)	233,383

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

Amir Abbassciy
Chief Executive

Syed Arshad Raza
Director

Naeem Asghar Malik
Chief Financial Officer

Unconsolidated Statement of Changes in Equity
For the year ended 30 June 2017

	Issued, subscribed and paid-up capital	Merger reserve	Accumulated loss	Total	Contribution against future issue of shares	Shareholder's equity and contribution against future issue of shares
	(Rupees in '000)					
Balance as at 01 July 2015	**9,778,587**	**-**	**(9,807,784)**	**(29,197)**	**-**	**(29,197)**
Net profit for the year	-	-	1,367,498	1,367,498	-	1,367,498
Other comprehensive income for the year	-	-	(348)	(348)	-	(348)
Total comprehensive income for the year	-	-	1,367,150	1,367,150	-	1,367,150
Incremental depreciation relating to surplus on revaluation of property, equipment – net of deferred tax	-	-	496,485	496,485	-	496,485
Balance as at 30 June 2016	**9,778,587**	**-**	**(7,944,149)**	**1,834,438**	**-**	**1,834,438**
Balance as at 01 July 2016	9,778,587	-	(7,944,149)	1,834,438	-	1,834,438
Cancellation of shares held by BOPL	(7,905,101)	-	-	(7,905,101)	-	(7,905,101)
Issue of shares pursuant to merger	51,425,361	-	-	51,425,361	-	51,425,361
Transfer upon merger	-	-	(6,479,062)	(6,479,062)	761,129	(5,717,933)
Merger reserve	-	(21,303,418)	-	(21,303,418)	-	(21,303,418)
Net profit for the year	-	-	2,122,237	2,122,237	-	2,122,237
Other comprehensive income for the year	-	-	(21,505)	(21,505)	-	(21,505)
Total comprehensive income for the year	-	-	2,100,732	2,100,732	-	2,100,732
Incremental depreciation relating to surplus on revaluation of property, equipment – net of deferred tax	-	-	501,830	501,830	-	501,830
Balance as at 30 June 2017	**53,298,847**	**(21,303,418)**	**(11,820,649)**	**20,174,780**	**761,129**	**20,935,909**

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

Amir Abbassciy	**Syed Arshad Raza**	**Naeem Asghar Malik**
Chief Executive	Director	Chief Financial Officer

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 (the repealed Ordinance) 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.

The Company currently operates two business segments namely Oil Refinery Business and Petroleum Marketing Business. The Company has two refineries with an aggregated capacity of 155,000 bpd. Petroleum Marketing Business was formally launched in 2007 and has 300 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 merger of the Company, its wholly owned subsidiary Byco Terminals Pakistan Limited (BTPL) and its Parent Company, Byco Oil Pakistan Limited (BOPL) in accordance with terms of a scheme of arrangement prepared under the provisions of Section 284 to Section 288 of the repealed Ordinance. During the year, the High Court of Sindh through its order dated 19 January 2017 sanctioned the scheme. Hence, effective 01 July 2016, BOPL and BTPL have ceased to exist as legal entities.

Pursuant to this sanction, the entire business of BTPL and BOPL including its properties, assets, liabilities and rights and obligations vested into the Company. Further, as per the scheme, the Company issued and allotted 5,142,536,068 fully paid ordinary shares of Rs. 10/-each to the registered shareholders of BOPL in May 2017 in the ratio of 1.67 ordinary share of the Company for each ordinary share of BOPL as per the swap ratio determined by the Company's Advisor. These shares will rank pari passu with the existing shares of the Company. Post merger, the Company is now a direct subsidiary of Byco Industries Incorporated (BII), Mauritius (the Parent Company) which holds 91.83% shares (4,894,520,196 shares) in the Company.

This merger was accounted for in the books using 'pooling of interest' method as it was a business combination of entities under common control and therefore, scoped out of IFRS 3 'Business Combinations'. The net assets of BOPL and BTPL have been incorporated at their net carrying amount in the books as on 01 July 2016 and the difference in value of the net assets and shares as issued above has been carried in equity under the head 'Merger Reserve'. Further, the acquired entities results and balance sheet are incorporated prospectively from the date on which the business combination occurred. Consequently, these unconsolidated financial statements do not reflect the results of the acquired entities for the period before the transaction occurred and the corresponding amounts for the previous year presented are also not restated.

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 2017, the Company's accumulated losses amounted to Rs. 11,820.649 million (30 June 2016: Rs.7,944.149) million. Moreover, current liabilities of the Company exceeded its current assets by Rs. 35,765.751 million (30 June 2016: Rs. 18,536.626 million) and as a result of the liquidity constraints, the Company may face difficulties in meeting the covenants relating to its financings.

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. 2,122.237 million (operating profit: 4.19%) for the year as compared to Rs. 1,367.498 million (operating profit: 4.19%) last year, showing significant improvement in the Company's profitability as compared to last year;
- the sales volume of high margin products through marketing arm of the Company has increased by 59% showing improvement in the Company's performance as compared to last year;

- the Company has executed a restructuring plan resulting in a merger of BTPL and BOPL with and into the Company which has been fully explained in note 1.2 to these unconsolidated financial statements. This arrangement is expected to bring in efficiencies and synergies, which would enable the Company to minimize its operational and administrative costs;

- the larger refinery unit of the Company re-commissioned its operations subsequent to the year end (August 2017) which is expected to enhance the throughput of the Company from 25,459 barrels per day to 155,000 barrels per day in the upcoming years. Further, this will also increase the profitability of the Company in the future years;

- the Company's Petroleum Marketing Business (PMB) has entered into various fuel supply arrangements with different marketable sectors such as shipping, power and energy. High margin aviation fuel export market has also been tapped through these arrangements. These factors of PMB segment have been and are expected to yield significant contribution towards the profitability of the Company;

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

- the management has also prepared financial projections to demonstrate the financial benefits of 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. However, the conditions stated above, indicate existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern .

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. As per the requirements of circular No. 23/2017 dated 04 October 2017 issued by the Securities & Exchange Commission of Pakistan (SECP), companies whose financial year closes on or before 31 December 2017 shall prepare their financial statements in accordance with the provisions of the repealed Ordinance. Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the repealed Ordinance, provisions of and directives issued under the repealed Ordinance. In case requirements differ, the provisions of or directives under the repealed Ordinance shall prevail.

3.2 Accounting convention

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

- Property, plant and equipment which are carried at revalued amount in accordance with IAS 16 "Property, Plant and Equipment" as disclosed in note 4.1; and

- Employees' retirement benefits 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 22.1.

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 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)
IFRS 11 Joint Arrangements – Accounting for Acquisition of Interest in Joint Operation (Amendment)
IAS1 Presentation of Financial Statements - Disclosure Initiative (Amendment)
IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
IAS 16 Property, Plant and Equipment and IAS 41 Agriculture -Agriculture: Bearer Plants (Amendment)
IAS 27 Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

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

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

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 2 – Share-based Payments – Classification and Measurement of Share - based Payments Transactions (Amendments)	01 January 2018
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
IAS 7 – Statement of Cash Flows - Disclosure Initiative (Amendment)	01 January 2017
IAS 12 – Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	01 January 2017
IFRS 4 – Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	01 January 2018
IAS 40 – Investment Property: Transfers of Investment Property (Amendments)	01 January 2018
IFRIC 22 – Foreign Currency Transactions and Advance Consideration	01 January 2018
IFRIC 23 – Uncertainty over Income Tax Treatments	01 January 2019

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 December 2016. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018. The Company expects that such improvements to the standards will not have any 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 15 – Revenue from Contracts with Customers	01 January 2018
IFRS 16 – Leases	01 January 2019
IFRS 17 – Insurance Contracts	01 January 2021

Subsequent to the year ended 30 June 2017, SECP vide S.R.O. 007(1) / 2017 dated 04 October 2017, has notified the adoption of IFRS 9 and IFRS 15 for annual periods beginning on or after 01 July 2018. The Company is in the process of assessing the impact of the adoption of these standards.

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, estimates and assumptions 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 4.1and 5.1);
ii) Impairment against investment in subsidiary (note 4.2);
iii) Provision for slow moving and obsolete stores and spares (note 4.4);
iv) Provision for doubtful debts and other receivables (note 4.5 and 11.3);
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 4.11 and 22.1);
vii) Provision for compensated absences(note 4.12);
viii) Provision for taxation (note 4.15,9and 35); and
ix) Contingencies (note4.16 and 27.1).

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, lease hold land, building on freehold land, roads and civil works, building on leasehold land, 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 yearof disposal.

Capital work-in-progress

Capital work-in-progress, is stated at cost less accumulated impairment losses, if any. Cost consists of:

- expenditures incurred for the acquisition of the specific asset, dismantling, refurbishment, construction and installation of the asset so acquired.
- borrowing cost and exchange differences arising on foreign currency financings to the extent these are regarded as adjustment to interest costs for qualifying assets if its recognition criteria is met as mentioned in note 4.18 to the unconsolidated financial statements.
- exchange loss, interest expenses and other expenses as mentioned in note 5.4 to the unconsolidated financial statements.

- trial run cost of testing the asset. If the income from the testing activity is higher than the cost of testing the asset, then the net effect will be a deduction from the cost of the asset.

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 actual throughput.

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. 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 and other receivables, 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 Loans, advances, trade deposits and short-term pre payments

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 , balances with banks and running finance facility.

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 repealed Ordinance. 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 2017 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 Ijarah contracts

Leases under Shariah compliant Ijarah contracts, where significant portion of the risk and reward of ownership is retained by the lessor, are classified as Ijarah. Rentals under these arrangements are charged to profit and loss account on straight line basis over the lease term.

4.15 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.

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.

4.16 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.

4.17 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).

4.18 Contribution against future issuance of shares

Foreign currency amounts received in cash as contribution against future issuance of shares from the Parent Company is stated at the rates at which these were received. Foreign currency payments by the Parent Company directly to foreign suppliers of plant and machinery / foreign dismantling and refurbishment services providers are initially stated at Pak Rupees equivalent amount translated at the rates approximating to those ruling on the date of transaction. There after, these are revalued and stated at the average of Pak Rupees exchange rates quoted by selected authorised dealers approximating to those ruling on the dates the related plant and machinery items are received in Pakistan (i.e. the date of the bill of entry as per the requirements of Foreign Exchange Manual 2002). However, where the related plant and machinery items have not yet been received by the Company, these payments are translated at the year-end exchange rate equivalents.

4.19 Borrowings and related costs

Borrowing costs directly attributable to the acquisition, construction or installation of qualifying assets, that necessarily take substantial period of time to get ready for their intended use, are capitalized as a part of cost of those assets, until such time as the assets are substantially ready for intended use. All other borrowing costs are recognized as an expense in the year in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with borrowing of funds and exchange difference arising on foreign currency fundings to the extent those are regarded as adjustment to the interest cost, net of related interest income, if any.

4.20 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 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, rental incomeon equipmentand other services income is recognized on accrual basis.

4.21 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 payment 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 from gantry operations and pipeline charges are recognised on an accrual basis.

- Scrap sales, dealership incomeand rental income are recognised on an accrual basis.

- Gain on disposal is recognised at the time of diposal of operating fixed assets.

4.22 Foreign currencies translation

Foreign currency transactions during the yearare 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.

4.23 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.

4.24 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.

4.25 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.

4.26 Dividends and appropriations

Dividends and reserve appropriations are recognised in the year in which these are declared / approved. The distribution of dividend and other appropriations is subject to the covenant as mentioned in note 19.2.

4.27 Functional and presentation currency

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

	Note	30 June 2017	30 June 2016
		------- (Rupees in '000) ----—	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	**39,002,978**	12,527,158
Capital work-in-progress	5.2	**34,043,972**	53,626
		73,046,950	12,580,784

5.1 Operating fixed assets

	COST / REVALUATION						ACCUMULATED DEPRECIATION					Written down value as at 30 June 2017	Depreciation rate %
	As at 01 July 2016	Transfer upon merger	Additions* / transfers**	Revaluation surplus	Disposals	As at 30 June 2017	As at 01 July 2016	Transfer upon merger	Charge for the year	Transfers	As at 30 June 2017		
	(Rupees in '000)												
Owned													
Freehold land	679,019	209,181	-	-	-	888,200	-	-	-	-	-	888,200	-
Leasehold land	743,750	110,081	-	743,750	-	1,597,581	-	110,081	-	-	110,081	1,487,500	-
Building on freehold land, roads and civil works	915,666	453,785	17,120	-	-	1,386,571	169,491	19,540	54,778	-	243,809	1,142,762	4
Building on leasehold land	-	76,938	-	-	-	76,938	-	13,305	3,078	-	16,383	60,555	4
Plant and machinery	17,067,762	23,663,037	339,295	-	-	41,070,094	7,234,711	2,297,686	2,251,708	-	11,784,105	29,285,989	4-5
Pipelines	-	5,513,062	-	-	-	5,513,062	-	592,789	275,653	-	868,442	4,644,620	4
Generators	426,001	1,065,613	43,563	-	-	1,535,177	292,048	77,150	99,938	-	469,136	1,066,041	6.70
Furniture and fixtures	53,661	110,197	-	-	-	163,858	45,272	65,675	16,386	-	127,333	36,525	10
Portable cabins	9,199	7,925	-	-	-	17,124	9,199	3,760	862	-	13,821	3,303	10
Filling stations (5.1.1)	638,840	5,600	-	-	-	644,440	259,929	-	37,192	-	297,121	347,319	5-12.5
Vehicles	196,689	24,109	14,249**	-	-	235,047	196,689	24,109	-	13,297	234,095	952	20
Computer and allied equipments	106,724	122,125	16,694	-	-	245,543	106,724	78,538	21,069	-	206,331	39,212	33.33
Safety and lab equipments	1,351,503	746	-	-	-	1,352,249	1,351,503	410	336	-	1,352,249	-	20-25
	22,188,814	**31,362,399**	**430,921**	**743,750**	**-**	**54,725,884**	**9,665,566**	**3,283,043**	**2,761,000**	**13,297**	**15,722,906**	**39,002,978**	
Leased													
Vehicles	14,249	-	(14,249)**	-	-	-	10,339	(4,892)	7,850	(13,297)	-	-	20
	22,203,063	**31,362,399**	**416,672**	**743,750**	**-**	**54,725,884**	**9,675,905**	**3,278,151**	**2,768,850**	**-**	**15,722,906**	**39,002,978**	

* Additions of Rs. 416.672 million, as shown above, include an amount of Rs. 36.796 million transferred from capital work-in-progress during the year, as shown in note 5.2.

	COST / REVALUATION					ACCUMULATED DEPRECIATION					Written down value as at 30 June 2016	Depreciation Rate %
	As at 01 July 2015	Additions	Transfers	Disposals	As at 30 June 2016	As at 01 July 2015	Charge for the year	Transfers	Disposals	As at 30 June 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**	

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 repealed Ordinance.

5.1.2 During the year, revaluation exercise was carried out by an independent valuer, resulting in surplus on revaluation amounting to Rs. 743.750 million. The fair values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, adjusted for any difference in nature, location or condition of the specific property and in case where market based evidence was not available or not applicable due to the specialized nature of asset, then it was based on depreciated replacement cost method.

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

	Note	2017	2016
		(Rupees in '000)	
Freehold land		**50,654**	46,731
Lease hold land		**213,200**	213,200
Buildings on freehold land, roads and civil works		**1,142,762**	746,175
Building on leasehold land		**60,555**	-
Plant and machinery		**26,749,116**	4,777,931
Generators		**94,328**	55,975
		28,310,615	5,840,012

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

	Note	2017	2016
Cost of sales	29.1	**2,647,781**	1,104,938
Administrative expenses	30	**83,877**	54,138
Selling and distribution expenses	31	**37,192**	37,643
		2,768,850	1,196,719

5.2 Capital work-in-progress

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

	Note	Opening Balance	Transfer Upon Merger	Additions	Transferred to operating fixed assets	Closing balance 30 June 2017	Closing balance 30 June 2016
		(Rupees in '000)					
Building on freehold land, roads and civil works		**229**	**462**	**-**	**-**	**691**	229
Plant and machinery	5.2.1, 5.2.2, 5.3 & 5. 4	**45,084**	**30,813,721**	**3,212,959**	**(36,796)**	**34,034,968**	45,084
Filling stations		**8,313**	**-**	**-**	**-**	**8,313**	8,313
		53,626	**30,814,183**	**3,212,959**	**36,796**	**34,043,972**	53,626

5.2.1 Plant and machinery amounting to USD 4 million (30 June 2016: Nil) is outside the country and is in the process of being brought into the country.

5.2.2 Includes dismantling and refurbishment charges paid to-date by the sponsors in lieu of its equity contribution in the Company as disclosed in note 17.2 to these unconsolidated financial statements.

5.3 Capitalization of borrowing costs amounting to Rs. 520.022 million (30 June 2016: Nil) have been determined at the rate of 7.45% (30 June 2016: Nil) per annum.

5.4 Plant and machinery include exchange difference of Rs. 27.153 million (30 June 2016: Nil) representing adjustment of interest cost.

	Note	2017	2016
		---------- Rupees in '000 -------	
6. LONG-TERM INVESTMENT-at cost			
Investment in subsidiaries–unlisted			
Byco Terminals Pakistan Limited (BTPL)	6.1	-	5,729,258
Byco Isomerisation Pakistan (Private) Limited (BIPL)	6.2	16,931,504	16,931,504
		16,931,504	22,660,762

6.1 As disclosed in note 1.2 above, the entire business of BTPL including its properties, assets, liabilities and rights and obligations vested into the Company with effect from the close of business on 30 June 2016.

6.2 This represents investment in BIPL–a wholly owned subsidiary, of 1,693,150,430 shares (30 June 2016: 1,693,150,430) 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	2017	2016
		---------- Rupees in '000-------	
7. LONG-TERMLOANS ANDADVANCES– unsecured , considered good			
Loan to Coastal Refinery Limited (CRL)	7.1	1,518,780	-
Advance against investment in shares	7.2	360,000	-
		1,878,780	-
Current portion of loan to CRL	12	(100,844)	-
		1,777,936	-

7.1 This includes finance provided by the Company to CRL for construction of the Buoy amounting to Rs. 830 million and a loan amounting to Rs. 688.78 million provided by the Company to CRL on the terms as fully explained in 19.3 of these unconsolidated financial statements.

7.2 Represents advance paid against the purchase of shares of CRL.

	Note	2017	2016
		------- (Rupees in ‘000) ------	
8. LONG-TERM DEPOSITS			
Lease deposit		-	6,955
Rental premises	8.1	14,178	7,089
Others		2,778	3,189
		16,956	17,233
Current portion	13	-	(6,955)
		16,956	10,278

8.1 Represents security deposit paid against office premises.

	Note	2017	2016
9. DEFERRED TAXATION		------- (Rupees in ‘000) ------	
Deductible temporary differences arising in respect of:			
- employees retirement benefit		54,055	16,576
- provision for doubtful debts		1,086,570	890,748
- finance lease		-	140
- recoupable unabsorbed tax losses and depreciation	9.1	3,345,934	1,940,661
- recoupable minimum turnover tax	9.1 & 9.2	2,075,771	-
		6,562,330	2,848,125
Taxable temporary differences arising in respect of:			
- accelerated tax depreciation		(3,499,028)	(852,685)
- surplus on revaluation of property, plant and Equipment	18	(1,780,370)	(1,995,440)
		(5,279,398)	(2,848,125)
		1,282,932	-

9.1 Deferred tax asset is recognized for tax losses, minimum taxes and depreciation available for carry-forward to the extent that the realization of the related tax benefit through future taxable profits, based on the projections, is probable. As of the balance sheet date, deferred tax asset amounting to Rs. 3,338.147 million (30 June 2016: Rs. 1,935.022 million) in respect of unabsorbed tax depreciation has not been recognised in these unconsolidated financial statements.

