

CATERING TO FUELING NEEDS

Annual Report

2018







CATERING TO FUELING NEEDS



Established in 1966, the objective of Burshane LPG (Pakistan) Limited is to engage efficiently, responsibly and profitably in the LPG and allied business. We seek a high Standard of performance, maintaining a strong long-term and growing position in the competitive environment. The driving force behind Burshane LPG (Pakistan) Limited is a dedicated workforce made up of experienced professionals and its continuous efforts in maintaining high standards of technical resources and safety standards.



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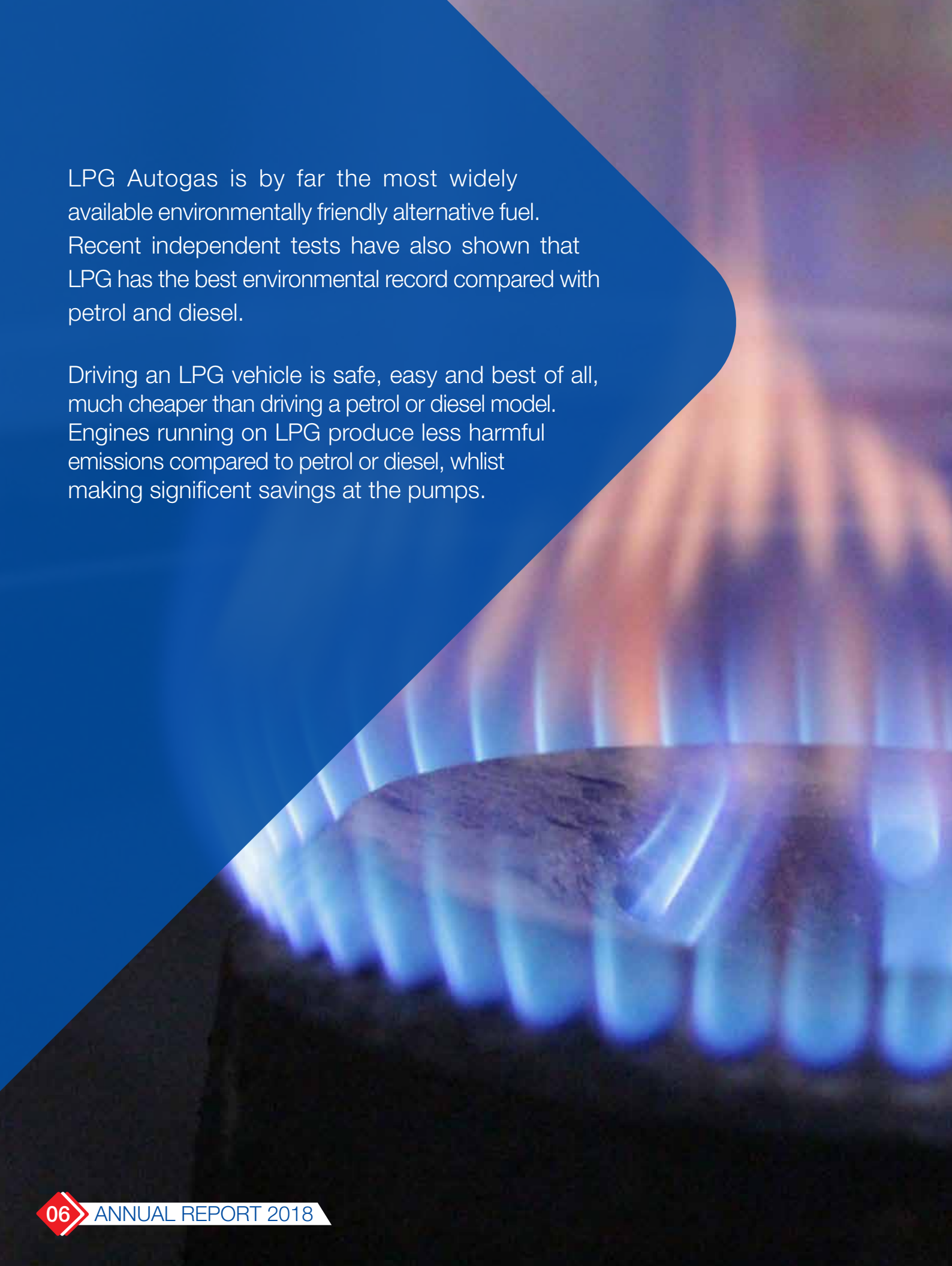




Vision

To Be The Performer of first Choice

At Burshane LPG (Pakistan) Limited, We strive to provide quality customer service through continuous improvements in our effort to make uninterrupted supply of LPG to the users, development of our people and maintaining high standards of technical resources and safety standards. Further we aim at sustained profitability and value growth for our shareholders through strong financial foundation and loyal customers. We shall strive to provide better choices to our communities for improving quality of their life.



LPG Autogas is by far the most widely available environmentally friendly alternative fuel. Recent independent tests have also shown that LPG has the best environmental record compared with petrol and diesel.

Driving an LPG vehicle is safe, easy and best of all, much cheaper than driving a petrol or diesel model. Engines running on LPG produce less harmful emissions compared to petrol or diesel, whilst making significant savings at the pumps.



Incredible Energy

Company Information

Board of Directors

Mr. Shahriar D. Sethna
Chairman

Mr. Asad Alam Khan
CEO / Director

Mrs. Hamdia Fatin Niazi
Director

Mr. Darayus T. Sethna
Director

Mr. Tassaduq Hussein Niazi
Director

Mr. Saiffee Zakiuddin
Director

Syed Etrat Hussain Rizvi
Director (NIT Nominee)

Mr. Muhammad Khalid Dar
Director Marketing & Sales

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisors

Mohsin Tayebaly & Co.

Tax Advisors

KPMG Taseer Hadi & Co. Chartered
Accountants.

Registrar & Share Registration Office

THK Associates (Pvt.) Limited

Management

Mr. Asad Alam Khan
Chief Executive Officer

Mr. Saiffee Zakiuddin
Director Finance

Mr. Muhammad Khalid Dar
Director Marketing & Sales

Mr. Irfan Javed Warsi
General Manager - Commercial
and Business Development (HR)

Mr. Amir Aziz
Head of Operations Distribution
& HSSE

Mr. Khurram Kasbati
Head of internal Audit

Mr. Wahaj Hussain
Company Secretary

Bankers

National Bank of Pakistan
Habib Bank Limited
MCB Bank Limited
Standard Chartered Bank Pakistan Limited
Faysal Bank Limited
United Bank Limited
Summit Bank Limited
Bank Alfalah Limited

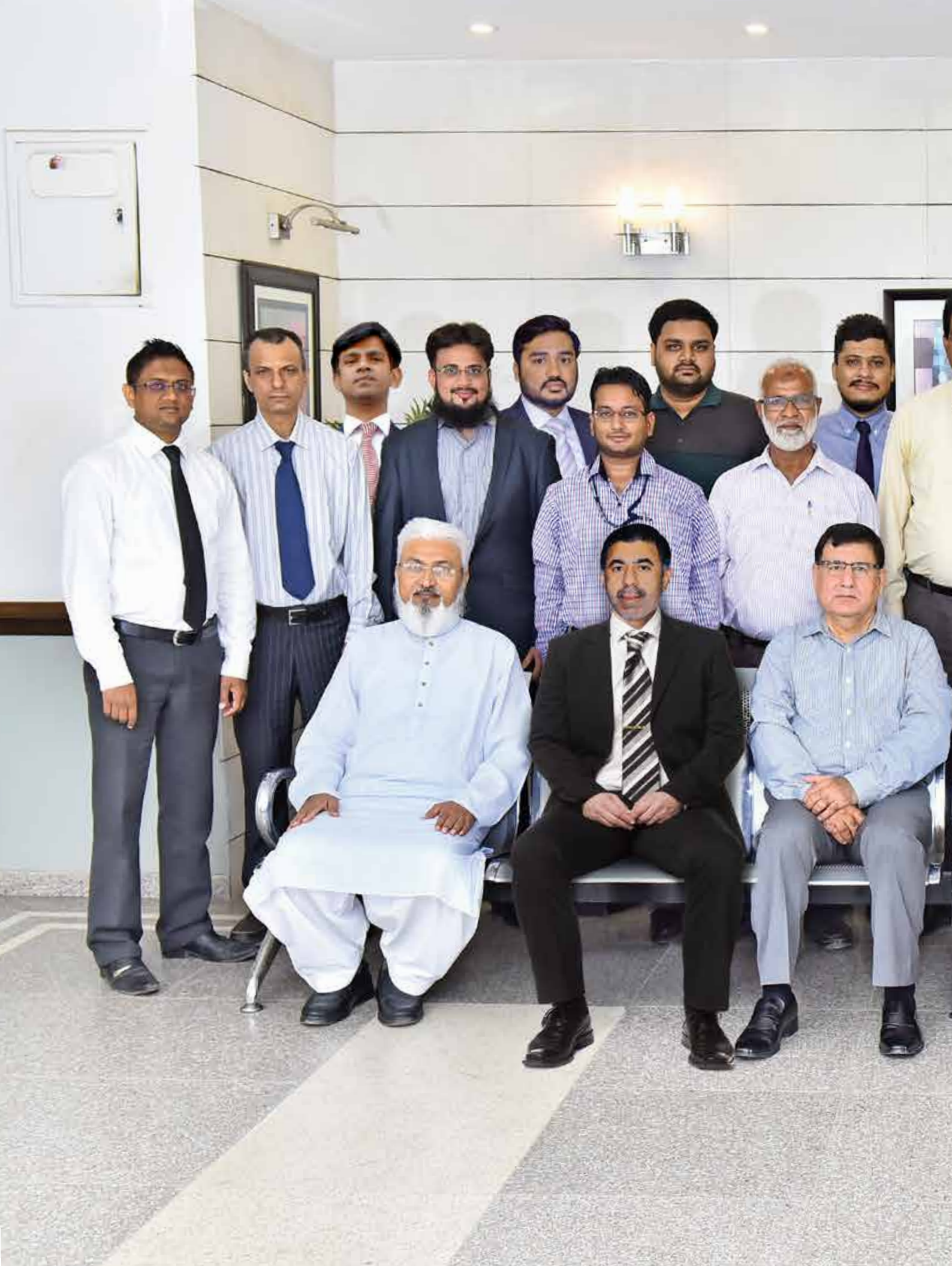
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Scheme No. 5, Clifton, Karachi - 75600
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UAN : +92 21 111 111 BPL (275)
Fax : +92 21 3587 8353
www.burshane.com



Burshane LPG (Pakistan) Limited

NO SMOKING





In both urban and rural areas, LPG is being widely used as an alternative source of Natural Gas or where there is no access to central gas pipeline. In domestic segment LPG is used mainly for cooking and heating purposes for economic reasons, convenience over traditional fuels as well as to ensure and Environment (HSSE).

Convenient & Safe Domestic Use



Burshane LPG (Pakistan) Limited is among the pioneers in LPG marketing and distribution in Pakistan. Company incorporated in 1966 and consistently developed and established its countrywide distribution network which is primarily focused to cater the needs of domestic users and deliver our best services to them.

Burshane LPG has a very clear strategy to offer and deliver differentiated Customer Value Propositions to various segments of market, to increase customer satisfaction and retain its position as the premium LPG brand available in market.

Company is committed on attracting more customers and enhancing the brand by providing products and services to create customer loyalty and market share on a sustainable basis. Consistent focus on our CVP across the entire value chain has distinguished our brand among competitors in industry. Our core values of honesty, integrity and respect for people are at the heart of the way we manage our business.

Management



Mr. Asad Alam Khan
Chief Executive Officer



Mr. Saifee Zakiuddin
Director Finance



Mr. Irfan Javed Warsi
General Manager - Commercial
and Business Development (HR)



Mr. Amir Aziz
Head of Operations
Distribution & HSSE



Mr. Muhammad Khalid Dar
Director Sales & Marketing



Mr. Khurram Kasbati
Head of Internal Audit



Mr. Wahaj Hussain
Company Secretary



Roozbeh Baria
Regional Sales Manager (South)



Syed Shahid Abbas
Regional Sales Manager (North)



Efficient **ECO-FRIENDLY**



LPG is a clean - burning fuel which the environment by reducing air pollution. It has absolutely no lead content (safe vehicle fuel) - the perfect environment alternative - and is cheaper than gasoline. It contributes to a healthier working environment and has virtually no harmful exhaust emission.

LPG is the fuel of the future. Apart from being environmentally friendly, in Pakistan it can significantly contribute to the economy by replacing Kerosene. It can also assist in reducing de-forestation in cases where wood is used as a source of energy, thus making the environment pollution free and healthier. De-forestation leads to serious environmental damage and disturbs the ecological balance causing erosion and landslides in these areas. Thus there is a need to increase the availability, as well as usage of LPG, as it can to some extent overcome the de-forestation problem of the country.

Burshane LPG (Pakistan) Limited is actively playing its role by promoting the superior environment and convenient aspects of LPG.

Environment Friendly LPG

LPG is truly a modern environment friendly product. LPG is the normal abbreviation used to describe 'Liquefied Petroleum Gas', which is itself used to describe those hydrocarbons existing as vapors under ambient conditions of temperature and pressure.

Directors' Report

It gives me pleasure to share the results and financial information of the Company for the year ended June 30, 2018.

During the year under review, sales volume of the Company increased by 8,942 MT compared to the preceding year primarily due to higher demand from domestic customers and availability of imported product at feasible rates. During the year your company purchased Imported LPG of 14,275 MT as compared to 7,697 MT of imported LPG purchased last year due to relatively higher demand compared to previous year. Net sales of the Company increased by 60.17% due to addition of new distributors which resulted in quantity sold and higher selling prices compared to previous year. Gross profit, however, increased by only 10.81% mainly due to much lower margin on imported quantity sold. Cost of imported product of LPG is higher due to increase in international prices of LPG and due to imposition of regulatory duty of Rs. 4,669 per MT. This results in much lower gross margins on sale of imported LPG. Further, the local producers of LPG have demanded heavy amount of signature bonus to procure quota of locally produced LPG. This results in investment in Intangible Assets and higher cost of goods sold which ultimately eroded the profitability of the Company. Profit before tax increased by 5.83%, mainly due to increase in sales margin.

During last year the Government decided to import LNG in bulk and this was made available to Industrial consumers and to a large extent to the piped natural gas customers of SNGPL and SSGCL. This resulted in reduced demand from the Industrial customers and to some extent domestic customers of LPG. The trend continued this year as well and lower sales were witnessed in the industrial segment as expected. However, due to lower price of LPG, as

compared to petrol and diesel, its demand increased along with increase in selling prices and as a result our sales in non industrial segment increased.

Administrative expenses increased by Rs. 16.59 million (18.01%) due to increase in staff related cost and increase in rents and utilities. Distribution and marketing expense increased by Rs. 1.47 million (2.35%) which has increased due to increase in sales revenue.

Local production of LPG has increased significantly during the year, due to recent discoveries of Oil & Gas. The Company has paid signature bonus amounting to Rs. 50.15 million to Oil & Gas Development Company to receive a supply quota of 5 MT per day for 5 years and is also looking for further options for increasing quota of locally produced LPG. Signature bonus paid is recorded as Intangible asset and will be amortized over the period of 5 years and amortization will be charged to cost of goods sold.

The Company has not paid its loan obtained from National Bank of Pakistan amounting to Rs. 254 million which is recorded in current liability. The Company is in negotiations with NBP and it is expected that the loan will soon be restructured.

The Company's earnings per share of the current year is Re. 0.87 compared to earnings per share Rs. (1.29) per share in the preceding year.

We believe that sustainable development is only possible if we abide by our Business Principles. Burshane has firmly embedded them in all the operations of the company and we continuously strive to inculcate these principles amongst our stakeholders.

In the context of business growth I would like to assure you that the management of your company is fully aware of its obligations towards its stakeholders and is determined to develop long-term corporate plans to increase the value of the business. We are looking into all possible options to increase the market share and earn an adequate return on capital employed of Burshane in a profitable manner; therefore we are confident that we will show strong performance in the coming periods.

OGRA has issued a notification on February 01, 2018 regulating the LPG prices in the Country. Accordingly, the LPG price would be regulated from the Producer's stage to retail marketing stage.

Following are the persons who are Directors of the Company:

1. Mr. Asad Alam Niazi
2. Mr. Tassaduq Hussain Niazi
3. Mrs. Hamdia Fatin Niazi
4. Mr. Shehriar D. Sethna
5. Mr. Darayus T. Sethna
6. Mr. Saifee Zakiuddin
7. Mr. Khalid Dar
8. Mr. Etrat Hussain Rizvi

We have once again excelled in our performance of Health, Safety, Security and Environment (HSSE), with no lost time injury and fatality. The

Saifee Zakiuddin
Director

Karachi
Dated: September 25, 2018

management is committed towards not only improving the HSSE standards for itself but leading in to establish best practices for the industry as well. Further, during the year, the Company decided that in order to retain and motivate staff, it will by the way of balloting select 1 person to perform Hajj or Umra on Company's expense.

During the year, 4 meetings of the Board of Directors and 4 four meetings of the Audit Committee were held, whereas two meetings of the Human Resource & Remuneration Committee were convened. Attendance of each Director is shown separately on page # 136.

The pattern of shareholding is shown separately on page # 137.

On behalf of the Board, I would like to thank the staff, business partners, customers and all other stakeholders for their continued support in ensuring sustainable growth of the Company and for making Burshane their brand of first choice.

Following is the appropriation:

		(Rs. in '000)
Profit before tax		53,581
Taxation		(33,985)
Net profit after tax		19,596
Dividend declared	Cash	16,867
	Bonus	-

Asad Alam Khan
Director / CEO

ہیں۔ انتظامیہ صرف اپنے لیے ہی نہیں بلکہ HSSE کے معیاروں میں مسلسل بہتری سے پوری صنعت کے لیے بہترین تجربات کے قیام کے لیے پر عزم ہے۔ مزید یہ کہ دوران سال کمپنی نے اپنے ملازمین کی ہمت افزائی کے لیے، کمپنی کے اخراجات پر چارج یا عمرہ کی سعادت حاصل کرنے کے لیے فرعا اندازی کے ذریعے ایک آدمی کے انتخاب کا بھی فیصلہ کیا ہے۔

دوران سال بورڈ آف ڈائریکٹرز کے چار اور آڈٹ کمیٹی کے چار اجلاس منعقد کئے گئے، جبکہ ہیومن ریسورسز اور ریمونڈیشن کمیٹی کے دو اجلاس بھی منعقد کئے گئے تھے۔ ہر ایک ڈائریکٹر کی حاضری علیحدہ سے واضح کی گئی ہے۔ جو صفحہ نمبر 136 پر درج ہے۔ شیئر ہولڈنگ کا طریقہ کار علیحدہ سے واضح کیا گیا ہے۔ جو صفحہ نمبر 137 پر درج ہے۔

بورڈ کی جانب سے، میں اپنے ملازمین، کاروباری شراکت داروں، صارفین اور دیگر تمام اسٹیک ہولڈرز کا بیحد شکر گزار ہوں کہ جن کے تعاون سے کمپنی کی ترقی کو استحکام ملا ہوا ہے اور برشین ان کی پہلی ترجیح بنی ہوئی ہے۔

تخصیص درج ذیل ہے:

(Rs. in '000)	قبل از ٹیکس منافع
53,581	محصولات (ٹیکسیشن)
(33,985)	بعد از ٹیکس صافی منافع
19,596	اعلان کردہ منافع منقسمہ
16,867	نقد
-	بونس

اسد عالم خان
ڈائریکٹر اسی ای او

کاروباری ترقی کے اعتبار سے، میں آپ کو یقین دلانا چاہتا ہوں کہ آپ کی کمپنی کی انتظامیہ اپنے اسٹیک ہولڈرز سے متعلق اپنی ذمہ داریوں سے باخبر ہے اور کاروباری ترقی میں طویل مدتی کارپوریٹ پلانز مرتب کرنے کے لیے پر عزم ہے۔ ہم اپنا مارکیٹ شیئر بڑھانے کے لیے تمام ممکنہ آپشن بروئے کار لارہے ہیں اور برشین کی سرمایہ کاری سے بہتر منافع کمانے کے لیے سرگرم عمل ہیں، اس لیے ہم پر امید ہیں کہ آنے والے وقتوں میں ہم بہترین کارکردگی کا مظاہرہ کریں گے۔

کیل فروری 2018 کو اوگرانے ایک نوٹی فیکیشن کے اجراء سے ملک میں ایل پی جی کی قیمتوں کو ریگولیٹ کیا ہے، جس کے تحت ایل پی جی کی قیمت پروڈیوسر سے لیکر ریٹیل مارکیٹنگ کے مرحلے سے ریگولیٹ کی جائے گی۔

درج ذیل افراد کمپنی کے ڈائریکٹرز کے طور پر کام کر رہے ہیں:

- 1 جناب اسد عالم نیازی
- 2 جناب تصدق حسین نیازی
- 3 مسز حمیدہ فاطمہ نیازی
- 4 جناب شہر یار ڈی سیٹھنا
- 5 جناب درالہس ٹی سیٹھنا
- 6 جناب سیفی ذکی الدین
- 7 جناب خالد ڈار
- 8 جناب عمرت حسین رضوی

ہم نے ہیلتھ، سیفٹی، سیکورٹی اور انوائرنمنٹ (HSSE) کی اپنی کارکردگی میں ایک بار پھر بہترین کارکردگی دکھاتے ہوئے، کسی حادثے اور موت سے محفوظ رہے

سیفی ذکی الدین
ڈائریکٹر

کراچی،

بتاریخ 25 ستمبر 2018

ڈائریکٹرز رپورٹ

اور گیس کے مقابلے میں ایل پی جی کی کم قیمت کے سبب قیمت فروخت اور طلب میں اضافہ رہا اور غیر صنعتی شعبے میں فروخت میں بہتری آئی۔

یہ بات میرے لیے خوشی کا باعث ہے کہ میں آپ کے سامنے 30 جون 2018 کو ختم شدہ سال کے لیے کمپنی کی مالیاتی صورتحال کے نتائج پیش کر رہا ہوں۔

اسٹاف سے متعلق اخراجات، کرایہ داری اور ٹیلیٹی اخراجات میں اضافے کے سبب انتظامی اخراجات میں 16.59 ملین روپے (18.01%) اضافہ ہوا۔ ڈسٹری بیوشن اور مارکیٹنگ اخراجات میں بھی سیلز کی مقدار میں اضافے کے سبب 1.47 ملین (2.35%) کا اضافہ ہوا۔

زیر جائزہ عرصہ کے دوران کمپنی کی فروخت میں گزشتہ سال کے مقابلے میں 8,942 میٹرک ٹن کا اضافہ ہوا، جس کی اہم وجہ مقامی کسٹمرز کی جانب سے طلب میں اضافہ اور مناسب قیمتوں پر درآمدی اشیاء کی موجودگی ہے۔ دوران سال آپ کی کمپنی نے گزشتہ سال کے مقابلے میں زیادہ طلب کے سبب گزشتہ سال 7,697 میٹرک ٹن ایل پی جی کی خریداری کے مقابلے میں 14,275 میٹرک ٹن درآمد شدہ ایل پی جی کی خریداری کی۔ نئے ڈسٹری بیوٹرز کے اضافے سے کمپنی کی صافی سیلز میں 60.17 فیصد اضافہ ہوا جبکہ گزشتہ سال کے مقابلے میں زائد سیلز اور بہتر قیمتوں نے بھی اہم کردار ادا کیا۔ تاہم مجموعی منافع میں درآمد شدہ اشیاء کی فروخت پر کم منافع کے سبب 10.81 فیصد رہا۔ ایل پی جی کی عالمی قیمتوں میں اضافے اور فی میٹرک ٹن 4,669 روپے کی ریگولیٹری ڈیوٹی کے نفاذ کے سبب ایل پی جی کی درآمد شدہ پروڈکٹس کی قیمتیں زیادہ رہیں۔ مزید یہ کہ ایل پی جی کے مقامی پروڈیوسرز نے مقامی طور پر پیدا ہونے والی ایل پی جی کے کوٹے کے لیے گسٹنچر بونس کے طور پر بڑی رقم جمع کرانے کا تقاضہ کیا ہے۔ اس کے نتیجے میں تکسیری اثاثہ جات کی سرمایہ کاری اور فروخت ہونے والی اشیاء کی قیمتوں میں اضافہ سامنے آیا، جس سے لازمی طور پر کمپنی کے منافع کی شرح پر اثر پڑا فطری تھا۔ قبل از ٹیکس منافع سیلز مارجن میں اضافہ کی بدولت 5.83 فیصد زائد رہا۔

آئل اور گیس کی حالیہ تلاش سے دوران سال مقامی ایل پی جی کی پیداوار میں واضح اضافہ دیکھنے میں آیا۔ کمپنی نے 5 سال کے لیے 5 میٹرک ٹن روزانہ گیس سپلائی حاصل کرنے کے لیے آئل اینڈ گیس ڈیلوپمنٹ کمپنی کو 50.15 ملین روپے کا سگنچر بونس ادا کیا ہے، اس کے ساتھ مقامی ایل پی جی کے مزید کوٹے کے لیے دیگر امور بھی زیر غور ہیں۔ ادا کیا جانے والا سگنچر بونس تکسیری اثاثہ کے طور پر دیا گیا ہے اور پانچ سالہ مدت میں فروخت کی جانے والی اشیاء کی قیمت کے طور پر استعمال ہوگا۔

کمپنی نے نیشنل بینک آف پاکستان کی جانب سے حاصل شدہ 254 ملین روپے کا قرض ادا نہیں کیا ہے جو کہ موجودہ واجبات میں درج کیا جا رہا ہے۔ کمپنی نیشنل بینک سے مذاکرات کر رہی ہے اور امید ہے کہ مذکورہ قرض کو جلد ہی دوبارہ مرتب کیا جائے گا۔

جاری سال کے لیے کمپنی کا ہر ایک شیئر پر منافع گزشتہ سال (1.29 فی شیئر منافع) کے مقابلے میں 0.87 روپے ہے۔

ہمارا یہ ماننا ہے کہ مستحکم ترقی صرف اور صرف کاروباری اصولوں کی پاسداری میں ہے۔ برشین نے کمپنی میں اپنے تمام آپریشنز میں ان کی تعمیل جاری رکھی ہوئی ہے اور ہم ان اصولوں کو اپنے اسٹیک ہولڈرز میں بھی زندہ کرنے کے لیے پرعزم ہیں۔

گزشتہ سال حکومت نے بڑی تعداد میں ایل این جی درآمد کا فیصلہ کرتے ہوئے صنعتی صارفین کو فراہمی بہتر کی، جبکہ ایل این جی پی ایل اور ایل این جی سی ایل کے نیچرل گیس صارفین کو بھی بڑی تعداد میں گیس فراہمی جاری رہی۔ نتیجے میں صنعتی صارفین کے ساتھ گھریلو صارفین کی طلب بھی کم ہوئی۔ جاری سال میں بھی یہی رجحان رہا اور صنعتی شعبے کی طلب میں بھی کمی کا رجحان جاری رہا جیسا کہ متوقع تھا۔ البتہ پیٹرول

Health, Safety, Security & Environment (HSSE)

They ensure that all HSSE policies are properly observed by providing support and resources for actions taken to operate safely and to protect health, environment and to exert a positive influence on the HSSE management of contractors as they play a major role in achieving a high level of HSSE performance. This is evident by the fact that the period under review is without any lost time injury (LTI). As a responsible cooperate citizen, we at Burshane always belief that the only way to sustainable development is through a strong commitment to Health, Safety, Security and Environment in all areas of our business.

In Burshane, HSSE is managed as the most critical business activity. The Management at Burshane demonstrates strong, visible leadership and commitment by allocating sufficient resources to operate and maintain HSSE Management System and lead by example in their personal actions and behaviors.



Corporate Social Responsibility



At Burshane the employees are entrusted to carry out the company's business activities in economically, environmentally and socially sustainable ways. The Company always works with all the stakeholders to better understand the impact of our operations and product has on society and the environment. Our aim is to create sustainable communities – places where people want to live and work, both now and in the future.

Managing today's business risk, delivering our strategy and achieving our goals all critically require maintaining trust of our wide range of stakeholders. To keep the trust of stakeholders we must do many things, including behaving with integrity and respect at all the times. In addition of that Burshane LPG (Pakistan) Limited evaluates the implications and effects of their decisions and policies on the components of the society and ensures that the trust of the society is not affected by their decisions directly or indirectly. We consciously work towards creating lasting economic benefits, for example by employing local people and using local contractors and suppliers, whenever possible.

