CATERING TO FUELING NEEDS

ANNUAL REPORT 2019


burshane

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 competive 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.

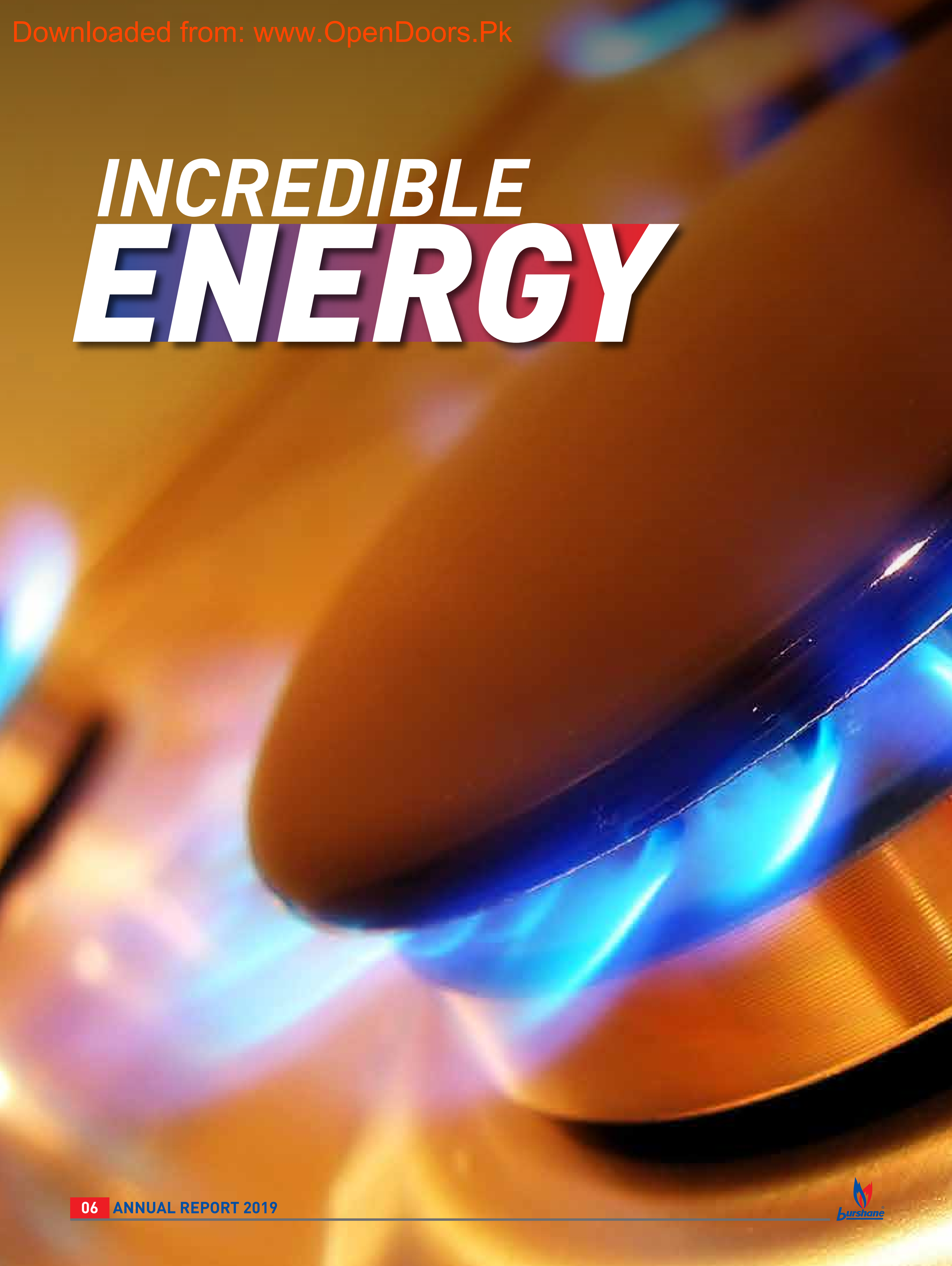
CONTENTS

VISION

To Be The Performer of first Choice

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

INCREDIBLE ENERGY



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, whlist making significent savings at the pumps.

COMPANY INFORMATION

Board of Directors

Mr. Shahriar D. Sethna
Chairman

Mr. Asad Alam Khan
CEO / Director

Ms. Hamdia Fatin Niazi
Director

Mr. Darayus T. Sethna
Director

Mr. Tassaduq Hussein Niazi
Director (Resigned on September 16, 2019)

Mr. Saifee Zakiuddin
Director

Syed Etrat Hussain Rizvi
Director (NIT Nominee)

Mr. Muhammad Khalid Dar
Director Marketing & Sales

Maj. Gen Rafiullah Khan (R)
Independent Director

Mr. Shaikh Abdus Sami
Independent Director (Appointed on September 19, 2019)

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. Saifee 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 Charterd Bank Pakistan Limited
Faysal Bank Limited
United Bank Limited
Summit Bank Limited
Bank Alfalah Limited
Meezan Bank Limited

Registerd Office:
Suite 101, 1st Floor, Horizon Vista,
Plot No. Commercial - 10, Block-4
Scheme No. 5, Clifton, Karachi - 75600
Tel : + 92 21 35878356, 35309870 & 73
UAN : +92 21 111 111 BPL (275)
Fax : +92 21 3587 8353
www.burshane.com


Burshane LPG

CONVENIENT
& SAFE DOMESTIC USE

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 Environment (HSSE).

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 diffrentiated 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 sutomers and enhancing the brand by providing products and sevices to creat customer loyalty and market share on a sustainable basis. Consistent focus on our CVP across the entire value chain has distinguished our brand among compititors 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

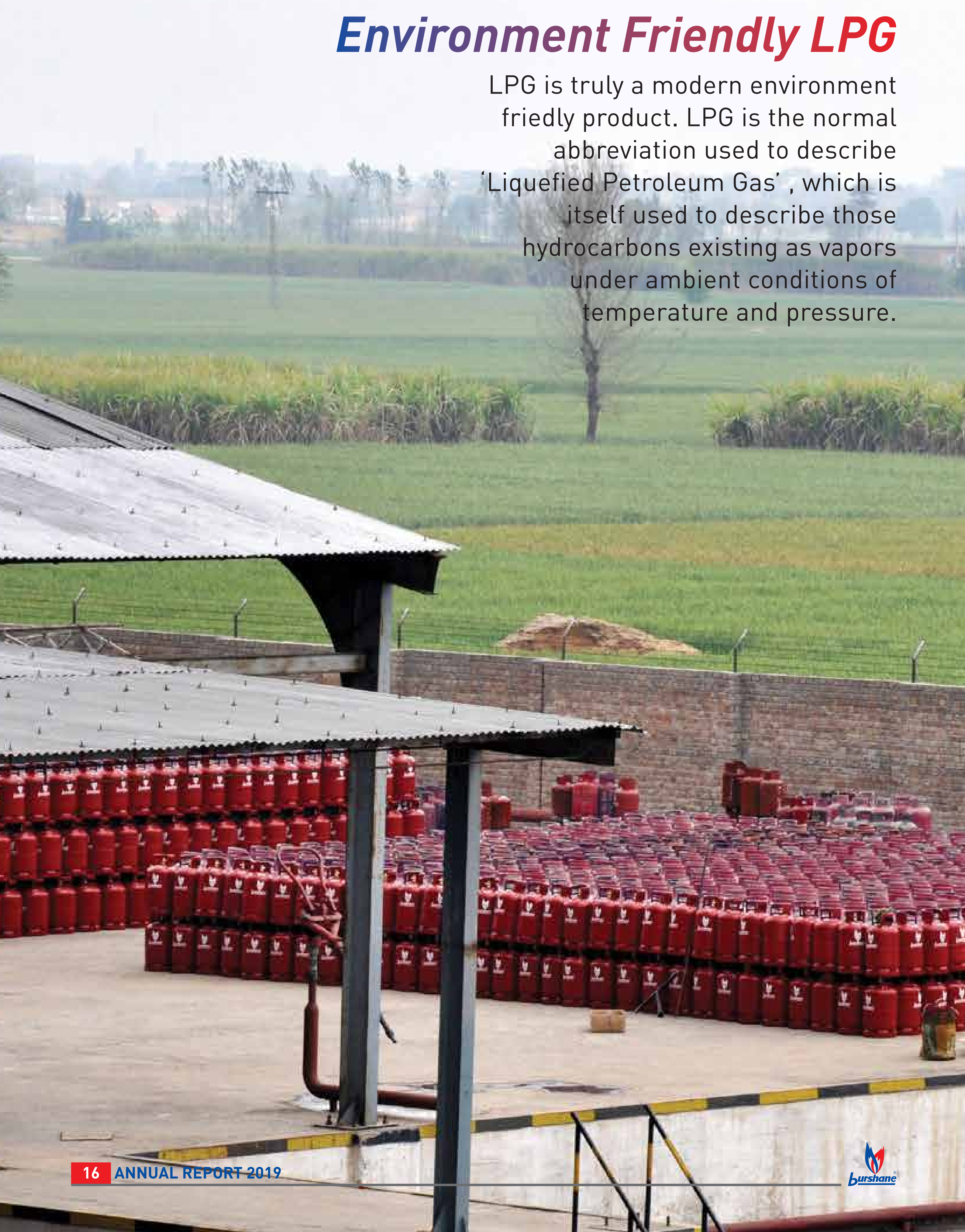
Mr. Wahaj Hussain
Company Secretary

Roozbeh Baria
Regional Sales Manager
(South)

Syed Shahid Abbas
Regional Sales Manager
(North)

Environment Friendly LPG

LPG is truly a modern environment friedly 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.



EFFICIENT
ECO-FRIENDLY

LPG is a clean
- burning fuel which cleans
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.

DIRECTORS' REPORT

It gives me pleasure to submit the results and financial information of the Company for the year ended June 30, 2019.