9.2 During the year, the Company has recognized deferred tax asset on recoupable minimum turnover tax amounting to Rs. 2, 075.771 million (30 June 2016: Rs. Nil). Out of the total recoupable minimum turnover tax, Rs. 866.493 million relates to the years in which the Company was in a tax loss scenario In 2013, the High Court of Sindh, in respect of another company, overturned the interpretation of the Appellate Tribunal on Section 113(2)(c) of the Income Tax Ordinance, 2001 and decided that minimum turnover tax cannot be carried forward where there is no tax paid on account of loss for the year or carried forward losses. The Company's management is however of the view, duly supported by the legal advisor, that the above order would not be maintained by the Supreme Court, which the Company intends to approach if required. Accordingly, the Company has recognized deferred tax asset on recoupable minimum turnover tax.

	Note	2017	2016
		------- (Rupees in '000) ------	
10. STOCK-IN-TRADE			
Raw material	10.1 & 10.2	**6,784,377**	2,389,729
Finished products	10.3, 10.4 & 10.5	**5,798,472**	4,942,026
		12,582,849	7,331,755

10.1 This includes raw material in transit amounting to Rs. 4,032.88 million (30 June 2016: Rs. 1,492.395 million) as at the balance sheet date.

10.2 Raw material costing Rs. Nil (30 June 2016: Rs. 2,368.790 million) has been written down by Rs. Nil (30 June 2016: Rs. 22.287 million) to net realizable value.

10.3 This includes finished product held by third parties and related party amounting to Rs. 1,033.413 million (30 June 2016: Rs. 1,345.617 million) and Rs. 103.839 million(30 June 2016: Rs. 1,157.273 million) respectively, as at the balance sheet date.

10.4 This includes finished product in transit amounting to Rs. Nil (30 June 2016: Rs. 729.435 million) as at the balance sheet date.

10.5 Finished products costing Rs. 3,589.267 million (30 June 2016: Rs. 1,327.639 million) has been written down by Rs. 303.694 million (30 June 2016: Rs. 156.158 million) to net realizable value.

	Note	2017	2016
		------- (Rupees in '000) ----—	
11. TRADE DEBTS – unsecured			
Considered good			
Due from related parties:			
- K-Electric Limited	11.1	**224,068**	196
- Byco Oil Pakistan Limited (BOPL)	11.2	**-**	1,005,506
- Byco Terminals Pakistan Limited (BTPL)	11.2	**-**	186,693
Others		**4,634,250**	7,094,502
Considered doubtful		**3,621,901**	2,873,379
		8,480,219	11,160,276
Provision for doubtful debts	11.3	**(3,621,901)**	(2,873,379)
		4,858,318	8,286,897

11.1 There is no balance that is past due or impaired.

11.2 As disclosed in note 1.2 to these unconsolidated financial statements, BOPL and BTPL have merged with and into the Company.

		Note	2017	2016
			------- (Rupees in '000) ------	
11.3	**Provision for doubtful debts**			
	Opening balance		**2,873,379**	2,192,831
	Provision made during the year	33	**748,522**	680,548
	Closing balance		**3,621,901**	2,873,379
12.	**LOANS AND ADVANCES – unsecured, considered good**			
	Current portion of loan to CRL	7	**100,844**	-
	Loan to employees		**100**	100
	Advance to suppliers and contractors		**125,120**	3,038,052
			226,064	3,038,152
13.	**TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS**			
	Current portion of long - term deposits	8	**-**	6,955
	Prepayments			
	- Insurance		**3,065**	16,933
	- Rent		**10,108**	2,612
			13,173	26,500
14.	**OTHER RECEIVABLES – considered good**			
	Inland Freight Equalization Margin		**448,072**	397,062
	Due from related parties	14.1	**705,672**	537,340
	Receivable from CRL	14.2	**994,232**	-
			2,147,976	934,402

14.1 This includes amount of Rs. 25.138 million (30 June 2016: Rs. Nil) receivable from BII, the Parent Company, in respect of expenses incurred on behalf of BII by the Company and also an amount of Rs. 680.534 million (30 June 2016: Rs. 190.427 million) receivable against pre -commencement and other expenses incurred and purchases made on behalf of BIPL.

14.2 Represents expenses incurred by the Company on behalf of CRL. The outstanding balance is being adjusted against the cost payable to CRL on account of usage of buoy.

		Note	2017	2016
			------- (Rupees in'000) ------	
15.	**CASH AND BANK BALANCES**			
	Cash in hand		**238**	102
	Cash at banks			
	- Current accounts		**112,108**	130,764
	- Saving / deposit accounts	15.1 & 15.2	**137,231**	102,517
			249,339	233,281
			249,577	233,383

15.1 These carry interest at the rates ranging from 3.5% to 6.0% (30 June 2016: 5.3% to 8.2%) per annum.

15.2 This includes Rs. 2.205 million (30 June 2016: Rs. 5.254 million) kept under lien against letter of credit facilities obtained from banks.

16. SHARE CAPITAL

2017 (Number of Shares)	2016 (Number of Shares)		Note	2017 (Rupees in'000)	2016 (Rupees in'000)
		Authorized share capital			
6,000,000,000	1,200,000,000	Ordinary shares of Rs.10/ - each		60,000,000	12,000,000
		Issued, subscribed and paid-up capital			
187,348,638	977,858,737	Issued for cash		1,873,486	9,778,587
5,142,536,068	-	Issued for consideration other than cash	16.1	51,425,361	-
5,329,884,706	977,858,737			53,298,847	9,778,587

16.1 As disclosed in note 1.2 to these unconsolidated financial statements, the Company has allotted 5,142,536,068 fully paid ordinary shares to the registered shareholders of BOPL pursuant to the merger and has cancelled the shares previously issued for cash to BOPL .

	Note	2017	2016
		------- (Rupees in'000) ------	
17. CONTRIBUTION AGAINST FUTURE ISSUE OF SHARES			
From Byco Industries Incorporated (BII), the Parent Company	17.1 , 17.2 & 17.3	761,129	-

17.1 In respect of plant and machinery

Represents Rs. 406.400 million (30 June 2016: Rs. Nil) being rupee equivalent of US $ 4.0 million (30 June 2016: US $ Nil) representing part of the cost of plant, machinery purchased by the Company.

Pursuant to a Share Subscription Agreement dated 31 August 2006 and amended vide an addendum dated 31 July 2007 entered into between the Company and its sponsor, the sponsor has paid the above amount to the supplier against the said assets in lieu of its equity contribution in the Company for which Ordinary Shares will be issued to it, at par, upon meeting the applicable requirements as mentioned in note 17.3 to these unconsolidated financial statements.

17.2 In respect of dismantling and refurbishment of Aromatic Plant:

This includes a sum of (i) Rs. 303.184 million (30 June 2016: Rs. Nil), being rupee equivalent of € 2.259 million and £ 0.290 million (30 June 2016: € Nil and £ Nil) and (ii) Rs. 51.544 million (30 June 2016: Rs. Nil), being rupee equivalent of US $ 0.507 million (30 June 2016: US $ Nil), representing the dismantling and refurbishment cost respectively, of plant, machinery and equipment, paid to date by the sponsors in lieu of its equity contribution in the Company for which ordinary shares will be issued to it, at par, for consideration other than cash upon meeting the applicable requirements as mentioned in note 17.3 to these unconsolidated financial statements.

17.3 Shares shall be issued to the Parent Company upon meeting the requirements of paragraph 7 of Chapter XX of the Foreign Exchange Manual (FE Manual) and Rule 8 of the Companies (Issue of Capital) Rules, 1996.

	Note	2017	2016
		----- (Rupees in '000) ----	
18. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Opening balance		**6,716,431**	7,435,974
Transfer upon merger		**36,925**	-
Surplus on revaluation carried out during the year		**743,750**	-
		780,675	-
Transfer to accumulated loss in respect of:			
- incremental depreciation charged during the year – net of tax		**501,830**	496,485
- related deferred tax liability		**215,070**	223,058
		716,900	719,543
		6,780,206	6,716,431
Less: Related deferred tax liability :			
- on revaluation at the beginning of the year		**1,995,440**	2,218,498
- on incremental depreciation charged during the year		**(215,070)**	(223,058)
	9	**1,780,370**	1,995,440
Closing balance		**4,999,836**	4,720,991

19. LONG-TERM FINANCING AND MARK-UP

Facilities	Note	Mark-up rate	Installments Payment term	Installments Number	Installments Commencement	2017	2016
						----(Rupees in '000)----	
Secured							
Syndicate loan I	19.1& 19.2	Six months kibor	Semi-annually	16	June 2013	**7,698,345**	12,080,128
Syndicate loan II	19.1	Three months kibor + 3.25%	Semi-annually	12	January 2014	**1,082,723**	-
Syndicate loan III	19.3	8% per annum for the first two years from the date of disbursement and six months kibor or 12% whichever is lower for subsequent years	Semi-annually	12	June 2017	**686,306**	-
Arrangement fee	19.3		-	-	-	**65,484**	-
Bilateral Loan I	19.4	Six months kibor + 2.5%	Semi-annually	09	June 2015	**1,438,592**	-
Bilateral Loan II	19.4	-	-	-	-	-	-
Bilateral Loan III	19.4	Six months kibor + 2.75%	Quarterly	14	February 2016	**1,440,000**	-
Bilateral Loan IV	19.4	Six months kibor + 3.25%	Semi-annually	04	August 2016	**125,000**	-
Bilateral Loan V	19.4	Six months kibor + 3.5%	Semi-annually	08	December 2015	**95,833**	-
						12,632,283	12,080,128
Mark-up						**7,539,492**	3,337,517
Sukuk certificates	19.5	Three months kibor + 1.05%	Quarterly	12	April 2019	**3,120,000**	-
Unsecured							
Supplier's credit	19.6	One yearLibor + 1%	Semi-annually	20	December 2021	**1,628,768**	-
Others	19.6	Nil to six months kibor + 4%	Semi-annually	05	December 2021	**6,540,002**	-
Mark-up						**1,190,235**	-
						9,359,005	-
						32,650,780	15,417,645
Current maturity						**(7,932,304)**	(5,442,326)
						24,718,476	9,975,319

19.1 Represent facilities availed from various banks and are secured against the Company's fixed and current assets.

19.2 The loan agreement contains the covenant that the Company cannot pay dividend to its shareholders if an event of default is occurred.

19.3 Represents syndicate facility including Musharaka facility availed from a commercial bank for the purpose of acquiring shares of CRL. The facility is secured against charge on all present and future assets of CRL, personal guarantees and personal properties of sponsors of CRL along with pledge of 80% shares of CRL.

19.4 Represent bilateral loans availed from various banks and financial institutions and are secured against the Company's fixed and current assets.

19.5 Represent privately placed long-term Islamic certificates (Sukuk) amounting to Rs. 3,120 million, issued by the Company during the year to meet the expansion plans of the Company. This facility is secured against fixed assets (excluding land and building) of the Company.

19.6 The loans are inferior to the rights of present and future secured financial institutions which are or may be lender to the company. The loan ranks superior to any existing or future shareholder loans, credits or advance made to the Company by any of its shareholders.

	Note	2017	2016
		------- (Rupees in '000) ------	
20. LOANS FROM RELATED PARTIES – unsecured			
Byco Industries Incorporated, the Parent Company	20.1	**6,110,417**	-

20.1 Represents:

i) a foreign currency loan of USD 0.144 million which carries mark-up at the rate of LIBOR+1% per annum, which was due on 22 June 2012 by a bullet payment. At the end of the current year, the applicable interest rate is 2.7384% per annum.

ii) a supplier's credit amounting to USD 41.927 million novated from Cnergyico Acisal Incorporated during the year ended 30 June 2015 under the agreement. This carries mark-up at the rate of LIBOR+1% per annum, payable semi-annually. At the end of the current year, the applicable interest rate is 2.7384% per annum.

iii) balance amount of loan novated from Byco Busient Incorporated, the ultimate Parent Company amounting to USD 16.124 million (principal USD 15.713 million and markup USD 0.411 million) is repayable in four unequal semi-annual installments. This carries markup at the rate of LIBOR + 1% per annum, payable semi-annually. At the end of the current year, the applicable interest rate was 2.7384% per annum.

All of the aforesaid loans are repayable subject to the conditions and rights as disclosed in note 19.6 to these unconsolidated financial statements.

	Note	2017	2016
		------- (Rupees in '000) ------	
21. LONG-TERM DEPOSITS			
Deposit from related party	21.1	-	3,646
Trade and other deposits	21.2	**172,375**	127,332
		172,375	130,978

21.1 Represented deposit received from BOPL against land lease rental.

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

22. DEFERRED LIABILITIES

	Note	2017	2016
		------- (Rupees in '000) ------	
Employees retirement benefits	22.1	180,184	53,472
Arrangement fee		173,330	-
		353,514	53,472

22.1 Employees retirements benefits-staff gratuity

22.1.1 General description

The Company operates employee retirement benefits for permanent employees who have completed the minimum service period. In accordance with the requirements of IAS–19 "Employee Benefits", actuarial valuation was carried out as at 30 June 2017, 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	2017	2016
		----- (Rupees in '000) -----	
22.1.2 Reconciliation of amount payable to defined benefit plan			
Present value of defined benefit obligation	22.1.3	208,096	75,609
Fair value of plan assets	22.1.4	(27,912)	(22,137)
		180,184	53,472
22.1.3 Movement in the present value of defined benefit obligation:			
Opening balance		75,609	74,733
Current service cost		14,920	15,410
Interest cost		6,200	6,342
Cost of transfers during the year		35,347	-
Net liability of employees transferred		66,481	-
Transfer to the Parent Company		-	1,245
Benefits paid during the year		(13,448)	(22,618)
Actuarial loss	22.1.7	22,987	497
Closing balance		208,096	75,609
22.1.4 Movement in the fair value of plan assets:			
Opening balance		22,137	36,013
Expected return on plan assets		2,091	2,762
Contributions		15,649	18,000
Benefits paid during the year		(13,447)	(22,618)
Benefits paid to employees of Subsidiary Company		-	(12,169)
Actuarial gain / (loss)	22.1.7	1,482	149
Closing balance		27,912	22,137
22.1.5 Movement in net liability			
Opening balance		53,472	38,720
Charge for the year	22.1.6	54,375	18,990
Net liability of employees transferred		66,481	-
Transfer to the Parent Company		-	1,245
Contributions		(15,649)	(18,000)
Benefits paid to employees of Subsidiary Company		-	12,169
Actuarial loss	22.1.7	21,505	348
Closing balance		180,184	53,472

22.1.6 Charge for the year

	2017	2016
	(Rupees in '000)	
Current service cost	**14,920**	15,410
Cost of transfers during the year	**35,347**	-
Interest cost – net	**4,108**	3,580
	54,375	18,990

22.1.7 Actuarial remeasurements

	2017	2016
Actuarial loss on defined benefit obligations	**22,987**	497
Actuarial gain on fair value of plan assets	**(1,482)**	(149)
	21,505	348

22.1.8 Actuarial assumptions:

	2017	2016
Valuation discount rate per annum	**9.25%**	9.00%
Salary increase rate per annum	**7.25%**	7.00%
Expected return on plan assets per annum	**9.25%**	9.00%
Normal retirement age of employees	**60 years**	60 years

22.1.9 Comparisons for past years:

As at June 30	2017	2016	2015	2014	2013
			(Rupees `000)		
Present value of defined benefit obligation	**208,096**	75,609	**74,733**	70,969	44,673
Fair value of plan assets	**(27,912)**	(22,137)	**(36,013)**	(15,978)	-
Deficit	**180,184**	53,472	**38,720**	54,991	44,673
Experience adjustment on plan liabilities	**22,987**	497	**1,091**	9,656	7,406
Experience adjustment on plan assets	**(1,482)**	(149)	**1,385**	(65)	-
	21,505	348	**2,476**	9,591	7,406

22.1.10 Composition of plan assets

	2017	2016
	(Rupees in '000)	
Equity	**18,637**	-
Cash at bank	**9,275**	22,137

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

	2017			
	Discount rate		Salary increase	
	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
	(Rupees in '000)			
Present value of defined benefit obligation	185,351	234,979	236,335	183,907

22.1.12 As of 30 June 2017, a total of 646 employees have been covered under the above scheme.

22.1.13 Charge for the next financial year as per the actuarial valuation report amounts to Rs.52.652 million.

		Note	2017	2016
			----- (Rupees in '000) -----	
23.	**TRADE AND OTHER PAYABLES**			
	Creditors for supplies and services		**34,505,895**	18,956,639
	Accrued liabilities		**912,964**	294,785
	Due to related parties		**76,560**	13,658
	Dividend payable		**1,146**	1,146
	Sales tax, duties, levies, penalties and default surcharge		**6,114,157**	6,570,028
	Workers' profit participation fund	23.1	**-**	109,445
	Workers' welfare fund		**41,755**	15,569
	Withholding tax deductions payable		**176,693**	1,891
	Payable to staff provident fund		**46,019**	13,778
			41,875,189	25,976,939

23.1 The management is of the opinion, duly supported by the legal advisor that the Sindh Companies Profits (Workers' Participation) Act 2015 does not apply on the Company. Accordingly, the Company has reversed the liability in respect of WPPF.

		Note	2017	2016
			----- (Rupees in '000) -----	
24.	**ADVANCE FROM CUSTOMERS**	24.1 & 24.2	**2,472,871**	670,263

24.1 Includes Rs. 2,086.171 million (30 June 2016: Rs. Nil) received from a customer against supply of goods.

24.2 This includes Rs. 138 million (30 June 2016: Rs. 138 million) received in respect of demarcated plots of land for setting up of Liquified Petroleum Gas storage and filling facilities (LPG village facility). The amount has been received in advance from consumers under LPG village facility utilization agreement. The agreements are effective for 10 years from the date of signing or any period thereafter as mutually agreed. 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	2017	2016
			------- (Rupees in '000) -------	
25.	**ACCRUED MARK-UP**			
	Long-term financing and mark-up		**183,522**	-
	Loans from related parties		**301,869**	-
	Short-term borrowings		**78,822**	-
	Advance from customers		**-**	95,692
			564,213	95,692
26.	**SHORT -TERM BORROWINGS**			
	Secured			
	Finance against trust receipts	26.1	**1,771,784**	6,593,696
	Running finance	26.2	**1,600,000**	-
			3,371,784	6,593,696

26.1 The facilities have been extended by commercial banks for import and procurement of crude oil and petroleum products aggregating to Rs. 22,700 million (30 June 2016: Rs. 15,000 million) out of which Rs. 20,928.216 million (30 June 2016: Rs. 8,406.304 million) remains unutilized as at the balance sheet date. The facility carries mark-up ranging from 1 month's KIBOR plus 1% to 1.5%. The facility is secured against documents of title of goods, charge over the stocks of crude oil and petroleum products and receivables to be generated from its sales, lien on the bank's collection account.

26.2 Represents running finance facility amounting to Rs. 1,600 million obtained from a commercial bank. The facility carries mark-up at the rate of three months KIBOR + 1.5% per annum. The facility is secured by way of first pari passu hypothecation charge of over all present and future current and fixed assets of the Company.

27. CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 Claims against the Company not acknowledged as debts amounting to Rs. 3,991.089 million (30 June 2016: Rs. 3,834.285 million) comprise of late payment charges on account of delayed payments against crude oil supplies from various Oil Production and Exploration Companies and based on the opinion of legal advisor, the Company is of the view that there are no specific contractual arrangements with the above suppliers and hence no provision in respect of the same has been made in these unconsolidated financial statements.