Corporate Governance:

The Board is committed to maintain high standards of Corporate Governance. The Board is pleased to give the following specific statements to comply with the requirements of the Code of Corporate Governance:

- The financial statements, prepared by the management of the Company, present its state of affairs fairly, the results of its operations, changes in equity and cash flows.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements. Accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from have been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There are no material departures from the best practices of corporate governance, as detailed in the listing regulations except as disclosed in the Statement of Compliance with the Code of Corporate Governance.
- Key operating and financial data in summarized form is annexed.
- No trades in the shares of Burshane LPG (Pakistan) Limited were carried out by the Directors, CEO, CFO & Company Secretary and their spouses and minor children.
- Four of the directors have completed the Director's Training course conducted by the Institute of Chartered Accountants of Pakistan (ICAP). In accordance with the criteria specified in the Code, the remaining Directors' training certification within the time specified in the Code.

Board Meetings:

The number of Board and Committees' meetings held during the year and attendance by each Director is disclosed on page no. 136.

Board of Directors:

The Directors as on June 30, 2018 are Mr. Asad Alam Khan, Mr. Shahriar D. Sethna, Ms. Hamdia Fatin Niazi, Mr. Darayus T. Sethna, Mr. Tassaduq Hussein Niazi, Syed Etrat Hussain Rizvi, Mr. Saifee Zakiuddin and Mr. Muhammad Khalid Dar.

Karachi
Dated: 25th September, 2018

Pattern of Shareholding:

The pattern of shareholding as of June 30, 2018 as required under section 227 of the Companies Act, 2017 is given on page no. 137.

Auditors:

The auditors Ey Ford Rhodes Chartered Accountants, retire and being eligible offer themselves for re-appointment. Audit committee has recommended the appointment of retiring auditors.

On behalf of the Board

Mr. Asad Alam Khan
Director and Chief Executive Officer

Statement of General Business Principles

Value

Burshane LPG (Pakistan) Limited employees share a set of core values – honesty, integrity and respect for people. We also firmly believe in the fundamental importance of trust, openness, teamwork and professionalism, and pride in what we do.

Sustainable Development

As part of the Business Principles, we commit to contribute to sustainable development. This requires balancing short and long term interests, integrating economic, environmental and social considerations into business decision-making.

Responsibilities

Burshane LPG (Pakistan) Limited recognise five areas of responsibility.

To Shareholders

To protect shareholders' investment, and provide a long-term return competitive with those of other leading companies in the industry.

To Customers

To win and maintain customers by developing and providing products and services which offer value in terms of price, quality, safety and environmental impact, which are supported by the requisite technological, environmental and commercial expertise.

To Those With Whom We Do Business

To seek mutually beneficial relationships with contractors, suppliers and in joint ventures and to promote the application of these Burshane LPG (Pakistan) limited general business principles or equivalent principles in such relationships. The ability to promote these principles effectively will be an important factor in the decision to enter into or remain in such relationships

To Society

To conduct business as responsible corporate members of society, to comply with applicable laws and regulations, to support fundamental human rights in line with the legitimate role of business, and to give proper regard to health, safety, security and the environment.

To Employees

To respect the human rights of its employees and to provide them with good and safe working conditions, and competitive terms and conditions of employment To promote the development and best use of the talents of its employees; to create an inclusive work environment where every employee has an equal opportunity to develop his or her skills and talents. To encourage the involvement of employees in the planning and direction of their work; to provide them with channels to report concerns. We recognise that commercial success depends on the full commitment of all employees.

Economics

Long-term profitability is essential to achieving company's business goals and to its continued growth. It is a measure both of efficiency and of the value that customers place on Burshane LPG (Pakistan) Limited products and services. It supplies the necessary corporate resources for the continuing investment that is required to develop and produce future energy supplies to meet customer needs. Without profits and a strong financial foundation, it would not be possible to fulfil our responsibilities. Criteria for investment and divestment decisions include sustainable development considerations (economic, social and environmental) and an appraisal of the risks of the investment.

Health, Safety, Security & Environment

Burshane LPG (Pakistan) Limited has a systematic approach to health, safety, security and environmental management in order to achieve continuous performance improvement. To this end, Burshane LPG (Pakistan) Limited manage these matters as critical business activities, set standards and targets for improvement, and measure, appraise and report performance. Burshane LPG (Pakistan) Limited continually look for ways to reduce the environmental impact of its operations, products and services.

Competition

Burshane LPG (Pakistan) Limited support free enterprise. It seeks to compete fairly and ethically and within the framework of applicable competition laws; the company will not prevent others from competing freely with it.

Local Communities

Burshane LPG (Pakistan) Limited aim to be good neighbours by continuously improving the ways in which we contribute directly or indirectly to the

general well-being of the communities within which it work. Burshane LPG (Pakistan) Limited manage the social impacts of its business activities carefully and work with others to enhance the benefits to local communities, and to mitigate any negative impacts from its activities. In addition, Burshane LPG(Pakistan) Limited take a constructive interest in societal matters, directly or indirectly related to its business.

Business Integrity

Burshane LPG (Pakistan) Limited insist on honesty, integrity and fairness in all aspects of its business and expect the same in its relationships with all those with whom it does business. The direct or indirect offer, payment, soliciting or acceptance of bribes in any form is unacceptable. Employees must avoid conflicts of interest between their private activities and their part in the conduct of company business. Employees must also declare to the company potential conflicts of interest. All business transactions on behalf of Burshane LPG (Pakistan) Limited must be reflected accurately and fairly in the accounts of the company in accordance with established.

Communication and Engagement

Burshane LPG (Pakistan) Limited recognise that regular dialogue and engagement with its stakeholders is essential. Burshane LPG (Pakistan) Limited is committed to reporting of its performance by providing full relevant information to legitimately interested parties, subject to any overriding considerations of business confidentiality.

In its interactions with employees, business partners and local communities, the company seek to listen and respond to them honestly and responsibly.

Statement of General Business Principles

Political Activities

Of The Company

Burshane LPG (Pakistan) Limited act in a socially responsible manner within the laws of the countries in which it operate in pursuit of its legitimate commercial objectives. Burshane LPG (Pakistan) Limited do not make payments to political parties, organizations or their representatives. Burshane LPG (Pakistan) Limited do not take part in party politics. However, when dealing with government, Burshane LPG (Pakistan) Limited have the right and the responsibility to make its position known on any matters which affect itself, its employees, its customers its shareholders or local communities in a manner which is in accordance with its values and the BusinessPrinciples.

Of Employees

Where individuals wish to engage in activities in the community, including standing for election to public office, they will be given the opportunity to do so where this is appropriate in the light of local circumstances.

Compliance

Burshane LPG (Pakistan) Limited comply with all applicable laws and regulations of the country in which it operate. Living by the Principles. The shared core values of honesty, integrity and respect for people, underpin all the work the company does and are the foundation of its Business Principles.

The Business Principles apply to all transactions, large or small, and drive the behaviour expected of every employee in Burshane LPG (Pakistan) Limited in the conduct of its business at all times. The Company encourage its business partners to live by them or by equivalent principles. Burshane LPG (Pakistan) Limited encourage its employees to demonstrate leadership, accountability and teamwork, and through these behaviours, to contribute to the overall success of the company.

It is the responsibility of management to lead by example, to ensure that all employees are aware of these principles, and behave in accordance with the spirit of this statement. The application of these principles is underpinned by a comprehensive set of assurance procedures, which are designed to make sure that company employees understand the principles and confirm that they act in accordance with them.

As part of the assurance system, it is also the responsibility of management to provide employees with safe and confidential channels to raise concerns and report instances of non-compliance. In turn it is the responsibility of Burshane LPG (Pakistan) Limited employees to report suspected breaches of the Business Principles to the Company. The Business Principles have for many years been fundamental to how the company conduct its business and living by them is crucial to its continued success.

Notice of 52nd Annual General Meeting

NOTICE IS HEREBY given that an Annual General Meeting (AGM) of Burshane LPG (Pakistan) Limited will be held on Wednesday, October 24, 2018 at 12:30 P.M. at Marvi Hall, Hotel Mehran, Main Shahrah-e-Faisal Karachi, to transact the following business:

1. To confirm minutes of the Extraordinary General Meeting of the Company held on September 3, 2018.
2. To receive, consider and adopt the Audited Financial Statements together with the Directors' Report and the Auditors' Report thereon for the year ended June 30, 2018.
3. To approve payment of final cash dividend @ 7.5% i.e. Re. 0.75 per share as recommended by the Directors for the year ended June 30, 2018.
4. To appoint auditors of the Company for the financial year ending 30 June 2019 and to fix their remuneration.
5. To consider any other business with the permission of the chair.

On behalf of the Board

Karachi.
Dated: October 03, 2018

(Wahaj Hussain)
Company Secretary

Notes:

1. Book Closure:

The Share Transfer Books of the Company will remain closed from October 18, 2018 to October 24, 2018 (both days inclusive).

2. Appointment of Proxies and Attending AGM:

- i) A member entitled to attend and vote at the meeting may appoint another member as his/her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.
- ii) A duly completed instrument of proxy to be valid must be deposited at the registered office not less than 48 hours before the time of the meeting. Attested copies of valid CNIC or the passport of the member and the Proxy shall be furnished with the Proxy Form.
- iii) The instrument of proxy should be duly signed, stamped and witnessed by two persons with their names, address, CNIC numbers and signatures.
- iv) CDC account holders are also required to follow the guidelines as laid down in Circular No.1 dated 26, January 2000 issued by the Securities and Exchange Commission of Pakistan (SECP).

A. For Attending the Meeting:

- i) In case of individual, the account holder or sub-account holder and/or the person, whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii) Members registered on Central Depository Company (CDC) are also requested to bring their particulars, I.D. numbers and account numbers in CDS.
- iii) In case of a corporate entity, the Board of Directors' resolution/Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

B. For Appointing Proxies:

- i) In case of individual, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per requirement notified by the Company.

- ii) The Proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.
- v) Corporate entities shall submit the Board of Directors resolution/Power of Attorney with specimen signature along with proxy form.

3. Change in Members Addresses:

Members are requested to notify any changes in their addresses immediately to the Share Registrar M/s. THK Associates (Pvt.) Limited.

4. Submission of Copies of Valid CNICs (mandatory):

Members, who have not yet submitted attested photocopy of their valid CNIC along with folio number are requested to send the same, at the earliest, directly to the Company's Share Registrar.

5. Payment of Dividend through electronic mode (Mandatory):

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders.

In order to receive dividend directly into their bank account, shareholders are requested to fill in Electronic Credit Mandate

Form available on Company's website and send it duly signed along with a copy of CNIC to the Registrar of the Company, in case of physical shares.

In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker / participant / CDC account services.

6. Deduction of Income Tax under Section 150 of the Income Tax Ordinance, 2001:

Pursuant to Section 150 of the Income Tax Ordinance, 2001 and the provisions of the Finance Act 2016 effective 1st July 2017, withholding tax on dividend income will be deducted for 'Filer' and 'Non-Filer' shareholders @ 15% and 20% respectively. According to clarification received from Federal Board of Revenue (FBR) withholding tax will be determined separately on 'Filer / Non-Filer' status of principal shareholder as well as joint holder(s) based on their shareholding proportions, in case of joint accounts. In this regard, all shareholders who hold shares with joint shareholders are requested to provide shareholding proportions of principal shareholder and joint holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

Folio / CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholder	
		Name & CNIC	Shareholding Proportion (No. of shares)	Name & CNIC	Shareholding Proportion (No. of shares)

The required information must reach our Share Registrar by the close of business on 17 October 2017; otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint Holder(s).

(ب) پراسیز کے تقرر کے لیے: اپنے شیئر ہولڈرز کو منافع منقسمہ کی ادائیگی صرف الیکٹرانک طریقے سے ان کے فراہم کردہ بینک اکاؤنٹ میں ہی کرے گی۔

فزیکل شیئرز کی صورت میں، منافع منقسمہ کی براہ راست بینک اکاؤنٹس میں وصولی کے پیش نظر، شیئر ہولڈرز سے گزارش کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ پر موجود اپنے الیکٹرانک کریڈٹ مینڈیٹ فارم پر کر کے سی این آئی سی کی کاپی کے ہمراہ دستخط شدہ فارم کمپنی کے رجسٹرار کے پاس جمع کرائیں۔

سی ڈی سی میں شیئرز کی تحویل کی صورت میں الیکٹرانک کریڈٹ مینڈیٹ فارم لازمی طور پر براہ راست شیئر ہولڈرز کے بروکر / شراکت دار / سی ڈی سی اکاؤنٹ سروسز کے پاس جمع کرانے ہوں گے۔

6۔ انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے تحت انکم ٹیکس کی کٹوتی:

انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 اور یکم جولائی، 2017 سے نافذ فنانس ایکٹ 2016 کے ضابطوں کے مطابق منافع منقسمہ کی آمدنی و دہولڈنگ ٹیکس کا نفاذ ان کے شیئر ہولڈنگ اسٹیٹس "فائلر / نان فائلر" کے مطابق بالترتیب 15 اور 20 فیصد کے حساب سے ہوگا، فیڈرل بورڈ آف ریونیو سے موصول شدہ وضاحت کے مطابق، پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈرز (ز) کے "فائلر / نان فائلر" اسٹیٹس پر اور ان کے شیئر ہولڈنگ تناسب / حصوں پر وہ دہولڈنگ ٹیکس علیحدہ متعین کیا جائے گا۔ اس حوالے سے جوائنٹ شیئر ہولڈرز کے ساتھ شیئرز رکھنے والے ممبران سے درخواست ہے کہ وہ اپنی تحویل میں موجود شیئرز سے متعلق پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈرز کے شیئر ہولڈنگ تناسب ہمارے رجسٹرارز کو تحریری طور پر درج ذیل کے مطابق فراہم کریں:

جوائنٹ شیئر ہولڈر		پرنسپل شیئر ہولڈر		مجموعی شیئرز	فولیو / اکاؤنٹ نمبر CDS
نام اور CNIC نمبر	شیئر ہولڈنگ کا تناسب (شیئرز کی تعداد)	نام اور CNIC نمبر	شیئر ہولڈنگ کا تناسب (شیئرز کی تعداد)		

مطلوبہ معلومات ہمارے رجسٹرارز کو 17 اکتوبر، 2018 تک موصول ہونی چاہیے بصورت دیگر تصور کیا جائے گا کہ پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈرز (ز) کی تحویل میں مساوی شیئرز موجود ہیں۔

(i) افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر، یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں، اور ان کے رجسٹریشن کی تفصیل قواعد کے مطابق اپ لوڈ شدہ ہیں، انہیں کمپنی کی ضروریات کے مطابق پراسیز فارم جمع کرانے ہوں گے۔

(ii) پراسیز فارم پر دو گواہوں کے دستخط کے ساتھ ان کے نام، ایڈریس اور سی این آئی سی نمبر بھی فارم پر درج ہونے چاہئیں۔

(iii) پراسیز اور بینیفیشل اوزر کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پراسیز فارم کے ساتھ جمع کرانے ہوں گے۔

(iv) پراسیز کو اپنا اصل سی این آئی سی اور پاسپورٹ اجلاس میں شرکت کے وقت ہمراہ لانا ہوگا۔

(v) کارپوریٹ اداروں کو بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی کے ساتھ نامزد شخص کے دستخط کے نمونے پراسیز فارم کے ساتھ جمع کرانے ہوں گے۔

3۔ ممبران کے پتہ میں تبدیلی:

ممبران سے درخواست کی جاتی ہے کہ ان کے ایڈریس میں کسی تبدیلی کی صورت میں فوری طور پر شیئر رجسٹرارز میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو مطلع کریں۔

4۔ فعال سی این آئی سی کی کاپیاں جمع کرانا (لازمی)

وہ ممبران جنہوں نے اپنے موثر سی این آئی سی کی تصدیق شدہ فوٹو کاپی ابھی تک جمع نہیں کرائی ان سے درخواست ہے کہ وہ جلد از جلد اپنے سی این آئی سی کی کاپیاں جمع فوٹو نمبر براہ راست کمپنی کے شیئر رجسٹرار کے پاس جمع کرائیں۔

5۔ الیکٹرانک طریقہ کار سے منافع منقسمہ کی ادائیگی (لازمی)

کمپنیز ایکٹ 2017 کے سیکشن 242 کے تحت، لسٹڈ کمپنی کے لیے لازم ہے کہ وہ

52 ویں سالانہ اجلاس عام کی اطلاع

بذریعہ ہذا مطلع کیا جاتا ہے کہ برشین ایل پی جی (پاکستان) لمیٹڈ کا 52 واں سالانہ اجلاس عام بروز بدھ 24 اکتوبر 2018 کو دوپہر 12:30 بجے ماروی ہال، ہوٹل مہران، مین شاہراہ فیصل، کراچی میں منعقد کیا جائے گا، جس میں درج ذیل کاروباری امور انجام دیئے جائیں گے:

- 1- 3 ستمبر 2018 کو منعقد ہونے والے غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنا
- 2- 30 جون 2018 کو ختم شدہ سال کے لیے ڈائریکٹرز اور آڈیٹرز کی رپورٹ کے ساتھ آڈٹ شدہ حسابات کی رپورٹس پر غور و خوض اور منظوری۔
- 3- 30 جون 2018 کو ختم شدہ سال کے لیے 7.5 فیصد یعنی 0.75 روپے فی شیئر حتمی منافع منقسمہ کی ادائیگی کی منظوری۔
- 4- 30 جون 2019 کو ختم ہونے والے مالیاتی سال کے لیے آڈیٹرز کی تعیناتی اور ان کے مشاہرے کا تعین۔
- 5- چیئرمین کی اجازت سے کسی دیگر کاروبار پر غور۔

حسب احکم بورڈ

وہاب حسین

کمپنی سیکریٹری

کراچی:

13 اکتوبر 2018

نوٹس:

- 1- کتابوں کی بندش: (iv) سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی جانب سے جاری کردہ سرکل نمبر 1 بتاریخ 26 جنوری 2000 میں درج ہدایات کی تعمیل کرنا ہوگی۔
- (i) کمپنی کے شیئر ٹرانسفر بکس 18 اکتوبر، 2018 تا 24 اکتوبر 2018 (دونوں دن شامل ہیں) تک بند رہیں گے۔

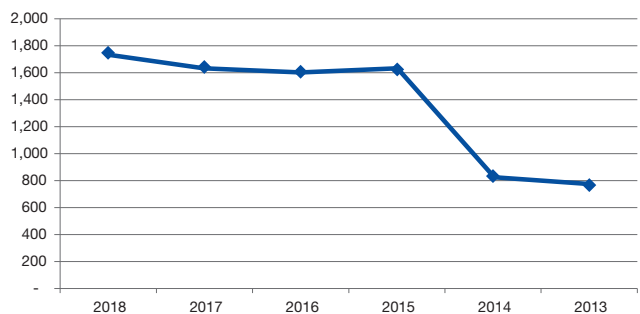
(الف) اجلاس میں شرکت کے لیے:

- 2- پراکسی کا انتخاب اور سالانہ اجلاس عام میں شرکت
 - (i) اجلاس میں شرکت اور ووٹ دینے کے اہل ممبر اجلاس میں شرکت اور ووٹ دینے کے لیے کسی کو بطور نمائندہ (پراکسی) مقرر کرنے کا حق حاصل ہوگا؛ اور مقرر کردہ پراکسی کو اجلاس میں شرکت، اظہار رائے اور ووٹ دینے کے وہی حقوق حاصل ہوں گے جو خود ممبر کو حاصل ہیں۔
 - (ii) پراکسی کی تقرری کی منظوری کے لیجان کی دستاویزات رجسٹرڈ آفس کو اجلاس سے 48 گھنٹے پہلے موصول ہونا ضروری ہیں۔ ممبر اور پراکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ جمع کرانی ہوں گی۔
 - (iii) پراکسی دستاویز پر دو گواہوں کے دستخط، مہر لگے ہوں جس میں ان کے نام، ایڈریس، سی این آئی سی نمبر اور دستخط نمایاں ہوں۔
- (i) افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر، یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں، اور ان کے کوائف قواعد کے مطابق اپ لوڈ شدہ ہیں، انہیں اجلاس میں شرکت کے وقت اپنی شناخت کی تصدیق کے لیے اصل شناختی کارڈ یا پاسپورٹ اپنے ہمراہ لائیں۔
- (ii) سینٹرل ڈپازٹری کمپنی (سی ڈی سی) میں رجسٹرڈ ممبران سے گزارش ہے کہ وہ بھی سی ڈی ایس میں اپنے کوائف، آئی ڈی نمبر اور اکاؤنٹ نمبر ہمراہ لائیں۔
- (iii) کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی کے ساتھ نامزد شخص کے دستخط کے نمونے اجلاس کے وقت پیش کرنے ہوں گے (اگر پہلے فراہم نہیں کئے گئے ہیں)۔

Financial Highlights

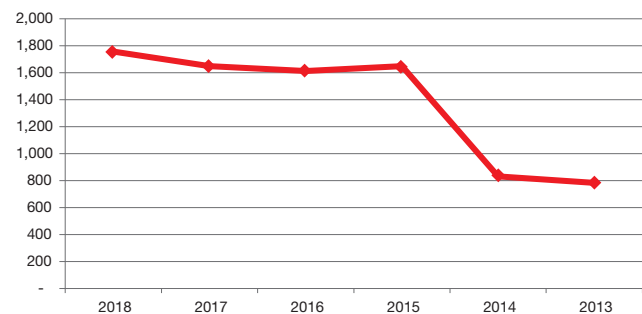
Total Assets

Rs. in million



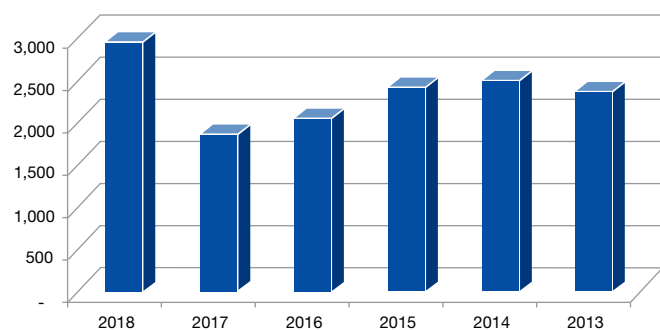
Total Equity and Liabilities

Rs. in million



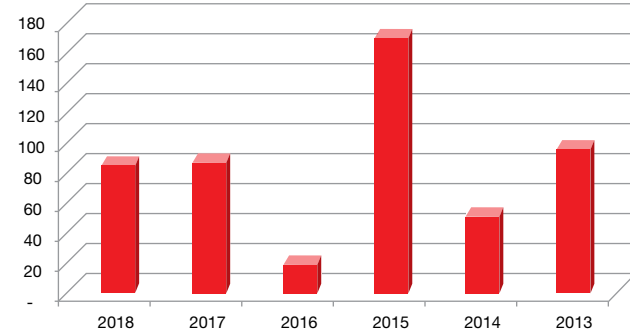
Net Sales

Rs. in million

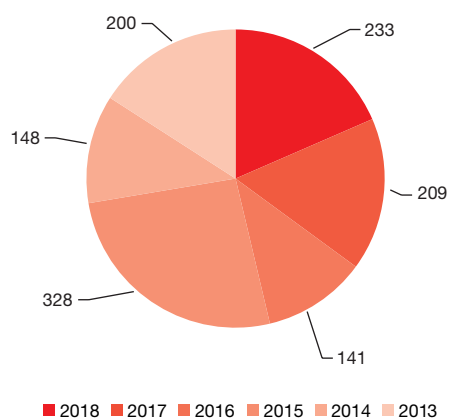


Operating Profit

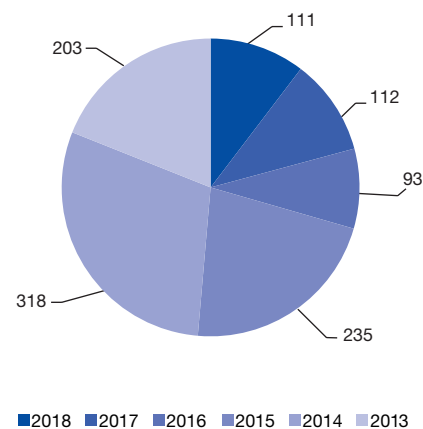
Rs. in million



Gross Profit



Cash and Cash Equivalents



Six Years Summary

Six Years Summary Rupees in '000	2018	2017 Restated	2016	2015	2014	2013 Restated
Trading Results						
Net turnover	2,926,076	1,826,825	2,012,770	2,391,891	2,467,544	2,350,872
Gross profit	232,513	209,820	141,328	328,017	147,842	200,139
Operating profit	83,557	85,793	17,612	168,603	49,352	94,198
Earnings before interest, taxes, depreciation and amortisation	173,717	160,532	105,748	261,665	107,258	154,162
Earnings after tax	19,596	29,033	(7,551)	96,206	28,282	57,338
Interim dividend	-	-	-	-	-	22,640
Final dividend	22,489	22,489	22,929	-	40,752	40,752
Earnings / (loss) before tax	53,581	50,631	(13,968)	150,228	45,624	90,125
Financial Position						
Share capital	224,888	224,888	224,888	224,888	226,400	226,400
Reserves and Retained Earnings	547,533	553,431	557,259	598,581	188,581	201,051
Property, plant, equipment and intangibles	1,195,638	1,221,019	1,139,793	1,040,987	238,311	247,659
Long-term/deferred liabilities	377,031	382,437	463,746	538,986	269,776	203,141
Inventory	95,341	50,755	37,536	41,489	11,707	85,920
Debtor	17,654	5,001	11,400	17,581	15,450	23,266
Creditor	179,374	104,014	110,927	143,551	149,837	179,633
Total Assets	1,750,238	1,643,693	1,610,335	1,641,151	825,945	780,494
Total current assets	402,295	301,658	331,917	443,387	479,211	393,483
Total current liabilities	600,786	482,937	364,442	289,790	154,626	180,912
Number of issued shares	22,489	22,489	22,489	22,489	22,640	22,640
Cash & Cash equivalents	110,922	111,924	92,869	234,771	317,826	203,241
Investors Information						
Profitability Ratios						
Gross profit ratio	7.95%	11.49%	7.02%	13.71%	5.99%	8.51%
Profit / (loss) before tax to sales	1.83%	2.77%	-0.69%	6.28%	1.85%	3.83%
Profit / (loss) after tax in percent of sales	0.67%	1.59%	-0.38%	4.02%	1.15%	2.44%
EBITDA Margin to sales	5.94%	8.79%	5.25%	10.94%	4.35%	6.56%
Return on equity/ capital employed	7.26%	7.39%	-1.46%	17.53%	6.82%	13.41%
Activity / Turnover Ratios						
Inventory turnover ratio (in times)	28.25	36.63	47.36	77.60	47.52	44.20
Inventory turnover ratio (no. of days)	12.9	10	8	5	8	10.00
Debtor turnover ratio (in times)	165	222.77	138.90	144.83	127.47	132.07
Debtor turnover ratio(no.of days)	2.2	2	3	3	3	2
Creditor turnover ratio (in times)	15.02	13.82	13.60	13.77	13.83	10.54
Creditor turnover ratio (no. of days)	24	26	27	27	26	35
Operating cycle (no. of days)	(8.9)	(14)	(16)	(19)	(16)	(22)
Total assets turnover ratio (in times)	1.67	1.12	1.24	1.94	3.07	2.62
Total assets turnover ratio (in days)	218	325.08	294.82	188.24	118.81	139.44
Liquidity Ratios						
Current ratio	0.67	0.62	0.91	1.53	3.10	2.17
Quick/ acid test ratio	0.51	0.52	0.81	1.39	3.02	1.70
Cash to Current Liabilities	0.18	0.23	0.25	0.81	2.06	1.12
Investment/Market Ratios						
Earnings / (loss) per share	0.87	1.29	(0.34)	4.26	1.25	2.53
Break-up value per share	34.35	34.61	34.78	24.40	18.33	18.88
Cash Flows						
Net cash flow from operating activities	68,580	187,794	(1,526)	174,932	186,022	3,787
Net cash flow from investing activities	(61,494)	(151,638)	(154,125)	(75,929)	(34,195)	12,096
Net cash flow from financing activities	(8,088)	(17,101)	13,749	(182,109)	(37,242)	(53,084)
Net (decrease) / increase in cash and cash equivalents	(1,002)	19,055	(141,902)	(83,106)	114,585	(37,201)