During the year under review, sales volume of the Company at Rs 3.250 billion, increased by Rs 324m (11.07%) compared to the preceding year primarily due to higher prices. The quantity sold, however, decreased by 4,117 MT (9.70%) due to less quantity supplied by local refineries. This was primarily due to expiry of Supply agreement with NRL and lower production of LPG by the refineries. Our imported LPG sales also reduced as the imports were much lower and our imports of LPG also reduced by 12.80%. During the year your company purchased Imported LPG of 12,447 MT as compared to 14,275 MT purchased during the last year. Gross margin at Rs 215.4 m also showed a decline of Rs 17.2m mainly because of negative margins during the months of April, May & June 2019. Decline in gross margins was due to extremely lower demand and increased supply by local refineries. During these months the local refineries sold their LPG at lower than OGRA approved price for the producers. During the last year, due to continued supply of LNG, demand from Industrial Consumers also remained low. However, due to lower then Petrol and Diesel price as compared to that of LPG, the demand in auto sector showed slight increase which resulted in increase of our sales in the auto sector.

Administrative expenses decreased by Rs. 2.1 million (1.95%),despite general price increase, due to better cost control in traveling, conveyance and vehicle maintenance expenses. Distribution and marketing expenses increased by Rs. 4.56 million (7.09%) in the year.

The Company has reached to an agreement for restructuring of its Demand Finance Liability of Rs. 254 m with National Bank of Pakistan Ltd. Under the restructuring agreement, the company will pay an upfront amount of Rs. 89m in principal and the balance amount of Rs 165 m will be repaid over next 7 years.

The Company's earnings per share for the current year also increased to Rs. 1.15 compared to Rs. 0.87 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.

We have once again excelled in our performance of Health, Safety, Security and Environment (HSSE), with no lost time injury and fatality. The management is committed towards not only improving the HSSE standards for itself but leading in to establish best practices for the industry as well.

In the context of business growth, the Company has made agreement with BYCO for supply of LPG. Under the agreement BYCO would supply a volume upto 35 MT per day of LPG, depending upon their production. It is expected that this agreement would bring in an additional volume of about 5,000 MT of LPG during the next year.

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 years.

During the year various cases were filed with Supreme Court of Pakistan for abolition of Signature Bonus on supply of LPG by the local producers. The Supreme Court directed OGRA to regulate the practice of Signature Bonus and accordingly OGRA has imposed a ban on charging of signature bonus by the producers of local LPG.

As a result the surplus LPG which remains unallocated is sold by the producers by way of an auction process or is allocated to their existing customers, without any premium or signature bonus.

Composition of Board

The total number of directors are Nine (9) and their compositions are as following:

- Male: 8
- Female: 1

Category	Name
Independent Director	Maj.Gen Rafi ullah Khan (R) Mr. Shaikh Abdus Sami (Appointed on September 19, 2019)
Other Non-Executive Directors	Mr. Shahriar D. Sethna Ms. Hamdia Fatin Niazi Mr. Darayus T. Sethna Mr. Tassaduq Hussain Niazi (Resigned on September 16, 2019) Mr. Etrat Hussain Rizvi
Executive Directors	Mr. Asad Alam Niazi Mr. Saifee Zakiuddin Mr. Khalid Dar

The following Committees continued to function as per the requirements of the law and as directed by the Board.

a) Audit Committee

Ms. Hamdia Fatin Niazi	-	Chairperson
Mr. Shahriar D. Sethna	-	Member
Mr. Darayaus T. Sethna	-	Member
Maj. Gen Rafi ullah Khan (R)	-	Member (Appointed on September 19, 2019)
Mr. Shaikh Abdus Sami	-	Member (Appointed on September 19, 2019)

b) Human Resource and Remuneration Committee

Mr. Darayus T. Sethna	-	Chairman
Mr. Asad Alam Niazi	-	Member
Ms. Hamdia Fatin Niazi	-	Member
Maj. Gen Rafi ullah Khan (R)		Member (Appointed on September 19, 2019)

During the year, four (4) meetings of the Board of Directors,four (4) meetings of the Audit Committee and one (1) meeting of the HR & remuneration committee were held. Attendance of each Director is shown separately on page # 153.

The pattern of shareholding is shown separately on page # 154.

DIRECTORS' REPORT

Following are the key numbers of the results for the year (Rs. in '000)

Net Sales	3,249,870
Gross Margins	215,355
Profit before Tax	64,974
Profit after Tax	25,857
Earnings per Share	1.15

Following is the appropriation:

Dividend declared	Cash	Re. 1 per share
	Bonus	NIL

The present Auditors M/s EY Ford Rhodes, Chartered Accountants, retire and being eligible, have offered themselves for re-appointment. The Board of Directors endorse the recommendation of the Audit Committee for their reappointment as auditors of the Company for the financial year ending June 30, 2020, subject to shareholders' approval in the Annual General Meeting.

During the year, the Company has conducted Board performance evaluation by way of self-assessment by each Director and have ensured that this requirement is fully complied with.

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.

Saifee Zakiuddin
Director

Asad Alam Khan
Director / CEO

Karachi
Dated: September 20, 2019

ڈائریکٹرز رپورٹ

ب) ہیومن ریسورسز اور ریمونریشن کمیٹی

جناب دریاس ٹی سیٹھنا	-	چیئرمین
جناب اسد عالم نیازی	-	ممبر
محترمہ حمدیہ فطین نیازی	-	ممبر
میجر جنرل رفیع اللہ خان (ریٹائرڈ)	-	ممبر (19 ستمبر 2019 کو منتخب کئے گئے)

دوران سال، بورڈ آف ڈائریکٹر کے 4 اجلاس، آڈٹ کمیٹی کے 4 اجلاس اور HR اور ریمونریشن کمیٹی کا ایک اجلاس منعقد ہوا۔ ان اجلاسوں میں ہر ڈائریکٹر کی حاضری کی تفصیل صفحہ نمبر 153 پر علیحدہ سے دی گئی ہے۔

پیٹرن آف شیئر ہولڈنگ صفحہ نمبر 154 پر علیحدہ سے دیا گیا ہے۔

سال کے لیے اہم کاروباری نتائج درج ذیل ہیں:

	(Rs. in '000)
نیٹ سیلز	3,249,870
مجموعی منافع جات	215,355
قبل از ٹیکس منافع	64,974
بعد از ٹیکس منافع	25,857
ہر ایک شیئر پر منافع	1.15

تخصیص درج ذیل ہے:

اعلان کردہ منافع منقسمہ	نقد	فی شیئر 1 روپے
	بونس	کوئی نہیں

موجودہ آڈیٹرز میسرز ارنسٹ ینگ فورڈ روڈز، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور اہلیت کی بنیاد پر انہوں نے خود کو دوبارہ تعیناتی کے لیے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز آڈٹ کمیٹی کی تجویز کی توثیق کرتے ہوئے کمپنی کے ریٹائر ہونے والے آڈیٹرز کی 30 جون 2020 کو ختم ہونے والے سال کے لیے دوبارہ تعیناتی کی تجویز دیتا ہے جو کہ سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

دوران سال، کمپنی نے بورڈ کی کارکردگی کا جائزہ ہر ڈائریکٹر کی خود احتسابی کے عمل کے ذریعے انجام دیا اور یقین ہے کہ اس ذمہ داری کی مکمل طور پر نبھایا گیا ہے۔

بورڈ کی طرف سے، میں اپنے اسٹاف، کاروباری شراکت داروں، صارفین اور تمام اسٹیک ہولڈرز کو ان کے مسلسل تعاون کے لیے شکریہ ادا کرتا ہوں کہ ان کی جانب سے برشین کو پہلی ترجیح بنانے کی بدولت ہی کمپنی کو مستحکم کاروبار کی طرف رواں دواں ہے۔

سیفی ذکی الدین
ڈائریکٹر

اسد عالم خان
ڈائریکٹر / سی ای او

کراچی،
بتاریخ 20 ستمبر 2019

داخل کئے گئے۔ سپریم کورٹ نے سگنیچر بونس کے اجرا کو ریگولیٹ کرنے کے لیے اوگرا کو ہدایات جاری کی ہیں اور اس کی تعمیل میں اوگرا نے مقامی ایل پی جی کے پروڈیوسرز کی جانب سے سگنیچر بونس وصول کرنے پر پابندی نافذ کر دی ہے۔ نتیجتاً زائد ایل پی جی کی فروخت غیر مختص انداز میں پروڈیوسرز کی جانب سے نیلامی کے طریقہ کار یا موجودہ کسٹمرز کو کسی بھی پریمیم یا سگنیچر بونس کے بغیر مختص کئے فروخت کی جائے گی۔

بورڈ کی تشکیل

ڈائریکٹر کی ٹوٹل تعداد 9 ہے اور ان کی تشکیل درج ذیل ہے:

- مرد: 8
- خواتین: 1

نوعیت	نام
آزاد ڈائریکٹر	میجر جنرل رفیع اللہ خان (ریٹائرڈ) جناب شیخ عبد السمیع (19 ستمبر 2019 کو منتخب کئے گئے)
دیگر نان ایگزیکٹو ڈائریکٹرز	جناب شہریار ڈی سیٹھنا محترمہ حمدیہ فطین نیازی جناب دریس ٹی سیٹھنا جناب تصدق حسین نیازی (16 ستمبر 2019 کو مستعفی ہو گئے) جناب عطرت حسین رضوی
ایگزیکٹو ڈائریکٹرز	جناب اسد عالم نیازی جناب سیفی ذکی الدین جناب خالد ڈار

درج ذیل کمیٹیاں قانون کی تعمیل اور بورڈ کی ہدایات کے مطابق مصروف عمل ہیں۔

الف) آڈٹ کمیٹی

محترمہ حمدیہ فطین نیازی	-	چیئرپرسن
جناب شہریار ڈی سیٹھنا	-	ممبر
جناب دریس ٹی سیٹھنا	-	ممبر
میجر جنرل رفیع اللہ خان (ریٹائرڈ)	-	ممبر (19 ستمبر 2019 کو منتخب کئے گئے)
جناب شیخ عبد السمیع	-	ممبر (19 ستمبر 2019 کو منتخب کئے گئے)

ڈائریکٹرز رپورٹ

یہ بات میرے لیے خوشی کا باعث ہے کہ میں آپ کے سامنے 30 جون 2019 کو ختم شدہ سال کے لیے کمپنی کی مالیاتی صورتحال کے نتائج پیش کر رہا ہوں۔