		Note	2017	2016
			(Rupees in '000)	
27.2	**Commitments**			
27.2.1	Commitment for capital expenditure		**221,474**	11,478
27.2.2	Outstanding letter of credit		**-**	10,722,572
27.2.3	Commitments in respect of purchase of CRL's shares		**830,000**	-

		Note	2017	2016
			(Rupees in '000)	
28.	**TURNOVER – net**			
	Gross Sales			
	- Local		**110,198,050**	106,086,049
	- Export		**5,018,086**	7,581,901
			115,216,136	113,667,950
	Rent of equipment and storage and handling income		**152,218**	-
	Less: Sales discount, sales tax, excise duty and petroleum development levy		**(26,795,774)**	(35,965,783)
			88,572,580	77,702,167
29.	**COST OF SALES**			
	Opening stock		**4,942,026**	4,176,741
	Transfer upon merger		**82,434**	-
	Cost of goods manufactured, storage and handling	29.1	**44,584,261**	38,269,420
	Finished products purchased during the year		**40,146,428**	35,915,358
			89,755,149	78,361,519
	Closing stock	10	**(5,798,472)**	(4,942,026)
			83,956,677	73,419,493

		Note	2017	2016
			------- (Rupees in '000) -------	
29.1	**Cost of goods manufactured, storage and handling**			
	Raw material consumed	29.1.1	**39,625,254**	36,182,737
	Salaries, wages and other benefits	29.1.2	**729,254**	344,819
	Operation cost		**635,265**	-
	Depreciation	5.1.4	**2,647,781**	1,104,938
	Fuel, power and water		**248,436**	260,475
	Repairs and maintenance		**134,841**	102,452
	Insurance		**164,129**	48,072
	Stores and spares consumed		**147,522**	67,591
	Staff transportation and catering		**94,702**	62,676
	Industrial gases and chemicals		**47,979**	61,700
	Rent, rates and taxes		**47,304**	-
	Security expenses		**46,583**	24,120
	Vehicle running		**15,211**	9,840
			44,584,261	38,269,420
29.1.1	**Raw material consumed**			
	Opening stock		**2,389,729**	682,874
	Transfer upon merger		**253,274**	-
	Purchases during the year		**43,766,628**	37,889,592
			46,409,631	38,572,466
	Closing stock	10	**(6,784,377)**	(2,389,729)
			39,625,254	36,182,737

29.1.2 This includes a sum of Rs.29.407 million (30 June 2016: Rs. 11.509 million) in respect of staff retirement benefits.

		Note	2017	2016
			------- (Rupees in '000) -------	
30.	**ADMINISTRATIVE EXPENSES**			
	Salaries, allowances and other benefits	30.1	**456,640**	293,174
	Rent, rates and taxes		**88,729**	61,963
	Depreciation	5.1.4	**83,877**	54,138
	Repairs and maintenance		**35,302**	32,536
	Legal and professional		**26,625**	16,718
	Vehicle running		**19,678**	20,322
	Travelling and conveyance		**32,074**	23,342
	Fee and subscriptions		**16,525**	9,307
	Utilities		**10,183**	7,263
	Insurance		**8,728**	6,573
	Printing and stationary		**9,029**	7,482
	Auditors' remuneration	30.2	**6,000**	4,050
	SAP maintenance costs		**10,520**	17,986
	Others		**10,917**	6,390
			814,827	561,244

30.1 This includes a sum of Rs. 18.414 million (30 June 2016: Rs. 4.742 million) in respect of staff retirement benefits.

		Note	2017	2016
			------- (Rupees in '000) -------	
30.2	**Auditors' remuneration**			
	Statutory audit		**3,800**	1,300
	Half yearly review		**600**	500
	Consolidation of financial statements		**600**	400
	Special audit and other certifications		**500**	1,400
	Out of pocket expenses		**500**	450
			6,000	4,050
31.	**SELLING AND DISTRIBUTION EXPENSES**			
	Salaries, allowances and other benefits	31.1	**162,561**	169,334
	Transportation and product handling charges		**276,488**	418,421
	Rent, rates and taxes		**89,380**	86,461
	Advertisement		**6,888**	47,510
	Depreciation	5.1.4	**37,192**	37,643
	Wharfage and export development surcharge		**28,857**	47,142
	Insurance		**1,335**	2,036
			602,701	808,547

31.1 This includes a sum of Rs. 6.555 million (30 June 2016: Rs. 2.739 million) in respect of staff retirement benefits.

		Note	2017	2016
32.	**OTHER INCOME**		------- (Rupees in '000) -------	
	Income from financial assets			
	Interest on balances due from customers		**448,522**	497,229
	Interest on loan to CRL		**54,791**	-
	Interest income on saving accounts		**33,821**	17,271
			537,134	514,500
	Income from non - financial assets			
	Insurance claim		**560,572**	-
	Reversal of excess sales tax surcharge provision		**401,428**	708,883
	Reversal of WPPF		**109,445**	-
	Land lease rent		**303**	55,962
	Storage and handling income		**-**	28,158
	Gain on disposal of operating fixed assets		**-**	2,974
	Dealership income		**7,500**	8,100
			1,616,382	1,318,577
33.	**OTHER EXPENSES**			
	Late payment surcharge and penalties		**332,515**	243,353
	Provision for doubtful debts	11.3	**748,522**	680,548
	Workers' profit participation fund		**-**	38,923
	Workers' welfare fund		**26,186**	15,569
			1,107,223	978,393
34.	**FINANCE COSTS**			
	Mark-up on:			
	- Long-term financing		**1,511,552**	1,560,519
	- Loans from related parties		**135,349**	-
	- Short-term borrowings		**505,184**	655,286
	- Workers' profit participation fund		**-**	6,341
	- Advances from customers		**-**	20,159
			2,152,085	2,242,305
	Exchange loss – net	34.1	**178,657**	226,447
	Bank and other charges		**109,230**	66,693
			2,439,972	2,535,445

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

	2017	2016
	(Rupees in '000)	
35. TAXATION		
Current	**(471,398)**	(434,673)
Prior year	**43,141**	87,001
Deferred	**1,282,932**	997,548
	854,675	649,876

35.1 The returns of income tax have been filed up to and including tax year 2016. These, except for those mentioned below, are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001.

35.2 The Company was selected for an audit under Section 177 and 214C of the Income Tax Ordinance, 2001 for the tax year 2013. Audit proceedings for all mentioned tax year was 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. 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.

35.3 Under section 5A of the Income Tax Ordinance, 2001 (the Ordinance), the Company is obligated to pay tax at the rate of 7.5 percent on its accounting profit before tax if it derives profit for a tax year but does not distribute at least 40 percent of its after tax profits within six months of the end of the tax year, through cash or bonus shares. The Company filed a Constitutional Petition (CP) before the Court on 24 November 2017 challenging the tax, and the Court accepted the CP and granted a stay against the above section.

In case the Court's decision is not in favor of the Company, the Company will either be required to declare the dividend to the extent of 40% of after tax profits or it will be liable to pay additional tax at the rate of 7.5% of the accounting profit before tax of the Company for the financial year ended 30 June 2017. As at the balance sheet date, no liability has been recorded by the Company in this respect.

35.4 Relationship between accounting profitand 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.

	2017	2016
	(Rupees in '000)	
36. EARNINGS PER ORDINARY SHARE–basic and diluted		
Profit after taxation	**2,122,237**	1,367,498
	(Number)	
Weighted average number of ordinary shares	**5,329,893,802**	977,858,737
	(Rupees)	
Earnings per share–basic / diluted	**0.40**	1.40

	2017	2016
	(Rupees in '000)	
37. CASH AND CASH EQUIVALENTS		
Cash and bank balances	**249,577**	233,383
Running finance facility	**(1,600,000)**	-
	(1,350,423)	233,383

38. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of ultimate parent company, parent company, subsidiary company, 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:

	2017	2016
	------- (Rupees in '000) -------	
38.1 Transactions with related parties		
Parent Company		
Shares issued	48,945,202	-
Mark-up charged	135,349	-
Land lease rentals	-	52,937
Purchases	-	41,970,503
Sales	-	12,614,170
Mark-up charged	-	413,067
Allocation of gratuity expense	-	1,245
Allocation of group expenses	-	284,954
Subsidiary Company		
Other expenses incurred	56,718	58,674
Land lease rentals	-	3,025
Sales	-	185,981
Services received	-	549,426
Interest income	-	31,978
Associated Companies		
Sale of petroleum products	1,963,515	1,063,832
Purchase of operating fixed assets and services	35,923	-
Interest income	-	28,348
Staff Provident Fund		
Contribution to staff provident fund	109,947	37,077
38.2 Balances with related parties		
Parent Company		
Payable against expenses	-	12,014
Other receivables	25,138	-
Contribution against future issue of shares	761,129	-
Accrued mark-up	301,869	-
Loan payable	6,110,417	-
Receivable against land lease rental	-	329,134
Accrued interest	-	18,924
Security deposits payable	-	3,646
Receivable against purchase of goods and services	-	1,005,506
Subsidiary Companies		
Receivable against sales	-	186,693
Advance against services	-	2,928,654
Receivable against land lease rentals	-	17,779
Receivable against expenses incurred	680,534	190,427
Accrued interest	-	219,462

	2017	2016
	------- (Rupees in '000) -------	
Associated Companies		
Long term deposit receivable	**95**	95
Trade debts	**224,068**	196
Advance against purchases	**-**	9,407
Accrued interest	**108,192**	259,302
Payable against purchases	**8,147**	1,644
Others		
Payable to Key Management Person	**68,508**	-
Payable to staff provident fund	**46,019**	13,778

38.3 There are no transactions with key management personnel other than under the terms of employment as disclosed in note 39 to the financial statements.

39. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2017			2016		
	Chief Executive	Director	Executives	Chief Executive	Directors	Executives
	(Rupees in '000)					
Fees	**-**	**900**	**-**	-	1,000	-
Managerial remuneration	**8,100**	-	**360,721**	10,678	6,053	143,660
Staff retirement benefits	**-**	**-**	**57,792**	1,779	1,008	23,749
Housing and utilities	**-**	**-**	**116,575**	3,203	1,816	46,428
Leave fare assistance	**-**	**-**	**30,048**	890	504	11,967
	8,100	**900**	**565,136**	16,550	10,381	225,804
Number of persons	**1**	**1**	**345**	1	2	141

39.1 The number of persons does not include those who left during the year but remuneration paid to them is included in the above amounts.

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

39.3 As at 30 June 2017, the Company's Board of Directors consists of 7 Directors (of which 6 are Non-Executive Directors). Except for Chief Executive and a Director, no remuneration and other benefits have been paid to any Director.

40. 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 policyfocuses 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 30 June 2017.

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

40.1 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.

40.1.1 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 and storage business operations, setting up of aromatic plant and meeting working capital requirements at variable rates, on loan to CRL 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	Note	2017	2016
		---------- (Rupees in '000)	--------
Financial assets			
Long-term loan to CRL	7	688,780	-
Trade debts	11	6,445,239	6,132,327
		7,134,019	6,132,327
Financial liabilities			
Long-term financing and mark-up	19	32,650,780	15,417,645
Loans from related parties	20	6,110,417	-
Liability against asset subject to finance lease		-	4,362
Short-term borrowings	26	3,371,784	6,593,696
		42,132,981	22,015,703

A change of 1% in interest rates at the year-end would have increased or decreased the profit before tax by Rs. 277.305 million (30 June 2016: Rs. 159.612 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for June 2016.

40.1.2 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 transactions that are entered in a currency other than Pak Rupees. As the Company imports plant and equipment and crude oil, it is exposed to currency risk by virtue of borrowings (in foreign currency). Further foreign currency risk also arises on payment to the supplier of tugs for operations of SPM. The currency in which these transactions are undertaken is US Dollar. Relevant details are as follows:

	2017		2016	
	(Rupees in '000)	(USD '000)	(Rupees in '000)	(USD '000)
Long term financing and mark-up	1,628,768	15,512	-	-
Loans from related parties	6,110,417	58,194	-	-
Accrued mark-up on loan from related parties	301,869	2,875	-	-
	8,041,054	76,581	-	-

The average rates applied during the year is Rs.104.85/USD(30 June 2016: Rs.103.25 / USD) and the spot rate as at 30 June 2017 is Rs. 105/ USD (30 June 2016: 104.70 / USD).

A change of 1% in exchange rates at the year-end would have increased or decreased the loss by Rs. 107.722 million (30 June 2016: Rs. Nil). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for June 2016.

40.1.3 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.

40.2 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, advances and deposits to suppliers 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 / orcredit 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	2017	2016
		------ Rupees in '000 ------	
Long-term loansand advances	7	**1,417,936**	-
Long-term deposits	8	**16,956**	10,278
Trade debts	11	**4,858,318**	8,286,897
Loans and advances	12	**226,064**	3,038,152
Trade deposits	13	**-**	6,955
Other receivables	14	**2,147,976**	934,402
Accrued interest		**237,951**	497,688
Bank balances	15	**249,339**	233,281
		9,154,540	13,007,653

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:

	2017	2016
Trade debts	------ Rupees in '000 ------	
The aging of unimpaired debtors at the balance sheet date is as follows:		
Neither past due nor impaired	**1,937,052**	3,858,095
Past due 1-30 days	**18,735**	20,196
Past due 31-180 days	**30,371**	56,745
Past due 180-365 days	**27,531**	1,005,506
Above 365 days	**2,844,629**	3,346,355
	4,858,318	8,286,897
Bank balances		
A-1+	**199,465**	135,691
A-1	**47,898**	73,664
A-2	**1,976**	23,926
	249,339	233,281

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

40.3 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)		
2017					
Long-term financing and mark-up	**-**	**1,612,645**	**6,319,659**	**24,718,476**	**32,650,780**
Loans from related parties	**-**	**-**	**-**	**6,110,417**	**6,110,417**
Long-term deposits	**-**	**-**	**-**	**172,375**	**172,375**
Trade and other payables	**6,115,303**	**35,759,886**	**-**	**-**	**41,875,189**
Advance from customers	**-**	**2,472,871**	**-**	**-**	**2,472,871**
Short-term borrowings	**-**	**3,371,784**	**-**	**-**	**3,371,784**
Accrued mark-up	**564,213**	**-**	**-**	**-**	**564,213**
	6,679,516	**43,217,186**	**6,319,659**	**31,001,268**	**87,217,629**

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
			(Rupees in '000)		
2016					
Long-term financingand 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	25,975,793	-	-	25,976,939
Advance from customers	-	670,263	-	-	670,263
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

40.4 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 2017.

The Company is not exposed to externally imposed capital requirement.

41. 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.

42. 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. 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	
	2017	2016	2017	2016	2017	2016
	(Rupees in '000)					
Revenue						
Net Sales to external customers	53,173,101	47,411,465	35,399,480	30,290,702	88,572,581	77,702,167
Inter-segment sales	33,468,337	27,419,742	80,479	-	33,548,816	27,419,742
Eliminations	(33,468,337)	(27,419,742)	(80,479)	-	(33,548,816)	(27,419,742)
Total revenue	53,173,101	47,411,465	35,399,480	30,290,702	88,572,581	77,702,167
Result						
Segment profit	3,473,299	2,668,690	804,324	1,048,270	4,277,623	3,716,960
Unallocated expenses:						
Finance cost					(2,439,972)	(2,535,445)
Interest income					537,134	514,500
Other expenses					(1,107,223)	(978,393)
Taxation					854,675	649,876
Profit for the year					2,122,237	1,367,498
Segmental Assets	112,494,040	54,459,089	1,362,030	1,434,660	113,856,070	55,893,749
Unallocated Assets						-
	112,494,040	54,459,089	1,362,030	1,434,660	113,856,070	55,893,749
Segmental Liabilities	86,758,418	48,142,536	1,161,907	1,195,784	87,920,325	49,338,320
Unallocated Liabilities						-
	86,758,418	48,142,536	1,161,907	1,195,784	87,920,325	49,338,320
Capital expenditure	3,584,259	61,942	8,576	2,249	3,592,835	64,191
Other Information						
Depreciation and amortization	2,731,658	1,159,076	37,192	37,643	2,768,850	1,196,719

43. 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 based on the unaudited financial statements of the fundis as follows:

	30 June 2017	30 June 2016
	(Rupees in '000)	
Size of the fund -Net assets	255,733	130,997
Fair value of the investment	214,271	128,885
Percentage of the investment	83.79%	98.39%
Cost of the investment made	213,164	111,908

Break-up of fair value of investments in terms of amount and as percentage of the size of the fund is as follows:

	2017		2016	
	(Rupees in '000)	%	(Rupees in '000)	%
Bank Deposits	110,357	43.15%	39,846	30.42%
Debt securities	4,398	1.72%	24,881	18.99%
Government securities	19,709	7.71%	-	-
Unit trust schemes	79,807	31.21%	64,158	48.98%
	214,271	83.79%	128,885	98.39%

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 repealed Ordinance and the rules formulated for this purpose.

44. CAPACITY AND ANNUAL PRODUCTION

Against the designed annual capacity (based on 330 days) of 51.15 million barrels (30 June 2016: 11.55 million barrels), the actual throughput during the year was 8.402 million barrels (30 June 2016: 8.362 million barrels). The Company operated the plant considering the level which gives optimal yield of products.

45. NUMBER OF EMPLOYEES

The total number of employees as at 30 June 2017 were 700 (30 June 2016: 291) and average number of employees were 496 (30 June 2016: 324).

46. RECLASSIFICATION

Following corresponding figures have been reclassified for better presentation:

From	To	**(Rupees in '000')**
Trade and other payables	Advance from customers	670,263
Selling and distribution expenses	Turnover-net	1,731,707

47. GENERAL

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

47.2 Comparative figures of these unconsolidated financial statements comprise the figures of the Compay only i.e. Byco Petroleum Pakistan Limited as more fully explained in note 1.2 to these unconsolidated financial statements.

48. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on December 20, 2017 by the Board of Directors of the Company.

Amir Abbassciy	**Syed Arshad Raza**	**Naeem Asghar Malik**
Chief Executive	Director	Chief Financial Officer

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Consolidated Financial Statements For the Year Ended June 30, 2017

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 company as at 30 June 2017 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 company namely 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.

Certain expenses aggregating to Rs. 4,192.303 million have been capitalized by the Holding Company which do not meet the criteria for the recognition of assets and have not been incurred in respect of qualifying assets. These expenses include exchange losses and interest expenses, aggregating to Rs. 1,493.232 million, incurred on certain foreign currency borrowings, equity arrangement fee and shares issuance cost aggregating to Rs. 620.845 million, production loss of Rs. 546.490 million incurred on crude oil used by the Company, loss of Rs. 772.466 million on the write down of stock in trade item and guaranteed throughput cost of Rs. 759.270 million.

Had the above capitalization not been done, the cost of property, plant and equipment and net equity as of 30 June 2017, would have been lower by Rs. 4,016.929 million and profit for the year would have been higher by Rs. 60.199 million.

In our opinion, except for the possible effects of matter stated above, the consolidated financial statements present fairly the financial position of Byco Petroleum Pakistan Limited (the Holding Company) and its subsidiary company as at 30 June 2017 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 2017 amounting to Rs. 26,866.160 million and its current liabilities exceed its current assets by Rs. 36,449.341 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. Our opinion is not qualified in respect of this matter.