Horizontal Analysis of Financial Statements

	2018	2017 Restated	2016	2015	2014	2013 Restated
----- Rupee 000 -----						
Balance Sheet						
Non-current assets	1,347,943	1,342,035	1,278,418	1,197,764	346,734	387,011
Current assets	402,295	301,658	331,917	443,387	479,211	393,483
Total assets	1,750,238	1,643,693	1,610,335	1,641,151	825,945	780,494
Equity	497,656	503,554	507,382	537,610	401,543	396,441
Surplus on revaluation of fixed assets	274,765	274,765	274,765	274,765	-	-
Non-current liabilities	377,031	382,437	463,746	538,986	269,776	203,141
Current Liabilities	600,786	482,937	364,442	289,790	154,626	180,912
Total equity and liabilities	1,750,238	1,643,693	1,610,335	1,641,151	825,945	780,494
Net sales	2,926,076	1,826,825	2,012,770	2,391,891	2,467,544	2,350,872
Cost of product sold	(2,693,563)	(1,617,005)	(1,871,442)	(2,063,874)	(2,319,702)	(2,150,733)
Gross profit	232,513	209,820	141,328	328,017	147,842	200,139
Administrative expenses	(108,690)	(92,102)	(80,816)	(73,320)	(53,290)	(48,011)
Distribution and marketing expenses	(64,224)	(62,752)	(65,283)	(90,100)	(68,965)	(66,407)
Other income	35,525	49,812	45,133	25,949	31,662	23,115
Other expenses	(11,567)	(18,985)	(22,750)	(21,943)	(7,897)	(14,638)
	(148,956)	(124,027)	(123,716)	(159,414)	(98,490)	(105,941)
Operating profit	83,557	85,793	17,612	168,603	49,352	94,198
Finance costs	(29,976)	(35,162)	(31,580)	(18,375)	(3,728)	(4,073)
Profit / (loss) before taxation	53,581	50,631	(13,968)	150,228	45,624	90,125

	2018	2017	2016	2015	2014	2013
-----% increase/ (decrease) over preceeding year-----						
Balance Sheet						
Non-current assets	0.44%	4.98%	6.73%	245.44%	-10.41%	-6.05%
Current assets	33.36%	-9.12%	-25.14%	-7.48%	21.79%	23.50%
Total assets	6.48%	2.07%	-1.88%	98.70%	5.82%	6.84%
Equity	-1.17%	-0.75%	-5.62%	33.89%	1.29%	3.83%
Non-current liabilities	-1.41%	-17.53%	-13.96%	99.79%	32.80%	5.26%
Current Liabilities	24.40%	32.51%	25.76%	87.41%	-14.53%	16.17%
Total equity and liabilities	6.48%	2.07%	-1.88%	98.70%	5.82%	6.84%
Net sales	60.17%	-9.24%	-15.85%	-3.07%	4.96%	18.87%
Cost of product sold	66.58%	-13.60%	-9.32%	-11.03%	7.86%	22.05%
Gross profit	10.82%	48.46%	-56.91%	121.87%	-26.13%	-7.13%
Administrative expenses	18.01%	13.97%	10.22%	37.59%	11.00%	15.83%
Distribution and marketing expenses	2.35%	-3.88%	-27.54%	30.65%	3.85%	7.59%
Other operating income	-28.68%	10.37%	73.93%	-18.04%	36.98%	8.93%
Other operating expenses	-39.07%	-16.55%	3.68%	177.87%	-46.05%	-19.05%
Operating profit	-2.61%	387.13%	-89.55%	241.63%	-47.61%	-18.42%
Finance costs	-14.75%	11.34%	71.86%	392.89%	-8.47%	11.90%
Profit before taxation	5.83%	-462.48%	-109.30%	229.27%	-49.38%	-19.41%

Statement of Compliance with Code of Corporate Governance, 2012 and the Listed Companies (Code of Corporate Governance) Regulations, 2017

For the year ended 30 June 2018

The Company has complied with the requirements of the Code of Corporate Governance, 2012 and the Listed Companies (Code Of Corporate Governance) Regulations, 2017 (here-in-after referred to as 'Codes') in the following manner:

1. The total number of directors are 8 as per the following:s

- a. Male : 7
- b. Female : 1

2. The composition of board is as follows:

Category	Name
Independent Director	No such director
Other Non-executive Directors	Mr. Shahriar D. Sethna Mrs. Hamdia Fatin Niazi Mr. Darayus T. Sethna Mr. Tassaduq Hussain Niazi Mr. Etrat Hussain Rizvi
Executive Directors	Mr. Asad Alam Niazi Mr. Saifee Zakiuddin Mr. Khalid Dar

- 3. The Directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
- 4. 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.
- 5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("Act") and Codes.
- 7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Codes with respect to frequency, recording and circulating minutes of meeting of Board.

8. The Board of directors do have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Codes.
9. During the year, the Board has not arranged any Director's Training Program, as the same is yet to be arranged in the subsequent financial year.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Codes, except that the offices of Chief Financial Officer and Company Secretary were not held by separate persons, since the effectiveness of the Codes, however, subsequent to the effectiveness of the Codes, the Company appointed new Company Secretary.
11. The Chief Financial Officer and Chief Execution Officer have duly endorsed the financial statements before approval of the Board.
12. The Board has formed Committees comprising of members given below. However, the chairperson of the Audit Committee and Human Resource and Remuneration Committee are not independent member.

a) Audit Committee

Mrs. Hamdia Fatin Niazi	Chairperson
Mr. Shahiar D. Sethna	Member
Mr. Darayus T. Sethna	Member

b) Human Resource and Remuneration Committee

Mr. Darayus T. Sethna	Chairman
Mr. Asad Alam Niazi	Member
Mrs. Hamdia Fatin Niazi	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the Committee for compliance.
14. The frequency of meetings (quarterly/half yearly/yearly) of the Committees were as per following:

a) Audit Committee	04 quarterly meetings were held in the financial year 2017-18
b) Human Resource and Remuneration Committee	02 Meetings were held in the financial year 2017-18

Statement of Compliance with Code of Corporate Governance, 2012 and the Listed Companies (Code of Corporate Governance) Regulations, 2017

For the year ended 30 June 2018

15. The Board has set up an effective internal audit function, which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Codes or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Codes have been complied with, except for matters as stated in point 2, 10 and 12 above.

Saifee Zakiuddin
Director

Asad Alam Khan
Chief Executive Officer

Dated: September 25, 2018

To the members of Burshane LPG (Pakistan) Limited

Review Report on the Statement of Compliance contained in Code of Corporate Governance, 2012 and the Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Code of Corporate Governance, 2012 and the Listed Companies (Code of Corporate Governance) Regulations, 2017 here-in-after referred to as 'Codes', prepared by the Board of Directors of Burshane LPG (Pakistan) Limited for the year ended 30 June 2018 in accordance with the requirements of Regulation 40 of the Listed Companies (Code of Corporate Governance) Regulations, 2017.

The responsibility for compliance with the Codes is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Codes and report if it does not and to highlight any non-compliance with the requirements of the Codes. 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 Codes.

As a 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 Codes require 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 and also ensure compliance with the requirements of Section 208 of the Companies Act, 2017. 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 procedures to assess and determine the Company's process for identification of related parties and that 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 requirements contained in the Codes as applicable to the Company for the year ended 30 June 2018.

Further, we highlight below instance of non-compliance with the requirement of the Codes as reflected in the paragraph reference where it is stated in the Statement of Compliance:

ETPN



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	<u>Reference</u>	<u>Description</u>
i.	2	There are no independent directors on the Board.
ii.	10	Chief Financial Officer and Company Secretary were same person, however, subsequent to the effectiveness of the Codes, the Company appointed new Company Secretary.
iii.	12	There is no independent director in the below mentioned committees of the Board. <ul style="list-style-type: none">• Audit Committee• Human Resource and Remuneration Committee
iv.	12	The chairman of the Audit Committee and Human Resource and Remuneration Committee is not an independent director.

EY Good Works
Chartered Accountants

Place: Karachi

Date: 27 September 2018

Unconsolidated Financial Statements

For the Year Ended June 30, 2018

Burshane LPG (Pakistan) Limited



EY Ford Rhodes
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the members of Burshane LPG (Pakistan) Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Burshane LPG (Pakistan) Limited** (the Company), which comprise the unconsolidated statement of financial position as at **30 June 2018**, and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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 2018 and of the profit and its other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S No.	Key audit matters	How our audit addressed the key audit matter
1.	<p>Revenue</p>	
	<p>As disclosed in note 28 to the unconsolidated financial statements, the Company reported revenue of Rs. 2.92 billion from sale of Liquefied Petroleum Gas (LPG) which reflects an increase of 60% from the previous year.</p> <p>We focused on revenue as a key audit area due to high volume of transactions and significant increase in the revenue from the previous year.</p>	<p>We performed a range of audit procedures in relation to revenue including the following:</p> <ul style="list-style-type: none"> • We considered the appropriateness of the Company's revenue recognition accounting policies; • We obtained understanding of the revenue related processes; • We performed substantive analytical procedures based on historical sales, seasonal fluctuation and review of prices charged to customers including changes made during the year; • We performed test of details on revenue recognised during the year, on a sample basis, including review of order receipt, invoicing and dispatch; • We performed cut-off procedures on transactions occurring either immediately before or after the year end to assess the recording of revenue in correct accounting period; and • We also assessed the adequacy of the disclosures made in respect of revenue in accordance with the financial reporting standards.
2.	<p>The new Companies Act, 2017 and its impact on the financial statements</p>	
	<p>As referred to in note 3.1 to the accompanying unconsolidated financial statements, the Companies Act, 2017 (the Act) became applicable for the first time for the preparation of the Company's annual unconsolidated financial statements for the year ended 30 June 2018.</p> <p>The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.</p> <p>In the case of the Company, a summary of key additional disclosures and changes to the existing disclosures have been stated in note 3.1 to the accompanying unconsolidated financial statements.</p> <p>Further, the Company has also changed its accounting policy relating to presentation and</p>	<p>We assessed the procedures applied by the management for identification of the changes required in the unconsolidated financial statements due to the application of the Act. We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements. We also evaluated the sources of information used by the management for the preparation of the above referred disclosures and the internal consistency of such disclosures with other elements of the unconsolidated financial statements.</p> <p>In respect of the change in accounting policy for the accounting and presentation of revaluation surplus as referred to note 4.2 to the accompanying unconsolidated financial statements; we assessed the accounting implications in accordance with the applicable financial reporting standards and evaluated its application in the context of the Company.</p>

S No.	Key audit matters	How our audit addressed the key audit matter
	<p>measurement of surplus on revaluation of fixed assets as a consequence of the application of the Act with retrospective effect. The impact of the said change in accounting policy has been disclosed in note 4.2 to the accompanying unconsolidated financial statements.</p> <p>The above changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the unconsolidated financial statements resulting from the transition to the new reporting requirements under the Act.</p>	
3.	Demand Finance Facility	
	<p>As disclosed in note 20 to the accompanying unconsolidated financial statements, the Company has an outstanding balance relating to demand finance facility from a local commercial bank amounting to Rs. 254 million as at 30 June 2018.</p> <p>The Company's key operating / performance indicators including liquidity, gearing and finance costs are directly influenced by its financing arrangements. Further, such financing arrangements have certain covenants that the Company is subject to compliance.</p> <p>The significance of term loan at the year end, along with the sensitivity of the compliance with underlying loan covenants, are considered a key area of focus during the audit and therefore, we have identified this as a key audit matter.</p>	<p>Our audit procedures amongst others included:</p> <ul style="list-style-type: none"> • We reviewed the term loan agreement and inquired from the management with respect to the future compliance of the covenants and tested controls related to such compliance. • We circularised confirmation to the bank with outstanding loan balances at the year end. We also reviewed the maturity analysis of the financing to ascertain the classification of loan as per the remaining maturity. • We have reviewed the certain covenants and checked their compliance. • Further, we assessed the adequacy of the related disclosures in accordance with the applicable financial reporting standards.

Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises of information included in the Annual Report, but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, unconsolidated statement of other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central zakat Fund established under section 7 of the Ordinance.

The engagement partner on the audit resulting in this independent auditors' report is **Arif Nazeer**.


Chartered Accountants

Place: Karachi

Date: 27 September 2018

► Unconsolidated Statement of Financial Position

As at June 30, 2018

	Note	June 30, 2018	June 30, 2017 (Restated)	June 30, 2016 (Restated)
----- (Rupees in '000) -----				
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	7	742,636	758,226	750,768
Intangible assets	8	453,002	462,793	389,026
Long-term investment	9	50,000	50,000	50,000
Long-term loans	10	1,466	1,030	11,750
Long-term deposits	11	100,839	69,986	76,874
		1,347,943	1,342,035	1,278,418
CURRENT ASSETS				
Stores and spares	12	2,606	5,800	3,924
Stock-in-trade	13	95,341	50,755	37,536
Trade debts	14	17,654	5,001	11,400
Loans and advances	15	120,714	75,209	143,866
Deposits, prepayments and other receivables	16	45,071	47,287	39,591
Taxation - net		9,987	5,682	2,731
Cash and bank balances	17	110,922	111,924	92,869
		402,295	301,658	331,917
		1,750,238	1,643,693	1,610,335
EQUITY AND LIABILITIES				
EQUITY				
Share capital	18	224,888	224,888	224,888
Capital reserve	19	153,458	153,458	153,458
Revenue reserves	19	143,529	146,422	139,878
Actuarial (loss) / gain on remeasurement of retirement and other service benefits	19	(24,219)	(21,214)	(10,842)
Revaluation surplus on property, plant and equipment	19	274,765	274,765	274,765
		547,533	553,431	557,259
		772,421	778,319	782,147
NON-CURRENT LIABILITIES				
Long-term loan	20	-	-	86,161
Liabilities under finance lease	21	938	3,940	6,942
Deferred taxation - net	22	1,948	4,898	1,586
Cylinder and regulator deposits	23	374,145	373,599	369,057
		377,031	382,437	463,746
CURRENT LIABILITIES				
Loan from a subsidiary company	24	50,000	50,000	40,000
Current maturity of long-term loan	20	254,439	254,439	168,278
Current maturity of liabilities under finance lease	21	3,002	3,002	3,002
Loan from directors		-	-	18,818
Trade and other payables	25	179,374	104,014	110,927
Unclaimed dividends	26	53,676	36,273	19,065
Accrued mark-up on long-term loan		60,295	35,209	4,352
		600,786	482,937	364,442
CONTINGENCIES AND COMMITMENTS				
	27			
		1,750,238	1,643,693	1,610,335

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

Chief Executive Officer

Chief Financial Officer

Director

► Unconsolidated Profit or Loss

For the Year Ended June 30, 2018

	Note	2018	2017
		----- (Rupees in '000) -----	
Sales - net	28	2,926,076	1,826,825
Cost of sales	29	(2,693,563)	(1,617,005)
Gross profit		232,513	209,820
Administrative expenses	30	(108,690)	(92,102)
Distribution and marketing expenses	31	(64,224)	(62,752)
Other income	32	35,525	49,812
Other expenses	33	(11,567)	(18,985)
Operating profit		83,557	85,793
Finance costs	34	(29,976)	(35,162)
Profit before taxation		53,581	50,631
Taxation	35	(33,985)	(21,598)
Profit for the year		19,596	29,033
Earnings per share - basic and diluted	36	Rs. 0.87	Rs. 1.29

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

Chief Executive Officer

Chief Financial Officer

Director

► Unconsolidated Statement of Comprehensive Income

For the Year Ended June 30, 2018

	2018	2017
	----- (Rupees in '000) -----	
Profit for the year	19,596	29,033
Other comprehensive income for the year		
Items that will not be reclassified subsequently to profit or loss:		
Actuarial loss on remeasurement of retirement and other service benefits	(3,005)	(10,372)
Total comprehensive income for the year	16,591	18,661

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

Chief Executive Officer

Chief Financial Officer

Director

► Unconsolidated Statement of Cash Flows

For the Year Ended June 30, 2018

	Note	2018	2017
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	40	114,476	193,981
Retirement and other service benefits		9,123	(24,030)
Finance costs paid		(4,621)	(4,305)
Taxes paid		(41,240)	(21,237)
Long-term loans - net		(436)	10,720
Long-term deposits - net		(30,853)	6,888
Cylinder and regulator deposits - net		22,131	25,777
Net cash generated from operating activities		68,580	187,794
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(14,629)	(33,064)
Purchase of intangible assets		(50,150)	(123,000)
Interest received		3,285	4,426
Net cash used in investing activities		(61,494)	(151,638)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(5,086)	(5,281)
Repayment of long-term loan		-	-
Loan obtained from a subsidiary company		-	10,000
Repayment of loan from directors		-	(18,818)
Repayment of liabilities under finance lease		(3,002)	(3,002)
Net cash used in financing activities		(8,088)	(17,101)
Net (decrease) / increase in cash and cash equivalents		(1,002)	19,055
Cash and cash equivalents at beginning of the year		111,924	92,869
Cash and cash equivalents at end of the year		110,922	111,924

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

Chief Executive Officer

Chief Financial Officer

Director

► Unconsolidated Statement of Changes In Equity

For the Year Ended June 30, 2018

	Reserves							Total equity
	Capital			Revenue				
	Issued, subscribed & paid-up Capital	Reserve on amalgamation	General reserve	Unappropriated profit	Actuarial (loss) / gain on remeasurement of retirement and other service benefits	Revaluation surplus of property, plant and equipment	Total reserves	
(Rupees in '000)								
Balance as at July 01, 2016	224,888	153,458	90,000	49,878	(10,842)	-	282,494	507,382
Adjustment due to change in accounting policy as stated in note 3.1	-	-	-	-	-	274,765	274,765	274,765
Balance as at July 01, 2016 - restated	224,888	153,458	90,000	49,878	(10,842)	274,765	557,259	782,147
Profit for the year	-	-	-	29,033	-	-	29,033	29,033
Other comprehensive income for the year	-	-	-	-	(10,372)	-	(10,372)	(10,372)
Total comprehensive income for the year	-	-	-	29,033	(10,372)	-	18,661	18,661
Final dividend @ Re.1 per share	-	-	-	(22,489)	-	-	(22,489)	(22,489)
Balance as at June 30, 2017 - restated	224,888	153,458	90,000	56,422	-21,214	274,765	553,431	778,319
Profit for the year	-	-	-	19,596	-	-	19,596	19,596
Other comprehensive income for the year	-	-	-	-	(3,005)	-	(3,005)	(3,005)
Total comprehensive income for the year	-	-	-	19,596	(3,005)	-	16,591	16,591
Final dividend @ Re.1 per share	-	-	-	(22,489)	-	-	(22,489)	(22,489)
Balance as at June 30, 2018	224,888	153,458	90,000	53,529	(24,219)	274,765	547,533	772,421

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

Chief Executive Officer

Chief Financial Officer

Director

► Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

1. LEGAL STATUS AND OPERATIONS

- 1.1** Burshane LPG (Pakistan) Limited (the Company) is a limited liability company incorporated in Pakistan and is listed on the Pakistan Stock Exchange. The registered office of the Company is situated at Suite 101, 1st Floor, Horizon Vista, Plot No. Commercial-10, Block-4, Scheme No. 5, Clifton, Karachi.

The principal activity of the Company is storing and marketing of Liquefied Petroleum Gas (LPG) throughout Pakistan and trading of Low Pressure Regulators (LPR).

The Company was a subsidiary of H.A.K.S. Trading (Private) Limited (HTPL). However, consequent to the approval of the scheme of arrangement for amalgamation of HTPL and the Company by the High Court of Sindh (the Court), HTPL was amalgamated with the Company on February 20, 2015, as more fully explained in note 6.

These unconsolidated financial statements (the financial statements) are separate financial statements of the Company in which investment in subsidiary is accounted for at cost less accumulated impairment losses, if any. In addition, the Company prepares consolidated financial statements which comprise of the Company's financial statements and its subsidiary's financial statements - Burshane Auto Gas (Private) Limited. The Company's another subsidiary which is Burshane Trading (Private) Limited's share capital has not been issued as at the reporting date.

Geographical location and addresses of major business units of the Company are as under:

Karachi:

Plot No. 70, Sector 7-D, Korangi Filling Plant-1, Adjacent to Pakistan Refinery Limited, Korangi Creek

Purpose:

LPG Storage & Filling Plant

Faisalabad:

LPG Storage & Filling Plant, Near Railway Station, Abbaspur

Purpose:

LPG Storage & Filling Plant

2. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

- The highest bid of signature bonus was placed by the Company and secured a five year supply and purchase contract from Oil & Gas Development Company Limited (OGDCL) as mentioned in note 8.4
- Adoption of Companies Act, 2017 mentioned in note 3.1

3. BASIS OF PREPARATION

3.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRS), issued by International Accounting Standard Board (IASB) as notified directives issued under the Act differ from the IFRS standards, the provisions of and directives issued under the Act have been followed.

The Act has also brought certain changes with regard to the preparation and presentation of these unconsolidated financial statements. These changes, amongst others, included change in respect of presentation and measurement of revaluation surplus on property, plant and equipment as fully explained in note 4.2 of these unconsolidated financial statements, change in nomenclature of primary statements. Further, the disclosure requirements contained in the fourth schedule of the Act have been revised, resulting in elimination of duplicative disclosure with the IFRS disclosure requirements and incorporation of additional amended disclosures including, but not limited to, particulars of immovable assets of the Company (refer note 7.1.6), management assessment of sufficiency of tax provision in the unconsolidated financial statements (refer note 35.2), change in threshold for identification of executives (refer note 10 & 37), additional disclosure requirements for related parties (refer note 39.3).

► Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

3.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention, unless otherwise specifically stated.

3.3 Separate financial statements

These unconsolidated financial statements represent the separate financial statements of the Company. The consolidated financial statements of the Company and its subsidiary are presented separately.

3.4 Functional and presentation currency

These unconsolidated financial statements have been presented in Pakistani rupee, which is the Company's functional and presentation currency.

3.5 New Standards, Interpretations and Amendments

The Company has adopted the following amendments to the accounting standards which became effective for the current year:

IFRS 7 – Financial Instruments: Disclosures - Servicing contracts
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

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

The following 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:

Standards or interpretations	Effective date (annual periods beginning on or after)
IFRS 2 – Share Based Payments – Classification and Measurement of Share Based Payments Transactions (Amendments)	January 01, 2018
IFRS 4 – Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 (Amendments)	January 01, 2018
IFRS 9 – Financial Instruments	July 01, 2018
IFRS 9 – Prepayment Features with Negative Compensation – (Amendments)	January 01, 2018
IFRS 15 – Revenue from Contracts with Customers	July 01, 2018
IFRS 16 – Leases	January 01, 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures – (Amendments)	January 01, 2019
IFRIC 22 – Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 – Uncertainty over Income Tax Treatments	January 01, 2019

The above standards and amendments are not expected to have any material impact on the Company's unconsolidated financial statements in the period of initial application except for IFRS 15 - Revenue from Contracts with Customers. The Company is currently evaluating the impact of this Standard on the unconsolidated financial statements.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after January 01, 2018 and January 01, 2019 respectively. The Company expects that such improvements to the standards will not have any material impact on the Company's unconsolidated financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

► Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

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. The Company is currently evaluating the impact on the unconsolidated financial statements.

Standards	IASB effective date (annual periods beginning on or after)
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 17 – Insurance Contracts	January 01, 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

4.1 Property, plant and equipment

4.1.1 Operating fixed assets

Owned

These are stated at cost less accumulated depreciation and any accumulated impairment losses if any, except for freehold land and leasehold land, which are stated at revalued amount.

Depreciation is charged to unconsolidated statement of profit or loss using straight-line method whereby the cost of an asset is allocated over its estimated useful life at the rates given in note 7.1. Depreciation on additions is charged from the month in which the asset is available for use, while no depreciation is charged in the month in which the asset is disposed off. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Maintenance and normal repairs are charged to unconsolidated statement of profit or loss as and when incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as an income or expense in the unconsolidated statement of profit or loss in the period of disposal.

Leased

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership, are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and present value of minimum lease payments. Outstanding obligations under the lease less finance cost allocated to future periods are shown as a liability.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Finance cost under lease agreements are allocated to the period of the lease term so as to produce a constant periodic rate of finance cost on the remaining balance of principal liability for each period.

4.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. It consists of expenditure incurred in respect of tangible assets in the course of their construction and installation, including financial charges on borrowings, if any, for financing the project until such projects are completed or become operational. Transfers are made to relevant asset category as and when assets are available for use.

► Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

4.2 Revaluation surplus on property, plant and equipment

As disclosed in note 3.1 to the unconsolidated financial statements, the Companies Act, 2017 (the Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended June 30, 2018. Accordingly, the Company has also changed its accounting policy relating to presentation and measurement of surplus on revaluation of property plant and equipment. The above change in the accounting policy has been applied retrospectively and comparative information have been restated in accordance with the requirement of International Accounting Standard (IAS) – 16 "Property, Plant and Equipment" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Due to the above change in accounting policy, the Company has presented its statement of financial position as at the beginning of the earliest comparative period i.e., July 01, 2016, and related notes in accordance with requirement of IAS 1 – Presentation of Financial Statements (Revised) (IAS 1). Had the accounting policy not been changed, the revaluation surplus on property, plant and equipment would have been shown as a separate line item (below equity in the statement of financial position) amounting to PKR 274.765 million for the year ended June 30, 2017 and 2016 respectively.

4.3 Intangible assets

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

i) Software

Costs that are directly associated with identifiable computer software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Costs include the purchase cost of software, implementation cost and related overhead cost. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses thereon.

Expenditure which enhances or extends the performance of computer software beyond its original specification and useful life is recognised as a capital improvement and added to the original cost of the software.

ii) Goodwill

This represents excess of cost of acquisition over fair value of the identifiable assets and liabilities of the Company at the time of acquisition by HTPL.

Goodwill on acquisition is not amortised but tested annually for impairment and carried at cost less accumulated impairment losses, if any.

iii) Trademarks

This represents separately acquired trade marks with indefinite useful life. These are stated at cost less accumulated impairment losses, if any. Carrying amounts of trademarks are subject to impairment review at each balance sheet date.

Intangible assets, where applicable, are amortised from the month when such assets are available for use on straight line method whereby the cost of an intangible asset is allocated over its estimated useful life, at the rates given in note 7.

The useful lives of intangible assets are reviewed at each balance sheet date to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset.

4.4 Investment in a subsidiary company

Investment in subsidiary is initially recognised at cost. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of the investment is adjusted accordingly.

► Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

The gain or loss on disposal of an interest in subsidiary, represented by the difference between the sale proceeds and the carrying amount of investment, is recognised as an income or expense in profit or loss account in the period of disposal.

4.5 Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs to sell and value in use. Impairment losses are charged to profit or loss account.

4.6 Financial instruments

4.6.1 Financial assets

The Company classifies its financial assets at initial recognition in the following categories depending on the nature and purpose for which the financial assets were acquired:

(a) At fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those having maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise trade debts, loans, advances, deposits, interest accrued, other receivables and cash and bank balances.

(c) Available-for-sale

Available-for-sale financial assets are non-derivatives that are either designated investments in this category or not classified in any of the other categories. They are included in non-current assets unless these mature or the management intends to dispose off the investments within twelve months from the reporting date.

(d) Held-to-maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has positive intention and ability to hold till maturity are classified as held-to-maturity.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of investments are recognised and derecognised on trade date (the date on which the Company commits to purchase or sell the asset). Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest rate method.

The Company assesses at each reporting date whether there is objective evidence that any investment is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss that had been recognised in other comprehensive income shall be reclassified from equity to profit and loss account as a reclassification adjustment. Impairment losses recognised in the profit and loss account on equity instruments classified as available-for-sale are not reversed through the profit and loss account.

► Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

4.6.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit and loss account.

4.6.3 Offsetting of financial assets and financial liabilities

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

4.7 Stores and spares

Stores and spares to be consumed in the ordinary course of business are valued at lower of weighted average cost and net realizable value (NRV) except for those in transit, if any, which are stated at cost. Cost comprises of invoice value plus other direct costs but excludes borrowing costs. Provision is made for slow moving and obsolete items wherever necessary and is recognised in the profit or loss account.

4.8 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value (NRV). Cost is determined using the weighted average method for both Liquefied Petroleum Gas (LPG) and Low Pressure Regulators (LPR). Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Net realisable value signifies the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

4.9 Trade debts and other receivables

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method less provision for impairment, if any. A provision for impairment is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables are written-off when considered irrecoverable.

4.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash with banks on current, collection, deposit and saving accounts.

4.11 Retirement and other service benefits

4.11.1 Defined benefit plans

The Company operates:

an approved defined benefit gratuity scheme for all permanent employees and non management employees. The scheme provides for a graduated scale of benefits dependent on the length of service of the employee on terminal date, subject to the completion of minimum qualifying period of service. Gratuity is based on employee's last drawn salary; and an approved defined benefit pension scheme for management staff. The scheme provides pension based on the employees' last drawn salary subject to the completion of minimum qualifying period of service. Pensions are payable for life and thereafter to surviving spouses and / or dependent children.