زیر جائزہ عرصہ کے دوران، کمپنی کی فروخت 3.250 بلین کے ساتھ گزشتہ سال کے مقابلے میں 324 ملین روپے (11.07٪) کا اضافہ ہوا، جس کی اہم وجہ قیمتوں میں اضافہ ہونا ہے۔ فروخت ہونے والی مقدار میں 4,117 میٹرک ٹن (9.70٪) کمی مقامی ریفائنریز کی جانب سے کم سپلائی ہے۔ یہ اس لیے ہوا کہ بنیادی طور پر NRL سے سپلائی کا معاہدہ ختم ہو گیا ہے اور ریفائنریز کی پروڈکشن میں کمی واقع ہوئی ہے۔ ہماری امپورٹڈ ایل پی جی کی فروخت میں بھی کم امپورٹس کے سبب 12.80 فیصد کمی واقع ہوئی۔ دوران سال آپ کی کمپنی نے گزشتہ سال کی 14,275 میٹرک ٹن کے مقابلے میں 12,447 میٹرک ٹن امپورٹڈ ایل پی جی خریدی۔ 215.4 ملین کے مجموعی منافع جات میں اپریل، مئی اور جون 2019 کے مہینوں میں منفی بجٹ کے سبب 17.2 ملین روپے کی کمی سامنے آئی۔ مقامی ریفائنریز کی طلب میں شدید کمی اور بڑھتی ہوئی سپلائی کی صورتحال مجموعی منافع جات میں کمی کا اہم سبب رہے۔ ان مہینوں کے دوران مقامی ریفائنریز نے اپنی ایل پی جی پروڈیوسرز کو اوگرا سے منظور شدہ قیمت سے کم میں فروخت کی۔ گزشتہ سال کے دوران ایل این کی مسلسل فراہمی کے سبب صنعتی صارفین کی طلب بھی کم رہی۔ تاہم پیٹرول اور ڈیزل سے کم قیمت کے سبب آٹو سیکٹر میں ایل پی جی کی طلب میں کچھ اضافہ دیکھنے میں آیا اور آٹو سیکٹر میں ہماری فروخت میں اضافہ ہوا۔

عام اشیاء کی قیمتوں میں اضافے کے باوجود، ٹریولنگ،، کرایہ داری اور گاڑیوں کی مرمت پر ہونے والے اخراجات پر بہتر کنٹرول کے سبب انتظامی اخراجات میں 2.1 ملین روپے (1.95٪) کی ہوئی۔ دوران سال ڈسٹری بیوشن اور مارکیٹنگ اخراجات میں 4.56 ملین (7.09٪) کا اضافہ ہوا۔

کمپنی اور نیشنل بینک آف پاکستان کے درمیان حاصل شدہ 254 ملین روپے کے قرض کی ری اسٹرکچرنگ کے لیے معاہدے طے پا گیا ہے۔ اس ری اسٹرکچرنگ معاہدے کے تحت کمپنی اصل رقم کے ساتھ 89 ملین روپے مزید رقم ادا کرے گی اور 165 ملین روپے کی بقایا رقم اگلے 7 سالوں میں ادا کی جائے گی۔

جاری سال کے لیے کمپنی کا ہر ایک شیئر پر منافع گزشتہ سال 0.87 فی شیئر منافع کے مقابلے میں 1.15 روپے تک بڑھ گیا ہے۔

ہمارا یہ ماننا ہے کہ مستحکم ترقی کا حصول کاروباری اقدار کی تعمیل سے ہی ممکن ہے۔ اس لیے برشین نے اپنے کاروباری اقدار کو کمپنی کے تمام آپریشنز میں زندہ کیا ہوا ہے اور ہم اپنے اسٹیک ہولڈرز میں بھی ان اقدار کی پاسداری کے لیے مسلسل کوشاں ہیں۔

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 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 پرعزم ہے۔

کاروبار کو بڑھانے کے پیش نظر، کمپنی نے بائیکو کے ساتھ ایل پی جی کی سپلائی کا معاہدہ کیا ہے۔ اس معاہدے کے تحت بائیکو ہمیں روزانہ 35 میٹرک ٹن ایل پی جی سپلائی کرے گی جو کہ ان کی پروڈکشن سے مشروط ہو گی۔ اس سے یہ امید کی جاتی ہے کہ آئندہ سال کے لیے تقریباً 5000 میٹرک ٹن ایل پی جی کی اضافی مقدار دستیاب ہو گی۔

میں آپ کو یقین دلانا چاہتا ہوں کہ کمپنی کی انتظامیہ اسٹیک ہولڈرز کے حوالے سے اپنی ذمہ داریوں سے بخوبی واقف ہے اور کاروباری ترقی کے لیے ان کے ساتھ طویل مدتی منصوبہ بندیوں پر کام کرنے کے لیے پرعزم ہے۔ ہم مارکیٹ شیئر میں اضافے کے ممکنہ طریقہ کار پر بھی غور کر رہے ہیں تاکہ برشین کی سرمایہ کاری سے زیادہ سے زیادہ منافع کمائے جا سکیں، اس لیے ہم پرامید ہیں کہ آنے والے سالوں میں کاروباری کارکردگی مزید مستحکم ہو گی۔

زیر جائزہ سال کے دوران مقامی پروڈیوسرز کی جانب سے ایل پی جی کی فراہمی پر سگنیچر بونس کے خاتمے کے لیے سپریم کورٹ آف پاکستان میں مختلف کیسز


burshane

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 CSR

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 polices 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 from SECP approved Director Training Institute. 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. 153.

Pattern of Shareholding:

The pattern of shareholding as of June 30, 2019 as required under section 227 of the Companies Act, 2017 is given on page no. 154.

Board of Directors:

The Directors as on June 30, 2019 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,
Mr. Muhammad Khalid Dar and
Maj. Gen Rafiullah Khan (R).

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

Karachi
Dated: 20th September, 2019

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 environnmental 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 contlicts of interest. Allbusiness 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 contidentiality.

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 tor 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 witli 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 53RD ANNUAL GENERAL MEETING

NOTICE IS HEREBY given that the 53rd Annual General Meeting (AGM) of Burshane LPG (Pakistan) Limited will be held on Saturday, October 26, 2019 at 11:00 A.M. at Marvi Hall, Hotel Mehran, Main Shahrah-e-Faisal Karachi, to transact the following business:

1. To confirm minutes of the 52nd Annual General Meeting of the Company held on October 24, 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, 2019.

3. To approve payment of final cash dividend @ 10 % i.e. Rs. 1.0 per share as recommended by the Directors for the year ended June 30, 2019.

4. To appoint auditors of the Company for the financial year ending 30 June 2020 and to fix their remuneration. The Board of Directors of the Company has recommended the name of retiring auditors M/s. EY Ford Rhodes, Chartered Accountants, for their appointment as external auditors for the year ending 30 June 2020. The retiring auditors, being eligible, have offered themselves for re-appointment for the year ending 30 June 2020.

5. To consider any other business with the permission of the chair.

SPECIAL BUSINESS:

6. To approve transmission of annual audited financial statements, auditor's report and directors report etc. (annual audited accounts) to the Company's shareholders through CD/DVD/USB at their registered address as allowed by the Securities and Exchange Commission of Pakistan by their SRO No.470 (I)/2016 dated May 31, 2016, and to pass the following Resolution.

   "**RESOLVED THAT** the Company be and is hereby allowed to transmit its annual audited financial statements, auditor's report and directors report etc. (annual audited accounts) to the Company's shareholders at their registered addresses in the form of soft copies in CD/DVD/USB instead of transmitting the annual audited accounts in printed copy as allowed by the Securities and Exchange Commission of Pakistan via SRO No.470(I)/2016 dated May 31, 2016"

On behalf of the Board

Karachi.
Dated: October 05, 2019

(Wahaj Hussain)
Company Secretary

NOTICE OF 53RD ANNUAL GENERAL MEETING

Notes:

1. **Book Closure:**

The Share Transfer Books of the Company will remain closed from October 20, 2019 to October 26, 2019 (both days inclusive). Transfers received in order by our Share Registrar, M/s. THK Associates (Pvt.) Limited, 1st Floor,40-C, Block-6, P.E.C.H.S., Karachi by the close of business on 19 October 2019 will be considered in time for the determination of any entitlement, as recommended by the Board of Directors and attending the meeting.

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 notifi¬ed 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 2019 effective 1st July 2019, withholding tax on dividend income will be deducted for 'Filer' and 'Non-Filer' shareholders @ 15% and 30% 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 19 October 2019; otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint Holder(s).

7. Request for Video Conference Facility:

In terms of SECP's Circular No. 10 of 2014 dated 21 May 2014 read with provisions contained under Section 134(1)(b) of the Companies Act, 2017, members of the Company may also attend and participate in the AGM through video conference facility in a city other than Karachi, if members residing in the vicinity, collectively holding 10% or more shareholding, demand in writing, to participate in the AGM through video conference at least ten (10) days prior to the date of the AGM.

To avail such facility, please submit the following form with the requisite information at the Registered Office of the Company –

I / We___________________________________ of ___________________________________being a member of Burshane LPG (Pakistan) Limited, holder of __________________________ ordinary shares(s) as per Registered Folio/CDC Account No. ________________________ hereby opt for video conference facility at ____.

____

Name & Signature Date: ________________________

The Company will intimate members regarding venue of video conference facility at least five (05) days before the date of the AGM along with complete information necessary to enable them to access such facility.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 - ITEM-6

This statement sets out the material facts concerning the Special Business to be transacted at the Annual General Meeting of the company to be held on, October 26, 2019.

The Securities and Exchange Commission of Pakistan by their SRO No.470(I)/2016 dated May 31, 2016 allowed to transmit its annual audited financial statements, auditor's report and directors report etc. to the Company's shareholders at their registered addresses in the form of soft copies in CD/DVD/USB instead of transmitting the annual audited accounts in printed copy, provided consent of shareholders has been obtained in a general meeting and an option of hard copy of the same information is offered to any interested shareholder.

To proceed towards paperless environment and to fulfill the responsibility towards environment, Burshane LPG (Pakistan) Limited has sought approval of shareholders to issue & dispatch its annual financial statements through CD/DVD/USB at registered addresses of the members.

UNCLAIMED DIVIDENDS & BONUS SHARES

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, are advised to contact our Share Registrar M/s THK Associates (Pvt) Ltd. to collect/enquire about their unclaimed dividend or pending shares, if any.

Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan.

CIRCULATION OF NOTICE OF MEETING & ANNUAL ACCOUNTS

With reference to SRO 787(I/2014 dated September 8, 2014 issued by SECP, shareholders have option to receive Annual Audited Financial Statement and Notice of General Meeting through email. Shareholders of the Company are requested to give their consent on prescribed format to our Shares Registrar, M/s THK Associates (Pvt) Ltd., at 40-C, Block 6, P.E.C.H.S., Off: Shahrah-e-Faisal, Karachi to update our record if they wish to receive Annual Audited Financial Statement and Notice of General Meeting through email. However, if a shareholder, in addition, request for hard copy of Audited Financial Statements the same shall be provided free of cost within seven days of receipt of such request.

7۔ویڈیو کانفرنس کی سہولت کے لیے درخواست

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر 10 بتاریخ 21 مئی 2014 کی شرائط میں کمپنیز ایکٹ 2017 کے سیکشن 134(1)(b) کے مطابق، کمپنی کراچی کے علاوہ دیگر شہروں میں رہنے والے ممبرز سالانہ اجلاس عام میں ویڈیو کانفرنس کی سہولت کے ذریعے شرکت کر سکتے ہیں، لیکن یہ اس شہر میں شیئر ہولڈنگ کے تناسب کا 10 فیصد ہونے کے ساتھ اجلاس کی تاریخ سے کم از کم 10 روز قبل تحریری درخواست سے مشروط ہو گی۔

مذکورہ سہولت حاصل کرنے کے لیے براہ مہربانی کمپنی کے رجسٹرڈ آفس کو ضروری معلومات کے ساتھ درج ذیل فارم جمع کرائیں:

میں / ہم ____________________ مکین ____________________ برشین ایل پی جی (پاکستان) لمیٹڈ

میں ____________________ عمومی شیئرز رکھتے ہیں جس کا رجسٹرڈ فولیو / سی ڈی سی اکاؤنٹ نمبر ____________________ ہے

____________________ شہر میں ویڈیو کانفرنس کی سہولت کے لیے درخواست دیتے ہیں۔

نام اور دستخط ____________________ تاریخ ____________________

کمپنی ممبران کو ویڈیو کانفرنس کی سہولت کے لیے جگہ سے متعلق معلومات سالانہ اجلاس عام کی تاریخ سے کم از کم 5 روز قبل آگاہ کرنے کے ساتھ ایسی سہولت تک رسائی کے لیے ضروری معلومات سے آگاہ کرے گی۔

کمپنیز ایکٹ 2017 کے آئٹم 6 کے سیکشن 134(3) کے تحت اسٹیٹمنٹ

یہ اسٹیٹمنٹ کمپنی کے 26 اکتوبر 2019 کو منعقد ہونے والے سالانہ اجلاس عام میں زیر بحث لائے جانے والے خصوصی کاروبار کے حوالے سے حقائق کی وضاحت پر مشتمل ہے۔

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے 31 مئی 2016 کو اپنے SRO نمبر 470(1)2016 کے ذریعے اجازت دی ہے کہ کمپنی اپنے شیئر ہولڈرز کو آڈٹ شدہ حسابات، آڈیٹر اور ڈائریکٹرز کی رپورٹ کی فراہمی پرنٹ شدہ کاپی کے بجائے سی ڈی / ڈی وی ڈی / یو ایس بی کے ذریعے ان کے رجسٹرڈ ایڈریس پر بھیج سکتی ہے، مذکورہ رضامندی کمپنی کے اجلاس عام میں شیئر ہولڈرز سے بھی حاصل کی گئی ہے اور پرنٹ شدہ کاپی میں دلچسپی رکھنے والے شیئر ہولڈرز کو مذکورہ معلومات کا ہارڈ کاپی کی صورت میں بھی فراہم کی جائے گی۔

پیپر کے بغیر امور کی انجام دہی اور ماحولیاتی ذمہ داری کی تکمیل کے پیش نظر، برشین ایل پی جی (پاکستان) لمیٹڈ نے شیئر ہولڈرز سے منظوری کو سامنے رکھا ہے تاکہ کمپنی کے سالانہ آڈٹ شدہ حسابات ممبران کے رجسٹرڈ ایڈریس پر CD/DVD/USB کے ذریعے ارسال کیا جائے۔

غیر دعویٰ شدہ ڈیویڈنڈ اور بونس شیئرز

شیئر ہولڈرز جو کسی بھی وجہ سے اپنے منافع منقسمہ کا دعویٰ جمع نہیں کرا سکے یا اپنے فزیکل شیئرز حاصل نہیں کر پائے انہیں تجویز دی جاتی ہے کہ وہ ہمارے شیئر رجسٹرار میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ سے رابطہ کرتے ہوئے اپنے غیر دعویٰ شدہ منافع منقسمہ یا بقایہ شیئرز حاصل کرنیسےمتعلق معلومات حاصل کریں۔

براہ مہربانی توجہ فرمائیں کہ کمپنیز ایکٹ 2017 کے سیکشن 244 کی تعمیل میں، متعلقہ طریقہ کی تکمیل کے بعد، مقررہ تاریخ سے 3 سال کی مدت کے دوران تمام غیر دعویٰ شدہ اور قابل ادائیگی کلیم وفاقی حکومت کے پاس جمع کر دیئے جائیں گے اور شیئرز کی صورت میں انہیں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو ارسال کر دیا جائے گا۔

اجلاس کی اطلاع اور سالانہ اکاؤنٹس کی ترسیل

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے 8 ستمبر 2014 کو جاری کردہ SRO787(1)2014 کے مطابق، شیئر ہولڈرز کے پاس سالانہ آڈٹ شدہ حسابات اور اجلاس عام کی اطلاع ای میل کے ذریعے حاصل کرنے کا اختیار ہے۔ کمپنی کے شیئر ہولڈرز سے درخواست کی جاتی ہے وہ اپنے رائے سےہمارے شیئر رجسٹرارز میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل، 40 سی، بلاک 6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی کو آگاہ کریں تاکہ ریکارڈ کو اپ ڈیٹ کیا جائے، اگر وہ سالانہ حسابات اور اجلاس عام کی اطلاع ای میل کے ذریعے حاصل کرنا چاہتے ہیں یا اگر کوئی شیئر ہولڈر اس کے علاوہ ان حسابات اور اطلاع کی ہارڈ کاپی کی درخواست کرتا ہے تو اسے ایسی درخواست سے 7 دن کے اندر مفت میں فراہم کی جائے گی۔

53ویں سالانہ اجلاس عام کی اطلاع

(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۔

(iv) سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی جانب سے جاری کردہ سرکلر نمبر 1 بتاریخ 26 جنوری 2000 میں درج ہدایات کی تعمیل کرنا ہوگی۔

الف) اجلاس میں شرکت کے لیے:

(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 / 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)۔

ب) پراکسیز کے تقرر کے لیے:

(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 پراکسی فارم جمع کرانے ہوں گے۔

(ii) پراکسی 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) پراکسی اور بینیفشل اونرز کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ جمع کرانے ہوں گے۔

(iv) پراکسی 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 پراکسی فارم کے ساتھ جمع کرانے ہوں گے۔

3۔ ممبران کے پتے میں تبدیلی:

ممبران سے درخواست کی جاتی ہے کہ ان کے ایڈریس میں کسی تبدیلی کی صورت میں فوری طور پر شیئر رجسٹرار 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 بمع فولیو 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 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 کرکے 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 ہولڈر 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 2019 سے نافذ فنانس ایکٹ 2019 کے ضابطوں کے مطابق منافع منقسمہ کی آمدنی ود ہولڈنگ ٹیکس کا نفاذ ان کے شیئر ہولڈنگ اسٹیٹس "فائلر / نان فائلر" کے مطابق بالترتیب 15 اور 30 فیصد کے حساب سے ہوگا۔ فیڈرل بورڈ آف ریوینیو سے موصول شدہ وضاحت کے مطابق، پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈر(ز) کے "فائلر / نان فائلر" اسٹیٹس پر اور اُن کے شیئر ہولڈنگ تناسب / حصوں پر ود ہولڈنگ 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:

فولیو/CDS اکاؤنٹ نمبر	مجموعی شیئرز	پرنسپل شیئر ہولڈر		جوائنٹ شیئر ہولڈر	
		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 19 اکتوبر 2019 تک موصول ہونی چاہیئے بصورت دیگر تصور کیا جائے گا کہ پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈر(ز) کی تحویل میں مساوی شیئرز موجود ہیں۔

53ویں سالانہ اجلاس عام کی اطلاع

بذریعہ ہذا مطلع کیا جاتا ہے کہ برشین ایل پی جی (پاکستان) لمیٹڈ کا 53واں سالانہ اجلاسِ عام بروز ہفتہ، 26 اکتوبر 2019 کو صبح 11 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۔ 24 اکتوبر 2018 کو منعقد ہونے والے سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔

2۔ 30 جون 2019 کو ختم شدہ سال کے لیے ڈائریکٹرز اور آڈیٹرز کی رپورٹ کے ساتھ آڈٹ شدہ حسابات کی رپورٹس پر غور وخوض اور منظوری۔

3۔ 30 جون 2019 کو ختم شدہ سال کے لیے 1.0 روپے فی شیئر بحساب 10 فیصد کا حتمی نقد منافعِ منقسمہ ادا کرنے کی منظوری۔

4۔ 30 جون 2020 کو ختم ہونے والے مالیاتی سال کے لیے آڈیٹرز کی تعیناتی اور ان کے مشاہرے کا تعین۔ کمپنی کے بورڈ آف ڈائریکٹرز نے ریٹائر ہونے والے آڈیٹرز میسرز ارنسٹ ینگ فورڈ روڈز، چارٹرڈ اکاؤنٹنٹس کی 30 جون 2020 کو ختم ہونے والے سال کے لیے دوبارہ تعیناتی کی تجویز دی ہے۔ ریٹائر ہونے والے آڈیٹرز نے اہلیت کی بنیاد پر 30 جون 2020 کو ختم ہونے والے سال کے لیے خود کو پیش کیا ہے۔

5۔ چیئرمین کی اجازت سے کسی دیگر کاروبار پر غور۔

خصوصی کاروبار:

6۔ کمپنی کے شیئر ہولڈرز کو آڈٹ شدہ حسابات، آڈیٹر اور ڈائریکٹرز کی رپورٹ کی فراہمی سی ڈی / ڈی وی ڈی / یو ایس بی کے ذریعے ان کے رجسٹرڈ ایڈریس پر کرنے کی منظوری دینا جس کی اجازت سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے 31 مئی 2016 کو اپنے SRO نمبر 470(1)2016 کے ذریعے دی ہے، اس کے ساتھ درج ذیل قرارداد کی منظوری دینا۔

"طے کیا گیا کہ کمپنی کو اجازت دی جاتی ہے کہ وہ اپنے سالانہ آڈٹ شدہ حسابات، آڈیٹرز کی رپورٹ اور ڈائریکٹرز کی رپورٹ وغیرہ (سالانہ آڈٹ شدہ اکاؤنٹس) کمپنی کے شیئر ہولڈرز کو آڈٹ شدہ حسابات ودیگر کی پرنٹ شدہ نقول کی جگہ سافٹ کاپی کی صورت میں CD/DVD/USB میں ان کے رجسٹرڈ ایڈریس پر بھیج سکتی ہے جس کی اجازت سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے 31 مئی 2016 کو اپنے SRO نمبر 470(1)2016 کے ذریعے دے رکھی ہے۔"

کراچی:
5 اکتوبر 2019

حسب الحکم بورڈ

(وہاج حسین)
کمپنی سیکریٹری

نوٹس:

1۔ **کتابوں کی بندش:**

کمپنی کے شیئر ٹرانسفر بکس 20 اکتوبر 2019 تا 26 اکتوبر 2019 (دونوں دن شامل ہیں) تک بند رہیں گے۔ ہمارے شیئر رجسٹرار میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل، 40 سی، بلاک 6، پی ای سی ایچ ایس، کراچی کے پاس 19 اکتوبر 2019 کو کاروبار کے اختتام تک وصول ہونے والی منتقلیوں کو ٹرانسفر کے لیے بروقت تصور کیا جائے گا جیسا کہ بورڈ آف ڈائریکٹرز اور اجلاس کے شرکاء نے تجویز بھی کیا ہے۔

2۔ **پراکسی کا انتخاب اور سالانہ اجلاس عام میں شرکت**

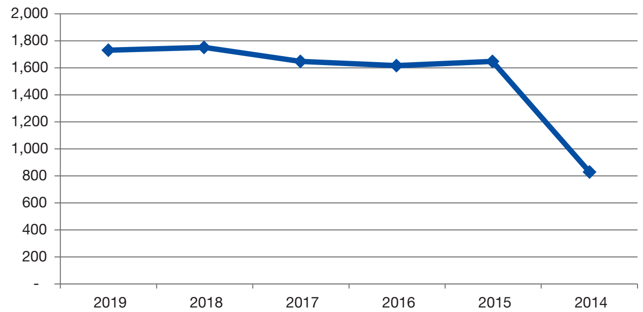
(i) اجلاس میں شرکت اور ووٹ دینے کے اہل ممبر اجلاس میں شرکت اور ووٹ دینے کے لیے کسی کو بطور نمائندہ (پراکسی) مقرر کرنے کا حق حاصل ہوگا؛ اور مقرر کردہ پراکسی کو اجلاس میں شرکت، اظہار رائے اور ووٹ دینے کے وہی حقوق حاصل ہوں گے جو خود ممبر کو حاصل ہیں۔

(ii) پراکسی کی تقرری کی منظوری کے لیان 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۔

FINANCIAL HIGHLIGHTS

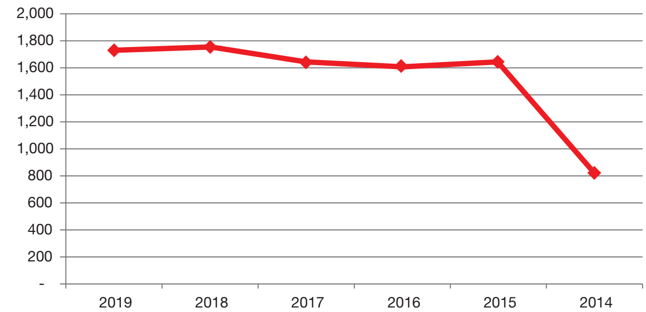
Total Assets

Rs. in million



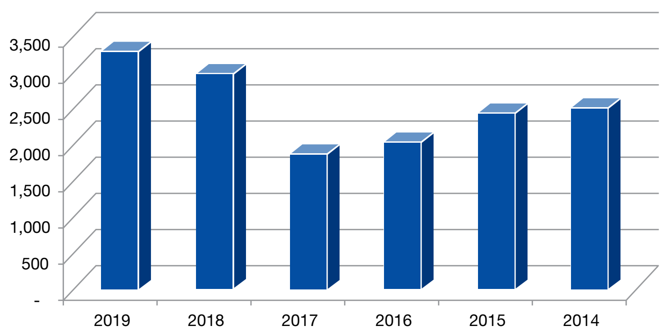
Total Equity and Liabilities

Rs. in million



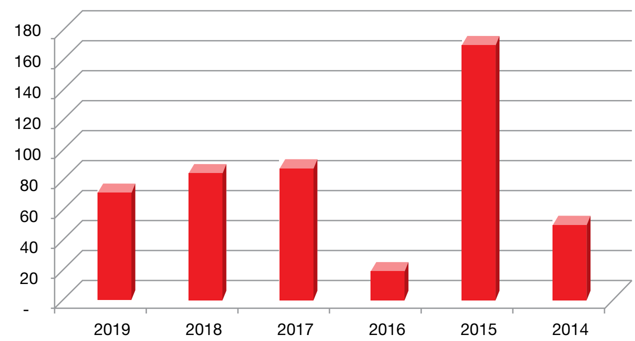
Net Sales

Rs. in million

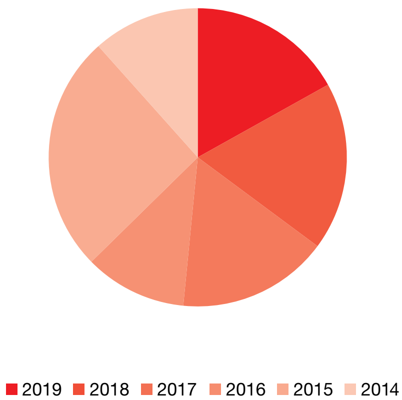


Operating Profit

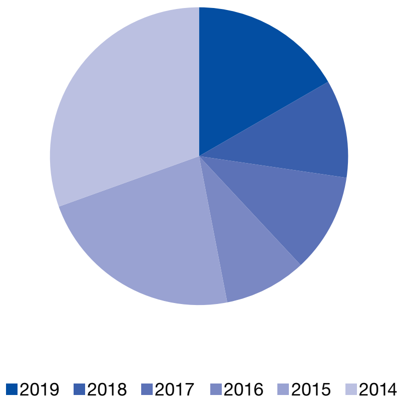
Rs. in million



Gross Profit



Cash and Cash Equivalents



SIX YEARS SUMMARY

Six Years Summary Rupees in '000	2019	2018	2017 Restated	2016	2015	2014
Trading Results						
Net turnover	3,249,870	2,926,076	1,826,825	2,012,770	2,391,891	2,467,544
Gross profit	215,355	232,513	209,820	141,328	328,017	147,842
Operating profit	69,866	83,557	85,793	17,612	168,603	49,352
Earnings before interest, taxes,depreciation and amortisation	177,939	173,717	160,532	105,748	261,665	107,258
Earnings after tax	25,857	19,596	29,033	(7,551)	96,206	28,282
Interim dividend	-	-				
Final dividend	16,980	22,489	22,489	22,929	-	40,752
Earnings / (loss) before tax	64,974	53,581	50,631	(13,968)	150,228	45,624
Financial Position						
Share capital	224,888	224,888	224,888	224,888	224,888	226,400
Reserves and Retained Earnings	594,556	547,533	553,431	557,259	598,581	188,581
Property, plant and equipment and intangibles	1,120,320	1,195,638	1,221,019	1,139,793	1,040,987	238,311
Long-term/deferred liabilities	388,579	377,031	382,437	463,746	538,986	269,776
Inventory	75,422	95,341	50,755	37,536	41,489	11,707
Debtor	23,422	17,654	5,001	11,400	17,581	15,450
Creditor	91,342	179,374	104,014	110,927	143,551	149,837
Total Assets	1,731,847	1,750,238	1,643,693	1,610,335	1,641,151	825,945
Total current assets	437,872	402,295	301,658	331,917	443,387	479,211
Total current liabilities	523,824	600,786	482,937	364,442	289,790	154,626
Number of issued shares	22,489	22,489	22,489	22,489	22,489	22,640
Cash & Cash equivalents	173,732	110,922	111,924	92,869	234,771	317,826
Investors Information						
Profitability Ratios						
Gross profit ratio	6.63%	7.95%	11.49%	7.02%	13.71%	5.99%
Profit / (loss) before tax to sales	2.00%	1.83%	2.77%	-0.69%	6.28%	1.85%
Profit / (loss) after tax in percent of sales	0.80%	0.67%	1.59%	-0.38%	4.02%	1.15%
EBITDA Margin to sales	5.48%	5.94%	8.79%	5.25%	10.94%	4.35%
Return on equity/ capital employed	3.16%	2.54%	3.73%	-0.97%	11.68%	6.82%
Activity / Turnover Ratios						
Inventory turnover ratio (in times)	35.54	36.87	36.63	47.36	77.60	47.52
Inventory turnover ratio (no. of days)	10	10	10	8	5	8
Debtor turnover ratio (in times)	158.24	258.32	222.77	138.90	144.83	127.47
Debtor turnover ratio(no.of days)	2	1	2	3	3	3
Creditor turnover ratio (in times)	22.42	19.01	13.82	13.60	13.77	13.83
Creditor turnover ratio (no. of days)	16	19	26	27	27	26
Operating cycle (no. of days)	(4)	(8)	(15)	(16)	(19)	(16)
Total assets turnover ratio (in times)	1.87	1.72	1.12	1.24	1.94	3.07
Total assets turnover ratio (in days)	195.54	211.68	325.08	294.82	188.24	118.81
Liquidity Ratios						
Current ratio	0.84	0.67	0.62	0.91	1.53	3.10
Quick/ acid test ratio	0.69	0.51	0.52	0.81	1.39	3.02
Cash to Current Liabilities	0.33	0.18	0.23	0.25	0.81	2.06
Investment/Market Ratios						
Earnings / (loss) per share	1.15	0.87	1.29	(0.34)	4.26	1.25
Break-up value per share	36.44	34.35	34.61	34.78	24.40	18.33
Cash Flows						
Net cash flow from operating activities	93,135	68,580	187,794	(1,526)	174,932	186,022
Net cash flow from investing activities	(22,353)	(61,494)	(151,638)	(154,125)	(75,929)	(34,195)
Net cash flow from financing activities	(7,972)	(8,088)	(17,101)	13,749	(182,109)	(37,242)
Net (decrease) / increase in cash and cash equivalents	62,810	(1,002)	19,055	(141,902)	(83,106)	114,585