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

Ernst & Young Ford Rhodes

December 20, 2017

Consolidated Balance Sheet
As at 30 June 2017

	Note	2017	2016
ASSETS		----------Rupees in '000----------	
NON-CURRENT ASSETS			
Property, plant and equipment	5	**88,479,753**	35,652,029
Intangible asset	6	**-**	23,746
Long-term loans and advances	7	**1,777,936**	1,753,780
Long-term deposits	8	**16,956**	31,332
		90,274,645	37,460,887
CURRENT ASSETS			
Stores and spares		**483,884**	293,689
Stock-in-trade	9	**12,582,849**	7,331,755
Trade debts	10	**4,858,318**	8,278,080
Loans and advances	11	**226,064**	555,535
Trade deposits and short-term prepayments	12	**13,173**	53,217
Other receivables	13	**1,467,442**	1,276,715
Accrued interest		**237,951**	353,193
Cash and bank balances	14	**249,577**	240,532
		20,119,258	18,382,716
TOTAL ASSETS		**110,393,903**	55,843,603
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	15	**53,298,847**	9,778,587
Merger reserves		**(21,303,418)**	
Accumulated losses		**(26,866,160)**	(25,469,576)
		5,129,269	(15,690,989)
Contribution against future issue of shares	16	**761,129**	-
		5,890,398	(15,690,989)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	17	**13,254,699**	13,490,917
NON-CURRENT LIABILITIES			
Long-term financing and mark-up	18	**24,718,476**	12,170,263
Loans from related parties	19	**6,110,417**	-
Long-term deposits	20	**172,375**	130,978
Deferred liabilities	21	**3,678,939**	5,027,609
		34,680,207	17,328,850
CURRENT LIABILITIES			
Trade and other payables	22	**41,878,245**	26,906,629
Advance from customer	23	**2,472,871**	670,263
Accrued mark-up	24	**564,213**	194,643
Short-term borrowings	25	**3,371,784**	6,940,999
Current portion of long-term financing and mark-up	26	**7,932,304**	5,596,765
Current portion of liabilities against assets subject to finance lease		**-**	4,362
Taxation–net		**349,182**	401,164
		56,568,599	40,714,825
CONTINGENCIES AND COMMITMENTS	27		
		110,393,903	55,843,603

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Amir Abbassciy	**Syed Arshad Raza**	**Naeem Asghar Malik**
Chief Executive	Director	Chief Financial Officer

Consolidated Profit and Loss Account
For the year ended 30 June 2017

	Note	2017	2016
		----------Rupees in '000----------	
Turnover–net	28	**88,572,580**	78,356,698
Cost of sales	29	**(84,876,720)**	(75,235,149)
Gross profit		**3,695,860**	3,121,549
Administrative expenses	30	**(817,947)**	(693,612)
Selling and distribution expenses	31	**(602,701)**	(694,431)
Other expenses	32	**(1,108,206)**	(980,367)
Other income	33	**1,616,079**	1,557,281
		(912,775)	(811,129)
Operating profit		**2,783,085**	2,310,420
Finance costs	34	**(2,439,972)**	(2,778,621)
Profit / (loss) before taxation		**343,113**	(468,201)
Taxation	35	**1,059,591**	854,526
Profit after taxation		**1,402,704**	386,325
		-------------Rupees------------	
Earnings per ordinary share – basic and diluted	36	**0.26**	0.40

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Amir Abbassciy
Chief Executive

Syed Arshad Raza
Director

Naeem Asghar Malik
Chief Financial Officer

Consolidated Statement of Comprehensive income
For the year ended 30 June 2017

	2017	2016
	----------Rupees in '000----------	
Profit after taxation	**1,402,704**	386,325
Other comprehensive income for the year		
Items that may not be reclassified subsequently to profit and loss account		
Actuarial loss on remeasurement of defined benefit obligation	**(21,505)**	(51)
Total comprehensive income for the year	**1,381,199**	386,274

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Amir Abbassciy	**Syed Arshad Raza**	**Naeem Asghar Malik**
Chief Executive	Director	Chief Financial Officer

Consolidated Cash Flow Statement
For the year ended 30 June 2017

	Note	2017	2016
		---------Rupees in '000----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/Loss before taxation		343,113	(468,201)
Adjustments for non-cash items and other charges:			
Depreciation	5.1.4	3,641,747	2,471,021
Finance cost	34	2,439,972	2,778,621
Provision for doubtful debts	10.3	748,522	680,548
Provision for gratuity	21.2.6	54,375	22,348
Interest income	33	(537,134)	(756,159)
Gain on disposal of operating fixed assets		-	(3,044)
Net cash flows before working capital changes		6,690,595	4,725,134
Movement in working capital			
Decrease/(Increase) in current assets			
Stores and spares		(54,420)	(14,493)
Stock-in-trade		(4,915,388)	(2,472,140)
Trade debts		2,044,537	168,658
Loans and advances		533,217	127,894
Trade deposits and short-term prepayments		41,215	(9,019)
Other receivables		(1,163,244)	384,236
		(3,514,083)	(1,814,864)
Increase / (decrease) in current liabilities			
Trade and other payables		10,898,013	(4,406,882)
Cash generated from / (used in) operations		14,074,525	(1,496,612)
Finance costs paid		(273,256)	(1,089,108)
Income taxes paid		(412,697)	(659,018)
Gratuity paid		(15,649)	(18,000)
Interest income received		120,552	178,730
Net cash generated from / (used in) operating activities		13,493,475	(3,084,008)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(3,592,835)	(153,110)
Proceeds from disposal of operating fixed assets		-	6,037
Long-term deposits–net		70,021	21,736
Advance against investment in shares		(125,000)	(135,000)
Transaction cost received		-	446,037
Net cash (used in) / generated from investing activities		(3,647,814)	185,700
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing –net		981,121	(1,227,334)
Short-term borrowings –net		(10,065,138)	3,676,087
Liabilities against assets subject to finance lease–net		(4,362)	(2,338)
Net cash (used in) /generated fromfinancing activities		(9,088,379)	2,446,415
Net decrease in cash and cash equivalents		(757,282)	(451,893)
Cash and cash equivalents as at beginning of the year		240,532	692,425
Transfer upon merger		(833,673)	-
Cash and cash equivalents as at end of the year		(1,350,423)	240,532

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Amir Abbassciy	**Syed Arshad Raza**	**Naeem Asghar Malik**
Chief Executive	Director	Chief Financial Officer

Consolidated Statement of Changes in Equity

For the year ended 30 June 2017

	Issued, subscribed and paid-up capital	Merger reserve	Accumulated loss	Total	Contribution against future issue of shares	Shareholder's equity and contribution against future issue of shares
	-----------------------------------		(Rupees in '000)		-----------------------------------	
Balance as at 01 July 2015	**9,778,587**	**-**	**(26,839,084)**	**(17,060,497)**	**-**	**(17,060,497)**
Net profit for the year	-	-	386,325	386,325	-	386,325
Other comprehensive income for the year	-	-	(51)	(51)	-	(51)
Total comprehensive income for the year	-	-	386,274	386,274	-	386,274
Incremental depreciation relating to surplus on revaluation of property, equipment – net of deferred tax	-	-	983,234	983,234	-	983,234
Balance as at 30 June 2016	**9,778,587**	**-**	**(25,469,576)**	**(15,690,989)**	**-**	**(15,690,989)**
Balance as at 01 July 2016	**9,778,587**	**-**	**(25,469,576)**	**(15,690,989)**	**-**	**(15,690,989)**
Cancellation of shares held by BOPL	(7,905,101)	-	-	(7,905,101)	-	(7,905,101)
Issue of shares pursuant to merger	51,425,361	-	-	51,425,361	-	51,425,361
Transfer upon merger	-	-	(3,757,751)	(3,757,751)	761,129	(2,996,622)
Merger reserve	-	(21,303,418)	-	(21,303,418)	-	(21,303,418)
Net profit for the year	-	-	1,402,704	1,402,704	-	1,402,704
Other comprehensive income for the year	-	-	(21,505)	(21,505)	-	(21,505)
Total comprehensive income for the year	-	-	1,381,199	1,381,199	-	1,381,199
Incremental depreciation relating to surplus on revaluation of property, equipment – net of deferred tax	-	-	979,968	979,968	-	979,968
Balance as at 30 June 2017	**53,298,847**	**(21,303,418)**	**(26,866,160)**	**5,129,269**	**761,129**	**5,890,398**

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Amir Abbassciy
Chief Executive

Syed Arshad Raza
Director

Naeem Asghar Malik
Chief Financial Officer

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 repealed Companies Ordinance, 1984 (the repealed 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.

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 refineries have a rated capacity of 155,000 bpd (barrels per day). Petroleum Marketing Business was formally launched in 2007 and has 300 retail outlets across the country.

The Board of Directors (the Board) of the Holding Company in a meeting held on 14 April 2016 considered and approved in principle merger of the Holding Company Company, its wholly owned subsidiary Byco Terminals Pakistan Limited (BTPL) and its than Parent Company, Byco Oil Pakistan Limited (BOPL) in accordance with terms of a scheme of arrangement prepared under the provisions of Section 284 to Section 288 of the repealed Ordinance. During the year, the High Court of Sindh through its order dated 19 January 2017 sanctioned the scheme. Hence, effective 01 July 2016, BOPL and BTPL have ceased to exist as legal entities.

Pursuant to this sanction, the entire business of BTPL and BOPL including its properties, assets, liabilities and rights and obligations vested into the Company. Further, as per the scheme, the Holding Company issued and allotted 5,142,536,068 fully paid ordinary shares of Rs. 10/- each to the registered shareholders of BOPL in May 2017 in the ratio of 1.67 ordinary share of the Holding Company for each ordinary share of BOPL as per the swap ratio determined by the Holding Company's Advisor. These shares will rank pari passu with the existing shares of the Holding Company. Post merger, the Holding Company is now a direct subsidiary of Byco Industries Incorporated (BII), Mauritius (the Parent Company) which holds 91.83% shares (4,894,520,196 shares) in the Holding Company.

This merger was accounted for in the books of the holding Company using 'pooling of interest' method as it was a business combination of entities under common control and therefore, scoped out of IFRS 3 'Business Combinations'. The net assets of BOPL and BTPL have been incorporated at their net carrying amount in the books as on 01 July 2016 and the difference in value of the net assets and shares as issued above has been carried in equity under the head 'Merger Reserve'.

Subsidiary Company

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

BIPL was incorporated in Pakistan as a private limited company on 14 May 2014 under the repealed 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

2. GOING CONCERN ASSUMPTION

As at 30 June 2017, the Group's accumulated losses amounted to Rs. 26,866.160 million (30 June 2016: Rs. 25,469.576) million. Moreover, current liabilities of the Group exceeded its current assets by Rs. 36,449.341 million (30 June 2016: Rs. 22,332.109 million) and as a result of the liquidity constraints, the Group may face difficulties in meeting the covenants relating to its financings.

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. 1,402.704 million (operating profit: 3.14%) for the year as compared to Rs. 386.325 million (operating profit: 2.95%) last year, showing significant improvement in the Group's profitability as compared to last year

- the sales volume of high margin products through marketing arm of the Group has increased by 59% showing improvement in the Group's performance as compared to last year;

- The Holding Company has executed a restructuring plan resulting in a merger of BTPL and BOPL with and into the Company which has been fully explained in note 1.1 to these consolidated financial statements. This arrangement is expected to bring in efficiencies and synergies, which would enable the holding Company to minimize its operational and administrative costs;
- the larger refinery unit of the Group re-commissioned its operations subsequent to the year end (August 2017) which is expected to enhance the throughput of the Group from 25,459 barrels per day to 155,000 barrels per day in the upcoming years. Further, this will also increase the profitability of the Group in the future years;
- the Group's Petroleum Marketing Business (PMB) has entered into various fuel supply arrangements with different marketable sectors such as shipping, power and energy. High margin aviation fuel export market has also been tapped through these arrangements. These factors of PMB segment have been and are expected to yield significant contribution towards the profitability of the Group;
- the Parent Company of the Holding Company has also given its commitment to provide financial support 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 consolidated financial statements on going concern assumption is justified. However, the conditions stated above, indicate existence of material uncertainty which may cast significant doubt about the Group's ability to continue as going concern.

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. As per the requirements of circular No. 23/2017 dated 04 October 2017 issued by the Securities & Exchange Commission of Pakistan (SECP), companies whose financial year closes on or before 31 December 2017 shall prepare their financial statements in accordance with the provisions of the repealed Ordinance. Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the repealed Ordinance, provisions of and directives issued under the repealed Ordinance. In case requirements differ, the provisions of or directives under the repealed Ordinance 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 amountin accordance with IAS 16 "Property, Plant and Equipment" as disclosed in note 5.1to 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 21.2 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 with 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.

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 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)
IFRS 11 Joint Arrangements – Accounting for Acquisition of Interest in Joint Operation (Amendment)
IAS 1 Presentation of Financial Statements -Disclosure Initiative (Amendment)
IAS 16 Property, Plant and Equipment and IAS 38 intangible assets -Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
IAS 27 Separate Financial Statements –Equity Method in Separate Financial Statements (Amendment)

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 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
IAS 7	–	Statement of Cash Flows -Disclosure Initiative (Amendment)	01 January 2017
IAS 12	–	Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	01 January 2017
IFRS 4	–	Insurance Contracts: Applying IFRS 9Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	01 January 2018
IAS 40	–	Investment Property: Transfers of Investment Property (Amendments)	01 January 2018
IFRIC 22	–	Foreign Currency Transactions and Advance Consideration	01 January 2018
IFRIC 23	–	Uncertainty over Income Tax Treatments	01 January 2019

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 December 2016. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018. 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 17 – Insurance Contracts	01 January 2021
IFRS 15 – Revenue from Contracts with Customers	01 January 2018
IFRS 16 – Leases	01 January 2019

Subsequent to the year ended 30 June 2017, SECP vide S.R.O. 007(1) / 2017 dated 04 October 2017, has notified the adoption of IFRS 9 and IFRS 15 for annual periods beginning on or after 01 July 2018. The Group is in the process of assessing the impact of the adoption of these standards.

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. 3);
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 21.2);
vi) Provision for compensated absences (note 4.11);
vii) Provision for taxation (note 4.14, 21.1 and 35); and
viii) Contingencies (note 27.1).

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 losses, if any. Cost consists of:

- expenditures incurred for the acquisition of the specific asset, dismantling, refurbishment, construction and installation of the asset so acquired.
- borrowing cost and exchange differences arising on foreign currency financings to the extent these are regarded as adjustment to interest costs for qualifying assets if its recognition criteria is met as mentioned in note 4.18to the consolidated financial statements.
- exchange loss, interest expenses and other expenses.
- trial run cost of testing the asset. If the income from the testing activity is higher than the cost of testing the asset, then the net effect will be a deduction from the cost of the asset.

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. NRVin 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 actual throughput.

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 credit worthiness. 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 running finance facilities

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 adiscount 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 areseparately 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 repealed 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 Mark-up bearing loans and borrowings

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

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

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 2017 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 Ijarah contracts

Leases under Shariah compliant Ijarah contracts, where significant portion of the risk and reward of ownership is retained by the lessor, are classified as Ijarah. Rentals under these arrangements are charged to profit and loss account on straight line basis over the lease term.

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.

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 Contribution against future issuance of shares

Foreign currency amounts received in cash as contribution against future issuance of shares from the Parent Company is stated at the rates at which these were received. Foreign currency payments by the Parent Company directly to foreign suppliers of plant and machinery / foreign dismantling and refurbishment service providers are nitially stated at Pak Rupees equivalent amount translated at the rates approximating to those ruling on the date of transaction. Thereafter, these are revalued and stated at the average of Pak Rupees exchange rates quoted by selected authorised dealers approximating to those ruling on the dates the related plant and machinery items are received in Pakistan (i.e. the date of the bill of entry as per the requirements of Foreign Exchange Manual 2002). However, where the related plant and machinery items have not yet been received by the Group, these payments are translated at the year-end exchange rate equivalents.

4.18 Borrowings and related costs

Borrowing costs directly attributable to the acquisition, construction or installation of qualifying assets, that necessarily take substantial period of time to get ready for their intended use, are capitalized as a part of cost of those assets, until such time as the assets are substantially ready for intended use. All other borrowing costs are recognized as an expense in the year in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with borrowing of funds and exchange difference arising on foreign currency fundings to the extent those are regarded as adjustment to the interest cost, net of related interest income, if any.

4.19 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.

4.20 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.
- Gain on disposal is recognised at the time of diposal of operating fixed assets.

4.21 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.

4.22 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 instrument

4.23 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.

4.24 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.

4.25 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 18.2.to these consolidated financial statements.

4.26 Functional and presentation currency

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

4.27 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.

4.28 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	2017	2016
		-----------Rupees in '000--------	
Operating fixed assets	5.1	**54,435,781**	35,216,520
Capital work-in-progress	5.2	**34,043,972**	435,509
		88,479,753	35,652,029

5.1 Operating fixed assets

	COST / REVALUATION						ACCUMULATED DEPRECIATION						
	As at 01 July 2016	Transfer upon merger	Additions* / transfers**	Revaluation surplus	Disposals	As at 30 June 2017	As at 01 July 2016	Transfer Upon merger	Charge for the year	Transfers	As at 30 June 2017	Written down value as at 30 June 2017	Depreciation rate %
	(Rupees in '000)												
Owned													
Freehold land	884,157	4,043	-	-	-	888,200	-	-	-	-	-	888,200	-
Leasehold land	853,831	-	-	743,750	-	1,597,581	110,081	-	-	-	110,081	1,487,500	-
Building on freehold land, roads and civil works	915,666	453,785	17,120	-	-	1,386,571	169,491	19,540	54,778	-	243,809	1,142,762	4
Building on leasehold land	76,938	-	-	-	-	76,938	13,305	-	3,078	-	16,383	60,555	4
Plant and machinery	36,859,460	20,177,039	339,295	-	-	57,375,794	9,528,099	4,298	3,124,605	-	12,657,002	44,718,792	4-5
Pipelines	5,513,062	-	-	-	-	5,513,062	592,789	-	275,653	-	868,442	4,644,620	4
Generators	426,186	1,065,428	43,563	-	-	1,535,177	291,574	77,624	99,938	-	469,136	1,066,041	6.70
Furniture and fixtures	53,661	110,197	-	-	-	163,858	45,272	65,675	16,386	-	127,333	36,525	10
Portable cabins	11,199	5,925	-	-	-	17,124	10,176	2,783	862	-	13,821	3,303	10
Vehicles	197,213	23,585	14,249**	-	-	235,047	196,997	23,801	-	13,297	234,095	952	5-12.5
Filling stations (5.1.1)	638,840	5,600	-	-	-	644,440	259,929	-	37,192	-	297,121	347,319	20
Computer and allied equipments	110,105	118,744	16,694	-	-	245,543	109,995	75,267	21,069	-	206,331	39,212	33.33
Safety and lab equipments	1,351,503	746	-	-	-	1,352,249	1,351,503	410	336	-	1,352,249	-	20-25
	47,891,821	**21,965,092**	**430,921**	**743,750**	-	**71,031,584**	**12,679,211**	**269,398**	**3,633,897**	**13,297**	**16,595,803**	**54,435,781**	
Leased													
Vehicles	14,249	-	(14,249)**	-	-	-	10,339	(4,892)	7,850	(13,297)	-	-	20
	47,906,070	**21,965,092**	**416,672**	**743,750**	-	**71,031,584**	**12,689,550**	**264,506**	**3,641,747**	**-**	**16,595,803**	**54,435,781**	

* Additions of Rs. 416.672 million, as shown above, include an amount of Rs. 36.796 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 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	5
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	36,368 153	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**	

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 repealed Ordinance, 1984.

5.1.2 During the year, revaluation exercise was carried out by an independent valuer, resulting in surplus on revaluation amounting to Rs. 743.750 million. The fair values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, adjusted for any difference in nature, location or condition of the specific property and in case where market based evidence was not available or not applicable due to the specialized nature of asset, then it was based on depreciated replacement cost method.