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For the Year Ended June 30, 2018

Both the above schemes are funded and contributions to them are made monthly on the basis of actuarial valuation and in line with the provisions of the Income Tax Ordinance, 2001. The gratuity and pension funds are governed under the Trust Act, 1882, Trust Deed and Rules of Fund, repealed Companies Ordinance, 1984, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. Responsibility for governance of plan, including investment decisions and contribution schedule lie with the Board of Trustees of the Funds. Further, monthly contributions are made by employees in the defined benefit pension fund at the rate of 1.4% and 1.72% according to their job grades. Actuarial valuations of these schemes are carried out at appropriate regular intervals.

4.11.2 Defined contribution plan

The Company operates a recognised contributory provident fund for all permanent employees. Equal monthly contributions are made, both by the Company and the employees at the rate of 4.25% per annum of the basic salary and 10% per annum of the basic salary for management and non-management employees, respectively.

4.12 Loans and borrowings

Loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Loan and borrowings are subsequently stated at amortised cost using the effective interest rate method.

Loans and borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

4.13 Trade and other payables

These are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Exchange gains and losses arising in respect of liabilities in foreign currency are added to the carrying amount of the respective liability.

4.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

4.15 Taxation

4.15.1 Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or Minimum Tax on Turnover or Alternate Corporate Tax whichever is higher in accordance with the provisions of Income Tax Ordinance, 2001.

4.15.2 Deferred

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax asset are recognized for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the asset may be utilized. Deferred tax asset are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

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

► Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

4.16 Foreign currencies

Transactions in foreign currencies are translated into functional currency (Pakistani Rupees) using exchange rates approximating those ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rates of exchange prevailing at the balance sheet date. Exchange gains and losses resulting from the settlement of foreign currency transactions and translation of monetary assets and liabilities at the rates prevailing at the reporting date are included in profit and loss account. Non monetary items that are measured in terms of a historical cost in foreign currency are not re-translated.

4.17 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the 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 recorded at the time of delivery to the distributors and direct customers.

Return on saving account is recorded using effective interest rate method.

Income from dividend, if any, is recognised when right to receive dividend is established.

Other revenues including recovery of storage and handling charges and rental income from storage tank are accounted for on accrual basis.

4.18 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset, in which case such costs are capitalised as part of the cost of that asset.

4.19 Dividend and appropriation to reserves

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

4.20 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

5.1 Property, plant and equipment

The Company reviews appropriateness of the rates of depreciation, useful lives and residual values used in the calculation of depreciation. Further where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis.

5.2 Intangible assets

The Company reviews appropriateness of the rate of amortisation and useful life used in the calculation for amortisation. Further where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis.

► Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

5.3 Taxation

In making the estimates for current income taxes payable by the Company, the management considers the applicable laws and the decisions / judgements of appellate authorities on certain issues in the past. Accordingly, the recognition of deferred tax is also made, taking into account these judgements and the best estimates of future results of operations of the Company.

5.4 Provision for retirement and other service benefits

The present value of these obligations depends on a number of factors that are determined on actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of these obligations. The present values of these obligations and the underlying assumptions are disclosed in note 38.

6 AMALGAMATION WITH HOLDING COMPANY

Effective February 20, 2015, the Company went through the scheme of amalgamation (the Scheme) with HTPL consequent to the approval of the Scheme by the High Court of Sindh.

According to the Scheme, 0.31 shares of the Company, with a face value of Rs.10 each, were offered to the shareholders of HTPL for every one share held of HTPL, with a face value of Rs.10 each. As per the Scheme, the Company is required to allot new shares to the shareholders of HTPL. Upon allotment of new shares, old shares of the Company, held by HTPL, shall stand cancelled and simultaneously HTPL shall stand dissolved without being wound up. Further, the cancellation of old shares and issuance of new shares will result in the reduction of 151,154 shares of the Company. The Company is in the process of completing the legal formalities for the issuance of new shares.

As a result of the Scheme, the assets and liabilities of HTPL were amalgamated with the assets and liabilities of the Company based on the fair values as of February 19, 2015. The summary of assets and liabilities of HTPL amalgamated as above, is as under:

	Fair value as of February 19, 2015
	(Rupees in '000)
Assets	
Goodwill	253,091
Property, plant and equipment	559,529
Cash and bank balances	51
	812,671
Liabilities	
Long-term loan - secured	400,000
Deferred taxation	14,863
Trade and other payables	2,247
Short-term loans	30,646
Accrued mark-up on long-term loan	17,508
	465,264
Net assets	347,407
Represented by:	
Unappropriated loss	(73,677)
Revaluation surplus on property, plant and equipment	269,138
Reserve on amalgamation	151,946
	347,407
	----- (Rupees in '000) -----
	Note 2018 2017
7. PROPERTY, PLANT AND EQUIPMENT	
Operating fixed assets	7.1 742,636 758,226

Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

7.1 Operating fixed assets

	June 30, 2018							
	Cost / Revalued Amount*			Accumulated Depreciation		Net Book value		
	As at July 01, 2017	Additions	As at June 30, 2018	As at July 01, 2017	Charge for the year (note 7.1.2)	As at June 30, 2018	As at June 30, 2018	Rate of depreciation
	(Rupees in '000)							
Owned								
Freehold land*	15,000	-	15,000	-	-	-	15,000	Nil
Leasehold land*	509,138	-	509,138	-	-	-	509,138	Nil
Buildings on leasehold land	83,294	-	83,294	53,548	2,311	55,859	27,435	5%
Plant and machinery	63,776	574	64,350	50,630	1,313	51,943	12,407	5%
Furniture, fittings, electrical and other equipments	80,232	192	80,424	70,240	1,770	72,010	8,414	10%-15%
Vehicles	58,561	94	58,655	57,749	446	58,195	460	20%-25%
Tanks, pipelines and fittings	96,021	-	96,021	61,896	3,429	65,325	30,696	10%
Fire fighting equipment	20,970	99	21,069	16,592	989	17,581	3,488	15%
Cylinders and regulators (note 7.1.3)	578,423	13,328	591,751	447,511	13,662	461,173	130,578	10%
Office equipment	4,715	-	4,715	4,160	85	4,245	470	15%
Computers and related accessories	17,161	342	17,503	16,537	279	16,816	687	33.33%
Leased								
Vehicles	23,738	-	23,738	13,940	5,935	19,875	3,863	25%
	1,551,029	14,629	1,565,658	792,803	30,219	823,022	742,636	

	June 30, 2017							
	Cost / Revalued Amount*			Accumulated Depreciation		Net Book value		
	As at July 01, 2016	Additions	As at June 30, 2017	As at July 01, 2016	Charge for the year (note 7.1.2)	As at June 30, 2017	As at June 30, 2017	Rate of depreciation
	(Rupees in '000)							
Owned								
Freehold land*	15,000	-	15,000	-	-	-	15,000	Nil
Leasehold land*	509,138	-	509,138	-	-	-	509,138	Nil
Buildings on leasehold land	83,294	-	83,294	51,210	2,338	53,548	29,746	5%
Plant and machinery	62,024	1,752	63,776	49,337	1,293	50,630	13,146	5%
Furniture, fittings, electrical and other equipments	79,729	503	80,232	68,641	1,599	70,240	9,992	10%-15%
Vehicles	58,561	-	58,561	57,308	441	57,749	812	20%-25%
Tanks, pipelines and fittings	96,021	-	96,021	61,197	699	61,896	34,125	10%
Fire fighting equipment	20,761	209	20,970	15,607	985	16,592	4,378	15%
Cylinders and regulators (note 7.1.3)	548,123	30,300	578,423	435,545	11,966	447,511	130,912	10%
Office equipment	4,715	-	4,715	4,075	85	4,160	555	15%
Computers and related accessories	16,861	300	17,161	16,372	165	16,537	624	33.33%
Leased								
Vehicles	23,738	-	23,738	8,005	5,935	13,940	9,798	25%
	1,517,965	33,064	1,551,029	767,297	25,506	792,803	758,226	

Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

7.1.1 As at June 30, 2018, property, plant and equipment having cost of Rs. 552.535 million (2017: Rs. 550.452 million) are fully depreciated.

7.1.2 The depreciation charge for the year has been allocated as follows:

	Note	2018	2017
		----- (Rupees in '000) -----	
Cost of products sold	29	6,104	4,773
Administrative expenses	30	10,342	8,021
Distribution and marketing expenses	31	13,773	12,712
		30,219	25,506

7.1.3 These are in custody of distributors / customers owing to the nature of business of the Company. The particulars of these assets have not been disclosed due to several number of customers.

7.1.4 The Company's freehold land and leasehold land was revalued on 15 June 2015 by M/s. Consultancy Support and Services and Harvester Services (Private) Limited, respectively. Had the revaluation not been carried out, the carrying value of freehold land and leasehold land would have been lower by Rs. 5.627 million (2017: Rs. 5.627 million) and Rs. 266.097 million (2017: Rs. 266.097 million), respectively.

7.1.5 The forced sales value as per the revaluation report as of 15 June 2015 is as follows

Class of asset	Rupees in '000
Freehold land	13,500
Leasehold land	462,000

7.1.6 Particulars of immovable assets of the Company are as follows:

Particulars	Usage of property	Address	Covered Area (Sq. ft.)
Leasehold land	For future business expansion	Commercial - cum- Residential Land Deh Okewari, Shahrah - e - Faisal Survey # 47	107,811
Leasehold land	For future business expansion	Commercial - cum- Residential Land Deh Okewari, Shahrah - e - Faisal Survey # 74	40,293
Leasehold land	For future business expansion	Commercial - cum- Residential Land Edh Okewari, Shahrah - e - Faisal Survey # 47	107,811
Building on leasehold land	Plant site	Plot No. 70, Sector 7-D, Korangi Filling Plant-1, Adjacent to Pakistan Refinery Limited, Korangi Creek, Karachi	9,710
Building on leasehold land	Plant site	LPG Storage & Filling Plant, Near Railway Station, Abbaspur, Faisalabad	6,380

7.1.7 In the current year and previous year, there were no disposal of assets, hence no disposal to report having book value exceeding amount of Rs. 0.5 million.

Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

8. INTANGIBLE ASSETS

	Cost		Accumulated Amortisation			Net Book Value		Rate of amortisation
	As at July 01, 2017	Additions	A at June 30, 2018	As at July 01, 2017	Charge for the year (note 8.6)	As at June 30, 2018	at June 30, 2018	
----- (Rupees in '000) -----								
Goodwill (note 8.1)	253,091	-	253,091	-	-	-	253,091	Nil
Computer software	4,569	-	4,569	4,569	-	4,569	-	20%
Rights under supply contracts (notes 8.2, 8.3 & 8.4)	344,706	50,150	394,856	143,604	59,941	203,545	191,311	7.14%-33%
Trademarks (note 8.1 & 8.5)	8,600	-	8,600	-	-	-	8,600	Nil
2018	610,966	50,150	661,116	148,173	59,941	208,114	453,002	

	Cost		Accumulated Amortisation			Net Book Value		Rate of amortisation
	As at July 01, 2016	Additions	A at June 30, 2017	As at July 01, 2016	Charge for the year (note 8.6)	As at June 30, 2017	at June 30, 2017	
----- (Rupees in '000) -----								
Goodwill (note 8.1)	253,091	-	253,091	-	-	-	253,091	Nil
Computer software	4,569	-	4,569	4,569	-	4,569	-	20%
Rights under supply contracts (notes 8.2 and 8.3)	221,706	123,000	344,706	94,371	49,233	143,604	201,102	7.14%-33%
Trademarks (note 8.1 & 8.5)	8,600	-	8,600	-	-	-	8,600	Nil
2017	487,966	123,000	610,966	98,940	49,233	148,173	462,793	

8.1 This represents excess of cost of acquisition over fair value of the identifiable assets and liabilities of the Company at the time of acquisition by HTPL (note 6).

8.1.1 Impairment testing of goodwill and trademarks:

The carrying value of goodwill has been allocated to Burshane LPG (Pakistan) Limited, the cash generating unit (CGU), which is also the operating and reportable segment for impairment testing.

	2018	2017
----- (Rupees in '000) -----		
Carrying amount of goodwill	253,091	253,091
Carrying amount of trademarks	8,600	8,600

The Company performed its annual impairment test in June 2018 and June 2017. The Company considers the relationship between its market capitalisation, using the level 1 input of the fair value hierarchy - quoted prices, and its book value, among other factors, when reviewing for indicators of impairment. As at June 30, 2018, the market capitalisation of the Company was above the book value of its equity by Rs. 244.077 million, indicating no impairment of the assets constituting the CGU.

► Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

- 8.2** This includes Rs. 64.206 million representing consideration for beneficial rights of continuous supply of LPG under the supply contract between Sui Northern Gas Pipelines Limited (SNGPL) and Pak Arab Refinery Limited (PARCO) which was transferred to the Company as part of its acquisition of the LPG business of SNGPL in October 2001. The asset was recorded at its cost, which was bifurcated from the total cost of acquisition of Rs. 142 million, on the basis of a valuation carried out by an independent valuer. This cost has been amortised over a period of fourteen years, being the remaining period of the supply contract with PARCO at the acquisition date, ended in prior year. Further, on completion of term of the existing contract during the prior year, the Company entered into an agreement with PARCO for purchase of LPG. The agreement provides right to supply of LPG for a period of five years for which the Company paid the signature bonus of Rs. 248 million.
- 8.3** During 2014, the Company participated in a tender offer by Government Holdings (Private) Limited (GHPL) in respect of purchase of LPG from Makori Gas Field, TAL Block. On successful submission of the highest bid of Rs. 22.5 million, the Company had been allotted one lot of LPG of five metric tons per day from the Makori Gas Field, TAL Block. However, pending the final decision of the Lahore High Court in writ petition No. 6569/2014, to which the Company is not a party, the LPG purchase agreement between the Company and GHPL has not yet been executed. The supply of LPG from Makori Gas Field is in accordance with the terms and conditions contained in the tender document and is for a temporary period of five years. Accordingly, Rs. 22.5 million, paid as signature bonus, being right to continuous supply of LPG, has been recognised as an intangible asset with a useful life of five years.
- 8.4** During the year, the Company participated in a tender offer by Oil & Gas Development Company Limited (OGDCL) in respect of purchase of LPG from Kunnar Pasaki Deep - Tando Allahyar Gas Field District Hyderabad. On successful submission of the highest signature bonus bid of Rs. 50.150 million, the Company had been allotted one lot of LPG of five metric tons per day for five years from the Kunnar Pasaki Deep - Tando Allahyar.
- 8.5** This represents consideration paid to OPI Gas (Private) Limited in 2011 for acquisition of rights and title to "Burshane" trademarks. These trade marks are considered to have an indefinite useful life, and therefore have not been amortised. Further, no impairment has been identified in this regard (note 8.1).

8.6 The amortisation for the year has been allocated as follows:	Note	2018	2017
		----- (Rupees in '000) -----	
Cost of products sold	29	59,941	49,233
Administrative expenses	30	-	-
		59,941	49,233

9. LONG-TERM INVESTMENT

Investment in a subsidiary company - at cost			
Burshane Auto Gas (Private) Limited (BAL)	9.1	50,000	50,000

- 9.1** Represents investment in Burshane Auto Gas (Private) Limited (BAL), a company incorporated in Pakistan. The Company owns 4,999,997 (2017: 4,999,997) ordinary shares of Rs. 10 each representing 99.99% of the share capital as of the reporting date. As of the reporting date, the subsidiary company has not yet started its business operations, however the net assets of the subsidiary company at year end amounted to Rs. 50.23 million (2017: Rs. 50.318 million). Investment in the subsidiary has been made in accordance with the provisions of the Section 199 of the Act and the rules promulgated for this purpose.

Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

	Note	2018	2017
----- (Rupees in '000) -----			
10. LONG-TERM LOANS			
Unsecured, considered good			
Directors	10.2	236	2,569
Executives	10.3 & 10.5	2,104	978
Other employees	10.3	556	509
Supplier	10.4	-	8,504
	10.6	2,896	12,560
Current maturity of long-term loans:			
Directors		(236)	(2,469)
Executives		(851)	(397)
Other employees		(343)	(160)
Supplier		-	(8,504)
		(1,430)	(11,530)
		1,466	1,030

10.1 Reconciliation of carrying amount of loans:

	2018					2017
	Directors	Executives	Other Employees	Supplier	Total	Total
----- (Rupees in '000) -----						
Opening balance	2,569	978	509	8,504	12,560	37,548
Disbursements	1,937	2,016	459	-	4,412	1,391
Repayments / adjustments	(4,270)	(890)	(412)	(8,504)	(14,076)	(26,379)
Closing balance	236	2,104	556	-	2,896	12,560

10.2 Represents interest free loan granted by the Company to Chief Financial Officer and Director Sales and Marketing during last year, amounting to Rs. 3 million and Rs. 1.85 million respectively, given as per Company policy, repayable in 30 equal monthly installments. As of the balance sheet date, the loan from Director Sales and Marketing has been recovered in full as per the agreement.

10.3 These loans are granted to employees under the Company's policies. Car and motor cycle loans are repayable over a maximum period of five years and two and a half years respectively. Housing loans are repayable in maximum 50 equal monthly installments and salary loans are repayable over a maximum period of three years. Car loans and housing loans carry interest at the rate of 1% per annum. Housing loans granted to employees are secured against the letter of guarantee and promissory notes and other loans are secured against their provident fund balances. These loans have been made in compliance with the requirements of the Act.

10.4 Represents unsecured interest free loan granted by the Company on 1 July 2015 to a transporter repayable in 30 equal monthly installments which has been adjusted / received in full during the year.

10.5 The maximum aggregate amount of loans due from Executives at the end of any month during the year was Rs. 2.14 million (2017: Rs. 8.64 million).

10.6 The carrying value of these financial assets is neither past due nor impaired. Further interest free loans are not discounted to present value, since the impact is considered to be immaterial in the overall context of these financial statements.

► Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

11. LONG-TERM DEPOSITS

Represent deposits placed with supplier of LPG and fuel as per the terms of the supply agreement.

	Note	2018	2017
----- (Rupees in '000) -----			
12. STORES AND SPARES			
Stores		3,322	6,052
Spare parts		604	1,068
		3,926	7,120
Provision for obsolete items		(1,320)	(1,320)
		2,606	5,800
13. STOCK-IN-TRADE			
Liquefied Petroleum Gas (LPG)	13.1	92,547	47,081
Low Pressure Regulators (LPR)		2,794	3,674
		95,341	50,755

13.1 Includes stock amounting to Rs. 14.016 million (2017: Rs. 7.092 million) held with the following parties under hospitality arrangements:

	Note	2018	2017
----- (Rupees in '000) -----			
Pakistan Oil Fields Limited		1,344	-
Ravi Sahiwal		903	-
Sadiq Gas Company		4,024	3,514
Sindh Gas (Private) Limited		342	-
Blessing Gas (Private) Limited		3,741	1,257
Tez Gas (Private) Limited		-	2,016
Petroleum Gas (Private) Limited		709	305
Bashir Gas		2,953	-
		14,016	7,092

13.2 As at June 30, 2018, stock of LPG held on behalf of third parties amounted to Rs. 2.414 million (2017: Rs. 2.968 million).

	Note	2018	2017
----- (Rupees in '000) -----			
14. TRADE DEBTS			
Unsecured, considered good	14.1	17,654	5,001

► Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

- 14.1** Includes trade debts aggregating to Rs. 12.253 million (2017: Rs. 4.543 million) which were past due but not impaired. These relate to various customers for which there is no or some history of default, however, no losses. Aging analysis of these trade debts as at 30 June is as follows:

	Note	2018	2017
		----- (Rupees in '000) -----	
Up to 1 month		8,489	1,484
1 to 6 months		1,095	596
More than 6 months		2,669	2,463
		12,253	4,543

15. LOANS AND ADVANCES

Loans - secured, considered good			
Current maturity of long-term loans	10	1,430	11,530
Advances - unsecured, considered good			
Executives	15.1	1,296	1,713
Contractors and suppliers		117,988	61,966
		119,284	63,679
		120,714	75,209

- 15.1** The maximum aggregate amount due from executives at the end of any month was Rs. 1.546 million (2017: Rs. 1.136 million). The balance as at June 30, 2018 is due from the Chief Executive, which is receivable on demand.

	Note	2018	2017
		----- (Rupees in '000) -----	
16. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Deposits		9,785	647
Prepayments		1,816	5,319
Other receivables	16.1	33,470	41,321
		45,071	47,287

16.1 Other receivables:

OPI Gas (Private) Limited	16.1.1	3,642	3,642
Burshane LPG (Pakistan) Limited - Provident Fund		766	6,906
Burshane LPG (Pakistan) Limited - Gratuity Fund	38.1.1	9,436	-
Burshane Petroleum (Private) Limited	16.1.2	9,000	9,000
Accrued interest		-	113
Sales tax receivable		-	11,336
Others	16.1.3	16,841	16,539
		39,685	47,536
Provision for impairment		(6,215)	(6,215)
		33,470	41,321

- 16.1.1** Represents receivable against reimbursement of expenses incurred for debranding activities, which has not been acknowledged by the counter party, thus fully provided.

- 16.1.2** Represents amount receivable from Burshane Petroleum (Private) Limited (formerly Darian International (Private) Limited), a related party, as consideration against use of the Company's name under an arrangement entered in prior year.

Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

16.1.3 Includes receivable against hospitality arrangements of Rs. 5.04 million (2017: Rs. 5.05 million) and receivable against cylinder deposits of Rs. 2.41 million (2017: Rs. 3.91 million).

16.1.4 The maximum aggregate amount outstanding from related parties at any time of the year by reference to month end balances is as follows:

	Note	2018	2017
----- (Rupees in '000) -----			
Burshane LPG (Pakistan) Limited - Provident Fund		7,369	6,906
Burshane LPG (Pakistan) Limited - Gratuity Fund		9,436	255
Burshane Petroleum (Private) Limited	16.1.5	9,000	9,000
		25,805	16,161

16.1.5 The ageing analysis of receivable balances due from related parties is as follows:

Up to 1 month	-	-
1 to 6 months	-	-
More than 6 months	-	-
More than 12 months	9,000	9,000
	9,000	9,000

17. CASH AND BANK BALANCES

Cash in hand		169	30
Cash at banks:			
saving accounts	17.1	59,440	51,595
current accounts		51,313	60,299
		110,753	111,894
		110,922	111,924

17.1 The profit rates on these saving accounts range from 3.75% to 4.25% per annum (2017: 1.95% to 3.85% per annum).

18. SHARE CAPITAL

18.1 Authorised capital

2018	2017		2018	2017
----- (Number of shares) -----			----- (Rupees in '000) -----	
90,000,000	90,000,000	Ordinary shares of Rs.10 each	900,000	900,000

18.2 Issued, subscribed and paid-up capital

2018	2017		2018	2017
----- (Number of shares) -----			----- (Rupees in '000) -----	
		Ordinary shares of Rs.10 each issued as:		
19,881,766	19,881,766	fully paid up in cash (note 18.3)	198,817	198,817
76,820	76,820	fully paid for consideration other than cash	768	768
2,530,304	2,530,304	fully paid bonus shares	25,303	25,303
22,488,890	22,488,890		224,888	224,888

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- 18.3** As a result of the Scheme referred to in note 6, the authorised share capital of the Company enhanced to Rs.900 million divided into 90 million ordinary shares of Rs.10 each. Further, pursuant to the effects of amalgamation, the paid-up share capital of the Company reduced by 151,154 ordinary shares (note 6).
- 18.4** As more fully explained in note 6, the Company is in the process of completing legal formalities for cancellation of 151,154 shares and for issuance of new shares to the shareholders of HTPL (former Holding Company) in accordance with the Scheme. Post completion of legal formalities, Mr. Asad Alam Khan Niazi, Chief Executive, will hold 12,326,629 ordinary shares of the Company of Rs. 10 each.
- 18.5** As at June 30, 2018, Mr. Asad Alam Niazi, Chief Executive, held 55.18% (June 30, 2017: 55.18%) while institutions held 14.51% (June 30, 2017: 5.73%) and individuals and others held the balance of 11.13% (June 30, 2017: 8.13%). Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.

	2018	2017
	----- (Rupees in '000) -----	
19. RESERVES		
Capital reserve		
Reserve on amalgamation	153,458	153,458
Revenue reserves		
General reserve	90,000	90,000
Unappropriated profit	53,529	56,422
	143,529	146,422
Actuarial loss on remeasurement of retirement and other service benefits	(24,219)	(21,214)
Revaluation surplus on property, plant and equipment	274,765	274,765
	547,533	553,431

	Note	2018	2017
		----- (Rupees in '000) -----	

20. LONG-TERM LOAN

Secured			
National Bank of Pakistan (NBP)	20.1	254,439	254,439
Current maturity of long-term loan		(254,439)	(254,439)
		-	-

- 20.1** As a result of the Scheme referred to in note 6, long-term finance obtained by HTPL has been transferred to the Company at the time of amalgamation. The loan was obtained as a demand finance facility under the agreement dated April 08, 2013 from NBP and is repayable in 9 semi-annual installments of Rs. 44.444 million latest by April 01, 2018 with a grace period of six months from the date of the drawdown. The loan carries mark-up at rate of 6 months KIBOR plus 2.5% to 6% per annum. This loan is secured by way of mortgage on leasehold land and charge on the Company's present and future current and fixed assets as well as personal guarantees of Directors of the Company. As at June 30, 2018, amount due but not paid by the Company was Rs. 254.439 million (2017: 168.26 million). During the year, the Company has requested NBP for restructuring of the loan and has received the new proposal with the extended terms which are still under discussion and under review by the Bank's credit / risk committee.

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	Note	2018	2017
----- (Rupees in '000) -----			
21. LIABILITIES UNDER FINANCE LEASE			
Opening balance		6,942	9,944
Principal repayment during the year		(3,002)	(3,002)
Present value of minimum lease payments		3,940	6,942
Current maturity of liabilities under finance lease		(3,002)	(3,002)
Closing balance		938	3,940

21.1 Represents finance lease entered into with a leasing company for vehicles. Total lease rentals due under lease agreement aggregated to Rs. 4.225 million (2017: Rs. 7.792 million) and are payable in equal monthly installments latest by March 2020. Taxes, charges, demands and levies, repair and maintenance are to be borne by the Company. Financing rates of 3 months KIBOR plus 3% (2017: 3 months KIBOR plus 3%) per annum have been used as discounting factor. The breakup of liabilities under finance lease is as follows:

	2018		2017	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
----- (Rupees in '000) -----				
Not later than 1 year	3,263	3,002	3,567	3,002
After one year but not more than five year	962	938	4,225	3,940
Total minimum lease payments	4,225	3,940	7,792	6,942
Finance charges allocated to future periods	(285)	-	(850)	-
Present value of minimum lease payments	3,940	3,940	6,942	6,942
Current maturity	(3,002)	(3,002)	(3,002)	(3,002)
	938	938	3,940	3,940

	Note	2018	2017
----- (Rupees in '000) -----			
22. DEFERRED TAXATION - net			
Taxable temporary differences			
Accelerated tax depreciation and amortisation		25,754	27,921
Deductible temporary differences			
Liabilities under finance lease		(1,143)	(2,083)
Minimum turnover tax		(20,478)	(18,680)
Provisions		(2,185)	(2,260)
		(23,806)	(23,023)
		1,948	4,898

23. CYLINDER AND REGULATOR DEPOSITS

Represents non-interest bearing deposits which are refundable on termination of distributorship agreements and / or return of cylinders and ancillary equipment as per the Company policy. These deposits, kept in the Company's bank accounts, are utilizable for the purpose of the business in terms of section 217 of the Act.

► Notes To The Unconsolidated Financial Statements

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24. LOAN FROM A SUBSIDIARY COMPANY

Represents interest free and unsecured loan obtained from Burshane Auto Gas (Private) Limited, a wholly owned subsidiary under an agreement dated 04 March 2016 and 07 November 2016. This loan is payable on demand. The loan was obtained from the subsidiary to meet the Company's working capital requirements.

	Note	2018	2017
----- (Rupees in '000) -----			
25. TRADE AND OTHER PAYABLES			
Creditors		92,174	56,177
Accrued liabilities		14,150	10,649
Burshane (LPG) Pakistan Limited:			
Gratuity Fund	38.1.1	-	3,200
Pension Fund	38.1.1	33,085	6,089
Workers' Profits Participation Fund	25.1	5,888	2,718
Workers' Welfare Fund		1,327	710
Withholding tax payable		218	2,445
Sales tax payable		6,139	-
Advances from distributors / customers - unsecured		13,304	17,470
Zakat payable		-	60
Others		13,089	4,496
		179,374	104,014
25.1 Workers' Profit Participation Fund			
Opening balance		2,718	8,800
Interest charged during the year	34	269	-
Allocation for the year	33	2,901	2,718
Amount paid during the year		-	(8,800)
Closing balance		5,888	2,718

26. UNCLAIMED DIVIDENDS

Includes an amount of Rs. 50.508 million (2017: Rs. 33.672 million) payable to the beneficial owners of HTPL. As explained in note 6, HTPL was merged with the Company on February 20, 2015, however shares held by HTPL in the Company are in the process of being cancelled and new shares shall be issued by the Company in the name of beneficial owners of HTPL. The beneficial owners of HTPL have requested the Company to hold their dividend till such time that shares held by HTPL are cancelled and new shares are issued by the Company in their name.

27. CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 Claims not acknowledged as debt by the Company as at June 30, 2018 amounted to Rs. 2.06 million (2017: Rs. 2.06 million).

► Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

27.1.2 During the year, the Deputy Commissioner Inland Revenue (DCIR) had passed an Order in Original No. DCIR/E&C/Unit-01&2/Z-IV/LTU/2018 of 2018 dated May 25, 2018 for the tax periods from July 2014 to March 2018 and raised sales tax demand of Rs. 65.571 million along with penalty of Rs. 67.538 million and default surcharge (to be calculated at the time of final payment) for recovery of short payment of sales tax and claiming of alleged inadmissible input tax under section 11(3) of the Sales Tax Act, 1990. Against the order, the Company then filed an appeal with Commissioner Inland Revenue stating that the adjusting of input tax over 90% of the output tax has not caused any loss to national exchequer and requested to grant relief from the penalties imposed by the DCIR. Subsequent to the year end, the DCIR initiated the set aside proceeding and concluding the same by raising penalty of Rs. 13.30 million. The Company then sought stay order against DCIR's Order and was granted the stay against recovery of the impugned demand for thirty days from August 20, 2018 or till the decision of main appeal pending before this Tribunal whichever is earlier. As per the tax advisor of the Company, the Company has a strong case to defend before the appellate forum. Therefore, no provision has been made, in this regard, in these unconsolidated financial statements.

	Note	2018	2017
----- (Rupees in '000) -----			
27.2 Commitments			
27.2.1 Post-dated cheques		1,670	1,822
28. SALES - net			
Liquefied petroleum gas (LPG) Sales tax		3,473,726 (548,793)	2,167,620 (342,425)
		2,924,933	1,825,195
Low pressure regulators (LPR) Sales tax		1,351 (208)	1,929 (299)
		1,143	1,630
		2,926,076	1,826,825
29. COST OF SALES			
Opening stock		47,081	32,348
Purchases		2,630,321	1,532,987
		2,677,402	1,565,335
Closing stock	13	(92,547)	(47,081)
		2,584,855	1,518,254
Salaries, wages and other employee benefits	29.1	26,878	25,909
Cost of Low Pressure Regulators sold		880	1,514
Stores and spares consumed	29.2	4,230	3,794
Repairs and maintenance		1,823	3,477
Travelling, conveyance and vehicle maintenance		1,335	1,363
Rent, rates and electricity		3,070	3,636
Communication		338	1,183
Printing and stationery		549	217
Depreciation	7.1.2	6,104	4,773
Amortisation	8.6	59,941	49,233
Security		3,241	3,466
Sundry expenses		319	186
		2,693,563	1,617,005

29.1 Include Rs. 0.754 million (2017: Rs. 0.703 million) in respect of retirement and other service benefits.

► Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

	Note	2018	2017
----- (Rupees in '000) -----			
29.2 Stores and spares consumed:			
Opening balance		5,800	3,924
Purchases		1,036	5,670
Closing balance	12	6,836 (2,606)	9,594 (5,800)
		4,230	3,794

30. ADMINISTRATIVE EXPENSES

Salaries, wages and other employee benefits	30.1	64,692	54,196
Repairs and maintenance		1,865	2,150
Travelling, conveyance and vehicle maintenance		7,270	6,603
Rent, rates and electricity		8,715	4,166
Communication		2,664	1,873
Printing and stationery		2,108	1,230
Legal and professional charges		3,712	6,658
Insurance		2,751	2,417
Advertisement and publicity		644	717
Depreciation	7.1.2	10,342	8,021
Security		2,040	1,334
Donations		1,180	1,271
Sundry expenses		707	1,466
		108,690	92,102

30.1 Include Rs. 7.252 million (2017: Rs. 3.982 million) in respect of retirement and other service benefits.

	Note	2018	2017
----- (Rupees in '000) -----			

31. DISTRIBUTION AND MARKETING EXPENSES

Salaries, wages and other employee benefits	31.1	14,871	12,325
Repairs and maintenance		129	260
Travelling, conveyance and vehicle maintenance		955	1,521
Rent, rates and electricity		1,213	311
Communication		295	507
Printing and stationery		261	119
Hospitality charges		30,556	24,417
Freight and octroi		1,455	2,087
Commission		-	7,914
Depreciation	7.1.2	13,773	12,712
Security		585	461
Sundry expenses		131	118
		64,224	62,752

31.1 Include Rs. 0.367 million (2017: Rs. 0.239 million) in respect of retirement and other service benefits.

Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

	Note	2018	2017
----- (Rupees in '000) -----			
32. OTHER INCOME			
Income from financial assets			
Profit on saving accounts	32.1	3,285	4,426
Income from non-financial assets			
Rental income from storage tanks		1,124	1,344
Liability for cylinder deposits written back	32.2	21,585	21,235
Reversal of provision for impairment		-	8,606
Recoveries against cylinder replacement		2,193	2,631
Hospitality income		6,304	10,640
Others		1,034	930
		32,240	45,386
		35,525	49,812

32.1 Represents profit on bank accounts under conventional banking relationship.

32.2 During the year, the Company carried out a detailed exercise to identify cylinder and regulator deposits pertaining to cylinders issued for 10 years and above, which relates to inactive distributors / customers who are not in business with the Company.

	Note	2018	2017
----- (Rupees in '000) -----			
33. OTHER EXPENSES			
Workers' Profits Participation Fund	25.1	2,901	2,718
Workers' Welfare Fund		1,149	710
Auditors' remuneration	33.1	1,710	1,707
Directors' fees		925	825
Trade debts written off		-	7,211
Others		4,882	5,814
		11,567	18,985

33.1 Auditors' remuneration:

Statutory audit		850	850
Half yearly review		400	400
Review of code of corporate governance		150	150
Out of pocket expenses		310	307
		1,710	1,707

34. FINANCE COSTS

Mark-up on long-term loan		25,086	30,857
Finance charges on liabilities under finance lease		565	879
Interest on Workers' Profits Participation Fund	25.1	269	-
Bank charges		4,056	3,426
		29,976	35,162

Notes To The Unconsolidated Financial Statements

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	Note	2018	2017
----- (Rupees in '000) -----			
35. TAXATION			
Current	35.1	36,979	18,680
Prior		(44)	(394)
Deferred		(2,950)	3,312
		33,985	21,598

35.1 Provision for current taxation has been made on the basis of Minimum Tax under Section 113 and Final Tax Regime under Section 169 of Income Tax Ordinance, 2001. Accordingly, tax expense reconciliation with the accounting profit is not presented.

35.2 The returns of income have been filed on due date and are treated as deemed assessment orders under section 120 of the Ordinance. A comparison of last three years of income tax provision with tax assessed is presented below:

	2017	2016	2015
----- (Rupees in '000) -----			
Income tax provision for the year	18,680	20,324	54,212
Income tax as per tax assessment	18,636	20,234	63,426

	2018	2017
----- (Rupees in '000) -----		
36. EARNINGS PER SHARE – basic and diluted		
Profit for the year (Rupees in '000)	19,596	29,033
Weighted average number of ordinary shares in issue (in '000)	22,489	22,489
Earnings per share - basic and diluted	Rs. 0.87	Rs. 1.29

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged during the year for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	2018				2016			
	Chief Executive	Directors	Executives	Total	Chief Executive	Director	Executives	Total
----- (Rupees in '000) -----								
Managerial remuneration	25,668	13,952	15,670	55,290	22,410	12,459	12,707	47,576
Bonus	2,277	1,248	1,400	4,925	2,070	1,114	1,136	4,320
Company's contribution to provident fund	1,091	333	582	2,006	952	365	872	2,189
Company's contribution to gratuity fund	259	-	382	641	235	-	346	581
Company's contribution to pension fund	-	-	186	186	-	-	168	168
Travelling and conveyance	-	135	66	201	-	194	321	515
Extra working day compensation	-	-	222	222	-	-	222	222
Mobile allowance	-	30	-	30	-	30	-	30
Medical allowance	-	382	251	633	-	327	657	984
	29,295	16,080	18,760	64,134	25,667	14,489	16,429	56,585

Number of persons (including those who worked part of the year)	1	2	8	11	1	2	7	10
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Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

- 37.1** Fee amounting to Rs. 0.650 million (2017: Rs. 0.55 million) was paid to five (2017: four) non-executive directors for attending Board meetings during the year.
- 37.2** In addition, the Chief Executive, the Directors and certain Executives were also provided with free use of the Company's maintained cars.
- 37.3** The comparative figures have been restated to reflect the changes in the definition of executives as per the Act.

38. RETIREMENT AND OTHER SERVICE BENEFITS

38.1 Pension fund and gratuity fund - valuation results

The latest actuarial valuations of the defined benefit plans were carried out as at June 30, 2018, using the "Projected Unit Credit Method". The details of defined benefit plans are as follows:

	Note	Pension Fund		Gratuity Fund	
		2018	2017	2018	2017
----- (Rupees in '000) -----					
38.1.1 Reconciliation as at the reporting date					
Fair value of plan assets	38.1.4	(75,828)	(96,825)	(25,236)	(12,554)
Present value of defined benefit obligations	38.1.3	108,913	102,914	15,800	15,754
Net liability at end of the year	38.1.2	33,085	6,089	(9,436)	3,200
38.1.2 Movement in net liability recognised:					
Opening balance		6,089	4,339	3,200	1,607
Charge for the year	37.1.5	1,747	1,766	3,712	188
Amounts paid to the Fund		(7,468)	(7,167)	-	-
Employee contribution to be paid to fund		245	184	-	-
Remeasurements recognised in other comprehensive income	38.1.7	9,968	6,967	(6,963)	3,405
Paid to Burshane LPG (Pakistan) Limited		22,504	-	-	-
Employer contribution to the fund		-	-	(9,385)	(2,000)
Closing balance		33,085	6,089	(9,436)	3,200
38.1.3 Movement in defined benefit obligations:					
Opening balance		102,914	102,704	15,754	12,811
Current service cost		1,085	1,311	566	520
Interest cost		8,857	8,921	1,244	1,153
Past service cost (late joiners)		-	-	2,591	-
Benefits paid		(9,014)	(7,167)	(3,857)	-
Employees contribution		245	-	-	-
Remeasurements of obligations	38.1.7	4,826	(2,855)	(498)	1,270
Closing balance		108,913	102,914	15,800	15,754
38.1.4 Movement in fair value of plan assets:					
Opening balance		96,825	98,365	12,554	11,204
Expected return on plan assets		8,195	8,466	689	1,485
Benefits paid on behalf of the Fund		7,468	7,167	-	-
Employees contributions		-	(184)	9,385	2,000
Benefits paid		(9,014)	(7,167)	(3,857)	-
Paid to Burshane LPG (Pakistan) Limited		(22,504)	-	-	-
Remeasurements of plan assets	38.1.7	(5,142)	(9,822)	6,465	(2,135)
Closing balance		75,828	96,825	25,236	12,554

Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

	Pension Fund		Gratuity Fund	
	2018	2017	2018	2017
38.1.5 Charge for the year:	----- (Rupees in '000) -----			
Current service cost	1,085	1,311	3,157	520
Net Interest cost	662	455	555	(332)
	1,747	1,766	3,712	188
38.1.6 Actual return on plan assets	3,053	(1,356)	7,154	(650)
38.1.7 Remeasurement recognised in Other Comprehensive Income:				
Remeasurement of obligation				
Experience (gain) / loss	4,826	(2,855)	(498)	1,270
Remeasurement of plan assets				
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	(6,465)	2,135
Loss / (gain) from change in financial assumptions	5,142	9,822	-	-
	5,142	9,822	(6,465)	2,135
	9,968	6,967	(6,963)	3,405

	Pension Fund		Gratuity Fund	
	2018	2017	2018	2017
38.1.8 Principal actuarial assumptions used in the actuarial valuation:	----- (Rupees in '000) -----			
Financial assumptions				
Discount rate	9.00%	9.00%	9.00%	9.00%
Expected per annum rate of return on plan assets	9.00%	9.00%	9.00%	9.00%
Expected per annum rate of increase in salaries - long term	7.00%	7.00%	7.00%	7.00%
Expected per annum rate of increase in pension	-	-	-	-
Demographic assumptions				
Expected mortality rate	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005
Expected withdrawal rate	Low	Low	Low	High

Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

As at June 30, 2018
Pension Fund Gratuity Fund
----- (Rupees in '000) -----

38.1.9 Analysis of present value of defined benefit obligation:

Vested benefits	106,714	15,800
Non-vested benefits	2,199	-
	108,913	15,800

38.1.10 Plan assets comprise of the following:

	Pension Fund				Gratuity Fund			
	2018		2017		2018		2017	
	Rupees in '000	% in '000	Rupees in '000	% in '000	Rupees in '000	% in '000	Rupees in '000	%
Equity instruments	15,069	19.87	6,846	7.07	3,455	13.69	2,970	23.66
Debt instruments								
Defence Savings								
Certificates	17,232	22.73	16,112	16.64	14,360	56.90	13,426	106.95
Treasury Bills	36,468	48.09	-	-	6,889	27.30	-	-
Pakistan Investment								
Bonds	6,238	8.23	60,596	62.58	-	-	-	-
	59,938	79.04	76,708	79	21,249	84.20	13,426	106.95
Cash and cash equivalents	821	1.08	8,971	9.27	532	2.11	458	3.65
Others	-	-	4,300	4.44	-	-	(4,300)	(34.25)
	75,828		96,825		25,236		12,554	

38.1.11 Historical information of staff retirement benefits:

	2018	2017	2016	2015	2014	2013
	----- (Rupees in '000) -----					
Gratuity Fund						
Present value of defined benefit obligation	15,800	15,754	13,396	15,294	16,392	26,406
Fair value of plan assets	(25,236)	(12,554)	(12,089)	(10,028)	(9,350)	(15,854)
Deficit	(9,436)	3,200	1,307	5,266	7,042	10,552
Pension Fund						
Present value of defined benefit obligation	108,913	102,914	99,680	97,531	93,748	127,719
Fair value of plan assets	(75,828)	(96,825)	(94,229)	(91,355)	(84,098)	(98,225)
(Deficit) / surplus	33,085	6,089	5,451	6,176	9,650	29,494

38.1.12 The amount of the defined benefit obligation after changes in the weighted principal assumptions is as follows:

	As at June 30, 2018	
	Pension Fund	Gratuity Fund
	----- (Rupees in '000) -----	
Discount rate + 1%	99,601	14,870
Discount rate - 1%	119,897	16,834
Long term salaries increase +1%	111,409	16,846
Long term salaries increase -1%	106,641	14,844
Withdrawal rates +10%	108,896	15,813
Withdrawal rates -10%	108,930	15,786

38.1.13 The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability recognised within the statement of the financial position.

► Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

38.2 Provident Fund

The following information is based upon the latest un-audited financial statements of the provident fund as at the balance sheet date:

	2018 Unaudited	2017 Audited
	----- (Rupees in '000) -----	
Size of the fund - total assets	32,962	32,478
Fair value of investments	32,917	32,208
Cost of investments	29,992	31,378
Percentage of investments	99.86%	95.85%

	2018		2017	
	Rupees in '000	%	Rupees in '000	%
38.2.1 The break-up of fair value of investments is as follows:				
Bank deposits	3,130	9.51	1,348	4.47
Government securities	23,703	72.01	28,840	95.53
Mutual funds	6,084	18.48	-	-
	32,917	100.00	30,188	100.00

38.2.2 The investments out of the Provident Fund have been made in accordance with the provisions of Section 218 of the Act and the rules formulated for the purpose.

39. TRANSACTIONS WITH RELATED PARTIES

39.1 The related parties include the former holding company, subsidiary company, staff retirement benefit / contribution plans, associated companies / other related parties, Directors and other Key Management Personnel. All major transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company.

39.2 Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Transactions with related parties

Nature of relationship	Nature of transactions	2018	2017
		(Rupees in '000)	
Former Holding Company			
H.A.K.S Trading (Private) Limited	Dividend	16,836	16,836
Subsidiary			
Burshane Auto Gas (Private) Limited	Loan obtained from subsidiary	-	10,000
	Expenses incurred on behalf of the company	253	-
Burshane Trading (Private) Limited	Expenses incurred on behalf of the company	190	-
Staff Retirement Benefit / Contribution Plans			
Burshane LPG (Pakistan) Limited:			
Pension Fund	Benefits paid	7,468	7,167
Provident Fund	Company's contribution for the year	2,913	2,523
Associated Companies / Other Related Parties			
Norinco International Thatta Power	Advances given for expenses	-	517
	Advances recovered	-	562
ALSAA & AAK Commodities (Private) Limited	Advances given for expenses	326	21
	Advances recovered	326	21

Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

39. TRANSACTIONS WITH RELATED PARTIES (continued)

Balances with related parties

Nature of relationship	Nature of balances	2018 ---- (Rupees in '000) ----	2017 ----
Former Holding Company			
H.A.K.S. Trading (Private) Limited	Dividend payable	50,508	33,672
Subsidiary			
Burshane Auto Gas (Private) Limited	Investment in subsidiary	50,000	50,000
Loan payable to subsidiary		50,000	50,000
Staff Retirement Benefit / Contribution Plans			
Burshane LPG (Pakistan) Limited:			
Gratuity Fund	Receivable / payable to Staff Gratuity Fund	9,422	3,200
Pension Fund	Payable to Staff Pension Fund	33,085	6,089
Provident Fund	Receivable from Staff Provident Fund	766	6,906
Associated Companies / Other Related Parties			
Burshane Petroleum (Private) Limited (Formerly Darian International (Private) Limited)	Receivable against use of name "Burshane"	9,000	9,000
Norinco International Thatta Power (Private) Limited	Receivable against expenses	-	81
ALSAA & AAK Commodities (Private) Limited	Receivable against expenses	13	13

39.3. Following are the related parties with whom the Company had entered into transactions or has arrangement/ agreement in place:

Name	Basis of relationship	% of shareholding in the Company
Burshane Auto Gas (Private) Limited	Subsidiary Company	Nil
Burshane Trading (Private) Limited	Subsidiary Company	Nil
ALSAA & AAK Commodities (Private) Limited	Common directorship	Nil
Norinco International Thatta Power (Private) Limited	Common directorship	Nil
Burshane Petroleum (Private) Limited	Common directorship	Nil
Burshane LPG (Pakistan) Limited:		
Gratuity Fund	Staff Retirement Benefit Plan	Nil
Pension Fund	Staff Retirement Contribution Plan	Nil
Provident Fund	Staff Retirement Benefit Plan	Nil

► Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

	Note	2018	2017
----- (Rupees in '000) -----			
40. CASH GENERATED FROM OPERATIONS			
Profit before taxation		53,581	50,631
Adjustments			
Depreciation	7.1.2	30,219	25,506
Amortisation	8.6	59,941	49,233
Reversal of provision of other receivable		-	(8,606)
Provision for retirement and other service benefits		8,372	4,923
Finance costs	34	29,976	35,162
Trade debts written off	33	-	7,211
Profit on saving accounts	32	(3,285)	(4,426)
Liability for cylinder and regulator deposits written back	32	(21,585)	(21,235)
Others		-	(205)
Working capital changes	40.1	(42,743)	55,787
		114,476	193,981
40.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores and spares - net		3,194	(1,876)
Stock-in-trade		(44,586)	(13,219)
Trade debts		(12,653)	6,399
Loans and advances		(45,505)	94,455
Deposits, prepayments and other receivables		5,512	(24,888)
		(94,038)	60,871
Increase / (decrease) in current liabilities:			
Trade and other payables		51,295	(5,084)
		(42,743)	55,787
41. FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY			
41.1 Financial assets as per balance sheet - at amortised cost			
Long-term loans	10	1,466	1,030
Long-term deposits		100,839	69,986
Trade debts	14	17,654	5,001
Loans and advances	15	120,714	75,209
Deposits and other receivables	16	43,255	41,968
Cash and bank balances	17	110,922	111,924
		394,850	305,118
41.2 Financial liabilities as per balance sheet - at amortised cost			
Long-term loan including current maturity of long-term loan	20	254,439	254,439
Liabilities under finance lease	21	3,940	6,942
Cylinder and regulator deposits		374,145	373,599
Trade and other payables	25	186,393	125,065
Loan from a subsidiary company		50,000	50,000
Accrued mark-up on long-term loan		60,295	35,209
		929,212	845,254

► Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

42. FINANCIAL RISK MANAGEMENT

42.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to share holders. Risk management is carried out by the Company's finance and treasury department under policies approved by the Board of Directors.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. It mainly arises when receivables and payables exist due to transactions in foreign currency.

As majority of the Company's financial assets and liabilities are denominated in Pakistani Rupees, therefore, the Company, at present, is not materially exposed to foreign currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is primarily exposed to interest rate risk arising from long-term loan from bank and bank deposits. Borrowing at variable rate exposes the Company to cash flow interest rate risk. The Company's manages its interest rate risk by placing its excess funds in saving accounts in banks.

The management of the Company estimates that 1% increase in the market interest rate, with all other factors remaining constant, would decrease the Company's profit before tax by Rs. 2.544 (2017: Rs. 2.896 million) and a 1% decrease would result in increase in the Company's profit before tax by the same amount. However, in practice, the actual result may differ from the sensitivity analysis.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not materially exposed to other price risk as at June 30, 2018.

(b) Credit risk

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counter parties and continually assessing the creditworthiness of counter parties.

Credit risk of the Company arises from deposits with banks and financial institutions, trade debts, loans, deposits and other receivables. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The maximum exposure to credit risk is presented in the below table.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which are neither past due nor impaired are as under:

	2018	2017
	----- (Rupees in '000) -----	
Long-term loans	1,466	1,030
Long-term deposits	100,839	69,986
Trade debts	17,654	458
Loans	1,430	11,530
Deposits and other receivables	43,255	41,968
Bank balances	110,753	111,894
	275,397	236,866

► Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

The credit quality of receivables can be assessed with reference to their historical performance with no or some defaults in recent history. The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Name	Rating agency	Rating			
		Short term		Long term	
		2018	2017	2018	2017
Bank Alfalah Limited	PACRA	A1+	A1+	AA+	AA+
Habib Bank Limited	JCR-VIS	A1+	A1+	AAA	AAA
MCB Bank Limited	PACRA	A1+	A1+	AAA	AAA
National Bank of Pakistan	PACRA	A1+	A1+	AAA	AAA
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	A1+	AAA	AAA
Faysal Bank Limited	PACRA	A1+	A1+	AA	AA
Meezan Bank Limited	JCR-VIS	A1+	A1+	AA+	AA
United Bank Limited	JCR-VIS	A1+	A1+	AAA	AAA
Sindh Bank Limited	JCR-VIS	A1+	A1+	AAA	AAA
Summit Bank Limited	JCR-VIS	A1	A1	A-	AAA

(c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities.

The Company's liquidity risk management implies maintaining sufficient cash and also involves projecting cash flows and considering the level of liquid assets necessary to meet these. As of the reporting date, the Company's current liabilities exceed its current assets by Rs. 198.141 million (2017:Rs. 181.3 million), but the Company based on its future plans is confident that it will have sufficient cash flows to meet its financial obligations in the foreseeable future.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity dates.

	2018			2017		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
	----- (Rupees in '000) -----					
Financial liabilities						
Long-term loan including current maturity of long term loan	254,439	-	254,439	254,439	-	254,439
Liabilities under finance lease	3,002	938	3,940	3,002	3,940	6,942
Cylinder and regulator deposits	-	374,145	374,145	-	373,599	373,599
Trade and other payables	186,393	-	186,393	125,065	-	125,065
Accrued mark-up on long-term loan	60,295	-	60,295	35,209	-	35,209
Loan from a subsidiary company	50,000	-	50,000	50,000	-	50,000
	554,129	375,083	929,212	467,715	377,539	845,254

► Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

42.2 Fair value

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. As of the reporting date, Company's all assets and liabilities are carried at amortised cost except for those mentioned below:

The Company's freehold land and leasehold land are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent impairment losses, if any. The fair value measurement of the Company's free hold land and lease hold land as at June 15, 2015 was carried out by M/s. Consultancy Support and Services and Harvestor Services (Private) Limited, respectively (note 7.1.4).

The valuation techniques and inputs used to develop fair value measurement of aforementioned assets are as follows:

Level 1: Quoted prices 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 data (unobservable inputs)

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

Details of fair value hierarchy and information relating to fair value of the Company's freehold land and leasehold land are as follows:

	Fair value measurement using		
	Quoted price in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Total	----- (Rupees in '000) -----		
June 30, 2018:			
Assets measured at fair value			
Property, plant and equipment			
Freehold land	15,000	-	15,000
Leasehold land	509,138	-	509,138
	524,138	-	524,138

June 30, 2017:

Assets measured at fair value

Property, plant and equipment			
Freehold land	15,000	-	15,000
Leasehold land	509,138	-	509,138
	524,138	-	524,138

► Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

42.3 Capital risk management

The Company finances its operations through equity, borrowings and management of working capital with a view of maintaining an appropriate mix between various sources of finance to minimize risk. 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 future development of the business and maximize shareholders value. The Company monitors capital using a debt equity ratio as follows:

	Note	2018	2017
		----- (Rupees in '000) -----	
Long-term loan	20	-	-
Liabilities under finance lease	21	3,940	6,942
Cylinder and regulator deposits		374,145	373,599
Loan from a subsidiary company		50,000	50,000
Current maturity of long-term loan	20	254,439	254,439
Trade and other payables	25	179,374	104,014
Unclaimed dividends		53,676	36,273
Accrued mark up on long-term loan		60,295	35,209
Total debt		975,869	860,476
Cash and bank balances	17	(110,922)	(111,924)
Net debt		864,947	748,552
Share capital	18	224,888	224,888
Revenue reserves	19	143,529	278,666
Capital reserves	19	153,458	153,458
Actuarial (loss) / gain on remeasurement of retirement and other service benefits	19	(24,219)	(21,214)
Revaluation surplus on property, plant and equipment	19	274,765	274,765
Total equity		772,421	910,563
Capital		1,637,368	1,659,115
Gearing ratio		52.83%	45.12%

43. NON-ADJUSTING EVENT AFTER THE REPORTING DATE

43.1 Subsequent to the year end, the Board of Directors of the Company in their meeting held on September 25, 2018 have proposed a final cash dividend of Re. 0.75 (2017: Re. 1) per share.

43.2 Under section 5A of the Income Tax Ordinance, 2001 (the Ordinance), every public company is obliged to pay tax at the rate 5% on its accounting profit before tax if it derives profit for a tax year but, does not distribute atleast 20% of its after tax profits within six months of the end of the tax year, through cash.

Based on the above fact, the Board of Directors of the Company has approved / paid final cash dividend amounting to Rs. 16.687 million for the financial and tax year 2018 which exceeds the prescribed minimum dividend requirement as referred above. Accordingly, no further tax provision has been recorded under section 5A of the Ordinance.

44. CORRESPONDING FIGURES

Certain corresponding figures have been reclassified for better presentation, however, there are no material reclassifications to report.

► Notes To The Unconsolidated Financial Statements

For the Year Ended June 30, 2018

	2018	2017
	(Quantity in metric ton)	
	----- (Rupees in '000) -----	
45. CAPACITY		
Installed annual filling capacity	37,500	37,500
Actual utilization	42,502	33,548

45.1 This does not includes storage and filling capacity of hospitality locations.

46. NUMBER OF EMPLOYEES

	As at and for the year ended June 30, 2018	As at and for the year ended June 30, 2017
Total number of employees		
As at the reporting date	55	50
Average number of employees during the year	52	50
Total number of plant site employees		
As at the reporting date	21	21
Average number of plant site employees during the year	21	21

47. GENERAL

47.1 These unconsolidated financial statements have been rounded to the nearest thousand rupee, unless otherwise stated.

48. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 25, 2018 by the Board of Directors of the Company.