HORIZONTAL ANALYSIS OF FINANCIAL STATEMENTS

	2019	2018	2017 Restated	2016	2015	2014
	Rupee 000					
Balance Sheet						
Non-current assets	1,293,975	1,347,943	1,342,035	1,278,418	1,197,764	346,734
Current assets	437,872	402,295	301,658	331,917	443,387	479,211
Total assets	1,731,847	1,750,238	1,643,693	1,610,335	1,641,151	825,945
Equity	544,679	497,656	503,554	507,382	537,610	401,543
Surplus on revaluation of fixed assets	274,765	274,765	274,765	274,765	274,765	-
Non-current liabilities	388,579	377,031	382,437	463,746	538,986	269,776
Current Liabilities	523,824	600,786	482,937	364,442	289,790	154,626
Total equity and liabilities	1,731,847	1,750,238	1,643,693	1,610,335	1,641,151	825,945
Net sales	3,249,870	2,926,076	1,826,825	2,012,770	2,391,891	2,467,544
Cost of product sold	(3,034,515)	(2,693,563)	(1,617,005)	(1,871,442)	(2,063,874)	(2,319,702)
Gross profit	215,355	232,513	209,820	141,328	328,017	147,842
Administrative expenses	(106,575)	(108,690)	(92,102)	(80,816)	(73,320)	(53,290)
Distribution and marketing expenses	(68,780)	(64,224)	(62,752)	(65,283)	(90,100)	(68,965)
Other income	42,645	35,525	49,812	45,133	25,949	31,662
Other expenses	(12,779)	(11,567)	(18,985)	(22,750)	(21,943)	(7,897)
	(145,489)	(148,956)	(124,027)	(123,716)	(159,414)	(98,490)
Operating profit	69,866	83,557	85,793	17,612	168,603	49,352
Finance costs	(4,892)	(29,976)	(35,162)	(31,580)	(18,375)	(3,728)
Profit / (loss) before taxation	64,974	53,581	50,631	(13,968)	150,228	45,624

	2019	2018	2017	2016	2015	2014
	% increase/ (decrease) over preceeding year					
Balance Sheet						
Non-current assets	-4.00%	0.44%	4.98%	6.73%	245.44%	-10.41%
Current assets	8.84%	33.36%	-9.12%	-25.14%	-7.48%	21.79%
Total assets	-1.05%	6.48%	2.07%	-1.88%	98.70%	5.82%
Equity	9.45%	-1.17%	-0.75%	-5.62%	33.89%	1.29%
Non-current liabilities	3.06%	-1.41%	-17.53%	-13.96%	99.79%	32.80%
Current Liabilities	-12.81%	24.40%	32.51%	25.76%	87.41%	-14.53%
Total equity and liabilities	-1.05%	6.48%	2.07%	-1.88%	98.70%	5.82%
Net sales	11.07%	60.17%	-9.24%	-15.85%	-3.07%	4.96%
Cost of product sold	12.66%	66.58%	-13.60%	-9.32%	-11.03%	7.86%
Gross profit	-7.38%	10.82%	48.46%	-56.91%	121.87%	-26.13%
Administrative expenses	-1.95%	18.01%	13.97%	10.22%	37.59%	11.00%
Distribution and marketing expenses	7.09%	2.35%	-3.88%	-27.54%	30.65%	3.85%
Other operating income	20.04%	-28.68%	10.37%	73.93%	-18.04%	36.98%
Other operating expenses	10.48%	-39.07%	-16.55%	3.68%	177.87%	-46.05%
Operating profit	-16.39%	-2.61%	387.13%	-89.55%	241.63%	-47.61%
Finance costs	-83.68%	-14.75%	11.34%	71.86%	392.89%	-8.47%
Profit before taxation	21.26%	5.83%	-462.48%	-109.30%	229.27%	-49.38%

VERTICAL ANALYSIS OF FINANCIAL STATEMENTS

	2019		2018		2017		2016		2015		2014	
	----Rupee 000----	%	----Rupee 000----	%	----Rupee 000----	%	----Rupee 000----	%	----Rupee 000----	%	----Rupee 000----	%
											-------Restated-------	
Balance Sheet												
Non-current assets	1,293,975	75%	1,347,943	77%	1,342,035	82%	1,278,418	79%	1,197,764	73%	346,734	42%
Current assets	437,872	25%	402,295	23%	301,658	18%	331,917	21%	443,387	27%	479,211	58%
Total assets	1,731,847	100%	1,750,238	100%	1,643,693	100%	1,610,335	100%	1,641,151	100%	825,945	100%
Equity	544,679	31%	497,656	28%	503,554	31%	507,382	32%	537,610	33%	401,543	49%
Surplus on revaluation of fixed assets	274,765	16%	274,765	16%	274,765	17%	274,765	17%	274,765	17%		
Non-current liabilities	388,579	22%	377,031	22%	382,437	23%	463,746	29%	538,986	33%	269,776	33%
Current Liabilities	523,824	30%	600,786	34%	482,937	29%	364,442	23%	289,790	18%	154,626	19%
Total equity and liabilities	1,731,847	100%	1,750,238	100%	1,643,693	100%	1,610,335	100%	1,641,151	100%	825,945	100%
Net sales	3,249,870	100%	2,926,076	100%	1,826,825	100%	2,012,770	100%	2,391,891	100%	2,467,544	100%
Cost of product sold	(3,034,515)	-93%	(2,693,563)	-92%	(1,617,005)	-89%	(1,871,442)	-93%	(2,063,874)	-86%	(2,319,702)	-94%
Gross profit	215,355	7%	232,513	8%	209,820	11%	141,328	7%	328,017	14%	147,842	6%
Administrative expenses	(106,575)	-3%	(108,690)	-4%	(92,102)	-5%	(80,816)	-4%	(73,320)	-3%	(53,290)	-2%
Distribution and marketing expenses	(68,780)	-2%	(64,224)	-2%	(62,752)	-3%	(65,283)	-3%	(90,100)	-4%	(68,965)	-3%
Other operating income	42,645	1%	35,525	1%	49,812	3%	45,133	2%	25,949	1%	31,662	1%
Other operating expenses	(12,779)	-0.4%	(11,567)	-0.4%	(18,985)	-1%	(22,750)	-1%	(21,943)	-1%	(7,897)	0.3%
	(145,489)	-4%	(148,956)	-5%	(124,027)	-7%	(123,716)	-6%	(159,414)	-7%	(98,490)	-4%
Operating profit	69,866	2%	83,557	3%	85,793	5%	17,612	1%	168,603	7%	49,352	2%
Finance costs	(4,892)	-0.2%	(29,976)	-1%	(35,162)	-2%	(31,580)	-2%	(18,375)	-1%	(3,728)	-0.2%
Profit / (loss) before taxation	64,974	2%	53,581	2%	50,631	3%	(13,968)	-1%	150,228	6%	45,624	2%

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

For the year ended 30 June 2019

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 9 as per the following:
   a. Male : - 8
   b. Female : - 1

2. The composition of board is as follows:

Category	Name
Independent Director	Maj.Gen Rafi ullah Khan (R)
Other Non-Executive Directors	Mr. Shahriar D. Sethna
	Ms. 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 Act and these Regulations.

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 Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

8. The Board of directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.

9. During the year Board has arranged Director's Training for one Director.

10. These was no change in position of chief financial officer, company secretary and Head of Internal Auditor during the year.

11. CFO and CEO duly endorsed the financial statements before approval of the Board.

12. The Board has formed following Committees comprising of members given below:

a) Audit Committee	
Name	**Category**
Ms. Hamdia Fatin Niazi	Chairperson
Mr. Shahriar D.Sethna	Member
Mr. Darayaus T. Sethna	Member

b) Human Resource and Remuneration Committee	
Name	**Category**
Mr. Darayus T. Sethna	Chairman
Mr. Asad Alam Niazi	Member
Ms. Hamdia Fatin Niaz	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 Meetings were held during the
	FY 2018-19
b) HR and Remuneration Committee	01 Meetings were held during the
	FY 2018-19

STATEMENT OF COMPLIANCE
WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

For the year ended 30 June 2019

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

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 International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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 regulations 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 Regulations have been complied with.

Asad Alam Khan
Chief Executive Officer

Dated: September 20, 2019

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: + 9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

Building a better working world

To the members of Burshane LPG (Pakistan) Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Burshane LPG (Pakistan) Limited for the year ended 30 June 2019 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations 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 Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

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 Regulations 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 Regulations as applicable to the Company for the year ended 30 June 2019.

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

Reference	Description
i. 2	There is only one independent director on the Board of Directors of the Company.
ii. 12	There is no independent director in the below mentioned committees of the Board of Directors of the Company: • Audit Committee • Human Resource and Remuneration Committee

Building a better working world

Reference		Description
iii.	12	The Chairman of the Audit Committee and Human Resource and Remuneration Committee is not an independent director.