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

	Note	2017	2016
		---------Rupees in '000--------	
Freehold land		**50,654**	50,654
Leasehold land		**213,200**	213,200
Buildings on freehold land, roads and civil works		**1,142,762**	805,957
Building on leasehold land		**60,555**	-
Plant and machinery		**29,637,985**	9,908,524
Generators		**94,328**	55,975
		31,199,484	11,034,310

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

	Note	2017	2016
Cost of sales	29.1	**3,520,678**	2,378,726
Administrative expenses	30	**83,877**	54,652
Selling and distribution expenses	31	**37,192**	37,643
		3,641,747	2,471,021

5.2 Capital work-in-progress

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

	Opening balance	Transfer upon merger	Additions	Transferred to operating fixed assets	Closing balance 2017	Closing balance 2016
	--------------------------(Rupees in '000)					------------------------------
Plant and machinery	**426,505**	**30,432,300**	**3,212,959**	**(36,796)**	**34,034,968**	426,505
Building on freehold land, roads and civil works	**691**	**-**	**-**	**-**	**691**	691
Filling stations	**8,313**	**-**	**-**	**-**	**8,313**	8,313
	435,509	**30,432,300**	**3,212,959**	**(36,796)**	**34,043,972**	435,509

5.2.1 Plant and machinery amounting to USD 4 million (30 June 2016: Nil) is outside the country and is in the process of being brought into the country.

5.2.2 Includes dismantling and refurbishment charges paid to-date by the sponsors in lieu of its equity contribution in the Company as disclosed in note 18.2 to these consolidated financial statements.

5.3 Capitalization of borrowing costs amounting to Rs. 520.022 million (30 June 2016: Nil) have been determined at the rate of 7.45% (30 June 2016: Nil) per annum.

5.4 Plant and machinery include exchange difference of Rs. 27.153 million (30 June 2016: Nil) representing adjustment of interest cost.

	Note	2017	2016
		-------Rupees in '000-------	
6. INTANGIBLE ASSET			
Goodwill acquired on business combination	6.1	**-**	23,746

6.1 As fully explainednote 1.1, BTPL merged with the Holding Company. Accordingly, goodwill is eliminated in these consolidated financial statements.

	Note	2017	2016
		-------Rupees in '000-------	
7. LONG-TERM LOANS AND ADVANCES – unsecured, considered good			
Loan to Coastal Refinery Limited (CRL)	7.1	**1,518,780**	1,518,780
Advance against investment in shares	7.2	**360,000**	235,000
		1,878,780	1,753,780
Current portion of CRL		**(100,844)**	-
		1,777,936	1,753,780

7.1 This includes finance provided by the Company to CRL for construction of the Buoy amounting to Rs. 830 million and a loan amounting to Rs. 688.78 million provided by the Company to CRL on the terms as fully explained in 18.3 of these consolidated financial statements.

7.2 Represents advance paid against the purchase of shares of CRL.

	Note	2017	2016
		-------Rupees in '000-------	
8. LONG-TERM DEPOSITS			
Finance lease		**-**	6,955
Ijarah financing		**-**	20,010
Rental premises	8.1	**14,178**	7,089
Central Depository Company of Pakistan		**-**	13
Others		**2,778**	4,220
		16,956	38,287
Less: current portion of finance lease deposits		**-**	(6,955)
		16,956	31,332

8.1 Represents security deposit paid against office premises.

		2017	2016
		-------Rupees in '000-------	
9. STOCK-IN-TRADE			
Raw material	9.1 & 9.2	**6,784,377**	2,389,729
Finished products	9.3, 9.4 & 9.5	**5,798,472**	4,942,026
		12,582,849	7,331,755

9.1 This includes raw material in transit amounting to Rs. 4,032.88 million (30 June 2016: Rs. 1,492.395) as at the balance sheet date.

9.2 Raw material costing Rs. Nil (30 June 2016: Rs. 2,368.790) has been written down by Rs. Nil (30 June 2016: Rs.22.287) to Net Realizable Value.

9.3 This includes finished product held by third parties and related party amounting to Rs. 1,033.413 million (30 June 2016: Rs. 1,345.617 million) and Rs. 103.839 million (30 June 2016: Rs. 1,157.273 million) respectively, as at the balance sheet date.

9.4 This includes finished product in transit amounting to Rs. Nil (30 June 2016: Rs. 729.435) as at the balance sheet date.

9.5 Finished products costing Rs. 3,589.267 million (30 June 2016: Rs. 1,327.639 million) has been written down by Rs. 303.694 million (30 June 2016: Rs. 156.158 million) to Net Realizable Value.

		Note	2017	2016
10.	**TRADE DEBTS – unsecured**		-------Rupees in '000-------	
	Considered good			
	Due from related parties:			
	- K-Electric Limited	10.1	224,068	196
	- Standard Shipping Pakistan Limited		-	9,507
	- Byco Oil Pakistan Limited	10.2	-	1,172,703
			224,068	1,182,406
	Others		4,634,250	7,095,674
	Considered doubtful		3,621,901	2,873,379
			8,480,219	11,151,459
	Provision for doubtful debts	10.3	(3,621,901)	(2,873,379)
			4,858,318	8,278,080

10.1 There is no balance that is past due or impaired.

10.2 As fully explainedin note 1.1 to these consolidated financial statements, BOPL hasmerged with and into the Group.

		Note	2017	2016
			-------Rupees in '000-------	
10.3	**Provision for doubtful debts**			
	Opening balance		2,873,379	2,192,831
	Provision made during the year	32	748,522	680,548
	Closing balance		3,621,901	2,873,379
11.	**LOANS AND ADVANCES – unsecured, considered good**			
	Loan to employees		100	100
	Advance to CRL	7.2	100,844	446,037
	Advance to suppliers and contractors		125,120	109,398
			226,064	555,535
12.	**TRADE DEPOSITS AND SHORT - TERM PREPAYMENTS**			
	Current portion of finance lease deposits		-	6,955
	Trade deposits		-	3,522
	Margin against letters of credit		-	6,270
			-	16,747
	Prepayments:			
	- Insurance		3,065	33,858
	- Rent		10,108	2,612
			13,173	53,217
13.	**OTHER RECEIVABLES**			
	Inland Freight Equalization Margin		448,072	397,062
	Receivable from CRL	13.1	994,232	550,518
	Lease rentals due from BOPL	13.2	-	329,135
	Due from related parties	13.3	25,138	-
			1,467,442	1,276,715

13.1 Represents expenses incurred by the Group on behalf of CRL. The outstanding balance is being adjusted against the cost payable to CRL on account of usage of buoy.

13.2 As fully explained in note 1.1 to these consolidated financial statements, BOPL has merged with and into the Group.

13.3 Represents amount receivable from BII, the Parent Company, in respect of expenses incurred on behalf of BII by the Company.

14. CASH AND BANK BALANCES

	Note	2017	2016
		-------Rupees in '000--------	
Cash in hand		238	202
Cash at banks			
- Current accounts		112,108	137,813
- Saving / deposit accounts	14.1 &14.2	137,231	102,517
		249,339	240,330
		249,577	240,532

14.1 These carry interest at the rates ranging from 3.5% to 6.0% (30 June 2016:5.3 % to 8.2%) per annum.

14.2 This includes Rs. 2.205 million (30 June 2016: Rs. 5.254 million) kept under lien against letter of credit facilities obtained from banks.

15. SHARE CAPITAL

2017	2016		Note	2017	2016
-------(Number of Shares)--------				-------Rupees in '000--------	
		Authorized share capital			
6,000,000,000	1,200,000,000	Ordinary shares of Rs. 10/-each		60,000,000	12,000,000
		Issued, subscribed and paid-up capital			
187,348,638	977,858,737	Issued for cash		1,873,486	9,778,587
5,142,536,068	-	Issued for consideration other than cash	15.1	51,425,361	-
5,329,884,706	977,858,737			53,298,847	9,778,587

15.1 As disclosed in note 1.1 to these consolidated financial statements, the Holding Company has allotted 5,142,536,068 fully paid ordinary shares to the registered shareholders of BOPL pursuant to the merger and has cancelled the shares previously issued for cash to BOPL.

16. CONTRIBUTION AGAINST FUTURE ISSUE OF SHARES

	Note	2017	2016
		-----Rupees in '000-----	
From Byco Industries Incorporated (BII), the Parent Company	16.1, 16.2 & 16.3	761,129	-

16.1 In respect of plant and machinery

Represents Rs. 406.400 million (30 June 2016: Rs. Nil) being rupee equivalent of US$ 4.0 million (30 June 2016: US$ Nil) representing part of the cost of plant, machinery purchased by the Company.

Pursuant to a Share Subscription Agreement dated 31 August 2006 and amended vide an addendum dated 31 July 2007 entered into between the Holding Company and its sponsor, the sponsor has paid the above amount to the supplier against the said assets in lieu of its equity contribution in the Holding Company for which Ordinary Shares will be issued to it, at par, upon meeting the applicable requirements as mentioned in note 16.3 to these consolidated financial statements.

16.2 In respect of dismantling and refurbishment of Aromatic Plant:

This includes a sum of (i) Rs. 303.184 million (30 June 2016: Rs. Nil), being rupee equivalent of € 2.259 million and £ 0.290 million (30 June 2016: € Nil and £ Nil) and (ii) Rs. 51.544 million (30 June 2016: Rs. Nil), being rupee equivalent of US$ 0.507 million (30 June 2016: US$ Nil), representing the dismantling and refurbishment cost respectively, of plant, machinery and equipment, paid to date by the sponsors in lieu of its equity contribution in the Holding Company for which ordinary shares will be issued to it, at par, for consideration other than cash upon meeting the applicable requirements as mentioned in note 16.3 to these consolidated financial statements.

16.3 Shares shall be issued to the Parent Company upon meeting the requirements of paragraph 7 of Chapter XX of the Foreign Exchange Manual (FE Manual) and Rule 8 of the Companies (Issue of Capital) Rules, 1996 (1996 Rules).

17. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

	Note	2017	2016
		-----Rupees in '000-----	
Opening balance		**20,257,875**	21,687,674
Surplus on revaluation carried out during the year	5.1.2	**743,750**	-
Transfer to accumulated loss in respect of:			
- incremental depreciation charged during the year - net of tax		**979,968**	(983,234)
- related deferred tax liability		**419,986**	(446,565)
		1,399,954	(1,429,799)
		19,601,671	20,257,875
Less: related deferred tax liability:			
- on revaluation at the beginning of the year		**6,766,958**	7,213,523
- on incremental depreciation charged during the year		**(419,986)**	(446,565)
	21.1	**6,346,972**	6,766,958
Closing balance		**13,254,699**	13,490,917

18. LONG-TERM FINANCING AND MARK-UP

Facilities	Note	Mark-up rate	Installments: Payment term	Installments: Number	Installments: Commencement	2017	2016
						----(Rupees in '000)-----	
Secured							
Syndicate loan I	18.1 & 18.2	Six months kibor	Semi-annually	16	June 2013	**7,698,345**	12,080,128
Syndicate loan II	18.1	Three months kibor + 3.25%	Semi-annually	12	January 2014	**1,082,723**	-
Syndicate loan III	18.3	8% per annum for the first two years from the date of disbursement and six months kibor or 12% whichever is lower for subsequent years	Semi-annually	12	June 2017	**686,306**	688,780
Arrangement fee	18.3		-	-	-	**65,484**	40,603
Bilateral Loan I	18.4	Six months kibor + 2.5%	Semi-annually	09	June 2015	**1,438,592**	-
Bilateral Loan II	18.4	-	-	-	-	**-**	-
Bilateral Loan III	18.4	Six months kibor + 2.75%	Quarterly	14	February 2016	**1,440,000**	1,620,000
Bilateral Loan IV	18.4	Six months kibor + 3.25%	Semi-annually	04	August 2016	**125,000**	-
Bilateral Loan V	18.4	Six months kibor + 3.5%	Semi-annually	08	December 2015	**95,833**	-
						12,632,283	14,429,511
Mark-up						**7,539,492**	3,337,517
Sukuk certificates	18.5	Three months kibor + 1.05%	Quarterly	12	April 2019	**3,120,000**	-
Unsecured							
Supplier's credit	18.6	One year Libor + 1%	Semi-annually	20	December 2021	**1,628,768**	-
Others	18.6	Nil to six months kibor + 4%	Semi-annually	05	December 2021	**6,540,002**	-
Mark-up						**1,190,235**	-
						9,359,005	-
						32,650,780	17,767,028
Current maturity						**(7,932,304)**	(5,596,765)
						24,718,476	12,170,263

18.1 Represent facilities availed from various banks and are secured against the Holding Company's fixed and current assets.

18.2 The loan agreement contains the covenant that the Holding Company cannot pay dividend to its shareholders if an event of default is occurred.

18.3 Represents syndicate facility including Musharaka facility availed from a commercial bank for the purpose of acquiring shares of CRL. The facility is secured against charge on all present and future assets of CRL, personal guarantees and personal properties of sponsors of CRL along with pledge of 80% shares of CRL.

18.4 Represent bilateral loans availed from various banks and financial institutions and are secured against the Holding Company's fixed and current assets.

18.5 Represent privately placed long-term Islamic certificates (Sukuk) amounting to Rs. 3,120 million, issued by the Holding Company during the year to meet the expansion plans of theHoldingCompany. This facility is secured against fixed assets (excluding land and building) of the Holding Company.

18.6 The loans are inferior to the rights of present and future secured financial institutions which are or may be lender to the Holding Company. The loan ranks superior to any existing or future shareholder loans, credits or advance made to the Holding Company by any of its shareholders.

	Note	2017	2016
19. LOANS FROM RELATED PARTIES – unsecured		---------Rupees in '000-------	
At amortized cost			
Byco Industries Incorporated, the Parent Company	19.1	**6,110,417**	-

19.1 Represents:

i) a foreign currency loan of USD 0.144 million which carries mark-up at the rate of LIBOR+1% per annum, which was due on 22 June 2012 by a bullet payment. At the end of the current year, the applicable interest rate is 2.7384% per annum.

ii) a supplier's credit amounting to USD 41.927 million novated from Cnergyico Acisal Incorporated during the year ended 30 June 2015 under the agreement as disclosed in note 20.1 to these consolidated financial statements. This carries mark-up at the rate of LIBOR+1% per annum, payable semi-annually. At the end of the current year, the applicable interest rate is 2.7384% per annum.

iii) balance amount of loan novated from Byco Busient Incorporated, the ultimate Parent Company amounting to USD 16.124 million (principal USD 15.713 million and markup USD 0.411 million) is repayable in four unequal semi-annual installments. This carries markup at the rate of LIBOR + 1% per annum, payable semi-annually. At the end of the current year, the applicable interest rate was 2.7384% per annum.

All of the aforesaid loans are repayable subject to the conditions and rights as disclosed in note 18.6 to these consolidated financial statements.

	Note	2017	2016
20. LONG-TERM DEPOSITS		---------Rupees in '000-------	
Deposit from related party		**-**	3,646
Trade and other deposits	20.1	**172,375**	127,332
		172,375	130,978

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

	Note	2017	2016
		---------Rupees in '000-------	
21. DEFERRED LIABILITIES			
Deferred taxation	21.1	**3,325,425**	4,771,519
Employees retirements benefits	21.2	**180,184**	57,880
Arrangement fee		**173,330**	198,210
		3,678,939	5,027,609

		Note	2017	2016
			--------Rupees in '000-------	
21.1	**DEFERRED TAXATION**			
	Taxable temporary differences arising in respect of:			
	- accelerated tax depreciation		**3,499,028**	1,983,711
	- finance lease			-
	- surplus on revaluation of property, plant and equipment	17	**6,346,972**	6,766,958
			9,846,000	8,750,669
	Deductible temporary differences arising in respect of:			
	- staff gratuity fund		**(54,055)**	(17,942)
	- provision for doubtful debts		**(1,086,570)**	(890,748)
	- finance lease		**-**	(140)
	- recoupable unabsorbed tax losses and depreciation		**(3,304,179)**	-
	- recoupable minimum turnover tax		**(2,075,771)**	(3,070,320)
			(6,520,575)	(3,979,150)
			3,325,425	4,771,519

21.2 Employees retirements benefits - staff gratuity

21.2.1 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 2017, 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	2017	2016
			--------Rupees in '000-------	
21.2.2	**Reconciliation of amount payable to defined benefit plan**			
	Present value of defined benefit obligation	21.2.3	**208,096**	80,017
	Fair value of plan assets	21.2.4	**(27,912)**	(22,137)
			180,184	57,880
21.2.3	**Movement in the present value of defined benefit obligation:**			
	Opening balance		**80,017**	89,010
	Current service cost		**14,920**	17,949
	Interest cost		**6,200**	7,161
	Cost of transfers during the year		**35,347**	
	Transfer to the Parent Company		**62,073**	484
	Benefits paid during the year		**(13,448)**	(34,787)
	Actuarial loss		**22,987**	200
			208,096	80,017
21.2.4	**Reconciliation of fair value of plan assets:**			
	Opening balance		**22,137**	36,013
	Expected return on plan assets		**2,091**	2,762
	Contributions		**15,649**	18,000
	Benefits paid during the year		**(13,447)**	(34,787)
	Actuarial gain / (loss)		**1,482**	149
			27,912	22,137
21.2.5	**Movement in net liability:**			
	Opening balance		**57,880**	52,997
	Charge for the year	21.2.6	**54,375**	22,348
	Transfer to the Parent Company		**62,073**	484
	Contributions		**(15,649)**	(18,000)
	Actuarial loss chargeable in other comprehensive income	21.2.7	**21,505**	51
			180,184	57,880

21.2.6 Charge for the year

	2017	2016
	--------Rupees in '000-------	
Current service cost	14,920	17,949
Cost of transfers during the year	35,347	-
Interest cost–net	4,108	4,399
	54,375	22,348

21.2.7 Actuarial remeasurements

	2017	2016
Actuarial loss on defined benefit obligations	22,987	200
Actuarial (gain) / loss on fair value of plan assets	(1,482)	(149)
	21,505	51

21.2.8 Actuarial assumption

	2017	2016
Valuation discount rate per annum	9.25%	9.00%
Salary increased rate per annum	7.25%	7.00%
Expected return on plan assets per annum	9.25%	9.00%
Normal retirement age of employees	60 years	60 years

21.2.9 Comparisons for past years:

As at June 30	2017	2016	2015	2014	2013
	(Rupees `000)				
Present value of defined benefit obligation	208,096	80,017	89,010	81,577	52,306
Fair value of plan assets	(27,912)	(22,137)	(36,013)	(15,978)	-
Deficit	180,184	57,880	52,997	65,599	52,306
Experience adjustment on plan liabilities	22,987	200	1,225	11,445	7,406
Experience adjustment on plan assets	(1,482)	(149)	1,385	(65)	-
	21,505	51	2,610	11,380	7,406

21.2.10 Composition of plan assets

	2017	2016
	--------Rupees in '000-------	
Equity	18,637	-
Cash at bank	9,275	22,137

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

	2017			
	Discount rate		Salary increase	
	+100 bps	-100 bps	+100 bps	-100 bps
	(Rupees in '000)			
Present value of defined benefit obligation	185,351	234,979	236,335	183,907

21.2.12 As of 30 June 2017, a total of 646 (30 June 16:286) employees have been covered under the above scheme.

21.2.13 Charge for the next financial year as per the actuarial valuation report amounts to Rs. 52.625 million.

		Note	2017	2016
			--------(Rupees in '000)-------	
22.	**TRADE AND OTHER PAYABLES**			
	Creditors for supplies and services		**34,505,895**	19,677,480
	Accrued liabilities		**913,064**	472,976
	Due to related party		**76,560**	13,658
	Dividend payable		**1,146**	1,146
	Sales tax, duties, levies and late payment surcharge		**6,117,113**	6,591,541
	Workers' profit participationfund	22.1	**-**	109,445
	Workers' welfare fund		**41,755**	15,569
	Withholding tax deductions payable		**176,693**	3,684
	Payable to staff provident fund		**46,019**	13,934
	Others		**-**	7,196
			41,878,245	26,906,629

22.1 The management is of the opinion, duly supported by the legal advisor that the Sindh Companies Profits (Workers' Participation) Act 2015 does not apply on the Company. Accordingly, the Company has reversed the liability in respect of WPPF.