Chief Executive Officer

Chief Financial Officer

Director

Consolidated Financial Statements

For the Year Ended June 30, 2018



Burshane LPG (Pakistan) Limited

INDEPENDENT AUDITORS' REPORT

To the members of Burshane LPG (Pakistan) Limited

Opinion

We have audited the annexed consolidated financial statements of **Burshane LPG (Pakistan) Limited** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at **30 June 2018**, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following are the key audit matters:

S No.	Key audit matters	How our audit addressed the key audit matter
1.	<p>Revenue</p> <p>As disclosed in note 26 to the consolidated financial statements, the Group reported revenue of Rs. 2.92 billion from sale of Liquefied Petroleum Gas (LPG) which reflects an increase of 60% from the previous year.</p> <p>We focused on revenue as a key audit area due to high volume of transactions and significant increase in the revenue from the previous year.</p>	<p>We performed a range of audit procedures in relation to revenue including the following:</p> <ul style="list-style-type: none"> • We considered the appropriateness of the Group's revenue recognition accounting policies; • We obtained understanding of the revenue related processes; • We performed substantive analytical procedures based on historical sales, seasonal fluctuation and review of prices charged to customers including changes made during the year; • We performed test of details on revenue recognised during the year, on a sample basis, including review of order receipt, invoicing and dispatch; • We performed cut-off procedures on transactions occurring either immediately before or after the year end to assess the recording of revenue in correct accounting period; and • We also assessed the adequacy of the disclosures made in respect of revenue in accordance with the financial reporting standards.
2.	<p>The new Companies Act, 2017 and its impact on the financial statements</p> <p>As referred to in note 3.1 to the accompanying consolidated financial statements, the Companies Act, 2017 (the Act) became applicable for the first time for the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2018.</p> <p>The Act forms an integral part of the statutory financial reporting framework as applicable to the Group and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.</p> <p>In the case of the Group, a summary of key additional disclosures and changes to the existing disclosures have been stated in note 3.1 to the accompanying consolidated financial statements.</p> <p>Further, the Group has also changed its accounting policy relating to presentation and measurement of surplus on revaluation of fixed assets as a consequence of the application of</p>	<p>We assessed the procedures applied by the management for identification of the changes required in the consolidated financial statements due to the application of the Act. We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements. We also evaluated the sources of information used by the management for the preparation of the above referred disclosures and the internal consistency of such disclosures with other elements of the consolidated financial statements.</p> <p>In respect of the change in accounting policy for the accounting and presentation of revaluation surplus as referred to note 4.2 to the accompanying consolidated financial statements; we assessed the accounting implications in accordance with the applicable financial reporting standards and evaluated its application in the context of the Group.</p>

S No.	Key audit matters	How our audit addressed the key audit matter
	<p>the Act with retrospective effect. The impact of the said change in accounting policy has been disclosed in note 4.2 to the accompanying consolidated financial statements.</p> <p>The above changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the consolidated financial statements resulting from the transition to the new reporting requirements under the Act.</p>	
3.	Demand Finance Facility	
	<p>As disclosed in note 19 to the accompanying consolidated financial statements, the Group has an outstanding balance relating to demand finance facility from a local commercial bank amounting to Rs. 254 million as at 30 June 2018.</p> <p>The Group's key operating / performance indicators including liquidity, gearing and finance costs are directly influenced by its financing arrangements. Further, such financing arrangements have certain covenants that is subject to compliance.</p> <p>The significance of term loan at the year end, along with the sensitivity of the compliance with underlying loan covenants, are considered a key area of focus during the audit and therefore, we have identified this as a key audit matter.</p>	<p>Our audit procedures amongst others included:</p> <ul style="list-style-type: none"> • We reviewed the term loan agreement and inquired from the management with respect to the future compliance of the covenants and tested controls related to such compliance. • We circularised confirmation to the bank with outstanding loan balances at the year end. We also reviewed the maturity analysis of the financing to ascertain the classification of loan as per the remaining maturity. • We have reviewed the certain covenants and checked their compliance. • Further, we assessed the adequacy of the related disclosures in accordance with the applicable financial reporting standards.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is **Arif Nazeer**.

EY Food Foods
Chartered Accountants

Place: Karachi

Date: 27 September 2018

► Consolidated Statement of Financial Position

As at June 30, 2018

	Note	June 30, 2018	June 30, 2017 (Restated)	June 30, 2016 (Restated)
----- (Rupees in '000) -----				
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	7	742,636	758,226	750,768
Intangible assets	8	453,002	462,793	389,026
Long-term loans	9	1,466	1,030	11,750
Long-term deposits	10	100,839	69,986	76,874
		1,297,943	1,292,035	1,228,418
CURRENT ASSETS				
Stores and spares	11	2,606	5,800	3,924
Stock-in-trade	12	95,341	50,755	37,536
Trade debts	13	17,654	5,001	11,400
Loans and advances	14	120,714	75,209	169,664
Deposits, prepayments and other receivables	15	45,076	47,292	13,843
Taxation - net		9,311	5,012	2,030
Cash and bank balances	16	112,179	113,156	103,872
		402,881	302,225	342,269
		1,700,824	1,594,260	1,570,687
EQUITY AND LIABILITIES				
EQUITY				
Share capital	17	224,888	224,888	224,888
Capital reserve	18	153,458	153,458	153,458
Revenue reserves	18	143,965	146,739	140,130
Actuarial (loss) / gain on remeasurement of retirement and other service benefits	18	(24,219)	(21,214)	(10,842)
Revaluation surplus on property, plant and equipment	18	274,765	274,765	274,765
		547,969	553,748	557,511
		772,857	778,636	782,399
NON-CURRENT LIABILITIES				
Long-term loan	19	-	-	86,161
Liabilities under finance lease	20	938	3,940	6,942
Deferred taxation - net	21	1,948	4,898	1,586
Cylinder and regulator deposits	22	374,145	373,599	369,057
		377,031	382,437	463,746
CURRENT LIABILITIES				
Current maturity of long-term loan	19	254,439	254,439	168,278
Current maturity of liabilities under finance lease	20	3,002	3,002	3,002
Loan from directors		-	-	18,818
Trade and other payables	23	179,524	104,264	111,027
Unclaimed dividends	24	53,676	36,273	19,065
Accrued mark-up on long-term loan		60,295	35,209	4,352
		550,936	433,187	324,542
CONTINGENCIES AND COMMITMENTS				
	25			
		1,700,824	1,594,260	1,570,687

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

► Consolidated Statement of Profit or Loss

For the Year Ended June 30, 2018

	Note	2018	2017
		----- (Rupees in '000) -----	
Sales - net	26	2,926,076	1,826,825
Cost of sales	27	(2,693,563)	(1,617,005)
Gross profit		232,513	209,820
Administrative expenses	28	(108,437)	(92,114)
Distribution and marketing expenses	29	(64,224)	(62,752)
Other income	30	35,590	50,074
Other expenses	31	(11,717)	(19,135)
Operating profit		83,725	85,893
Finance costs	32	(29,976)	(35,167)
Profit before taxation		53,749	50,726
Taxation	33	(34,035)	(21,628)
Profit for the year		19,715	29,098
Earnings per share - basic and diluted	34	Rs. 0.88	Rs. 1.29

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

► Consolidated Statement of Other Comprehensive Income

For the Year Ended June 30, 2018

	2018	2017
	----- (Rupees in '000) -----	
Profit for the year	19,715	29,098
Other comprehensive income for the year		
Items that will not be reclassified subsequently to profit or loss:		
Actuarial loss on remeasurement of retirement and other service benefits	(3,005)	(10,372)
Total comprehensive income for the year	16,710	18,726

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

► Consolidated Statement of Cash Flows

For the Year Ended June 30, 2018

	Note	2018	2017
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	38	114,479	193,969
Retirement and other service benefits		9,123	(24,030)
Finance costs paid		(4,621)	(4,309)
Taxes paid		(41,283)	(21,299)
Long-term loans - net		(436)	10,720
Long-term deposits - net		(30,853)	6,888
Cylinder and regulator deposits - net		22,131	25,777
Net cash generated from operating activities		68,540	187,716
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of operating fixed assets	7.1	(14,629)	(33,064)
Purchase of intangible assets	8	(50,150)	(123,000)
Interest received		3,350	4,733
Net cash used in investing activities		(61,429)	(151,331)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(5,086)	(5,281)
Repayment of loan from directors		-	(18,818)
Repayment of liabilities under finance lease		(3,002)	(3,002)
Net cash used in financing activities		(8,088)	(27,101)
Net (decrease) / increase in cash and cash equivalents		(977)	9,284
Cash and cash equivalents at beginning of the year		113,156	103,872
Cash and cash equivalents at end of the year	16	112,179	113,156

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

► Consolidated Statement of Changes In Equity

For the Year Ended June 30, 2018

	Reserves						Total reserves	Total equity
	Capital			Revenue				
	Issued, subscribed & paid-up Capital	Reserve on amalgamation	General reserve	Unappropriated profit	Actuarial loss on remeasurement of retirement and other service benefits	Revaluation surplus of property, plant and equipment		
	(Rupees in '000)							
Balance as at July 01, 2016	224,888	153,458	90,000	50,130	(10,842)	-	282,746	507,634
Adjustment due to change in accounting policy as stated in note 3.1	-	-	-	-	-	274,765	274,765	274,765
Balance as at July 01, 2016 - restated	224,888	153,458	90,000	50,130	(10,842)	274,765	557,511	782,399
Profit for the year	-	-	-	29,098	-	-	29,098	29,098
Other comprehensive income for the year	-	-	-	-	(10,372)	-	(10,372)	(10,372)
Total comprehensive income for the year	-	-	-	29,098	(10,372)	-	18,726	18,726
Final dividend @ Re.1 per share	-	-	-	(22,489)	-	-	(22,489)	(22,489)
Balance as at June 30, 2017 - restated	224,888	153,458	90,000	56,739	(21,214)	274,765	553,748	778,636
Profit for the year	-	-	-	19,715	-	-	19,715	19,715
Other comprehensive income for the year	-	-	-	-	(3,005)	-	(3,005)	(3,005)
Total comprehensive income for the year	-	-	-	19,715	(3,005)	-	16,710	16,710
Final dividend @ Re.1 per share	-	-	-	(22,489)	-	-	(22,489)	(22,489)
Balance as at June 30, 2018	224,888	153,458	90,000	53,965	(24,219)	274,765	547,969	772,857

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

1. LEGAL STATUS AND OPERATIONS OF THE GROUP

The Group consists of Burshane LPG (Pakistan) Limited (note 1.1) and its subsidiary companies i.e. Burhsane Auto Gas (Private) Limited (note 1.2.1) and Burshane Trading (Private) Limited (note 1.2.2).

1.1 The Holding Company

Burshane LPG (Pakistan) Limited (the Holding Company) is a limited liability company incorporated in Pakistan and is listed on the Pakistan Stock Exchange. The registered office of the Company is situated at Suite 101, 1st Floor, Horizon Vista, Commercial Plot No. 10, Block - 4, Scheme No. 5, Clifton, Karachi.

The principal activity of the Holding Company is storing and marketing of Liquefied Petroleum Gas (LPG) throughout Pakistan and trading of Low Pressure Regulators (LPR).

The Company was a subsidiary of H.A.K.S. Trading (Private) Limited (HTPL). However, consequent to the approval of the scheme of arrangement for amalgamation of HTPL and the Company by the High Court of Sindh (the Court), HTPL was amalgamated with the Company on February 20, 2015, as more fully explained in note 6.

1.2 Subsidiary Companies

1.2.1 Burshane Auto Gas (Private) Limited (the Subsidiary Company) was incorporated on September 26, 2014 under the repealed Companies Ordinance, 1984. The Subsidiary Company is mainly engaged in opening and managing petrol pumps and Liquefied Petroleum Gas (LPG) outlets. The registered office of the Subsidiary Company is situated at Suit No.101, 1st Floor, Horizon Vista, Commercial - 10, Block 04, Clifton, Karachi. The Company has not commenced its operations and is in the start-up phase. The Holding Company holds 99.99% voting rights and is committed to provide financial support to the Company as and when required.

1.2.2 Burshane Trading (Private) Limited (BTPL) was incorporated on October 13, 2014 under the repealed Companies Ordinance, 1984, for setting up trading operations particularly in coal and other energy related products. The registered office of BTPL is situated at Suite 101, 1st Floor, Horizon Vista, Plot No. Commercial Block-4, Scheme No. 5, Clifton, Karachi. No share capital has been issued and transactions undertaken by BTPL during the year.

1.3 Geographical location and addresses of major business units of the Group are as under:

Karachi:

Plot No. 70, Sector 7-D, Korangi Filling Plant-1,
Adjacent to Pakistan Refinery Limited, Korangi Creek

Purpose:

LPG Storage & Filling Plant

Faisalabad:

LPG Storage & Filling Plant, Near Railway Station, Abbaspur

Purpose:

LPG Storage & Filling Plant

2. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE GROUP'S FINANCIAL POSITION AND PERFORMANCE

- The highest bid of signature bonus was placed by the Holding Company and secured a five year supply and purchase contract from Oil & Gas Development Company Limited (OGDCL) as mentioned in note 8.4
- Adoption of Companies Act, 2017 mentioned in note 3.1

3. BASIS OF PREPARATION

3.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRS), issued by International Accounting Standard Board (IASB) as notified directives issued under the Act differ from the IFRS standards, the provisions of and directives issued under the Act have been followed.

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

The Act has also brought certain changes with regard to the preparation and presentation of these consolidated financial statements. These changes, amongst others, included change in respect of presentation and measurement of revaluation surplus on property, plant and equipment as fully explained in note 4.2 of these consolidated financial statements, change in nomenclature of primary statements. Further, the disclosure requirements contained in the fourth schedule of the Act have been revised, resulting in elimination of duplicative disclosure with the IFRS disclosure requirements and incorporation of additional amended disclosures including, but not limited to, particulars of immovable assets of the Holding Company (refer note 7.1.6), management assessment of sufficiency of tax provision in the consolidated financial statements (refer note 33.2), change in threshold for identification of executives (refer note 9 & 35) and additional disclosure requirements for related parties (refer note 37.3).

3.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, unless otherwise specifically stated.

3.3 Basis of consolidation

These consolidated financial statements comprise the financial statements of the Holding Company and the subsidiary company as at the reporting date, here-in-after referred to as 'the Group'.

3.3.1 Subsidiaries

Subsidiaries are those entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- exposure, or rights, to variable returns from its involvement with the investee.
- the ability to use its power over the investee to affect its returns.

The holding company meets all the above conditions and hence has power over the subsidiary.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the profit and loss account from the date the Group gains control until the date the Group ceases to control the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition is recorded as goodwill. If the cost of acquisition is less than fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill acquired in a business combination is, on the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination. Goodwill is tested annually or whenever there is an indication of impairment exists. Impairment loss in respect of goodwill is recognised in consolidated statement of profit or loss and is not reversed in future periods.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the subsidiaries' shareholders' equity in the consolidated financial statements.

All intra-group transactions, balances, income, expenses and unrealised gains and losses on transactions between Group companies are eliminated in full.

Burshane Auto Gas (Private) Limited (the Subsidiary Company) has same reporting period as that of the Holding Company. The accounting policies of the subsidiary are consistent with the accounting policies of the Group.

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

3.4 New Standards, Interpretations and Amendments

The Group has adopted the following amendments to the accounting standards which became effective for the current year:

IFRS 7 – Financial Instruments: Disclosures - Servicing contracts

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

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

The following 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:

Standards or interpretations	Effective date (annual periods beginning on or after)
IFRS 2 – Share Based Payments – Classification and Measurement of Share Based Payments Transactions (Amendments)	January 01, 2018
IFRS 4 – Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 (Amendments)	January 01, 2018
IFRS 9 – Financial Instruments	July 01, 2018
IFRS 9 – Prepayment Features with Negative Compensation – (Amendments)	January 01, 2018
IFRS 15 – Revenue from Contracts with Customers	July 01, 2018
IFRS 16 – Leases	January 01, 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures – (Amendments)	January 01, 2019
IFRIC 22 – Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 – Uncertainty over Income Tax Treatments	January 01, 2019

The above standards and amendments are not expected to have any material impact on the Group's consolidated financial statements in the period of initial application except for IFRS 15 - Revenue from Contracts with Customers. The Group is currently evaluating the impact of this Standard on the consolidated financial statements.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after January 01, 2018 and January 01, 2019 respectively. The Group expects that such improvements to the standards will not have any material impact on the Group's consolidated financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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. The Group is currently evaluating the impact on the consolidated financial statements.

Standards	IASB effective date (annual periods beginning on or after)
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 17 – Insurance Contracts	January 01, 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

4.1 Property, plant and equipment

4.1.1 Operating fixed assets

Owned

These are stated at cost less accumulated depreciation and accumulated impairment losses if any, except for freehold land and leasehold land, which are stated at revalued amount.

Depreciation is charged to consolidated statement of profit or loss using straight-line method whereby the cost of an asset is allocated over its estimated useful life at the rates given in note 7.1. Depreciation on additions is charged from the month in which the asset is available for use, while no depreciation is charged in the month in which the asset is disposed off. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Maintenance and normal repairs are charged to consolidated statement of profit or loss as and when incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as an income or expense in the consolidated statement of profit or loss in the period of disposal.

Leased

Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and present value of minimum lease payments. Outstanding obligations under the lease less finance cost allocated to future periods are shown as a liability.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Finance cost under lease agreements are allocated to the period of the lease term so as to produce a constant periodic rate of finance cost on the remaining balance of principal liability for each period.

4.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. It consists of expenditure incurred in respect of tangible assets in the course of their construction and installation, including financial charges on borrowings, if any, for financing the project until such projects are completed or become operational. Transfers are made to relevant asset category as and when assets are available for use.

4.2 Revaluation surplus on property, plant and equipment

As disclosed in note 3.1 to the consolidated financial statements, the Companies Act, 2017 (the Act) became applicable for the first time for the preparation of the Group's annual consolidated financial statements for the year ended June 30, 2018. Accordingly, the Group has also changed its accounting policy relating to presentation and measurement of surplus on revaluation of property plant and equipment. The above change in the accounting policy has been applied retrospectively and comparative information have been restated in accordance with the requirement of International Accounting Standard (IAS) — 16 "Property, Plant and Equipment" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Due to the above change in accounting policy, the Group has presented its statement of financial position as at the beginning of the earliest comparative period i.e., July 01, 2016, and related notes in accordance with requirement of IAS 1 — Presentation of Financial Statements (Revised) (IAS 1). Had the accounting policy not been changed, the revaluation surplus on property, plant and equipment would have been shown as a separate line item (below equity in the statement of financial position) amounting to PKR 274.765 million for the year ended June 30, 2017 and 2016 respectively.

4.3 Intangible assets

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

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

i) Software

Costs that are directly associated with identifiable computer software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Costs include the purchase cost of software, implementation cost and related overhead cost. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses thereon.

Expenditure which enhances or extends the performance of computer software beyond its original specification and useful life is recognised as a capital improvement and added to the original cost of the software.

ii) Goodwill

This represents excess of cost of acquisition over fair value of the identifiable assets and liabilities of the Holding Company at the time of acquisition by HTPL.

Goodwill on acquisition is not amortised but tested annually for impairment and carried at cost less accumulated impairment losses, if any.

iii) Trademarks

This represents separately acquired trade marks with indefinite useful life. These are stated at cost less accumulated impairment losses, if any. Carrying amounts of trademarks are subject to impairment review at each reporting date.

Intangible assets, where applicable, are amortised from the month when such assets are available for use on straight line method whereby the cost of an intangible asset is allocated over its estimated useful life, at the rates given in note 8.

The useful lives of intangible assets are reviewed at each reporting date to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset.

4.4 Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are charged to consolidated statement of profit or loss.

4.5 Financial instruments

4.5.1 Financial assets

The Group classifies its financial assets at initial recognition in the following categories depending on the nature and purpose for which the financial assets were acquired:

(a) At fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those having maturities greater than twelve months after the reporting date, which are classified as non-current assets. Loans and receivables comprise trade debts, loans, advances, deposits, interest accrued, other receivables and cash and bank balances.

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

(c) Available-for-sale

Available-for-sale financial assets are non-derivatives that are either designated investments in this category or not classified in any of the other categories. They are included in non-current assets unless these mature or the management intends to dispose off the investments within twelve months from the reporting date.

(d) Held-to-maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has positive intention and ability to hold till maturity are classified as held-to-maturity.

All financial assets are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of investments are recognised and derecognised on trade date (the date on which the Group commits to purchase or sell the asset). Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the consolidated statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest rate method.

The Group assesses at each reporting date whether there is objective evidence that any investment is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss that had been recognised in other comprehensive income shall be reclassified from equity to consolidated statement of profit or loss as a reclassification adjustment. Impairment losses recognised in the consolidated statement of profit or loss on equity instruments classified as available-for-sale are not reversed through consolidated statement of profit or loss.

4.5.2 Financial liabilities

All financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the consolidated statement of profit or loss.

4.5.3 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability are offset and the net amount is reported in the reporting date if the Group has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.6 Stores and spares

Stores and spares to be consumed in the ordinary course of business are valued at lower of weighted average cost and net realizable value (NRV) except for those in transit, if any, which are stated at cost. Cost comprises of invoice value plus other direct costs incurred thereon. Provision is made for slow moving and obsolete items wherever necessary and is recognised in the consolidated statement of profit or loss.

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

4.7 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value (NRV). Cost is determined using the weighted average method for both Liquefied Petroleum Gas (LPG) and Low Pressure Regulators (LPR). Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Net realisable value signifies the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

4.8 Trade debts and other receivables

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method less provision for impairment, if any. A provision for impairment is established where there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables are written-off when considered irrecoverable.

4.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash with banks on current, collection, deposit and saving accounts.

4.10 Retirement and other service benefits

4.10.1 Defined benefit plans

The Holding Company operates:

an approved defined benefit gratuity scheme for all permanent employees and non management employees. The scheme provides for a graduated scale of benefits dependent on the length of service of the employee on terminal date, subject to the completion of minimum qualifying period of service. Gratuity is based on employee's last drawn salary; and

an approved defined benefit pension scheme for management staff. The scheme provides pension based on the employees' last drawn salary subject to the completion of minimum qualifying period of service. Pensions are payable for life and thereafter to surviving spouses and / or dependent children.

Both the above schemes are funded and contributions to them are made monthly on the basis of actuarial valuation and in line with the provisions of the Income Tax Ordinance, 2001. The gratuity and pension funds are governed under the Trust Act, 1882, Trust Deed and Rules of Fund, repealed Companies Ordinance, 1984, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. Responsibility for governance of plan, including investment decisions and contribution schedule lie with the Board of Trustees of the Funds. Further, monthly contributions are made by employees in the defined benefit pension fund at the rate of 1.4% and 1.72% according to their job grades. Actuarial valuations of these schemes are carried out at appropriate regular intervals.

4.10.2 Defined contribution plan

The Holding Company operates a recognised contributory provident fund for all permanent employees. Equal monthly contributions are made, both by the Group and the employees at the rate of 4.25% per annum of the basic salary and 10% per annum of the basic salary for management and non-management employees, respectively.

4.11 Loans and borrowings

Loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Loan and borrowings are subsequently stated at amortised cost using the effective interest rate method.

Loans and borrowings are classified as current liabilities, unless the Group has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

4.12 Trade and other payables

These are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Exchange gains and losses arising in respect of liabilities in foreign currency are added to the carrying amount of the respective liability.

4.13 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

4.14 Taxation

4.14.1 Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or Minimum Tax on Turnover or Alternate Corporate Tax, whichever is higher in accordance with the provisions of Income Tax Ordinance, 2001.

4.14.2 Deferred

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

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset 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 asset may be utilised. Deferred tax asset are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

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

4.15 Foreign currencies

Transactions in foreign currencies are translated into functional currency (Pakistani Rupees) using exchange rates approximating those ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rates of exchange prevailing at the reporting date. Exchange gains and losses resulting from the settlement of foreign currency transactions and translation of monetary assets and liabilities at the rates prevailing at the reporting date are included in the consolidated statement of profit or loss. Non-monetary items that are measured in terms of a historical cost in foreign currency are not re-translated.

4.16 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the 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:

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

Sales are recorded at the time of delivery to the distributors and direct customers.

Return on saving account is recorded using effective interest rate method.

Income from dividend, if any, is recognised when right to receive dividend is established.

Other revenues including recovery of storage and handling charges and rental income from storage tank are accounted for on accrual basis.

4.17 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset, in which case such costs are capitalised as part of the cost of that asset.

4.18 Dividend and appropriation to reserves

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

4.19 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 or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In the process of applying the Group's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

5.1 Property, plant and equipment

The Group reviews appropriateness of the rates of depreciation, useful lives and residual values used in the calculation of depreciation. Further where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis.

5.2 Intangible assets

The Group reviews appropriateness of the rate of amortisation and useful life used in the calculation for amortisation. Further where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis.

5.3 Taxation

In making the estimates for current income taxes payable by the Group, the management considers the applicable laws and the decisions / judgments of appellate authorities on certain issues in the past. Accordingly, the recognition of deferred tax is also made, taking into account these judgments and the best estimates of future results of operations of the Group.

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

5.4 Provision for retirement and other service benefits

The present value of these obligations depends on a number of factors that are determined on actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of these obligations. The present values of these obligations and the underlying assumptions are disclosed in note 36 to the consolidated financial statements.

6 AMALGAMATION WITH HOLDING COMPANY

Effective February 20, 2015, the Holding Company went through the scheme of amalgamation (the Scheme) with HTPL consequent to the approval of the Scheme by the High Court of Sindh.

According to the Scheme, 0.31 shares of the Holding Company, with a face value of Rs.10 each, were offered to the shareholders of HTPL for every one share held of HTPL, with a face value of Rs.10 each. As per the Scheme, the Holding Company is required to allot new shares to the shareholders of HTPL. Upon allotment of new shares, old shares of the Holding Company, held by HTPL, shall stand cancelled and simultaneously HTPL shall stand dissolved without being wound up. Further, the cancellation of old shares and issuance of new shares will result in the reduction of 151,154 shares of the Holding Company. The Holding Company is in the process of completing the legal formalities for the issuance of new shares.

As a result of the Scheme, the assets and liabilities of HTPL were amalgamated with the assets and liabilities of the Holding Company based on the fair values as of February 19, 2015. The summary of assets and liabilities of HTPL amalgamated as above, is as under:

	Fair value as of February 19, 2015		
	(Rupees in '000)		
Assets			
Goodwill			253,091
Property, plant and equipment			559,529
Cash and bank balances			51
			812,671
Liabilities			
Long-term loan - secured			400,000
Deferred taxation			14,863
Trade and other payables			2,247
Short-term loans			30,646
Accrued mark-up on long-term loan			17,508
			465,264
Net assets			347,407
Represented by:			
Unappropriated loss			(73,677)
Revaluation surplus on property, plant and equipment			269,138
Reserve on amalgamation			151,946
			347,407
	Note	2018	2017
		----- (Rupees in '000) -----	
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	742,636	758,226

Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

7.1 Operating fixed assets

	June 30, 2018							
	Cost / Revalued Amount*			Accumulated Depreciation		Net Book value		
	As at July 01, 2017	Additions	As at June 30, 2018	As at July 01, 2017	Charge for the year (note 7.1.2)	As at June 30, 2018	As at June 30, 2018	Rate of depreciation
	(Rupees in '000)							
Owned								
Freehold land*	15,000	-	15,000	-	-	-	15,000	Nil
Leasehold land*	509,138	-	509,138	-	-	-	509,138	Nil
Buildings on leasehold land	83,294	-	83,294	53,548	2,311	55,859	27,435	5%
Plant and machinery	63,776	574	64,350	50,630	1,313	51,943	12,407	5%
Furniture, fittings, electrical and other equipment	80,232	192	80,424	70,240	1,770	72,010	8,414	10%-15%
Vehicles	58,561	94	58,655	57,749	446	58,195	460	20%-25%
Tanks, pipelines and fittings	96,021	-	96,021	61,896	3,429	65,325	30,696	10%
Fire fighting equipment	20,970	99	21,069	16,592	989	17,581	3,488	15%
Cylinders and regulators (note 7.1.3)	578,423	13,328	591,751	447,511	13,662	461,173	130,578	10%
Office equipment	4,715	-	4,715	4,160	85	4,245	470	15%
Computers and related accessories	17,161	342	17,503	16,537	279	16,816	687	33.33%
Leased								
Vehicles	23,738	-	23,738	13,940	5,935	19,875	3,863	25%
	1,551,029	14,629	1,565,658	792,803	30,219	823,022	742,636	-

	June 30, 2017							
	Cost / Revalued Amount*			Accumulated Depreciation		Net Book value		
	As at July 01, 2016	Additions	As at June 30, 2017	As at July 01, 2016	Charge for the year (note 7.1.2)	As at June 30, 2017	As at June 30, 2017	Rate of depreciation
	(Rupees in '000)							
Owned								
Freehold land*	15,000	-	15,000	-	-	-	15,000	Nil
Leasehold land*	509,138	-	509,138	-	-	-	509,138	Nil
Buildings on leasehold land	83,294	-	83,294	51,210	2,338	53,548	29,746	5%
Plant and machinery	62,024	1,752	63,776	49,337	1,293	50,630	13,146	5%
Furniture, fittings, electrical and other equipment	79,729	503	80,232	68,641	1,599	70,240	9,992	10%-15%
Vehicles	58,561	-	58,561	57,308	441	57,749	812	20%-25%
Tanks, pipelines and fittings	96,021	-	96,021	61,197	699	61,896	34,125	10%
Fire fighting equipment	20,761	209	20,970	15,607	985	16,592	4,378	15%
Cylinders and regulators (note 7.1.3)	548,123	30,300	578,423	435,545	11,966	447,511	130,912	10%
Office equipment	4,715	-	4,715	4,075	85	4,160	555	15%
Computers and related accessories	16,861	300	17,161	16,372	165	16,537	624	33.33%
Leased								
Vehicles	23,738	-	23,738	8,005	5,935	13,940	9,798	25%
	1,517,965	33,064	1,551,029	767,297	25,506	792,803	758,226	-

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

7.1.1 As at June 30, 2018, property, plant and equipment having cost of Rs. 552.535 million (2017: Rs. 550.452 million) are fully depreciated.