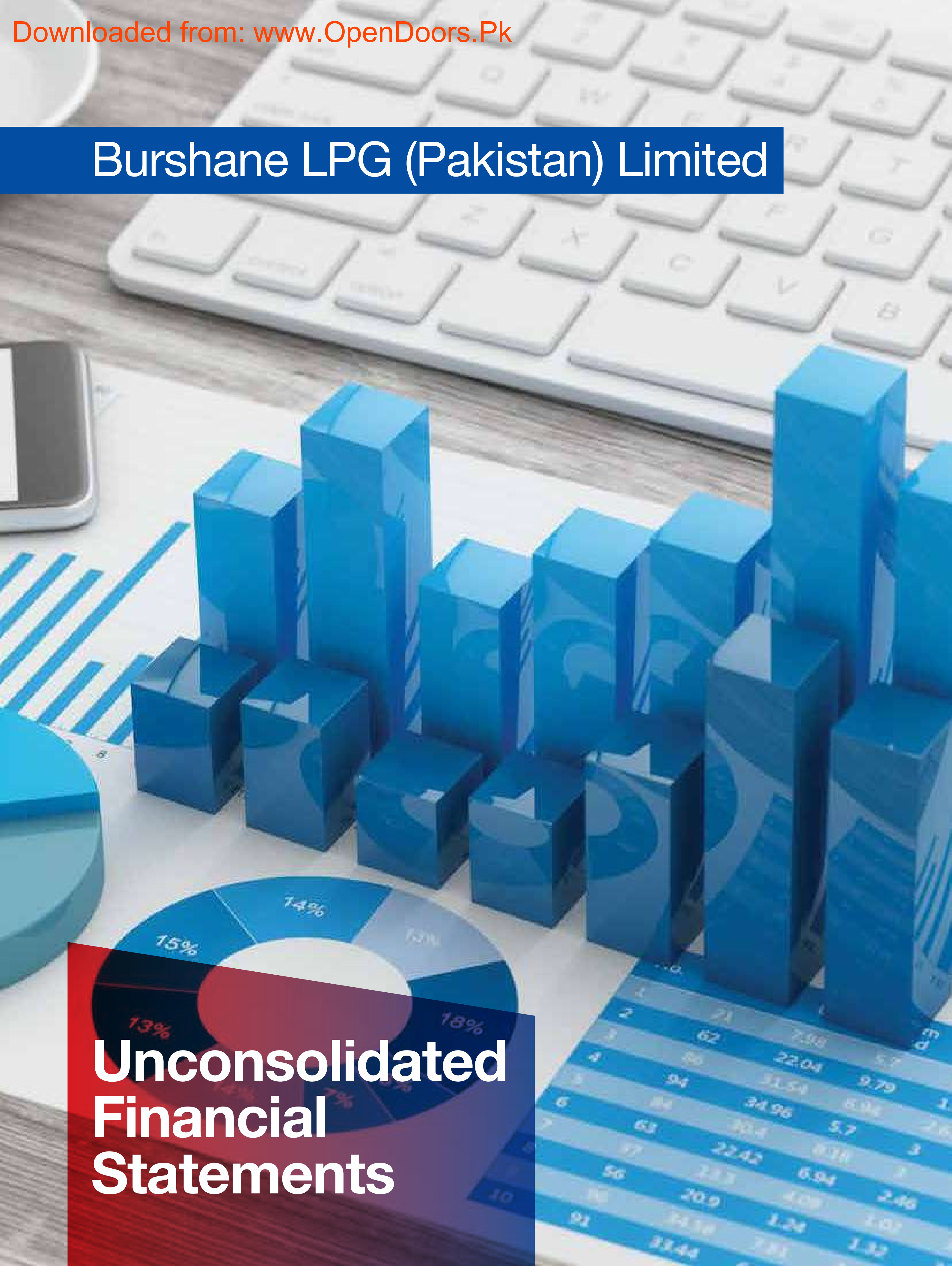
EY Ford Rhodes

Chartered Accountants

Place: Karachi

Date: 30 September 2019

Burshane LPG (Pakistan) Limited



Unconsolidated Financial Statements

Building a better working world

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: + 9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

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 2019**, and the unconsolidated statement of profit or loss, the unconsolidated statement of 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 2019 and of the profit, 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.

Building a better working world

Following are the key audit matters:

S No.	Key audit matters	How our audit addressed the key audit matter
1.	**Revenue**	
	As disclosed in note 27 to the unconsolidated financial statements, the Company reported revenue of Rs. 3.25 billion from sale of Liquefied Petroleum Gas (LPG) which reflects an increase of 11% from the previous year. We focused on revenue as a key audit area due to high volume of transactions and an increase in the revenue from the previous year.	We performed a range of audit procedures in relation to revenue including the following: • 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.	**Adoption of IFRS 9 - Financial Instruments**	
	As referred to in note 2.5 to the accompanying unconsolidated financial statements, the Company has adopted IFRS 9 with effect from 1 July 2018. IFRS 9 requires the Company to calculate loss allowances for financial assets using expected credit loss (ECL) model as against the incurred loss model previously applied by the management. Assessment of allowance for ECL against trade debts requires significant judgement, estimates and assumptions applied by the management including historical credit loss experience	Our key audit procedures in this area included, amongst others, review of the methodology developed and applied by the management to estimate the allowance for ECL against trade debts. We considered and evaluated the assumptions used in applying the ECL model based on historical information and qualitative factors as relevant for such estimates. Further, we assessed the integrity and quality of the data used for allowance for ECL computation based on the accounting records and information system of the Company as well as the external sources used for this purpose.

Building a better working world

S No.	Key audit matters	How our audit addressed the key audit matter
	adjusted with forward-looking macro-economic information. Given the significance of the estimates and judgments used by the management related to the calculation of allowance for ECL as well as incremental qualitative and quantitative disclosure, we considered this as a key audit matter.	We checked the mathematical accuracy of the ECL model by performing recalculation on test basis. We assessed the reasonableness of judgments exercised by the management. We further assessed the adequacy of financial statement disclosures in accordance with the applicable financial reporting framework.

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.

Building a better working world

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 unconsolidated 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 unconsolidated 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);

Building a better working world

b) 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 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: 30 September 2019

Unconsolidated Statement of Financial Position

As at June 30, 2019

	Note	June 30, 2019	June 30, 2018
		---------- (Rupees in '000)	---------
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	**732,090**	742,636
Intangible assets	7	**388,230**	453,002
Long-term investment	8	**50,000**	50,000
Long-term loans	9	**894**	1,466
Long-term deposits	10	**122,761**	100,839
		1,293,975	1,347,943
CURRENT ASSETS			
Stores and spares	11	**2,415**	2,606
Stock-in-trade	12	**75,422**	95,341
Trade debts	13	**23,422**	17,654
Loans and advances	14	**59,615**	120,714
Deposits, prepayments and other receivables	15	**88,936**	45,071
Taxation - net		**14,330**	9,987
Cash and bank balances	16	**173,732**	110,922
		437,872	402,295
		1,731,847	1,750,238
EQUITY AND LIABILITIES			
EQUITY			
Share capital	17	**224,888**	224,888
Capital reserve	18	**153,458**	153,458
Revenue reserves	18	**150,252**	143,529
Actuarial gain / (loss) on remeasurement of retirement and other service benefits	18	**16,081**	(24,219)
Revaluation surplus on property, plant and equipment	18	**274,765**	274,765
		594,556	547,533
		819,444	772,421
NON-CURRENT LIABILITIES			
Long-term loan	19	**-**	-
Liabilities under finance lease	20	**2,177**	938
Deferred taxation - net	21	**-**	1,948
Cylinder and regulator deposits	22	**386,402**	374,145
		388,579	377,031
CURRENT LIABILITIES			
Loan from a subsidiary company	23	**50,000**	50,000
Current maturity of long-term loan	19	**254,439**	254,439
Current maturity of liabilities under finance lease	20	**1,567**	3,002
Trade and other payables	24	**91,342**	179,374
Unclaimed dividends	25	**66,181**	53,676
Accrued mark-up on long-term loan		**60,295**	60,295
		523,824	600,786
CONTINGENCIES AND COMMITMENTS	26	**1,731,847**	1,750,238

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

Chief Executive Officer | **Chief Financial Officer** | **Director**

burshane

Unconsolidated Statement of Profit Or Loss

For the Year Ended June 30, 2019

	Note	2019	2018
		--------- (Rupees in '000) ---------	
Sales - net	27	**3,249,870**	2,926,076
Cost of sales	28	**(3,034,515)**	(2,693,563)
Gross profit		**215,355**	232,513
Administrative expenses	29	**(106,575)**	(108,690)
Distribution and marketing expenses	30	**(68,780)**	(64,224)
Other income	31	**42,645**	35,525
Other expenses	32	**(12,779)**	(11,567)
Operating profit		**69,866**	83,557
Finance costs	33	**(4,892)**	(29,976)
Profit before taxation		**64,974**	53,581
Taxation	34	**(39,117)**	(33,985)
Profit for the year		**25,857**	19,596
Earnings per share - basic and diluted	35	**Rs. 1.15**	Rs. 0.87

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

Chief Executive Officer **Chief Financial Officer** **Director**

Unconsolidated Statement of Other Comprehensive Income

For the Year Ended June 30, 2019

	2019	2018
	------- (Rupees in '000) -------	
Profit for the year	**25,857**	19,596
Other comprehensive income for the year		
Items that will not be reclassified subsequently to profit or loss:		
Actuarial gain / (loss) on remeasurement of retirement and other service benefits	**40,300**	(3,005)
Total comprehensive income for the year	**66,157**	16,591

The annexed notes 1 to 47 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, 2019

	Note	2019	2018
		-------- (Rupees in '000) --------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	39	**140,325**	114,826
Retirement and other service benefits		**(10,288)**	9,123
Finance costs paid		**(4,632)**	(4,621)
Taxes paid		**(45,408)**	(41,240)
Long-term loans - net		**572**	(436)
Long-term deposits - net		**(21,922)**	(30,853)
Cylinder and regulator deposits - net		**34,488**	21,781
Net cash generated from operating activities		**93,135**	68,580
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of operating fixed assets	6.1	**(32,543)**	(14,629)
Purchase of intangible assets	7	**(289)**	(50,150)
Proceeds from disposal of operating fixed assets		**3,765**	-
Interest received		**6,714**	3,285
Net cash used in investing activities		**(22,353)**	(61,494)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**(4,475)**	(5,086)
Repayment of liabilities under finance lease	20	**(3,497)**	(3,002)
Net cash used in financing activities		**(7,972)**	(8,088)
Net increase / (decrease) in cash and cash equivalents		**62,810**	(1,002)
Cash and cash equivalents at beginning of the year		**110,922**	111,924
Cash and cash equivalents at end of the year	16	**173,732**	110,922

The annexed notes 1 to 47 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, 2019

		Reserves						
		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 on property, plant and equipment	Total reserves	Total equity
	(Rupees in '000)							
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**
Impact of initial application of IFRS 9 (note 2.5)	-	-	-	(3,034)	-	-	(3,034)	(3,034)
Related deferred tax impact				880			880	880
	-	-	-	(2,154)	-	-	(2,154)	(2,154)
Balance as at July 01, 2018 - restated	**224,888**	**153,458**	**90,000**	**51,375**	**(24,219)**	**274,765**	**545,379**	**770,267**
Profit for the year	-	-	-	25,857	-	-	25,857	25,857
Other comprehensive income for the year	-	-	-	-	40,300	-	40,300	40,300
Total comprehensive income for the year	-	-	-	25,857	40,300	-	66,157	66,157
Final dividend @ Re.0.75 per share	-	-	-	(16,980)	-	-	(16,980)	(16,980)
Balance as at June 30, 2019	**224,888**	**153,458**	**90,000**	**60,252**	**16,081**	**274,765**	**594,556**	**819,444**

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

Chief Executive Officer **Chief Financial Officer** **Director**

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, Commercial Plot No. 10, Block - 4, Scheme No. 5, Clifton, Karachi.