		Note	2017	2016
			--------Rupees in '000-------	
23.	**ADVANCE FROM CUSTOMERS**	23.1 & 2 3.2	**2,472,871**	670,263

23.1 Includes Rs. 2,086.171 million (30 June 2016: Rs. Nil) received from a customer against supply of goods.

23.2 This includes Rs. 138 million (30 June 2016: Rs. 138 million) received in respect of demarcated plots of land for setting up of Liquified Petroleum Gas storage and filling facilities (LPG village facility). The amount has been received in advance from consumers under LPG village facility utilization agreement. The agreements are effective for 10 years from the date of signing or any period thereafter as mutually agreed. 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.

		2017	2016
		--------(Rupees in '000)-------	
24.	**ACCRUED MARK-UP**		
	Long-term financing	**183,522**	98,951
	Loans from related parties	**301,869**	-
	Short-term borrowings	**78,822**	-
	Advance from customers	**-**	95,692
		564,213	194,643

		Note	2017	2016
25.	**SHORT-TERM BORROWINGS**		---------Rupees in '000-------	
	Secured			
	Finance against trust receipt	25.1	**1,771,784**	6,593,696
	Running finance	25.2	**1,600,000**	-
			3,371,784	6,593,696
	Other – unsecured		**-**	347,303
			3,371,784	6,940,999

25.1 The facilities have been extended by commercial banks for import and procurement of crude oil and petroleum products aggregating to Rs. 22,700 million (30 June 2016: Rs. 15,000 million) out of which Rs. 20,928.216 million (30 June 2016: Rs. 8,406.304 million) remains unutilized as at the balance sheet date. The facility carries mark-up ranging from 1 month's KIBOR plus 1% to 1.5%. The facility is secured against documents of title of goods, charge over the stocks of crude oil and petroleum products and receivables to be generated from its sales, lien on the bank's collection account.

25.2 Represents running finance facility amounting to Rs. 1,600 million obtained from a commercial bank. The facility carries mark-up at the rate ofthree months KIBOR + 1.5% per annum. The facility is secured by way of first pari passu hypothecation charge of overall present and future current and fixed assets of the Holding Company.

		Note	2017	2016
			---------Rupees in '000-------	
26.	**CURRENT PORTION OF LONG-TERM FINANCING AND MARK-UP**			
	Long-term financing and mark-up	18	**7,932,304**	5,596,765

27. CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 Claims against the Holding Company not acknowledged as debts amounting to Rs. 3,991.089 million (30 June 2016: Rs. 3,834.285 million) comprise of late payment charges on account of delayed payments against crude oil supplies from various Oil Production and Exploration Companies and 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 and hence no provision in respect of the same has been made in these consolidated financial statements.

		2017	2016
		---------Rupees in '000-------	
27.2	**Commitments**		
27.2.1	Outstanding letters of credit	**-**	10,722,572
27.2.2	Commitments for capital expenditure	**221,474**	11,478
27.2.3	Commitments in respect of Ijarah financing:		
	Not later than one year	**-**	35,542
27.2.4	Commitments in respect of purchase of CRL's shares	**830,000**	-

		Note	2017	2016
28.	**TURNOVER – net**		--------(Rupees in '000)-------	
	Gross Sales			
	Local		**110,198,050**	106,954,070
	Export		**5,018,086**	7,581,901
			115,216,136	114,535,971
	Rent of equipment and storage and handling income		**152,218**	-
	Less: Sales discount, sales tax, excise duty and petroleum development levy		**(26,795,774)**	(36,179,273)
			88,572,580	78,356,698
29.	**COST OF SALES**			
	Opening stock		**4,942,026**	4,176,741
	Transfer upon merger		**82,434**	
	Cost of goods manufactured	29.1	**45,504,304**	40,085,076
	Finished products purchased during the year		**40,146,428**	35,915,358
			90,675,192	80,177,175
	Closing stock	9	**(5,798,472)**	(4,942,026)
			84,876,720	75,235,149
29.1	**Cost of goods manufactured**			
	Raw material consumed	29.1.1	**39,625,255**	35,561,446
	Salaries, wages and other benefits	29.1.2	**729,254**	390,677
	Depreciation	5.1.4	**3,520,678**	2,378,726
	Fuel, power and water		**248,436**	263,469
	Operation cost		**635,265**	903,093
	Insurance		**211,275**	106,915
			134,841	177,363

	Note	2017	2016
		--------(Rupees in '000)-------	
Repairs and maintenance			
Rent, rates and taxes		47,304	67,640
Industrial gases and chemicals		47,979	61,700
Staff transportation and catering		94,702	62,676
Stores and spares consumed		147,522	67,591
Security expenses		46,582	24,120
Vehicle running		15,211	9,840
Others		-	9,820
		45,504,304	40,085,076

29.1.1 Raw material consumed

	Note	2017	2016
Opening stock		2,389,729	682,874
Transfer upon merger		253,274	-
Purchases during the year		43,766,629	37,268,301
		46,409,632	37,951,175
Closing stock	9	(6,784,377)	(2,389,729)
Raw material consumed		39,625,255	35,561,446

29.1.2 This includes a sum of Rs. 29.407 million (30 June 2015: Rs.12.938 million) in respect of staff retirement benefits.

30. ADMINISTRATIVE EXPENSES

	Note	2017	2016
		--------(Rupees in '000)-------	
Salaries, allowances and other benefits	30.1	456,640	382,062
Rent, rates and taxes		88,729	67,318
Depreciation	5.1.4	83,877	54,652
Repairs and maintenance		35,302	36,309
Legal and professional		29,635	26,673
Travelling and conveyance		32,074	27,359
Vehicle running		19,678	24,098
Utilities		10,183	7,630
Fee and subscriptions		16,525	10,140
Insurance		8,728	7,878
Auditors' remuneration	30.2	6,110	5,281
Printing and stationary		9,029	7,687
SAP maintenance costs		10,520	17,986
Others		10,917	18,539
		817,947	693,612

30.1 This includes a sum of Rs. 18.414 million (30 June 2016: Rs. 6.671 million) in respect of staff retirement benefits.

30.2 Auditors' remuneration

	Note	2017	2016
		--------(Rupees in '000)-------	
Statutory audit		3,900	1,800
Half yearly review		600	500
Consolidation of financial statements		600	400
Special audit and other certifications		500	2,006
Out of pocket expenses		510	575
		6,110	5,281

31. SELLING AND DISTRIBUTION EXPENSES

	Note	2017	2016
Salaries, allowances and other benefits	31.1	162,561	169,334
Transportation and product handing charges		276,488	304,305
Advertisement		6,888	47,510
Rent, rates and taxes		89,380	86,461
Depreciation	5.1.4	37,192	37,643
Export development surcharge		-	16,568
Wharfage and other export expenses		28,857	30,574
Insurance		1,335	2,036
		602,701	694,431

31.1 This includes a sum of Rs. 6.555 million (30 June 2016: Rs. 2.739 million) in respect of staff retirement benefits.

	Note	2017	2016
		--------Rupees in '000-------	
32. OTHER EXPENSES			
Late payment surcharge and penalties		333,498	245,327
Provision for doubtful debts	10.2	748,522	680,548
Workers' profit participation fund		-	38,923
Workers' welfare fund	22	26,186	15,569
		1,108,206	980,367
33. OTHER INCOME			
Income from financial assets			
Interest on balances due from customers		448,522	465,251
Interest income on saving accounts		33,821	17,271
Interest on loan to CRL		54,791	50,618
		537,134	533,140
Deferred arrangement fee payable written back		-	223,019
Income from non - financial assets			
Reversal of excess sales tax surcharge provision		401,428	708,883
Insurance claim		560,572	-
Reversal of WPPF		109,445	-
Land lease rent		-	52,937
Storage and handling income		-	28,158
Gain on disposal of operating fixed assets		-	3,044
Dealership income		7,500	8,100
		1,078,945	801,122
		1,616,079	1,557,281
34. FINANCE COSTS			
Mark-up on:			
- Long-term financing		1,511,552	1,560,519
- Loan from a commercial bank		-	173,712
- Loan from syndicate banks		-	25,877
- Short-term borrowings		505,184	696,248
- Loans from related parties		135,349	-
- Musharaka facility		-	24,741
- Advance from customers		-	20,159
- Workers' profit participation fund		-	6,341
		2,152,085	2,507,597
Unwinding of arrangement fee		-	20,971
Exchange loss – net	34.1	178,657	229,070
Bank and other charges		109,230	67,405
		2,439,972	2,825,043
Recovery of mark-up from Parent Company relating to short-term borrowings		-	(25,451)
Reimbursement of arrangement fee from CRL		-	(20,971)
		-	(46,422)
		2,439,972	2,778,621

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

		2017	2016
		--------Rupees in '000-------	
35.	**TAXATION**		
	Current	**(471,398)**	(448,164)
	Prior year	**43,141**	81,635
	Deferred	**1,487,848**	1,221,055
		1,059,591	854,526

35.1 The income tax returns of the Holding Company and a Subsidiary Company (BIPL) have been filed up to and including tax year 2016. These, except for those mentioned below, are deemed to have been assessed under section 120 of the Income Tax Ordinance, 2001.

35.2 The Holding Company was selected for an audit under Section 177 and 214C of the Income Tax Ordinance, 2001 for the tax year 2013. Audit proceedings for all mentioned tax year was 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. 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 these consolidated financial statements.

35.3 Under section 5A of the Income Tax Ordinance, 2001 (the Ordinance), the Holding Company is obligated to pay tax at the rate of 7.5 percent on its accounting profit before tax if it derives profit for a tax year but does not distribute at least 40 percent of its after tax profits within six months of the end of the tax year, through cash or bonus shares. The Holding Company filed a Constitutional Petition (CP) before the Court on 24 November 2017 challenging the tax, and the Court accepted the CP and granted a stay against the above section.

In case the Court's decision is not in favor of the Holding Company, the Holding Company will either be required to declare the dividend to the extent of 40% of after tax profits or it will be liable to pay additional tax at the rate of 7.5% of the accounting profit before tax of the Holding Company for the financial year ended 30 June 2017. As at the balance sheet date, no liability has been recorded by the Holding Company in this respect.

35.4 Relationship between accounting loss and tax expense for the year

The Holding Company is subject to Minimum Tax and Final Tax Regime under section 113 and section 169 respectively of the Income Tax Ordinance, 2001, there fore, 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 the Income Tax Ordinance, 2001.

		2017	2016
		--------Rupees in '000-------	
36.	**EARNINGS PER ORDINARY SHARE – basic and diluted**		
	Profit after taxation	**1,402,704**	386,325
		----------(Number)----------	
	Weighted average number of ordinary shares	**5,329,884,706**	977,858,737
		--------Rupees in '000-------	
	Earnings per share – basic and diluted	**0.26**	0.40

37. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Group has related party transactions with its 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:

		2017	2016
		-------Rupees in '000-------	
37.1	**Transactions with related parties**		
	Parent Company		
	Shares issued	48,945,202	-
	Mark-up charged	135,349	-
	Land lease rentals	-	52,634
	Purchases	-	41,998,051
	Loan received	-	400,000
	Sales	-	13,469,307
	Mark-up charged -net	-	368,345
	Interest received	-	27,994
	Allocation of gratuity expense	-	484
	Allocation of group expenses	-	378,194
	Associated Companies		
	Sales	1,963,515	1,063,832
	Consultancy services from associated company	-	13,076
	Purchase of operating fixed assets and services	35,923	-
	Interest income	-	28,348
	Port services rendered	-	44,655
	Receipt of short-term loan	-	20,000
	Staff Provident Fund		
	Contribution made to staff provident fund	109,947	42,367
37.2	**Balances with related parties**		
	Parent Company		
	Receivable against land lease rent	-	329,134
	Interest accrued	-	18,924
	Security deposit payable	-	3,646
	Receivable against services	-	167,197
	Payable against purchases and expenses	-	433,389
	Receivable against purchase of goods and services	-	1,005,506
	Other receivables	25,138	-
	Contribution against future issue of shares	761,129	-
	Accrued mark-up	301,869	-
	Loan payable	6,110,417	-
	Payable against expenses	-	12,014
	Associated Companies		
	Long-term deposit receivable	95	95
	Trade debts	224,068	9,703
	Advance against purchases	-	9,407
	Interest accrued	108,192	259,302
	Payable against purchases	8,147	11,709
	Others		
	Payable to Key Management Person	68,508	-
	Payable to staff provident fund	46,019	13,934

38. REMUNERATION OF CHIEF EXECUTIVES, DIRECTORS AND EXECUTIVES

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

	Chief Executives		Directors		Executives		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	(Rupees in '000)							
Fees	-	-	900	1,000	-	-	900	1,000
Managerial remuneration	8,100	18,403	-	6,674	360,721	156,580	368,821	181,657
Housing and utilities	-	5,285	-	2,002	116,575	50,303	116,575	57,590
Leave fare assistance	-	1,467	-	556	30,048	13,043	30,048	15,066
Staff retirement benefits	-	2,935	-	1,112	57,792	25,887	57,792	29,934
	8,100	28,090	900	11,344	565,136	245,813	574,136	285,247
Number of persons	1	3	1	2	345	151	347	156

38.1 The number of persons does not include those who left during the year but remuneration paid to them is included in the above amounts.

38.2 The Chief Executives and few Executives have been provided company maintained cars.

38.3 As at 30 June 2017, the Group's Board of Directors consists of 7 Directors (of which 6 are Non-Executive Directors). Except for the Chief Executives and a Director, no remuneration and other benefits have been paid to any Director.

39. 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 2017.

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

39.1 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.

39.1.1 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:

	2017	2016
Variable Rate Instruments	(Rupees in '000)	
Financial assets		
Trade debts	**6,445,239**	6,132,327
Long term loan to CRL	**688,780**	1,518,780
	7,134,019	7,651,107

	Note	2017	2016
		-------(Rupees in '000) ------	
Financial liabilities			
Long-term financing and mark-up	18	**32,650,780**	17,767,028
Loan from related parties		**6,110,417**	-
Short-term borrowings	25	**3,371,784**	6,593,696
Current portion of liabilities against asset subject to finance lease		**-**	4,362
		42,132,981	24,365,086

A change of 1% in interest rates at the year-end would have increased or decreased the loss before tax by Rs. 277.305 million (June 2016: Rs. 169.007 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for June 2016.

39.1.2 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 transactions that are entered in a currency other than Pak Rupees. As the Group imports plant and equipment and crude oil, it is exposed to currency risk by virtue of borrowings (in foreign currency). Further foreign currency risk also arises on payment to the supplier of tugs for operations of SPM. The currency in which these transactions are undertaken is US Dollar. Relevant details are as follows:

	2017		2016	
	(Rupees in '000)	(USD '000)	(Rupees in '000)	(USD '000)
Long term financing and mark-up	**1,628,768**	**15,512**	-	-
Loans from related parties	**6,110,417**	**58,194**	-	-
Accrued mark-up on loan from related parties	**301,869**	**2,875**	-	-
	8,041,054	**76,581**	-	-

The average rates applied during the year is Rs. 104.85 / USD (30 June 2016: Rs. 103.25 / USD) and the spot rate as at 30 June 2017 is Rs. 105 / USD (30 June 2016: 104.70 / USD).

A change of 1% in exchange rates at the year-end would have increased or decreased the loss by Rs. 107.722 million (30 June 2016: Rs. Nil). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for June 2016.

39.1.3 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.

39.2 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	2017	2016
		-------Rupees in '000-------	
Long-term loans and advances	7	**1,417,936**	1,753,780
Long-term deposits	8	**16,956**	31,332
Trade debts	10	**4,858,318**	8,278,080
Loans and advances	11	**226,064**	555,535
Trade deposits	12	**-**	16,747
Other receivables	13	**1,467,442**	1,276,715
Accrued interest		**237,951**	353,193
Cash and bank balances	14	**249,339**	240,330
		8,474,006	12,505,712

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:

Trade debts

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

	2017	2016
	-------Rupees in '000-------	
Neither past due nor impaired	**1,937,052**	4,026,464
Past due 1-30 days	**18,735**	20,196
Past due 31-180 days	**30,371**	57,061
Past due 180-365 days	**27,531**	1,010,007
Above 365 days	**2,844,629**	3,164,352
	4,858,318	8,278,080

Bank balances

	2017	2016
	-------Rupees in '000-------	
A-1+	**199,465**	141,793
A1	**47,898**	74,346
A2	**1,976**	24,191
	249,339	240,330

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

39.3 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)	-----------------------		
2017					
Long-term loans and mark-up	-	**1,612,645**	**6,319,659**	**24,718,476**	**32,650,780**
Loans from related parties	-	-	-	**6,110,417**	**6,110,417**
Long-term deposits	-	-	-	**172,375**	**172,375**
Trade and other payables	**6,118,359**	**35,759,886**	-	-	**41,878,245**
Advance from customer	-	**2,472,871**	-	-	**2,472,871**
Short-term borrowings	-	**3,371,784**	-	-	**3,371,784**
Accrued mark-up	**564,213**	-	-	-	**564,213**
	6,682,572	**43,217,186**	**6,319,659**	**31,001,268**	**87,220,685**

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	-----------------------	(Rupees in '000)	-----------------------		
2016					
Long-term loans and 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

39.4 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 2017.

The Group is not exposed to externally imposed capital requirement.

40. 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.

41. OPERATING SEGMENTS

For management purposes, the Group has determined following reportable operating segments on the basis of business activities i.e. oil refining and petroleum marketing. 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	
	2017	2016	2017	2016	2017	2016
	(Rupees in '000)					
Turnover						
Net Sales to external customers	53,173,101	48,065,996	35,399,480	30,290,702	88,572,581	78,356,698
Inter-segment sales	33,468,337	28,155,149	80,479	-	33,548,816	(28,155,149)
Eliminations	(33,468,337)	(28,155,149)	(80,479)	-	(33,548,816)	((28,155,149)
Total turnover	53,173,101	48,065,996	35,399,480	30,290,702	88,572,581	78,356,698
Result						
Segment profit	2,549,832	1,486,358	804,324	1,048,270	3,354,156	2,534,628
Unallocated expenses:						
Finance cost					(2,439,972)	(2,778,621)
Interest income					537,134	756,159
Other expenses					(1,082,019)	(980,367)
Taxation					812,920	854,526
Profit for the year					1,402,705	386,325
Segmental Assets	109,031,873	54,408,942	1,362,030	1,434,661	110,393,903	55,843,603
Unallocated Assets						
	109,031,873	54,408,942	1,362,030	1,434,661	110,393,903	55,843,603
Segmental Liabilities	90,086,899	56,847,889	1,161,907	1,195,786	91,248,806	58,043,675
Unallocated Liabilities						-
	90,086,899	56,847,889	1,161,907	1,195,786	91,248,806	58,043,675
Capital expenditure	3,584,259	150,861	8,576	2,249	3,592,835	153,110
Other Information						
Depreciation and amortization	3,604,555	2,433,378	37,192	37,643	3,641,747	2,471,021

42. PROVIDENT FUND DISCLOSURE

The Holding Company operates an 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:

	2017	2016
	------Rupees in '000-----	
Size of the fund - net assets	**255,733**	143,979
Cost of investments made	**214,271**	111,908
Fair value of investments	**213,164**	128,885
Percentage of investments	**83.79%**	89.51%

Break-up of fair value of investments in terms of amount and as percentage of the size of the fund is as follows:

	2017		2016	
	(Rupeesin '000)	%	(Rupeesin '000)	%
Bank deposits	**110,357**	**43.15%**	39,846	27.67%
Debt securities	**4,398**	**1.72%**	24,881	17.28%
Government securities	**19,709**	**7.71%**	-	-
Unit trust schemes	**79,807**	**31.21%**	64,158	44.56%
	214,271	**83.79%**	128,885	89.51%

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 repealed Ordinance, 1984 and the rules formulated for this purpose.