7.1.2 The depreciation charge for the year has been allocated as follows:

	Note	2018	2017
----- (Rupees in '000) -----			
Cost of sales	27	6,104	4,773
Administrative expenses	28	10,342	8,021
Distribution and marketing expenses	29	13,773	12,712
		30,219	25,506

7.1.3 These are in custody of distributors / customers owing to the nature of business of the Holding Company. The particulars of these assets have not been disclosed due to several number of customers.

7.1.4 The Group's freehold land and leasehold land was revalued on June 15, 2015 by M/s. Consultancy Support and Services and Harvester Services (Private) Limited, respectively. Had the revaluation not been carried out, the carrying value of freehold land and leasehold land would have been lower by Rs. 5.627 million (2017: Rs. 5.627 million) and Rs. 266.097 million (2017: Rs. 266.097 million), respectively.

7.1.5 The forced sales value as per the revaluation report as of June 15, 2015 is as follows:

Class of asset	Rupees in '000
Freehold land	13,500
Leasehold land	462,000

7.1.6 Particulars of immovable assets of the Holding Company are as follows:

Particulars	Usage of property	Address	Covered Area (Sq. ft.)
Leasehold land	For future business expansion	Commercial - cum- Residential Land Deh Okewari, Shahrah - e - Faisal Survey # 47	107,811
Leasehold land	For future business expansion	Commercial - cum- Residential Land Deh Okewari, Shahrah - e - Faisal Survey # 74	40,293
Leasehold land	For future business expansion	Commercial - cum- Residential Land Edh Okewari, Shahrah - e - Faisal Survey # 47	107,811
Building on leasehold land	Plant site	Plot No. 70, Sector 7-D, Korangi Filling Plant-1, Adjacent to Pakistan Refinery Limited, Korangi Creek, Karachi	9,710
Building on leasehold land	Plant site	LPG Storage & Filling Plant, Near Railway Station, Abbaspur, Faisalabad	6,380

7.1.7 In the current year and previous year, there were no disposal of assets, hence no disposal to report having book value exceeding amount of Rs. 0.5 million.

Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

8. INTANGIBLE ASSETS

	Cost		Accumulated Amortisation			Net Book Value		Rate of amortisation
	As at July 01, 2017	Additions	A at June 30, 2018	As at July 01, 2017	Charge for the year (note 8.6)	As at June 30, 2018	As at June 30, 2018	
----- (Rupees in '000) -----								
Goodwill (note 8.1)	253,091	-	253,091	-	-	-	253,091	Nil
Computer software	4,569	-	4,569	4,569	-	4,569	-	20%
Rights under supply contracts (notes 8.2, 8.3 & 8.4)	344,706	50,150	394,856	143,604	59,941	203,545	191,311	7.14%-33%
Trademarks (note 8.1 & 8.5)	8,600	-	8,600	-	-	-	8,600	Nil
2018	610,966	50,150	661,116	148,173	59,941	208,114	453,002	

	Cost		Accumulated Amortisation			Net Book Value		Rate of amortisation
	As at July 01, 2016	Additions	A at June 30, 2017	As at July 01, 2016	Charge for the year (note 8.6)	As at June 30, 2017	at June 30, 2017	
----- (Rupees in '000) -----								
Goodwill (note 8.1)	253,091	-	253,091	-	-	-	253,091	Nil
Computer software	4,569	-	4,569	4,569	-	4,569	-	20%
Rights under supply contracts (notes 8.2 and 8.3)	221,706	123,000	344,706	94,371	49,233	143,604	201,102	7.14%-33%
Trademarks (note 8.1 & 8.5)	8,600	-	8,600	-	-	-	8,600	Nil
2017	487,966	123,000	610,966	98,940	49,233	148,173	462,793	

8.1 This represents excess of cost of acquisition over fair value of the identifiable assets and liabilities of the Holding Company at the time of acquisition by HTPL (note 6).

8.1.1 Impairment testing of goodwill and trademarks:

The carrying value of goodwill has been allocated to the Holding Company, the cash generating unit (CGU), which is also the operating and reportable segment for impairment testing.

	2018	2017
----- (Rupees in '000) -----		
Carrying amount of goodwill	253,091	253,091
Carrying amount of trademarks	8,600	8,600

The Group performed its annual impairment test in June 2018 and June 2017. The Group considers the relationship between its market capitalisation, using the level 1 input of the fair value hierarchy - quoted prices, and its book value, among other factors, when reviewing for indicators of impairment. As at June 30, 2018, the market capitalisation of the Holding Company was above the book value of its equity by Rs. 244.077 million, indicating no impairment of the assets constituting the CGU.

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For the Year Ended June 30, 2018

- 8.2** This includes Rs. 64.206 million representing consideration for beneficial rights of continuous supply of LPG under the supply contract between Sui Northern Gas Pipelines Limited (SNGPL) and Pak-Arab Refinery Limited (PARCO) which was transferred to the Holding Company as part of its acquisition of the LPG business of SNGPL in October 2001. The asset was recorded at its cost, which was bifurcated from the total cost of acquisition of Rs. 142 million, on the basis of a valuation carried out by an independent valuer. This cost has been amortised over a period of fourteen years, being the remaining period of the supply contract with PARCO at the acquisition date, ended in prior year. Further, on completion of term of the existing contract during the prior year, the Holding Company entered into an agreement with PARCO for purchase of LPG. The agreement provides right to supply of LPG for a period of five years for which the Holding Company paid the signature bonus of Rs. 248 million.
- 8.3** During 2014, the Holding Company participated in a tender offer by Government Holdings (Private) Limited (GHPL) in respect of purchase of LPG from Makori Gas Field, TAL Block. On successful submission of the highest bid of Rs. 22.5 million, the Holding Company had been allotted one lot of LPG of five metric tons per day for five years from the Makori Gas Field, TAL Block. However, pending the final decision of the Lahore High Court in writ petition No. 6569/2014, to which the Holding Company is not a party, the LPG purchase agreement between the Holding Company and GHPL has not yet been executed. The supply of LPG from Makori Gas Field is in accordance with the terms and conditions contained in the tender document and is for a temporary period of five years. Accordingly, Rs. 22.5 million, paid as signature bonus, being right to continuous supply of LPG, has been recognised as an intangible asset with a useful life of five years.
- 8.4** During the year, the Holding Company participated in a tender offer by Oil & Gas Development Company Limited (OGDCL) in respect of purchase of LPG from Kunnar Pasaki Deep - Tando Allahyar Gas Field District Hyderabad. On successful submission of the highest signature bonus bid of Rs. 50.150 million, the Holding Company has been allotted one lot of LPG of five metric tons per day for five years from the Kunnar Pasaki Deep - Tando Allahyar.
- 8.5** This represents consideration paid to OPI Gas (Private) Limited in 2011 for acquisition of rights and title to "Burshane" trademarks. These trade marks are considered to have an indefinite useful life, and therefore have not been amortised. Further, no impairment has been identified in this regard (note 8.1).
- 8.6** The amortisation for the year has been allocated as follows:

	Note	2018	2017
----- (Rupees in '000) -----			
Cost of sales	27	59,941	49,233
Administrative expenses	28	-	-
		59,941	49,233
9. LONG-TERM LOANS			
Unsecured, considered good			
Directors	9.2	236	2,569
Executives	9.3 & 9.5	2,104	978
Other employees	9.3	556	509
Supplier	9.4	-	8,504
	9.6	2,896	12,560
Current maturity of long-term loans:			
Directors		(236)	(2,469)
Executives		(851)	(397)
Other employees		(343)	(160)
Supplier		-	(8,504)
		(1,430)	(11,530)
		1,466	1,030

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

9.1 Reconciliation of carrying amount of loans:

	2018				2017	
	Directors	Executives	Other employees	Supplier	Total	Total
	----- (Rupees in '000) -----					
Opening balance	2,569	978	509	8,504	12,560	37,548
Disbursements	1,937	2,016	459	-	4,412	1,391
Repayments / adjustments	(4,270)	(890)	(412)	(8,504)	(14,076)	(26,379)
Closing balance	236	2,104	556	-	2,896	12,560

9.2 Represents interest free loan granted by the Holding Company to Chief Financial Officer and Director Sales and Marketing in prior year, amounting to Rs. 3 million and Rs. 1.85 million respectively, given as per Group policy, repayable in 30 equal monthly installments. As of the reporting date, the loan from Director Sales and Marketing has been recovered in full as per the agreement.

9.3 These loans are granted to employees under the Group's policies. Car and motor cycle loans are repayable over a maximum period of five years and two and a half years, respectively. Housing loans are repayable in maximum 50 equal monthly installments and salary loans are repayable over a maximum period of three years. Car loans and housing loans carry interest at the rate of 1% per annum. Housing loans granted to employees are secured against the letter of guarantee and promissory notes and other loans are secured against their provident fund balances. These loans have been made in compliance with the requirements of the Act.

9.4 Represents unsecured interest free loan granted by the Holding Company on July 01, 2015 to a transporter repayable in 30 equal monthly installments which has been adjusted / received in full during the year.

9.5 The maximum aggregate amount of loans due from Executives at the end of any month during the year was Rs. 2.14 million (2017: Rs. 8.64 million).

9.6 The carrying value of these financial assets is neither past due nor impaired. Further, interest free loans are not discounted to present value, since the impact is considered to be immaterial in the overall context of these consolidated financial statements.

10. LONG-TERM DEPOSITS

Represent deposits placed with supplier of LPG and fuel as per the terms of the supply agreement.

11. STORES AND SPARES

	2018	2017
	----- (Rupees in '000) -----	
Stores	3,322	6,052
Spare parts	604	1,068
	3,926	7,120
Provision for obsolete items	(1,320)	(1,320)
	2,606	5,800

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

12. STOCK-IN-TRADE

	Note	2018	2017
----- (Rupees in '000) -----			
Liquefied Petroleum Gas (LPG)	12.1	92,547	47,081
Low Pressure Regulators (LPR)		2,794	3,674
		95,341	50,755

12.1 Includes stock amounting to Rs. 14.016 million (2017: Rs. 7.092 million) held with the following parties under hospitality arrangements:

	2018	2017
----- (Rupees in '000) -----		
Pakistan Oil Fields Limited	1,344	-
Ravi Sahiwal	903	-
Sadiq Gas Company	4,024	3,514
Sindh Gas (Private) Limited	342	-
Blessing Gas (Private) Limited	3,741	1,257
Tez Gas (Private) Limited	-	2,016
Petroleum Gas (Private) Limited	709	305
Bashir Gas	2,953	-
	14,016	7,092

12.2 As at June 30, 2018, stock of LPG held on behalf of third parties amounted to Rs. 2.414 million (2017: Rs. 2.968 million).

	Note	2018	2017
----- (Rupees in '000) -----			

13. TRADE DEBTS

Unsecured, considered good	13.1	17,654	5,001
-----------------------------------	------	---------------	-------

13.1 Includes trade debts aggregating to Rs. 12.253 million (2017: Rs. 4.543 million) which were past due but not impaired. Ageing analysis of these trade debts as at the reporting date is as follows:

	Note	2018	2017
----- (Rupees in '000) -----			
Up to 1 month		8,489	1,484
1 to 6 months		1,095	596
More than 6 months		2,669	2,463
		12,253	4,543

14. LOANS AND ADVANCES

Loans - secured, considered good			
Current maturity of long-term loans	9	1,430	11,530
Advances - unsecured, considered good			
Executives	14.1	1,296	1,713
Contractors and suppliers		117,988	61,966
		119,284	63,679
		120,714	75,209

14.1 The maximum aggregate amount due from executives at the end of any month was Rs. 1.546 million (2017: Rs. 1.136 million). The balance as at June 30, 2018 is due from the Chief Executive, which is receivable on demand.

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

15. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2018	2017
----- (Rupees in '000) -----			
Deposits		9,785	647
Prepayments		1,816	5,319
Other receivables	15.1	33,475	41,326
		45,076	47,292
15.1 Other receivables:			
OPI Gas (Private) Limited	15.1.1	3,642	3,642
Burshane LPG (Pakistan) Limited - Provident Fund		766	6,906
Burshane LPG (Pakistan) Limited - Gratuity Fund	36.1.1	9,436	-
Burshane Petroleum (Private) Limited	15.1.2	9,000	9,000
Accrued interest		5	118
Sales tax receivable		-	11,336
Others	15.1.3	16,841	16,539
		39,690	47,541
Provision for impairment	16.1.6	(6,215)	(6,215)
		33,475	41,326

15.1.1 Represents receivable against reimbursement of expenses incurred for debranding activities, which has not been acknowledged by the counter party, thus fully provided.

15.1.2 Represents amount receivable from Burshane Petroleum (Private) Limited (formerly Darian International (Private) Limited), a related party, as consideration against use of the Group's trademark name under an arrangement entered in prior year.

15.1.3 Includes receivable against hospitality arrangements of Rs. 5.04 million (2017: Rs. 5.05 million) and receivable against cylinder deposits of Rs. 2.41 million (2017: Rs. 3.91 million).

15.1.4 The maximum aggregate amount outstanding from related parties at any time of the year by reference to month end balances is as follows:

	Note	2018	2017
----- (Rupees in '000) -----			
Burshane LPG (Pakistan) Limited - Provident Fund		7,369	6,906
Burshane LPG (Pakistan) Limited - Gratuity Fund		9,436	255
Burshane Petroleum (Private) Limited	15.1.5	9,000	9,000
		25,805	16,161

15.1.5 The ageing analysis of receivable balances due from related parties is as follows:

	Note	2018	2017
----- (Rupees in '000) -----			
Up to 1 month		-	-
1 to 6 months		-	-
More than 6 months		-	-
More than 12 months		9,000	9,000
		9,000	9,000

Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

16. CASH AND BANK BALANCES

Cash in hand		169	30
Cash at banks:			
saving accounts	16.1	59,440	52,734
current accounts			
- conventional banking		52,266	60,088
- islamic banking		304	304
		52,570	60,392
		112,179	113,156

16.1 The profit rates on these saving accounts range from 3.75% to 4.25% per annum (2017: 1.95% to 5.9% per annum). These balances are held in accounts maintained under conventional banking.

17. SHARE CAPITAL

17.1 Authorised capital

2018	2017		2018	2017
----- (Number of shares) -----			----- (Rupees in '000) -----	
90,000,000	90,000,000	Ordinary shares of Rs.10 each	900,000	900,000

17.2 Issued, subscribed and paid-up capital

2018	2017		2018	2017
----- (Number of shares) -----			----- (Rupees in '000) -----	
		Ordinary shares of Rs.10 each issued as:		
19,881,766	19,881,766	fully paid up in cash (note 17.3)	198,817	198,817
76,820	76,820	fully paid for consideration other than cash	768	768
2,530,304	2,530,304	fully paid bonus shares	25,303	25,303
22,488,890	22,488,890		224,888	224,888

17.3 As a result of the Scheme referred to in note 6, the authorised share capital of the Holding Company enhanced to Rs. 900 million divided into 90 million ordinary shares of Rs.10 each. Further, pursuant to the effects of amalgamation, the paid-up share capital of the Holding Company reduced by 151,154 ordinary shares (note 6).

17.4 As more fully explained in note 6, the Holding Company is in the process of completing legal formalities for cancellation of 151,154 shares and for issuance of new shares to the shareholders of HTPL (former Holding Company) in accordance with the Scheme. Post completion of legal formalities, Mr. Asad Alam Khan Niazi, Chief Executive, will hold 12,326,629 ordinary shares of the Company of Rs. 10 each.

17.5 As at June 30, 2018, Mr. Asad Alam Niazi, Chief Executive, held 55.18% (June 30, 2017: 55.18%) while institutions held 14.51% (June 30, 2017: 5.73%) and individuals and others held the balance of 11.13% (June 30, 2017: 8.13%). Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.

Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

	Note	2018	2017
----- (Rupees in '000) -----			
18. RESERVES			
Capital reserve			
Reserve on amalgamation		153,458	153,458
Revenue reserves			
General reserve		90,000	90,000
Unappropriated profit		53,965	56,739
		143,965	146,739
Actuarial loss on remeasurement of retirement and other service benefits		(24,219)	(21,214)
Revaluation surplus on property, plant and equipment		274,765	274,765
		547,969	553,748
19. LONG-TERM LOAN			
Secured			
National Bank of Pakistan (NBP)	19.1	254,439	254,439
Current maturity of long-term loan		(254,439)	(254,439)
		-	-

19.1 As a result of the Scheme referred to in note 6, long-term finance obtained, under conventional banking terms, by HTPL had been transferred to the Holding Company at the time of amalgamation. The loan was obtained as a demand finance facility under the agreement dated April 08, 2013 from NBP and is repayable in 9 semi-annual installments of Rs. 44.444 million latest by April 01, 2018 with a grace period of six months from the date of the drawdown. The loan carries mark-up at rate of 6 months KIBOR plus 2.5% to 6% per annum. This loan is secured by way of mortgage on leasehold land and charge on the Holding Company's present and future current and fixed assets as well as personal guarantees of Directors of the Holding Company. As at June 30, 2018, amount due but not paid by the Holding Company was Rs. 254.439 million (2017: 168.26 million). During the year, the Holding Company has requested NBP for restructuring of the loan and has received the new proposal with the extended terms which are still under discussion and under review by the Bank's credit / risk committee.

20. LIABILITIES UNDER FINANCE LEASE

	Note	2018	2017
----- (Rupees in '000) -----			
Opening balance		6,942	9,944
Principal repayment during the year		(3,002)	(3,002)
Present value of minimum lease payments		3,940	6,942
Current maturity of liabilities under finance lease		(3,002)	(3,002)
Closing balance		938	3,940

20.1 Represents finance lease entered into with a leasing company for vehicles. Total lease rentals due under lease agreement aggregated to Rs. 4.225 million (2017: Rs. 7.792 million) and are payable in equal monthly installments latest by March 2020. Taxes, charges, demands and levies, repair and maintenance are to be borne by the Holding Company. Financing rates of 3 months KIBOR plus 3% (2017: 3 months KIBOR plus 3%) per annum have been used as discounting factor. The breakup of liabilities under finance lease is as follows:

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

	2018		2017	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
	----- (Rupees in '000) -----			
Not later than 1 year	3,263	3,002	3,567	3,002
After one year but not more than five year	962	938	4,225	3,940
Total minimum lease payments	4,225	3,940	7,792	6,942
Finance charges allocated to future periods	(285)	-	(850)	-
Present value of minimum lease payments	3,940	3,940	6,942	6,942
Current maturity	(3,002)	(3,002)	(3,002)	(3,002)
	938	938	3,940	3,940

	Note	2018	2017
		----- (Rupees in '000) -----	
21. DEFERRED TAXATION - net			
Taxable temporary differences			
Accelerated tax depreciation and amortisation		25,754	27,921
Deductible temporary differences			
Liabilities under finance lease		(1,143)	(2,083)
Tax credits		(20,478)	(18,680)
Provisions		(2,185)	(2,260)
		(23,806)	(23,023)
		1,948	4,898

22. CYLINDER AND REGULATOR DEPOSITS

Represents non-interest bearing deposits which are refundable on termination of distributorship agreements and / or return of cylinders and ancillary equipment as per the Holding Company's policy. These deposits, kept in the Holding Company's bank accounts, are utilisable for the purpose of the business in terms of section 217 of the Act.

	Note	2018	2017
		----- (Rupees in '000) -----	
23. TRADE AND OTHER PAYABLES			
Creditors		92,174	56,177
Accrued liabilities		14,300	10,649
Burshane (LPG) Pakistan Limited:			
Gratuity Fund	36.1.1	-	3,200
Pension Fund	36.1.1	33,085	6,089
Workers' Profits Participation Fund	23.1	5,888	2,718
Workers' Welfare Fund		1,327	710
Withholding tax payable		218	2,445
Sales tax payable		6,139	-
Advances from distributors / customers - unsecured		13,304	17,470
Zakat payable		-	60
Others		13,089	4,746
		179,524	104,264

Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

	Note	2018	2017
----- (Rupees in '000) -----			
23.1 Workers' Profit Participation Fund			
Opening balance		2,718	8,800
Interest charged during the year	32	269	-
Allocation for the year	31	2,901	2,718
Amount paid during the year		-	(8,800)
Closing balance		5,888	2,718

24. UNCLAIMED DIVIDENDS

Includes an amount of Rs. 50.508 million (2017: Rs. 33.672 million) payable to the beneficial owners of HTPL. As explained in note 6, HTPL was merged with the Holding Company on February 20, 2015, however, shares held by HTPL in the Holding Company are in the process of being cancelled and new shares shall be issued by the Holding Company in the name of beneficial owners of HTPL. The beneficial owners of HTPL have requested the Holding Company to hold their dividend till such time that shares held by HTPL are cancelled and new shares are issued by the Holding Company in their name.

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 Claims not acknowledged as debt by the Holding Company as at June 30, 2018 amounted to Rs. 2.06 million (2017: Rs. 2.06 million).

25.1.2 During the year, the Deputy Commissioner Inland Revenue (DCIR) had passed an Order in Original No. DCIR/E&C/Unit-01&2/Z-IV/LTU/2018 of 2018 dated May 25, 2018 for the Holding Company for the tax periods from July 2014 to March 2018 and raised sales tax demand of Rs. 65.571 million along with penalty of Rs. 67.538 million and default surcharge (to be calculated at the time of final payment) for recovery of short payment of sales tax and claiming of alleged inadmissible input tax under section 11(3) of the Sales Tax Act, 1990. Against the order, the Holding Company then filed an appeal with Commissioner Inland Revenue stating that the adjusting of input tax over 90% of the output tax has not caused any loss to national exchequer and requested to grant relief from the penalties imposed by the DCIR. Subsequent to the year end, the DCIR initiated the set aside proceeding and concluded the same by raising penalty of Rs. 13.30 million. The Holding Company then sought stay order against DCIR's Order and was granted the stay against recovery of the impugned demand for thirty days from August 20, 2018 or till the decision of main appeal pending before this Tribunal whichever is earlier. As per the tax advisor, the Holding Company has a strong case to defend before the appellate forum. Therefore, no provision has been made, in this regard, in these consolidated financial statements.

	2018	2017
----- (Rupees in '000) -----		
25.2 Commitments		
25.2.1 Post-dated cheques	1,670	1,822
26. SALES - net		
Liquefied Petroleum Gas (LPG) Sales tax	3,473,726 (548,793)	2,167,620 (342,425)
	2,924,933	1,825,195
Low Pressure Regulators (LPR) Sales tax	1,351 (208)	1,929 (299)
	1,143	1,630
	2,926,076	1,826,825

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

27. COST OF SALES

	Note	2018	2017
----- (Rupees in '000) -----			
Opening stock		47,081	32,348
Purchases		2,630,321	1,532,987
		2,677,402	1,565,335
Closing stock	12	(92,547)	(47,081)
		2,584,855	1,518,254
Salaries, wages and other employee benefits	27.1	26,878	25,909
Cost of Low Pressure Regulators sold		880	1,514
Stores and spares consumed	27.2	4,230	3,794
Repairs and maintenance		1,823	3,477
Travelling, conveyance and vehicle maintenance		1,335	1,363
Rent, rates and electricity		3,070	3,636
Communication		338	1,183
Printing and stationery		549	217
Depreciation	7.1.2	6,104	4,773
Amortisation	8.6	59,941	49,233
Security		3,241	3,466
Sundry expenses		319	186
		2,693,563	1,617,005

27.1 Include Rs. 0.754 million (2017: Rs. 0.703 million) in respect of retirement and other service benefits.

27.2 Stores and spares consumed:

	Note	2018	2017
----- (Rupees in '000) -----			
Opening balance		5,800	3,924
Purchases		1,036	5,670
		6,836	9,594
Closing balance	11	(2,606)	(5,800)
		4,230	3,794

28. ADMINISTRATIVE EXPENSES

Salaries, wages and other employee benefits	28.1	64,692	54,196
Repairs and maintenance		1,865	2,150
Travelling, conveyance and vehicle maintenance		7,270	6,615
Rent, rates and electricity		8,715	4,166
Communication		2,664	1,873
Printing and stationery		2,108	1,230
Legal and professional charges		3,459	6,658
Insurance		2,751	2,417
Advertisement and publicity		644	717
Depreciation	7.1.2	10,342	8,021
Security		2,040	1,334
Donations		1,180	1,271
Sundry expenses		707	1,466
		108,437	92,114

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

28.1 Include Rs. 7.252 million (2017: Rs. 3.982 million) in respect of retirement and other service benefits.

	Note	2018	2017
----- (Rupees in '000) -----			
29. DISTRIBUTION AND MARKETING EXPENSES			
Salaries, wages and other employee benefits	29.1	14,871	12,325
Repairs and maintenance		129	260
Travelling, conveyance and vehicle maintenance		955	1,521
Rent, rates and electricity		1,213	311
Communication		295	507
Printing and stationery		261	119
Hospitality charges		30,556	24,417
Freight and octroi		1,455	2,087
Commission		-	7,914
Depreciation	7.1.2	13,773	12,712
Security		585	461
Sundry expenses		131	118
		64,224	62,752

29.1 Include Rs. 0.367 million (2017: Rs. 0.239 million) in respect of retirement and other service benefits.

30. OTHER INCOME

	Note	2018	2017
----- (Rupees in '000) -----			
Income from financial assets			
Profit on saving accounts	30.1	3,350	4,688
Income from non-financial assets			
Rental income from storage tanks		1,124	1,344
Liability for cylinder deposits written back	30.2	21,585	21,235
Reversal of provision for impairment		-	8,606
Recoveries against cylinder replacement		2,193	2,631
Hospitality income		6,304	10,640
Others		1,034	930
		32,240	45,386
		35,590	50,074

30.1 Represents profit on bank accounts under conventional banking relationship.

30.2 During the year, the Holding Company carried out a detailed exercise to identify cylinder and regulator deposits pertaining to cylinders issued for 10 years and above, which relates to inactive distributors / customers who are not in business with the Holding Company.

	Note	2018	2017
----- (Rupees in '000) -----			
31. OTHER EXPENSES			
Workers' Profits Participation Fund	23.1	2,901	2,718
Workers' Welfare Fund		1,149	710
Auditors' remuneration	31.1	1,860	1,857
Directors' fees		925	825
Trade debts written off		-	7,211
Others		4,882	5,814
		11,717	19,135

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

	Note	2018	2017	
		----- (Rupees in '000) -----		
31.1 Auditors' remuneration:				
Statutory audit		1,000	1,000	
Half yearly review		400	400	
Review of code of corporate governance		150	150	
Out of pocket expenses		310	307	
		1,860	1,857	
32. FINANCE COSTS				
Mark-up on long-term loan		25,086	30,857	
Finance charges on liabilities under finance lease		565	879	
Interest on Workers' Profits Participation Fund	23.1	269	-	
Bank charges		4,056	3,431	
		29,976	35,167	
33. TAXATION				
Current	33.1	37,029	18,710	
Prior		(44)	(394)	
Deferred		(2,950)	3,312	
		34,035	21,628	
33.1	Provision for current taxation has been made on the basis of Minimum Tax under Section 113 and Final Tax Regime under Section 169 of Income Tax Ordinance, 2001. Accordingly, tax expense reconciliation with the accounting profit is not presented.			
33.2	The returns of income have been filed on due date and are treated as deemed assessment orders under section 120 of the Ordinance. As per the management of the Group, tax provisions for the year 2017, 2016 and 2015 are sufficient and adequately cover the assessed / declared position. A comparison of last three years of income tax provision with tax assessment is presented below:			
		2017	2016	2015
		----- (Rupees in '000) -----		
Holding Company:				
Income tax provision for the year		18,680	20,324	54,212
Income tax as per tax assessment		18,636	20,234	63,426
Subsidiary Company:				
Income tax provision for the year		29,604	573,281	518,542
Income tax as per tax assessment		29,604	429,992	(157,134)
	Note	2018	2017	
		----- (Rupees in '000) -----		
34. EARNINGS PER SHARE – basic and diluted				
Profit for the year (Rupees in '000)		19,715	29,098	
Weighted average number of ordinary shares in issue (in '000)		22,489	22,489	
Earnings per share - basic and diluted		Rs. 0.88	Rs. 1.29	

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged during the year for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Group are as follows:

	2018				2016			
	Chief Executive	Directors	Executives	Total	Chief Executive	Director	Executives	Total
	----- (Rupees in '000) -----							
Managerial remuneration	25,668	13,952	15,670	55,290	22,410	12,459	12,707	47,576
Bonus	2,277	1,248	1,400	4,925	2,070	1,114	1,136	4,320
Group's contribution to provident fund	1,091	333	582	2,006	952	365	872	2,189
Group's contribution to gratuity fund	259	-	382	641	235	-	346	581
Group's contribution to pension fund	-	-	186	186	-	-	168	168
Travelling and conveyance	-	135	66	201	-	194	321	515
Extra working day compensation	-	-	222	222	-	-	222	222
Mobile allowance	-	30	-	30	-	30	-	30
Medical allowance	-	382	251	633	-	327	657	984
	29,295	16,080	18,759	64,134	25,667	14,489	16,429	56,585
Number of persons (including those who worked part of the year)	1	2	8	11	1	2	7	10

35.1 Fee amounting to Rs. 0.65 million (2017: Rs. 0.55 million) was paid to five (2017: four) non-executive directors for attending Board meetings during the year.

35.2 In addition, the Chief Executive, the Directors and certain Executives were also provided with free use of the Group's maintained cars.

35.3 The comparative figures have been restated to reflect the changes in the definition of executives as per the Act.

36. RETIREMENT AND OTHER SERVICE BENEFITS

36.1 Pension fund and gratuity fund - valuation results

The latest actuarial valuations of the defined benefit plans were carried out as at June 30, 2018, using the "Projected Unit Credit Method". The details of defined benefit plans are as follows:

	Note	Pension Fund		Gratuity Fund	
		2018	2017	2018	2017
		----- (Rupees in '000) -----			
36.1.1 Reconciliation as at reporting date:					
Fair value of plan assets	36.1.4	(75,828)	(96,825)	(25,236)	(12,554)
Present value of defined benefit obligations	36.1.3	108,913	102,914	15,800	15,754
Net liability at end of the year	36.1.2	33,085	6,089	(9,436)	3,200
36.1.2 Movement in net liability recognised:					
Opening balance		6,089	4,339	3,200	1,607
Charge for the year	36.1.5	1,747	1,766	3,712	188
Amounts paid to the fund		(7,468)	(7,167)	-	-
Employee contribution to be paid to fund		245	184	-	-
Remeasurements recognised in other comprehensive income	36.1.7	9,968	-	(6,963)	-
		(6,963)	-	-	-
Paid to the Holding Company		22,504	-	-	-
Employer contribution to the fund		-	-	(9,385)	(2,000)
Closing balance		33,085	6,089	(9,436)	3,200

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

	Note	Pension Fund		Gratuity Fund	
		2018	2017	2018	2017
36.1.3 Movement in defined benefit obligations:		----- (Rupees in '000) -----			
Opening balance		102,914	102,704	15,754	12,811
Current service cost		1,085	1,311	566	520
Interest cost		8,857	8,921	1,244	1,153
Past service cost (late joiners)		-	-	2,591	-
Benefits paid		(9,014)	(7,167)	(3,857)	-
Employees contribution		245	-	-	-
Remeasurements of obligations	36.1.7	4,826	(2,855)	(498)	1,270
Closing balance		108,913	102,914	15,800	15,754
36.1.4 Movement in fair value of plan assets:					
Opening balance		96,825	98,365	12,554	11,204
Expected return on plan assets		8,195	8,466	689	1,485
Benefits paid on behalf of the fund		7,468	7,167	-	-
Employees contributions		-	(184)	9,385	2,000
Benefits paid		(9,014)	(7,167)	(3,857)	-
Paid to the Holding Company		(22,504)	-	-	-
Remeasurements of plan assets	36.1.7	(5,142)	(9,822)	6,465	(2,135)
Closing balance		75,828	96,825	25,236	12,554
36.1.5 Charge for the year:					
Current service cost		1,085	1,311	3,157	520
Net Interest cost		662	455	555	(332)
		1,747	1,766	3,712	188
36.1.6 Actual return on plan assets		3,053	(1,356)	7,154	(650)
36.1.7 Remeasurement recognised in Other Comprehensive Income:					
Remeasurement of obligation					
Experience (gain) / loss		4,826	(2,855)	(498)	1,270
Remeasurement of plan assets					
Return on plan assets, excluding amounts included in interest expense / (income)		-	-	(6,465)	2,135
Loss from change in financial assumptions		5,142	9,822	-	-
		5,142	9,822	(6,465)	2,135
		9,968	6,967	(6,963)	3,405
		Pension Fund		Gratuity Fund	
		2018	2017	2018	2017
36.1.8 Principal actuarial assumptions used in the actuarial valuation:		----- (Percentage) -----			
Financial assumptions					
Discount rate		9.00%	9.00%	9.00%	9.00%
Expected per annum rate of return on plan assets		9.00%	9.00%	9.00%	9.00%
Expected per annum rate of increase in salaries - long term		7.00%	7.00%	7.00%	7.00%
Expected per annum rate of increase in pension		-	-	-	-
Demographic assumptions					
Expected mortality rate		Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005
Expected withdrawal rate		Low	Low	Low	High

Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

As at June 30, 2018
Pension Fund Gratuity Fund
----- (Rupees in '000) -----

36.1.9 Analysis of present value of defined benefit obligation:

Vested benefits	106,714	15,800
Non-vested benefits	2,199	-
	108,913	15,800

38.1.10 Plan assets comprise of the following:

	Pension Fund				Gratuity Fund			
	2018		2017		2018		2017	
	Rupees in '000in	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Equity instruments	15,069	19.87	6,846	7.07	3,455	13.69	2,970	23.66
Debt instruments								
Defence Savings Certificates	17,232	22.73	16,112	16.64	14,360	56.90	13,426	106.95
Treasury Bills	36,468	48.09	-	-	6,889	27.30	-	-
Pakistan Investment Bonds	6,238	8.23	60,596	62.58	-	-	-	-
	59,938	79.04	76,708	79	21,249	84.20	13,426	106.95
Cash and cash equivalents	821	1.08	8,971	9.27	532	2.11	458	3.65
Others	-	-	4,300	4.44	-	-	(4,300)	(34.25)
	75,828		96,825		25,236		12,554	

36.1.11 Historical information of staff retirement benefits:

	2018	2017	2016	2015	2014	2013
	----- (Rupees in '000) -----					
Gratuity Fund						
Present value of defined benefit obligation	15,800	15,754	13,396	15,294	16,392	26,406
Fair value of plan assets	(25,236)	(12,554)	(12,089)	(10,028)	(9,350)	(15,854)
Deficit	(9,436)	3,200	1,307	5,266	7,042	10,552
Pension Fund						
Present value of defined benefit obligation	108,913	102,914	99,680	97,531	93,748	127,719
Fair value of plan assets	(75,828)	(96,825)	(94,229)	(91,355)	(84,098)	(98,225)
(Deficit) / surplus	33,085	6,089	5,451	6,176	9,650	29,494

36.1.12 The amount of the defined benefit obligation after changes in the weighted principal assumptions is as follows:

	As at June 30, 2018	
	Pension Fund	Gratuity Fund
	----- (Rupees in '000) -----	
Discount rate + 1%	99,601	14,870
Discount rate - 1%	119,897	16,834
Long term salaries increase +1%	111,409	16,846
Long term salaries increase -1%	106,641	14,844
Withdrawal rates +10%	108,896	15,813
Withdrawal rates -10%	108,930	15,786

38.1.13 The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the liability recognised within the statement of the consolidated financial position.

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

36.2 Provident Fund

The following information is based upon the latest financial statements of the provident fund as at the reporting date:

	2018 Unaudited	2017 Audited
	----- (Rupees in '000) -----	
Size of the fund - total assets	32,962	32,478
Fair value of investments	32,917	32,208
Cost of investments	29,992	31,378
Percentage of investments	99.86%	95.85%

	2018		2017	
	in '000	Rupees %	in '000	Rupees %
36.2.1 The break-up of fair value of investments is as follows:				
Bank deposits	3,130	9.51	1,348	4.47
Government securities	23,703	72.01	28,840	95.53
Mutual funds	6,084	18.48	-	-
	32,917	100.00	30,188	100.00

36.2.2 The investments out of the Provident Fund have been made in accordance with the provisions of Section 218 of the Act and the rules formulated for the purpose.

37. TRANSACTIONS WITH RELATED PARTIES

37.1 The related parties include the staff retirement benefit / contribution plans, associated companies / other related parties, Directors and other Key Management Personnel. All major transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Group.

37.2 Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

Transactions with related parties		2018	2017
Nature of relationship	Nature of transactions	(Rupees in '000)	
Former Holding Company			
H.A.K.S. Trading (Private) Limited	Dividend	16,836	16,836
Staff Retirement Benefit / Contribution Plans			
Burshane LPG (Pakistan) Limited: Pension Fund	Benefits paid	7,468	7,167
Provident Fund	Holding Company's contribution for the year	2,913	2,523
Associated Companies / Other Related Parties			
Norinco International Thatta Power	Advances given for expenses	-	517
	Advances recovered	-	562
ALSAA & AAK Commodities (Private) Limited	Advances given for expenses	326	21
	Advances recovered	326	21

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

37. TRANSACTIONS WITH RELATED PARTIES (continued)

Balances with related parties

Nature of relationship	Nature of balances	2018 ---- (Rupees in '000) ----	2017
Former Holding Company			
H.A.K.S. Trading (Private) Limited	Dividend payable	50,508	33,672
Staff Retirement Benefit / Contribution Plans			
Burshane LPG (Pakistan) Limited:			
Gratuity Fund	Receivable / payable to Staff Gratuity Fund	9,422	3,200
Pension Fund	Payable to Staff Pension Fund	33,085	6,089
Provident Fund	Receivable from Staff Provident Fund	766	6,906
Associated Companies / Other Related Parties			
Burshane Petroleum (Private) Limited (Formerly Darian International (Private) Limited)	Receivable against use of name "Burshane"	9,000	9,000
Norinco International Thatta Power (Private) Limited	Receivable against expenses	-	81
ALSAA & AAK Commodities (Private) Limited	Receivable against expenses	13	13

37.3. Following are the related parties with whom the Company had entered into transactions or has arrangement/ agreement in place:

Name	Basis of relationship	% of shareholding in the Group
ALSAA & AAK Commodities (Private) Limited	Common directorship	Nil
Norinco International Thatta Power (Private) Limited	Common directorship	Nil
Burshane Petroleum (Private) Limited	Common directorship	Nil
Burshane LPG (Pakistan) Limited:		
Gratuity Fund	Staff Retirement Benefit Plan	Nil
Pension Fund	Staff Retirement Contribution Plan	Nil
Provident Fund	Staff Retirement Benefit Plan	Nil

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

	Note	2018	2017
		----- (Rupees in '000) -----	
38. CASH GENERATED FROM OPERATIONS			
Profit before taxation		53,749	50,726
Adjustments			
Depreciation	7.1.2	30,219	25,506
Amortisation	8.6	59,941	49,233
Reversal of provision of other receivable		-	(8,606)
Provision for retirement and other service benefits		8,372	4,923
Finance costs	32	29,976	35,167
Trade debts written off	31	-	7,211
Profit on saving accounts	30	(3,350)	(4,688)
Liability for cylinder and regulator deposits written back	30	(21,585)	(21,235)
Others		-	(205)
Working capital changes	38.1	(42,843)	55,937
		114,479	193,969
38.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores and spares - net		3,194	(1,876)
Stock-in-trade		(44,586)	(13,219)
Trade debts		(12,653)	6,399
Loans and advances		(45,505)	94,455
Deposits, prepayments and other receivables		5,512	(24,888)
		(94,038)	60,871
Increase / (decrease) in current liabilities:			
Trade and other payables		51,195	(4,934)
		(42,843)	55,937
39. FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY			
39.1 Financial assets as per balance sheet - at amortised cost			
Long-term loans	9	1,466	1,030
Long-term deposits		100,839	69,986
Trade debts	13	17,654	5,001
Loans and advances	14	120,714	75,209
Deposits and other receivables	15	43,260	41,973
Cash and bank balances	16	112,179	113,156
		396,112	306,355
39.2 Financial liabilities as per balance sheet - at amortised cost			
Long-term loan including current maturity of long-term loan	19	254,439	254,439
Liabilities under finance lease	20	3,940	6,942
Cylinder and regulator deposits		374,145	373,599
Trade and other payables	23	152,648	77,661
Unclaimed dividends		53,676	36,273
Accrued mark-up on long-term loan		60,295	35,209
		899,143	784,123

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

40. FINANCIAL RISK MANAGEMENT

40.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to share holders. Risk management is carried out by the Group's finance and treasury department under policies approved by the Board of Directors of the Holiday Company.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. It mainly arises when receivables and payables exist due to transactions in foreign currency.

As majority of the Group's financial assets and liabilities are denominated in Pakistani Rupees, therefore, the Group, at present, is not materially exposed to foreign currency risk.

(ii) 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 is primarily exposed to interest rate risk arising from long-term loan from bank and bank deposits. Borrowing at variable rate exposes the Group to cash flow interest rate risk. The Group's manages its interest rate risk by placing its excess funds in saving accounts in banks.

The management of the Group estimates that 1% increase in the market interest rate, with all other factors remaining constant, would decrease the Group's profit before tax by Rs. 2.544 (2017: Rs. 2.896 million) and a 1% decrease would result in increase in the Group's profit before tax by the same amount. However, in practice, the actual result may differ from the sensitivity analysis.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is not materially exposed to other price risk as at June 30, 2018.

(b) Credit risk

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counter parties and continually assessing the creditworthiness of counter parties.

Credit risk of the Group arises from deposits with banks and financial institutions, trade debts, loans, deposits and other receivables. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The maximum exposure to credit risk is presented in the below table.

The Group monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which are neither past due nor impaired are as under:

	2018	2017
	----- (Rupees in '000) -----	
Long-term loans	1,466	1,030
Long-term deposits	100,839	69,986
Trade debts	17,654	458
Loans	1,430	11,530
Deposits and other receivables	43,260	41,973
Bank balances	112,010	113,126
	276,659	238,103

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

The credit quality of receivables can be assessed with reference to their historical performance with no or some defaults in recent history. The credit quality of Group's bank balances can be assessed with reference to external credit ratings as follows:

Name	Rating agency	Rating			
		Short term		Long term	
		2018	2017	2018	2017
Bank Alfalah Limited	PACRA	A1+	A1+	AA+	AA+
Habib Bank Limited	JCR-VIS	A1+	A1+	AAA	AAA
MCB Bank Limited	PACRA	A1+	A1+	AAA	AAA
National Bank of Pakistan	PACRA	A1+	A1+	AAA	AAA
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	A1+	AAA	AAA
Faysal Bank Limited	PACRA	A1+	A1+	AA	AA
Meezan Bank Limited	JCR-VIS	A1+	A1+	AA+	AA
United Bank Limited	JCR-VIS	A1+	A1+	AAA	AAA
Sindh Bank Limited	JCR-VIS	A1+	A1+	AAA	AAA
Summit Bank Limited	JCR-VIS	A1	A1	A-	AAA

(c) Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities.

The Group's liquidity risk management implies maintaining sufficient cash and also involves projecting cash flows and considering the level of liquid assets necessary to meet these. As of the reporting date, the Group's current liabilities exceed its current assets by Rs. 148.055 million (2017: Rs. 130.962 million), which is mainly due to classification of the long-term loan to current liabilities (note 19). However, the Group based on its future plans is confident that it will have sufficient cash flows to meet its financial obligations in the foreseeable future.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity dates.

	2018			2017		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
Financial liabilities						
Long-term loan including current maturity of long-term loan	254,439	-	254,439	254,439	-	254,439
Liabilities under finance lease	3,002	938	3,940	3,002	3,940	6,942
Cylinder and regulator deposits	-	374,145	374,145	-	373,599	373,599
Trade and other payables	152,648	-	152,648	77,661	-	125,065
Unclaimed dividends	53,676	-	53,676	36,273	-	36,273
Accrued mark-up on long-term loan	60,295	-	60,295	35,209	-	35,209
	524,060	375,083	899,143	406,584	377,539	831,527

Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

40.2 Fair value

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. As of the reporting date, Group's all assets and liabilities are carried at amortised cost except for those mentioned below:

The Group's freehold land and leasehold land are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent impairment losses, if any. The fair value measurement of the Group's free hold land and lease hold land as at June 15, 2015 was carried out by M/s. Consultancy Support and Services and Harvestor Services (Private) Limited, respectively (note 7.1.4).

The valuation techniques and inputs used to develop fair value measurement of aforementioned assets are as follows:

Level 1: Quoted prices 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 data (unobservable inputs).

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

Details of fair value hierarchy and information relating to fair value of the Group's freehold land and leasehold land are as follows:

	Fair value measurement using			Total
	Quoted price in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)	
	----- (Rupees in '000) -----			
June 30, 2018:				
Assets measured at fair value				
Property, plant and equipment				
Freehold land	15,000	-	15,000	-
Leasehold land	509,138	-	509,138	-
	524,138	-	524,138	-

June 30, 2017:

Assets measured at fair value

Property, plant and equipment				
Freehold land	15,000	-	15,000	-
Leasehold land	509,138	-	509,138	-
	524,138	-	524,138	-

► Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

40.3 Capital risk management

The Group finances its operations through equity, borrowings and management of working capital with a view of maintaining an appropriate mix between various sources of finance to minimize risk. 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 future development of the business and maximize shareholders value. The Group monitors capital using a debt equity ratio as follows:

	Note	2018	2017
		----- (Rupees in '000) -----	
Long-term loan	19	-	-
Liabilities under finance lease	20	3,940	6,942
Cylinder and regulator deposits		374,145	373,599
Current maturity of long-term loan	19	254,439	254,439
Trade and other payables	23	179,524	104,264
Unclaimed dividends		53,676	36,273
Accrued mark up on long-term loan		60,295	35,209
Total debt		926,019	810,726
Cash and bank balances	16	(112,179)	(113,156)
Net debt		813,840	697,570
Share capital	17	224,888	224,888
Revenue reserves	18	143,965	146,739
Capital reserves	18	153,458	153,458
Actuarial (loss) / gain on remeasurement of retirement and other service benefits	18	(24,219)	(21,214)
Revaluation surplus on property, plant and equipment	18	274,765	274,765
Total equity		772,857	778,636
Capital		1,586,697	1,476,206
Gearing ratio		51.29%	47.25%

41. NON-ADJUSTING EVENT AFTER THE REPORTING DATE

41.1 Subsequent to the year end, the Board of Directors of the Holding Company in their meeting held on September 25, 2018 have proposed a final cash dividend of Re. 0.75 (2017: Re. 1) per share.

41.2 Under section 5A of the Income Tax Ordinance, 2001 (the Ordinance), every public company is obliged to pay tax at the rate 5% on its accounting profit before tax if it derives profit for a tax year but, does not distribute atleast 20% of its after tax profits within six months of the end of the tax year, through cash.

Based on the above fact, the Board of Directors of the Holding Company has approved / paid final cash dividend amounting to Rs. 16,867 million for the financial and tax year 2018 which exceeds the prescribed minimum dividend requirement as referred above. Accordingly, no further tax provision has been recorded under section 5A of the Ordinance.

42. CORRESPONDING FIGURES

Certain corresponding figures have been reclassified for better presentation, however, there are no material reclassifications to report.

Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2018

	2018	2017
	(Quantity in metric ton)	
	----- (Rupees in '000) -----	
43. CAPACITY		
Installed annual filling capacity	37,500	37,500
Actual utilization	42,502	33,548

43.1 The installed annual filling capacity does not include storage and filling capacity of hospitality locations. The variations are due to change in market demand.

44. NUMBER OF EMPLOYEES	As at and for the year ended June 30, 2018	As at and for the year ended June 30, 2017
Total number of employees		
As at the reporting date	55	50
Average number of employees during the year	52	50
Total number of plant site employees		
As at the reporting date	21	21
Average number of plant site employees during the year	21	21

45. GENERAL

45.1 These consolidated financial statements have been rounded to the nearest thousand rupee, unless otherwise stated.

46. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on September 25, 2018 by the Board of Directors of the Group.

Chief Executive Officer

Chief Financial Officer

Director

Attendance at Board & Audit Committee Meetings

For the year ended June 30, 2018

Name	Board			Audit Committee			Human Resource and Remuneration Committee		
	Member	Meeting	Attendance	Member	Meeting	Attendance	Member	Meeting	Attendance
Mr. Asad Alam Niazi	◆	4	4				◆	2	2
Mr. Shahriar D. Sethna	◆	4	4	◆	4	4			
Ms. Hamdia Fatin Niazi	◆	4	4	◆	4	4	◆	2	2
Mr. Darayus T. Sethna	◆	4	2	◆	4	4	◆	2	2
Mr. Saiffee Zakiuddin	◆	4	4						
Mr. Tassaduq Hussain Niazi	◆	4	1						
Mr. Syed Etrat Hussain Rizvi	◆	4	3						
Mr. Muhammad Khalid Dar	◆	4	2						

Pattern of Shareholding

For the year ended June 30, 2018

No. Shareholders	Having Shares		Shares Held	Percentage
	From	To		
641	1	100	12632	0.0558
295	101	500	110466	0.4879
180	501	1000	168675	0.7450
254	1001	5000	651387	2.8771
49	5001	10000	379883	1.6779
12	10001	15000	154700	0.6833
4	15001	20000	67322	0.2974
4	20001	25000	86552	0.3823
4	25001	30000	114236	0.5046
1	30001	35000	35000	0.1546
2	5001	50000	98702	0.4360
1	50001	55000	52000	0.2297
1	55001	60000	60000	0.2650
1	65001	70000	70000	0.3092
1	70001	75000	71058	0.3139
1	140001	145000	140248	0.6195
1	380001	385000	380569	1.6810
1	1335001	1340000	336033	5.9012
1	1815001	1820000	1816238	8.0222
1	16830001	16835000	16834343	74.3565
1455	Company Total		22640044	100.0000

Pattern of Shareholding

For the year ended June 30, 2018

Categories of Shareholders	Number of Folio	Balance Share	Percentage
ASSOCIATED COMPANIES			
· H.A.K.S. TRADING (PVT.) LIMITED	2	16,684,629	74.1905%
NIT & ICP			
· NATIONAL BANK OF PAKISTAN, TRUSTEE DEPARTMENT	1	9,489	0.0422%
BANKS, DFI & NBF			
· NATIONAL BANK OF PAKISTAN	2	1,817,099	8.0800%
· THE BANK OF PUNJAB, TREASURY DIVISION.	1	70,000	0.3113%
· NOMAN ABID & COMPANY LIMITED	1	52,000	0.2312%
MODARABAS & MUTUAL FUNDS			
· CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,336,033	5.9409%
GENERAL PUBLIC			
· Local	1406	2,265,502	10.0739%
· FORGEIN	29	55,110	0.2451%
OTHERS			
	12	199,028	0.8850%
Company Total	1518	22,488,890	100.0000%
Shareholders holding five percent or more voting rights			
H.A.K.S. TRADING (PVT.) LIMITED	2	16,684,629	74.1905%
NATIONAL BANK OF PAKISTAN	3	1,826,588	8.1222%
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,336,033	5.9409%

E-Dividend Mandate Letter

To:

Date: _____

Subject: Bank account details for payment of Dividend through electronic mode

Dear Sir,

I/We/Messrs., _____,

being a/the shareholder(s) of Burshane LPG (Pakistan) Limited [the "Company"], hereby, authorize the Company, to directly credit cash dividends declared by it, in my bank account as detailed below:

(i) Shareholder's details:	
Name of the Shareholder	
CDC Participant ID & Sub-Account No. /CDC IAS	
CNIC/NICOP/Passport/NTN No. (please attach copy)	
Contact Number (Landline & Cell Nos.)	
Shareholder's Address	
(ii) Shareholder's Bank account details:	
Title of Bank Account	
IBAN (See Note 1 below)	
Bank's Name	
Branch Name & Code No	
Branch Address	

It is stated that the above particulars given by me are correct and I shall keep the Company, informed in case of any changes in the said particulars in future.

Yours truly,

Signature of Shareholder

(Please affix company stamp in case of corporate entity)

Notes:

1. Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly into your bank account.
2. This letter must be sent to shareholder's participant/CDC Investor Account Services which maintains his/her CDC account for incorporation of bank account details for direct credit of cash dividend declared by the Company from time to time.

Form of Proxy

The Company Secretary
Burshane LPG (Pakistan) Limited
Suite No. 101, First Floor, Horizon Vista,
Plot # Commercial - 10,
Block-04, Scheme # 05,
Clifton, Karachi. 75600

I / We _____ of _____ being a member of Burshane LPG (Pakistan) Limited and holder of ordinary shares as per Share Register Folio No. _____ and / or CDC Participant I.D. No. _____ and Sub Account No. _____ hereby appoint Mr./Mrs./Miss _____ of _____ or falling him _____ of _____ as my proxy to attend and act for me, and on my behalf, at the Annual General Meeting of the Company to be held on Wednesday, October 24, 2018, at 12:30 p.m. at Marvi Hall, Hotel Mehran, Main Shahrah-e-Faisal, Karachi and any adjournment thereof.

Dated this _____ day of _____, 2018.



(Specimen Signature of Proxy)

Folio No. _____
Participant I.D. No. _____
Sub Account No. _____
C.N.I.C./ Passport Number. _____

(Signature of Share Holder)

Folio No. _____
Participant I.D. No. _____
Sub Account No. _____
C.N.I.C./ Passport Number. _____

(Signature of Witness 1)

Name. _____
C.N.I.C./ Passport Number. _____
Sub Account No. _____
C.N.I.C./ Passport Number. _____

(Signature of Witness 2)

Folio No. _____
Participant I.D. No. _____
Sub Account No. _____
C.N.I.C./ Passport Number. _____

پراکسی فارم

کمپنی سیکریٹری،

برشین ایل پی جی (پاکستان) لمیٹڈ

کمرہ نمبر 101، پہلی منزل، ہوریزن وٹا،

پلاٹ نمبر کمرشل 10، بلاک 14 اسکیم 5

کلفٹن، کراچی 75600

میں / ہم _____ برشین ایل پی جی (پاکستان) لمیٹڈ کے ممبر کی حیثیت سے _____
شیر رجسٹرڈ فولیو نمبر _____ اور / یا سی ڈی سی پارٹی سپینٹ آئی ڈی نمبر _____ اور سب اکاؤنٹ
نمبر _____ عمومی شیرز کی تحویل رکھتا ہوں۔ _____ میں / ہم یہاں _____
کو بدھ، 24 اکتوبر 2018 کو 12:30 بجے ماروی ہال، ہوٹل مہران، مین شاہراہ فیصل، کراچی میں ہونے والے سالانہ اجلاس میں اپنی / ہماری غیر موجودگی میں شرکت اور ووٹ دینے کے
لیے اپنا / ہمارا پراکسی مقرر کرتا / کرتی ہوں۔

بتاریخ، _____ 2018

(پراکسی کے دستخط کا نمونہ)
فولیو نمبر _____
پارٹی سپینٹ آئی ڈی نمبر _____
سب اکاؤنٹ نمبر _____
سی این آئی سی / پاسپورٹ نمبر _____

5 روپے والا
ریونیو اسٹامپ

شیر ہولڈر کے دستخط
فولیو نمبر _____
پارٹی سپینٹ آئی ڈی نمبر _____
سب اکاؤنٹ نمبر _____
سی این آئی سی / پاسپورٹ نمبر _____

گواہ نمبر 2 کے دستخط
فولیو نمبر _____
پارٹی سپینٹ آئی ڈی نمبر _____
سب اکاؤنٹ نمبر _____
سی این آئی سی / پاسپورٹ نمبر _____

گواہ نمبر 1 کے دستخط
نام: _____
سی این آئی سی / پاسپورٹ نمبر _____
سب اکاؤنٹ نمبر _____
سی این آئی سی / پاسپورٹ نمبر _____



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