43. CAPACITY AND ANNUAL PRODUCTION

Against the designed annual refining capacity (based on 330 days) of 51.15 million barrels (2016: 11.55 million barrels), the actual throughput during the year was 8.402 million barrels (2016: 8.362 million barrels). The Group operated the plant considering the level which gives optimal yield of products.

44. NUMBER OF EMPLOYEES

The total number of employees as at 30 June 2017 were 700 (30 June 2016:305) and average number of employees were 496 (30 June 2016:350).

45. RECLASSIFICATION

Following corresponding figures have been reclassified for better presentation:

From	To	(Rs. in '000)
Trade and other payables	Advance from customers	670,263
Selling and distribution expenses	Turnover – net	1,731,707

46. GENERAL

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

46.2 Comparative figures of these consolidated financial statements comprise the figures of BPPL, BTPL and BIPL only as more fully explained in note 1.1 to these consolidated financial statements.

47. **DATE OF AUTHORISATION FOR ISSUE**

These consolidated financial statements were authorised for issue on December 20, 2017 by the Board of Directors of the Group.

Amir Abbassciy	**Syed Arshad Raza**	**Naeem Asghar Malik**
Chief Executive	Director	Chief Financial Officer

Pattern of Shareholding

As at 30th June, 2017

Shareholders Category	No. of Shareholders	No. of Shares	%
Directors, Chief Executive Officer and their spouse and minor children.	9	21,800	0.000409014
Associated Companies, Undertakings and Related Parties	1	4,894,520,196	91.83163363
NIT and ICP	0	0	0
Banks, Development Finance Institutions, Non-Banking Financial Institutions	8	248,511,939	4.662613785
Insurance Companies	3	275,000	0.005159586
Modarabas and Mutual Funds	6	1,075,000	0.020169292
General Public	15,559	171,978,899	3.226690791
Others	124	13,501,872	0.253323904
TOTAL	**15,710**	**5,329,884,706**	**100**

ADDITIONAL INFORMATION

Shareholders' Category	Number of Shareholders	Number of Shares held
Associated Companies, Undertakings and Related Parties (name wise details)		
Byco Industries Incorporated	1	4,894,520,196
Modarabas and Mutual Funds (name wise detail)		
First Fidelity Leasing Modaraba	1	10,000
Trust Modaraba	1	40,000
CDC- Trustee First Capital Mutual Fund	1	200,000
CDC- Trustee First Dawood Mutual Fund	1	25,000
Trustee Pak Qatar Family Takaful Limited Aggressive Fund	1	400,000
Trustee Pak Qatar Family Takaful Limited Balance Fund (BF)	1	400,000
Directors and their spouse and minor children. (name wise details)		
Mr. Amir Abbassciy	1	2,500
Mr. Omar Khan Lodhi	1	500
Chaudhary Khaqan Saadullah Khan	1	500
Mr. Akhtar Hussain Malik	1	500
Mr. Muhammad Mahmood Hussain	1	500
Syed Nayyer Hussain	1	500
Syed Arshad Raza	1	10,600
Mrs. Uzma Abbassciy (Wife of Mr. Amir Abbassciy)	1	5,600
Mrs. Fazilay Ghulam Ali Raza (Wife of Syed Arshad Raza)	1	600
Executives	5	85,500
Public Sector Companies and Corporations		
Banks, Development Financial Institutions, Non-Banking Finance companies, insurance companies, takaful, modarabas and pension funds	8	248,511,939
Shareholders holding 5% or more voting rights in the listed company (name wise details)		
Byco Industries Incorporated	1	4,894,520,196

Pattern of Shareholding

As at 30th June, 2017

No. of Shares			
From	To	No. of Shareholders	No. of Shares Held
1	100	875	31,930
101	500	2,376	1,061,496
501	1,000	2,732	2,630,956
1,001	5,000	5,491	15,912,190
5,001	10,000	1,784	14,539,706
10,001	15,000	616	8,045,385
15,001	20,000	443	8,206,824
20,001	25,000	284	6,743,328
25,001	30,000	186	5,337,090
30,001	35,000	122	4,057,293
35,001	40,000	77	2,972,743
40,001	45,000	55	2,367,012
45,001	50,000	144	7,131,832
50,001	55,000	46	2,442,747
55,001	60,000	40	2,334,000
60,001	65,000	16	1,021,840
65,001	70,000	25	1,721,260
70,001	75,000	34	2,492,719
75,001	80,000	21	1,655,300
80,001	85,000	19	1,577,270
85,001	90,000	15	1,327,030
90,001	95,000	16	1,501,100
95,001	100,000	68	6,779,696
100,001	105,000	14	1,436,000
105,001	110,000	11	1,200,400
110,001	115,000	7	794,000
115,001	120,000	14	1,667,400
120,001	125,000	8	992,290
125,001	130,000	4	517,000
130,001	135,000	6	806,000
135,001	140,000	2	276,000
140,001	145,000	4	568,287
145,001	150,000	11	1,647,000
150,001	155,000	3	456,500
160,001	165,000	2	327,000
165,001	170,000	3	504,030
170,001	175,000	6	1,044,800
175,001	180,000	1	178,000
185,001	190,000	2	379,500
190,001	195,000	3	574,000
195,001	200,000	19	3,795,930
200,001	205,000	3	613,000
205,001	210,000	2	418,000
210,001	215,000	3	642,000
215,001	220,000	2	439,000
220,001	225,000	1	224,000
225,001	230,000	3	685,886
230,001	235,000	1	232,000
240,000	245,000	2	481,500
250,000	255,000	5	1,256,500
260,001	265,000	1	260,500

Pattern of Shareholding

As at 30th June, 2017

No. of Shares			
From	To	No. of Shareholders	No. of Shares Held
265,001	270,000	2	535,000
285,000	290,000	2	575,000
290,001	295,000	2	586,500
300,000	305,000	6	1,800,000
325,001	330,000	2	654,500
330,001	335,000	2	669,500
345,001	350,000	1	345,200
380,001	385,000	1	382,000
400,000	405,000	6	2,400,000
415,000	420,000	1	415,000
430,000	435,000	1	430,000
440,000	445,000	1	440,000
445,001	450,000	2	899,000
460,000	465,000	1	460,000
495,001	500,000	8	3,995,500
500,001	505,000	2	1,007,500
520,001	525,000	1	524,500
550,000	555,000	1	550,000
590,001	595,000	3	1,779,000
615,001	620,000	1	618,528
625,001	630,000	1	625,500
635,001	640,000	2	1,276,000
650,000	655,000	2	1,303,000
660,000	665,000	1	660,000
685,000	690,000	1	685,000
710,001	715,000	1	712,000
720,001	725,000	1	724,554
745,001	750,000	3	2,247,000
800,000	805,000	1	800,000
820,001	825,000	1	822,000
840,000	845,000	1	840,000
910,001	915,000	1	911,500
980,001	985,000	1	982,000
985,001	990,000	1	986,000
1,000,000	1,005,000	4	4,000,000
1,010,000	1,015,000	1	1,010,000
1,060,000	1,065,000	1	1,060,000
1,090,001	1,095,000	1	1,092,500
1,200,000	1,205,000	2	2,400,000
1,250,000	1,255,000	1	1,250,000
1,515,001	1,520,000	1	1,516,500
1,700,000	1,705,000	1	1,700,000
1,940,001	1,945,000	1	1,944,086
2,790,001	2,795,000	1	2,794,000
4,650,000	4,655,000	1	4,650,000
6,980,001	6,985,000	1	6,983,000
248,015,001	248,020,000	1	248,015,872
4,894,520,196	4,894,520,196	1	4,894,520,196
		15,710	**5,329,884,706**

Notice of 23rd Annual General Meeting

Byco Petroleum Pakistan Limited

Notice is hereby given that the 23rd Annual General Meeting of Byco Petroleum Pakistan Limited will be held on Thursday, 25th January 2018 at 9:00 am at the Moosa D. Desai Auditorium, ICAP, Clifton, Karachi to transact the following businesses:

ORDINARY BUSINESS

1. To confirm the minutes of the 22nd Annual General Meeting of the Company held on 26th October 2016.
2. To receive, consider and adopt the audited unconsolidated and consolidated financial statements for the financial year ended 30th June 2017, together with the Directors' and Auditors' reports thereon.
3. To re-appoint the auditors for the financial year 2017-18 and to fix their remuneration.

SPECIAL BUSINESS

1. Pursuant to the Companies (E-Voting) Regulations, 2016 (the "Regulations") members are entitled to vote electronically and for the purpose appoint a member as proxy.

   Approval of the members is accordingly sought for amendment in the Company's Articles of Association in order to conform them, with the requirements of the Regulations, and to pass, if deemed appropriate, with or without modification, the following resolutions, as Special Resolutions:

   "RESOLVEDTHAT as and by way of Special Resolution that:

   (i) Article 76 of the Articles of Association be deleted and replaced by the following new Article 76:

   '76. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation either under the common seal, or under the hand of an officer or attorney so authorised. No person shall act as a proxy unless he is a member of the Company, provided, however, that for E-Voting a non-member may also be appointed and act as proxy.'

   (ii) Article 78 of the Articles of Association be amended by deleting the first sentence thereof and replacing it with the following new sentence:

   '78. An instrument appointing a proxy may be in the following form, or in the form specified for E-voting in Schedule II to the Companies (E-Voting) Regulations, 2016, or in any other form approved by the Directors:'

   FURTHER RESOLVED THAT the Chief Executive Officer and the Company Secretary be and hereby are jointly and singularly authorised to do all such acts and take all such steps as may be necessary or desirable to give effect to the foregoing resolutions."

2. The Securities and Exchange Commission of Pakistan (SECP) has allowed companies to circulate the annual audited accounts to members via CD or DVD or USB at their registered addresses, subject to the conditions specified there for. Accordingly, consent of the members is sought for transmission of the annual audited accounts of the Company via CD or DVD or USB and to pass, if deemed appropriate, with or without modification, the following special resolutions:

   "RESOLVED THAT the Company may transmit the annual audited accounts to the members via, email or other electronic and digital means or CD or DVD or USB instead of hard copies, as allowed by the Securities and Exchange Commission of Pakistan.

FURTHER RESOLVED THAT the Chief Executive Officer and the Company Secretary be and hereby are jointly and singularly authorised to do all such acts and take all such steps as may be necessary or desirable to give effect to the foregoing resolutions."

By Order of the Board

Majid Muqtadir
Company Secretary

3rd January 2018
Karachi

A statement under Section 134 (3) of the Companies Act, 2017 pertaining to the Special Business is annexed

NOTES:

Closure of Share Transfer Books

The register of members and the share transfer books of the Company will remain closed from Thursday, 18th January 2018 until Thursday, 25th January 2018 (both days inclusive).

Participation in the Meeting

Only persons whose names appear in the register of members of the Company as on Wednesday, 17th January 2018, 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 his / her 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 Company's Annual Report.

Guidelines for CDC Account Holders

CDC account holders should comply with the following guidelines of the SECP:

For Attendance

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

b) Unless provided earlier, corporate entities must at the time of the Meeting produce a certified copy of a resolution of their Board of Directors or a Power of Attorney, bearing the specimen signature of the attorney.

For Appointing Proxies

a) Individuals should be account holder(s) or sub-account holder (s) whose registration details should be uploaded according to 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 specified therein.

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

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

e) Unless provided earlier, corporate entities must at the time of the Meeting produce a certified copy of a resolution of their Board of Directors or a Power of Attorney, bearing the specimen signature of the attorney.

Dividend Bank Mandate

Members may authorize the Company to credit his / her future cash dividends directly into his / her bank account. Members who would like future cash dividends to be credited directly into their bank accounts should mark the 'YES' box below and provide the required information under signature to the Shares Registrar.

Yes No

Folio Number:	
Name of Shareholder:	
Title of the Bank Account:	
Bank Account Number (IBAN):	
Name of Bank:	
Name of Bank Branch and Address:	
Cellular Number of shareholder:	
Landline Number of shareholder:	
CNIC / NTN Number (Attach copy):	

____
Signature of Member

(Signature must match specimen signature registered with the Company)
Members holding shares in CDC accounts should update their bank mandates, if any, with the respective participants.

Intimation of Change of Address

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 Shares Registrar. Members holding shares in CDC / participant accounts should update their addresses and, if applicable, submit their non-deduction of zakat declaration form to the CDC or the respective participants / stockbrokers.

Submission of CNIC Copies

A list of members who have not submitted copies of their CNICs be viewed on the Company's website www.byco.com.pk.

Electronic Transmission of Financial Statements and Notice of AGM

Members who have provided email addresses in the required consent form will receive the Audited Financial Statements along with the notice of the Annual General Meeting by email. Members who would like to receive the Annual Report by email should provide their email addresses to the Company Secretary. A consent form for receiving the Annual Report by email may be downloaded from the Company's website.

Video Conference Facility

Members can also avail video conference facility at Lahore and Islamabad. In this regard, please fill the requisite form (available on Company's website www.byco.com.pk) and submit to registered address of the Company 10 days before holding of the Annual General Meeting.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access the facility.

Statement under Section 134 (3) of the Companies Act, 2017 pertaining to the Special Businesses

This statement sets forth the material facts concerning the special business listed hereinabove, to be transacted at the 23rd Annual General Meeting of the Company to be held on 25th January 2018.

Agenda Item 1:

To give the effect of the Companies (E-Voting) Regulations, 2016, the shareholders' approval is being sought to amend the articles of association of the Company to enable e-voting which will give the members option to be part of the decision making in the general meeting of the Company through electronic means.

Agenda Item 2:

In order to implement SECP directives with respect to transmission / circulation of annual audited accounts through CD / DVD / USB instead of hard copies, resolution is part of the notice for approval of shareholders to adopt the newly introduced mode of transmission.

Admission Slip

The 23rd Annual General Meeting of Byco Petroleum Pakistan Limited will be held on Thursday, 25th January 2018 at 9:00 am 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

23rd 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 23rd Annual General Meeting of the Company to be held on Thursday, 25th January 2018 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.

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

کمپنی سیکریٹری

بائیکو پیٹرولیم پاکستان لمیٹڈ

نویں منزل، دی ہاربر فرنٹ، ڈالمن سٹی

HC-3، بلاک 4، میرین ڈرائیو، کلفٹن،

کراچی-75600، پاکستان

پراکسی کا فارم

23 ویں سالانہ جنرل میٹنگ

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

میں/ہم ---------------------------------- برائے -------------- بحیثیت 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 23 ویں سالانہ جنرل میٹنگ میں شرکت کرنے اور حق رائے دہی استعمال کر سکتے ہیں۔ اس میٹنگ کا انعقاد بروز جمعرات 25 جنوری 2018ء کو یا اس کے التواء کی صورت میں متبادل تاریخ اور جگہ پر طلب کی جا سکتی ہے۔

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

کی موجودگی میں:

۱۔ نام: -------------------------	۲۔ نام: -------------------------
شناختی کارڈ نمبر: -------------------	شناختی کارڈ نمبر: -------------------
پتہ: -------------------------	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 9 ویں منزل، ہاربر فرنٹ، ڈالمن سٹی، HC-3، بلاک 4، مرین ڈرائیو کلفٹن کراچی میں میٹنگ کے وقت سے 48 گھنٹے قبل ارسال کریں۔

۲۔ صرف کمپنی کے ممبران ماسوائے کارپوریٹ ممبران کا تقرر کیا جا سکتا 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۔

ایکسٹرنل محاسبین:

کمپنی کے محاسبین میسرز ای وائی فورڈ رھوڈز چارٹرڈ اکاؤنٹینٹس ریٹائر ہو چکے ہیں انہوں نے دوبارہ تقرری کیلئے پیشکش کی ہے۔ محاسب کمیٹی نے میسرز ای وائی فورڈ رھوڈز چارٹرڈ اکاؤنٹینٹس کی بطور آڈیٹر اختتامی سال 30 جون 2018ء کیلئے دوبارہ تقرری کی سفارش کی ہے۔

اظہار تشکر:

بورڈ حکومت پاکستان اور اسٹراٹیجک شراکت داروں، بشمول مالیاتی اداروں، خریداران، ترسیل کنندگان، صارفین اور کمپنی کے حاملینِ حصص کی جانب سے کمپنی کے ساتھ تعاون پر ان کا شکریہ ادا کرنا چاہتا ہے۔

ہم کام کے دوران خدمات پیش کرنے پر اپنے ملازمین کا بھی شکریہ ادا کرنا چاہیں گے۔

برائے اور بورڈ آف ڈائریکٹرز کی جانب سے

چیف ایگزیکیٹو آفیسر

کراچی

مورخہ 20 دسمبر 2017

محاسب کمیٹی:

اس سال کے دوران محاسب کمیٹی کی چار اجلاسوں کا انعقاد کیا گیا جس میں درج ذیل ممبران نے شرکت کی:

ڈائریکٹرز کے نام:	اجلاس میں شرکت کی تعداد
جناب محمد محمود حسین	4
جناب سید ارشد رضا	4
جناب چوہدری خاقان سعداللہ خان (22 دسمبر 2016 سے)	2
جناب محمد رضا حسنانی (22 نومبر 2016 تک)	1

ہیومن ریسورس اور اجرتی کمیٹی:

اس سال کے دوران ہیومن ریسورس اور اجرتی کمیٹی کوئی اجلاس منعقد نہیں ہوئی۔

حامل حصص کا طریقہ کار:

☆ حامل حصص کا طریقہ کار اور اضافی معلومات سالانہ رپورٹ 30 جون 2017ء کے صفحہ نمبر۔۔۔100۔۔۔ پر موجود ہے۔

☆ بائکو انڈسٹریز کی بنیاد موریشیز میں رکھی گئی جس کے حصص کا تناسب 91.83 فیصد ہے۔ مالیاتی اداروں اور بینک میں حصص 4.66 فیصد اور 3.51 فیصد حصص شیئر انفرادی طور پر موجود ہے۔

☆ ڈائریکٹرز، ایگزیکیٹیوز یا ان کی بیگمات یا نابالغ بچوں نے سال کے دوران کمپنی کے حصص میں کوئی تجارت نہیں کی۔

بعد از ملازمت کے فوائد کے فنڈ میں سرمایہ کاری کی ویلیو:

غیر محاسب شدہ حسابات کی بنیاد پر پروویڈنٹ فنڈ کے اسٹیٹمنٹ کی ویلیو درج ذیل ہے:

	2017	2016
30 جون ('000 روپے)	213,164	111,908

ڈائریکٹرز درج ذیل تصدیق کرتے ہیں:

- ☆ مالیاتی گوشوارے، جوکہ کمپنی کی انتظامیہ نے مرتب کیا اور اس میں تمام تر عملی نتائج ،نقد ادائیگی اور ایکوئٹی میں تبدیلیاں واضح طور پر پیش کی گئیں۔
- ☆ مناسب حساب کتاب کے کھاتے کمپنیز آرڈیننس 1984ء (اس وقت کمپنیز ایکٹ 2017ء) کے تحت مرتب کئے گئے۔
- ☆ مناسب اکاؤنٹنگ کی پالیسیاں مالیاتی گوشوارے، حسابات کے تخمینہ کی تیاری کے وقت استعمال کی گئیں اور اسی کی بنیاد پر مناسب فیصلے کئے گئے۔
- ☆ انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈ جس کا اطلاق پاکستان میں ہے جوکہ مالیاتی گوشواروں کی تیاری میں استعمال کیا جاتا ہے۔ کمپنی کا داخلی کنٹرول کا سسٹم بے حد مضبوط ہے جس پر موثر طور پر عملدرآمد کیا جارہا ہے۔
- ☆ اس سال کے دوران بورڈ آف ڈائریکٹرز کی سات اجلاسوں کا انعقاد ہو چکا ہے جس میں درج ذیل ڈائریکٹرز نے شرکت کی تھی:

ڈائریکٹرز کے نام:	اجلاس میں شرکت کی تعداد
جناب عامر عباسی	7
جناب محمد محمود حسین	7
جناب اختر حسین ملک	4
جناب سید ارشد رضا	6
جناب عمر خان لودھی	-
جناب چوہدری خاقان سعداللہ خان	6
جناب محمد وصی خان (جنہوں نے 30 دسمبر 2016ء کو استعفیٰ دے دیا)	4
جناب محمد رضا حسنانی (جنہوں نے 21 نومبر 2016ء کو استعفیٰ دے دیا)	1
جناب نیر حسین (جن کا تقرر 22 دسمبر 2016ء کو ہوا)۔	2

بوڈ آف ڈائریکٹرز نے ان ڈائریکٹرز کو غیر حاضر قرار دیا جنہوں نے شرکت نہیں کی تھی۔

بورڈ نے جانے والے ڈائریکٹرز کی بہترین خدمات ریکارڈ پر درج کی ہیں۔

ماحول، صحت، حفاظت اور تحفظ (ای ایچ ایس ایس):

کمپنی نے سال کے دوران اپنی تمام تر توجہ دونوں ریفائنریز کے آس پاس ماحول، صحت، حفاظت اور تحفظ کے لئے نئے آلات کو نصب کرنا۔

سال کے دوران حفاظتی امور اور سروے کا عمل سرانجام دیا گیا تھا جس کی بنیاد مشہور و معروف کنسلٹینٹ کی جانب سے فراہم کی گئی تھی۔ اس کا جائزہ ای ایچ ایس آرگنائزیشن لیا تھا اور ریفائنری سائٹ پر ای ایچ ایس کے پیشہ ورانہ افراد کا تقرر کیا گیا۔ اگلے مرحلہ پر ای ایچ ایس پالیسی کو ترتیب دینا تاکہ زخمی، بیمار یا گمشدہ افراد کی رپورٹنگ کی حوصلہ افزائی کی جا سکے۔

ملازم کی مہارت، اور اس کی اہلیت کو عملی سرٹیفیکیٹ کے ذریعے اور ای ایچ ایس تربیت کے ذریعے تقویت دی گئی۔ مزید یہ کہ محفوظ کام کی پریکٹس کے حوالے سے ورک سسٹم پر کام کرنے کے لئے پرمٹ کا اجراء بھی شامل ہے۔

ملازم کی صحت اور ماحول کے جائزہ کے حوالے سے حکمت عملی مرتب کرنا اور تمام قوانین پر عملدرآمد کرنا اس کے علاوہ ملازمین کی صحت کے بارے میں سالانہ تشخیص کرنا اور ملازمین کے لئے سال کے دوران ٹیکہ جات فراہم کرنا۔

سال کے دوران محفوظ افراد کا کل تناسب 3.2 ملین گھنٹے حاصل کیا گیا تھا۔ سال کے دوران زخمی ہونے والوں کا کل تناسب 0.81 فی فرد کے حساب 100 ملازمین فی گھنٹہ ریکارڈ کیا گیا۔

قومی خزانے میں حصہ:

موجودہ سال کے دوران آپ کی کمپنی نے بلاواسطہ اور بلواسطہ ٹیکسز کے حساب میں قومی خزانے میں 27 ارب روپے جمع کروائے اس کے علاوہ کمپنی نے پیٹرولیم مصنوعات کی برآمدات کے توسط سے تقریباً 48 ملین امریکی ڈالر کا زرمبادلہ حاصل کیا جس کی بناء پر ملک کی متوازن ادائیگی کے بوجھ پر کمی واقع ہوئی۔

نظم وضبط کے کوڈ پر عملدرآمد:

کمپنی نے ہمیشہ اس بات کا وعدہ کیا ہے کہ وہ اپنا کاروبار نظم ضبط کے اصولوں کے تحت چلائے گی اس کے علاوہ پاکستان اسٹاک ایکسچینج کے قوانین پر عملدرآمد کرے گی۔ نظم وضبط کے حوالے سے درج ذیل گوشوارہ اور مالیاتی رپورٹنگ فریم ورک پر عمل کیا جائے۔

علاوہ ازیں محاسبین نے اپنی رپورٹ میں ایک پیراگراف کو شامل کیا ہے جس میں انہوں نے مالیاتی گوشواروں کی تیاری میں اس کے استعمال کے بارے میں وضاحت بھی کی ہے یہ اظہارات جو کہ کچھ منفی اشاروں کی بنیاد پر ہے جیسے کہ خسارے اور اضافی موجودہ قرضہ جات کی حالت شامل ہیں۔ مالیاتی گوشوارے متعلقہ بنیاد کے تحت تیار کیا گیا ہے جس کی وجوہات مالیاتی گوشواروں کے نوٹ 2 میں دی گئی ہے۔

بورڈ نے اس سلسلے میں انتظامی تشخیص کی تصدیق کی ہے اور ان کی رائے کے مطابق منفی حالات عارضی ہیں جو کہ مستقبل میں ختم ہو جائیں گی۔

مستند سماجی ذمہ داری (سی ایس آر):

بائیکو نے ایک مستند ذمہ دار شہری کی حیثیت سے اپنی معاشرتی ذمہ داری کا مظاہرہ کیا ہے بالخصوص جن کا تعلق ریفائنری کے آس پاس کے علاقوں میں رہنے والی برادریوں سے ہے انہیں ملازمت کے مواقع فراہم کرنا، معاشرتی خدمات کی فراہمی، کھیلوں کے ذریعہ مثبت طور پر نوجوانوں کو مقرر کرنا اور مالی طور پر غیر مستحق برادریوں کے ساتھ تعاون کرنا جو کہ ہماری ریفائنری اور دیگر اہم علاقوں میں رہائش پذیر ہوں ان میں سے چند مخصوص امداد درج ذیل ہیں:

- ☆ کھیلوں کے لئے مالی تعاون فراہم کرنا تا کہ نوجوانوں کے مابین صحت مندانہ جذبہ پیدا ہو۔
- ☆ روڈ انفرا سٹرکچر کی باقاعدگی سے مرمت۔
- ☆ تباہی سے دوچار علاقہ میں رہنے والے افراد کی آبادکاری۔
- ☆ ماہر/غیر ماہر افرادی قوت کو گاؤں کی بنیاد پر ملازمت کے مواقع فراہم کرنا تا کہ غربت کا خاتمہ ہو۔
- ☆ ہماری ریفائنری سے باہر تمام مقامی افراد کو ان کی معاشرتی امور کی تکمیل کے لئے معاہدے جاری کرنا۔
- ☆ خواتین اور بچوں کیلئے میڈیکل کیمپ لگانا تا کہ صحت مندانہ امور سے متعلق آگاہی فراہم کی جا سکے۔
- ☆ گاؤں میں رہنے والوں کیلئے مفت ایمبولینس سروس اور ایمرجنسی کی صورت میں ہسپتال میں داخل کرانے کی سہولت۔
- ☆ گاؤں میں رہائش پذیر لوگوں کیلئے ٹیوب ویل، پینے کا صاف پانی، جیسے منصوبوں کیلئے مالی امداد فراہم کرنا۔
- ☆ تعلیمی تعاون: اسکول اور مساجد کی تعمیر و مرمت۔
- ☆ بائیکو کے اسپانسر شدہ کنوؤں سے آس پاس کے گاؤں کے رہائشیوں کیلئے تازہ پانی فراہم کرنا۔
- ☆ ضلعی حکومت کے تحت حب شہر کو صاف ستھرا رکھنا۔
- ☆ پیرکس روڈ کے قریب میعادی طور پر مرمت کرنا۔

مذکورہ بالا نتائج کی بنیاد پر سال کے لئے منافع بعد از ٹیکس مبلغ 2.1 ارب روپے (1.4:2016 ارب روپے) اور سال کے لئے آمدنی فی حصص 0.40 روپے تھی جس کا موازنہ گزشتہ سال 1.40 روپے فی حصص سے کیا جا سکتا ہے۔ منظم بنیاد پر کمپنی کی مجموعی آمدنی فی حصص مبلغ 0.26 روپے (0.40:2016 روپے)، بعد از ٹیکس منافع میں 50 فیصد اضافہ کے باوجود سال کے دوران فی حصص میں بی او پی ایل اور بی ٹی پی ایل کے انضمام سے متعلق 5.1 ارب حصص کے اجراء کے سبب کمی واقع ہوئی۔ امید کی جاتی ہے کہ سب سے بڑی ریفائنری کے عمل کاری کے باعث فی حصص آمدنی میں مستقبل میں بہتری ہوگی۔ بائیکو آئسو مرائزیشن پاکستان (پرائیویٹ) لمیٹڈ (بی آئی پی ایل) جو کہ کمپنی کی مکمل ماتحت ملکیت کی حامل ہے نے مقررہ اثاثہ جات پر کمی بیشی کی وجہ سے 924 ملین روپے کا اضافی خسارہ برداشت کیا۔ امید کی جاتی ہے کہ عمل کاری کے حوالہ سے بی آئی پی ایل کو فائدہ ہوگا۔ حکومت کی پرانی واجب الادا رقم کی ادائیگی کیلئے فنڈز کے استعمال/حصول میں تاخیر کے سبب حکومت کے واجبات (جیسا کہ مالیاتی گوشواروں کے نوٹ 23 میں درج ہے) کی ادائیگی میں تاخیر ہوئی ہے۔

آپ کی کمپنی کی گزشتہ چھ سالوں کے مالیاتی اتار چڑھاؤ کی مزید تفصیلات صفحہ __8__ پر ملاحظہ کریں۔

سب سے بڑی ریفائنری کے عمل کی پھر سے شروعات:

ہم آپ کو مطلع کرنا چاہتے ہیں کہ کمپنی نے اپنی نئی خام چارج ہیٹر/فرنس کے تحت 05 اگست 2017ء سے اپنی سب سے بڑی ریفائنری کے 120,000 bpl پر کام شروع کر دیا ہے۔ اس ریفائنری پر مزاحمت کے بغیر کامیابی سے کام شروع کیا تھا اور تمام بڑی آئل مارکیٹنگ کمپنیز (او ایم سی) کو مصنوعات کی فراہمی کی تھی۔

کمپنی اپنی ایچ ایس ڈی مصنوعات یورو II کی تیاری کے لئے کام کر رہی ہے جس کے لئے انتظامات کئے جا رہے ہیں۔ حکومت کی منظور کردہ موجودہ قیمت کے فارمولے کے تحت کمپنی اس وقت تک ایچ ایس ڈی کی کم قیمت حاصل کرے گی جب تک اس کی ایچ ایس ڈی یورو II مصنوعات حاصل نہ کرلے۔

منافع کا اعلان نہ کرنے کی وجوہات:

کمپنی کی مالی حیثیت کے پیش نظر ڈائریکٹرز نے اختتامی سال 30 جون 2017ء کے لئے کسی بھی تقسیم شدہ منافع کی سفارش نہیں کی۔

محاسبین کا جائزہ:

بی او پی ایل نے گزشتہ سالوں میں پلانٹ اور مشینری کی قیمت کے حوالہ سے کچھ اخراجات شامل کئے تھے۔ ان تمام اخراجات کا تعلق ریفائنری کی تعمیرات سے ہے کمپنی نے مذکورہ بالا امور کو براہ راست ریفائنری کی تعمیرات سے منسلک کیا ہے لہٰذا یہ اس کے پلانٹ اور مشینری کے اخراجات کا حصہ ہے جس میں آڈیٹرز نے اپنے تحفظ کے بارے میں اظہار کیا ہے۔

اب آپ کی کمپنی ملک کے سب سے بڑے ریفائننگ کمپلیکس 155,000 یومیہ بیرلز کی نمائندگی کے ساتھ تمام اگلے اور پچھلے مجموعہ کی شکل میں سنگل پوائنٹ مورنگ (ایس پی ایم) کی سہولت اور تیل مارکیٹنگ لائسنس بالترتیب کرتی ہے۔

ہم آپ کو یہ بتاتے ہوئے خوشی محسوس کرتے ہیں کہ کمپنی نے زیادہ منافع کی مصنوعات میں ترقی کا حصول برقرار رکھا ہے اور پیٹرول کی فروخت میں 54 فیصد اضافہ قابل ذکر ہے جبکہ ڈیزل موجودہ سطح پر برقرار رہا۔ یہ اضافہ کمپنی کے پیٹرول اور ڈیزل کی درآمدات سے حاصل کیا تھا جس سے ہمیں موثر طور پر عمل کرنے، وقت اور اخراجات میں کمی میں تعاون حاصل ہوا۔ ایف او کی فروخت کے تناسب میں کمی واقع ہوئی تھی کیونکہ کمپنی درپیش چیلنجز کا مقابلہ کر رہی تھی۔ موجودہ سال میں کمپنی ایف او کی درآمد سے واقف تھی۔ نتیجتاً کمپنی نے اس سال مبلغ 115.4 ارب روپے کی مجموعی فروخت کی جس کا موازنہ گزشتہ سال 113.6 ارب روپے سے کیا جاسکتا ہے۔

پاکستان میں پہلی بار کمپنی نے اپنی ایس پی ایم سہولت کے تحت 102,000 میٹرک ٹن سے زائد خام تیل درآمد کیا جو کہ پاکستان کے کسی بھی پورٹ پر آنے والا سب سے وزنی خام تیل کا جہاز تھا، اسی بناء پر کمپنی نے مناسب محصول کی رقم کی بچت کی، یہ تمام 60 جہاز ایس پی ایم پر لنگر انداز ہوئے اور خام و پیٹرولیم مصنوعات فراہم کیں جو کہ بائیکو ایس پی ایم کی زبردست کارکردگی کا ثبوت ہے اس وقت ایس پی ایم نے تقریباً 14 فیصد ملک کے خام تیل کی درآمدات حاصل کی ہیں، بڑی ریفائنری کے عمل کاری میں آنے کے بعد مزید اضافہ ہوگا۔

موجودہ سال میں کمپنی نے مجموعی طور پر مبلغ 4.6 ارب روپے کا منافع حاصل کیا جس کا موازنہ گزشتہ سال 4.3 ارب روپے سے کیا جاسکتا ہے جو کہ برابری کی بنیاد پر ریفائننگ، مارکیٹنگ تناسب اور مصنوعات کی درآمد کو بہتر کرتا ہے۔

جیسا کہ پہلے ذکر کیا گیا ہے کہ موجودہ سال کے لئے نفع ونقصان کا حساب بشمول بی او پی ایل اور بی ٹی پی ایل کے عملی نتائج، اس کے علاوہ مقابلتی ہندسے جو کہ صرف بی پی پی ایل کے عملی نتائج پیش کرتا ہے اس کے نتیجہ میں انتظامی اخراجات میں خاصہ اضافہ ہوا جبکہ درحقیقت بجٹ کے اندر ہے، کمپنی نے آپریٹنگ منافع 3.7 ارب روپے حاصل کیا جس کا موازنہ گزشتہ سال 3.2 ارب روپے سے کیا جاسکتا ہے۔ موجودہ سال میں فروخت کی بنیاد پر کمپنی اب بھی کم سے کم ٹیکس کے تحت ہے۔

کمپنی اپنی مارکیٹنگ کے توسط سے مستقل طور پر ریٹیل سیکٹر میں رسائی میں اضافہ کر رہی ہے جیسے پورے ملک میں 300 پیٹرول پمپس سپورٹ کرتے ہیں پیٹرول پمپس کی کارگزاری اور اہم اصراف کے علاقوں پر اسٹوریج کرنے کی سہولت کا اہم انحصار مارکیٹنگ پر ہے بعدازاں سال کے آخر میں کمپنی نے اپنے محمود کوٹ کے ٹرمینل پر کام شروع کیا ہے۔

بائیکو پیٹرولیم پاکستان لمیٹڈ
ڈائریکٹرز کی رپورٹ برائے سال مختتمہ 30 جون 2017

بسم اللہ الرحمٰن الرحیم

آپ کی کمپنی کے ڈائریکٹرز اختتامی سال 30 جون 2017ء کیلئے سالانہ رپورٹ بشمول مکمل آڈٹ شدہ مجموعی حسابات، مالیاتی گوشوارے اور آڈیٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

عالمی طور پر خام تیل کی قیمتوں میں کمی کا رجحان ختم ہوا جبکہ گذشتہ سال جنوری 2016ء میں تیل کی کم سے کم قیمت 29 امریکن ڈالر فی بیرل حاصل ہوئی تھی جسکے فوری بعد یہ بڑھنا شروع ہوگئی۔ موجودہ سال میں اس رجحان میں اضافہ رہا جبکہ پورے سال کے دوران قیمتوں میں اتار چڑھاؤ پایا گیا۔ گزشتہ سال کے مقابلے میں اس سال خام تیل کی قیمت میں اضافہ کا تناسب 7 امریکن ڈالر فی بیرل نوٹ کیا گیا تھا۔ اس حوالہ سے تیل کی کمپنیوں کے لئے مشکلات پیدا ہوئیں۔

موجودہ سال میں پاکستان کی اقتصادی ترقی 5.3 فیصد رہی جو کہ گزشتہ 10 سالوں کے مقابلے میں کافی زیادہ ہے۔ پاکستان میں تیل کے اصراف میں حجم میں اضافہ تیل کی قیمتوں میں مسلسل کمی کے سبب ہوئی ہے۔ موجودہ سال میں تیل کے اصراف میں تقریباً 10 فیصد اضافہ ہوا جس کا زیادہ تر حصہ پیٹرول (ایم ایس) بحوالہ ڈیزل (ایچ ایس ڈی) اور فرنس آئل (ایف او) کے اصراف میں اضافہ کے سبب آیا۔ محسو میں تیل کے اصراف میں اضافہ کے اہم اسباب سستے ایندھن کی دستیابی، مقامی اور درآمد کردہ گاڑیوں کی تعداد میں اضافہ اور بنیادی ڈھانچے کی ترقی ہیں۔ بعدازاں سال کے آخر میں پاور سیکٹر کی جانب سے فرنس آئل (ایف او) کے اصراف میں نمایاں کمی تھی اس وجہ سے محسو میں تمام ریفائنریز کے لئے خطرہ سامنے آیا جس کا حل حکومت سے مطلوب ہے۔

کمپنی کی کارکردگی:

دوران سال محترم عدالت عالیہ سندھ کراچی نے 30 جون 2016ء کو ختم ہونے والے کاروباری سال میں کمپنی کو اپنی ماتحت کمپنی بائیکو آئل پاکستان لمیٹڈ (بی او پی ایل) اور ذیلی کمپنی بائیکو ٹرمینلز پاکستان لمیٹڈ (بی ٹی پی ایل) کے ساتھ ضم کرنے کی منظوری دی ہے۔ موجودہ سال کے لئے مالیاتی گوشوارے بشمول ضم کردہ کمپنیوں کے عملی نتائج، گزشتہ سالوں کے موازنوں کی تعداد کا دوبارہ ذکر منافع کے طریقہ کار کو حسابات کی ضروریات کے مطابق ترتیب نہیں دیا گیا ہے۔

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