The principal activity of the Company is storing, marketing and trading 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). The major shareholder of HTPL was Mr. Asad Alam Niazi, Chief Executive of the holding company with 73.88% of the ordinary shares while various other shareholders held 26.12% shares. 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 5.

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: Square No. 94, Killa no. 1,2,3,4,5,6 & 7, tehsil Faisalabad, Near Abbaspur railway station.	**Purpose:** LPG Storage & filling plant

2. BASIS OF PREPARATION

2.1 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) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as notified under Companies Act, 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRS standards, the provisions of and directives issued under the Act have been followed.

2.2 Basis of measurement

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

2.3 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.

2.4 Functional and presentation currency

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

2.5 New standards, amendments and improvements effective during the year

The Company has adopted, wherever applicable, the following standards, amendments and improvements of International Financial Reporting Standards (IFRSs) which became effective for the current year:

IFRS 2 - Share based Payments: Classification and Measurement of Share Based Payments Transactions (Amendments)

IFRS 9 - Financial Instruments

IFRS 15 - Revenue from Contracts with Customers

IAS 40 - Investment Property: Transfers of Investment Property (Amendments)

IFRIC 22 - Foreign Currency Transactions and Advance Consideration

IAS 28 - Investments in Associates and Joint Ventures: Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The adoptions of the above standards, amendments and improvements of IFRS do not have any material impact on the unconsolidated financial statements of the Company except for IFRS 15 and IFRS 9 as described below:

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company has applied IFRS 9 using modified retrospective approach with initial application date of 01 July 2018 as notified by the SECP. The Company has not restated the comparative information, which continues to be reported under IAS 39.

The new accounting policy in respect of financial instruments and impairment of financial assets is stated in note 3.17 to these unconsolidated financial statements.

The effect of adopting IFRS 9 on the classification and carrying amounts of the financial assets at July 01, 2018 is as follows:

Impact on the statement of financial position of the Company

Financial asset	Original category under IAS 39	New category under IFRS 9	Carrying amount under IAS 39 as at July 01, 2018	Impact of ECL in opening equity as at July 01, 2018	Carrying amount under IFRS 9 as at July 01, 2018
			------------- (Rupees in '000)	-------------	
Long-term loans	Loans and receivables	Amortised cost	1,466	-	1,466
Long-term deposits	Loans and receivables	Amortised cost	100,839	-	100,839
Trade debts	Loans and receivables	Amortised cost	17,654	(3,034)	14,620
Loans	Loans and receivables	Amortised cost	1,091	-	1,091
Deposits and other receivables	Loans and receivables	Amortised cost	84,176	-	84,176
Bank balances	Loans and receivables	Amortised cost	173,556	-	173,556

The nature of the impact is described below:

(a) Classification and measurement

There was no material impact to the unconsolidated statement of financial position resulting from the Company applying the classification and measurement requirements of IFRS 9 except for the amount as stated above.

(b) Impairment

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

Upon adoption of IFRS 9, the Company recognised impairment on the Company's trade debts of Rs. 3.034 million, which resulted in a decrease in retained earnings by the same amount as at 01 July 2018. The information about the ECL on the Company's financial assets is disclosed in note 3.17 to these unconsolidated financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Company has applied IFRS 15 using modified retrospective approach with initial application date of July 01, 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP). Based on management's assessment of the contractual arrangements with customers, the adoption of IFRS 15 does not have any impact on the unconsolidated financial statements of the Company. Hence, no cumulative adjustment amounts have been recognised to adjust the opening retained earnings as at July 01, 2018. Accordingly, the information presented for previous years has not been restated, as previously reported, under IAS 18 and related interpretations.

The new accounting policy in respect of revenue recognition is stated in note 3.18 to these unconsolidated financial statements.

Standards, amendments and improvements to IFRSs that are not yet effective

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 3 - Definition of a Business (Amendments)	01 January 2020
IFRS 3 - Business Combinations: Previously held interests in a joint operation	01 January 2019
IFRS 9 - Prepayment Features with Negative Compensation (Amendments)	01 January 2019
IFRS 10 / IAS 28 - unconsolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IFRS 11 - Joint Arrangements: Previously held interests in a joint operation	01 January 2019
IFRS 16 - Leases	01 January 2019
IAS 1 / IAS 8 - Definition of Material (Amendments)	01 January 2020

IAS 12 - Income Taxes: Income tax consequences of payments on financial instruments classified as equity	01 January 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	01 January 2019
IAS 23 - Borrowing Costs - Borrowing costs eligible for capitalisation	01 January 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)	01 January 2019
IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019

The above standards and amendments, where applicable, are not expected to have any material impact on the Company's unconsolidated financial statements in the period of initial application, except for IFRS 16 - 'Leases'. The management of the Company is currently evaluating the impact of this standard on the unconsolidated financial statements of the Company.

In addition to the above standards, amendments and improvements to various IFRSs have also been issued by the IASB in December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 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 1 January 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 management of the Company expects that below new standards will not have any material impact on the Company's unconsolidated financial statements in the period of initial application.

Standard	**IASB Effective date (annual periods beginning on or after)**
IFRS 1 - First time adoption of IFRSs	January 01, 2004
IFRS 14 - Regulatory Deferral Accounts	January 01, 2016
IFRS 17 - Insurance Contracts	January 01, 2021

3. 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.

3.1 Property, plant and equipment

3.1.1 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 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 6.1. 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.

A revaluation surplus is recorded in unconsolidated statement of other comprehensive income (OCI) and credited to the asset revaluation surplus in equity. However, the increase is recorded in the unconsolidated statement of profit or loss to the extent it reverses a revaluation deficit of the same asset previously. A decrease as a result of revaluation is recognised in the unconsolidated statement of profit or loss however, a decrease is recorded in unconsolidated statement of other comprehensive income to the extent of any credit balance entry in revaluation surplus in respect of same asset.

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.

3.1.2 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.

3.2 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 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 7.

The useful life 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.

3.3 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.

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 unconsolidated statement of profit or loss in the period of disposal.

3.4 Stores and spares

Stores and spares to be consumed in the ordinary course of business are valued at cost less impairment loss, if any, 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 unconsolidated statement of profit or loss.

3.5 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.

3.6 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 expected credit losses, if any. Allowance for expected credit losses is based on lifetime ECLs that result from all possible default events over the expected life of the trade debts and other receivables. Trade debts and other receivables are written-off when considered irrecoverable.

3.7 Cash and cash equivalents

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

3.8 Retirement and other service benefits

3.8.1 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.

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.

3.8.2 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.

3.9 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.

3.10 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.

3.11 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 reporting date and adjusted to reflect current best estimate.

3.12 Taxation

3.12.1 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.

3.12.2 Deferred

Deferred tax is recognized 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 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 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.

3.13 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 unconsolidated statement of profit or loss. Non-monetary items that are measured in terms of a historical cost in foreign currency are not re-translated.

3.14 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.

3.15 Dividend and appropriation to reserves

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

3.16 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.

3.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit or Loss (FVTPL).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of a debt instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price, determined under IFRS 15) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measur

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at FVTPL - The Company has not designated any financial asset as fair value through profit or loss;

- Financial assets at amortised cost - The Company subsequently measures financial assets at amortised cost using Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognised in the unconsolidated statement of profit or loss when the asset is derecognised, modified or impaired;

- Debt instruments at FVOCI - The Company has not designated any financial asset at fair value through OCI with / without recycling of cumulative gains and losses; and upon derecognition.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's unconsolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment / expected credit losses on financial assets

The Company recognises an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company uses the standard's simplified approach and calculates ECL based on life-time ECL on its financial assets. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The expected credit losses are recognised in the unconsolidated statement of profit or loss.

ii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company financial liabilities include long-term loan, accrued mark-up on long-term loan, liabilities under finance lease, cylinder and regulator deposits, trade and other payables and loan from subsidiary company.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the unconsolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the unconsolidated statement of profit or loss. This category generally applies to interest-bearing loans and borrowings and trade and other payables.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the unconsolidated statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.18 Revenue from contracts with customers

The Company is in the business of storing, marketing and trading of Liquefied Petroleum Gas (LPG) throughout Pakistan and trading of Low Pressure Regulators (LPR). Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Performance obligations

Information about the Company performance obligations are summarised below:

Sale of LPG and LPR

The performance obligation is satisfied upon delivery of LPG and LPR at LPG pump stations. Payment is generally due at the time of delivery. The revenue from sale of these products is recognised at the point in time when control of the asset is transferred to the customer i.e. on delivery of products.

Others

- Return on saving account is recorded using effective interest rate method.
- Other revenues including recovery of storage and handling charges and rental income from storage tank are accounted for on accrual basis.
- Income from dividend, if any, is recognised when right to receive dividend is established.

The Company recognizes an account receivable when the performance obligations have been met, recognizing the corresponding revenue. Moreover, the considerations received before satisfying the performance obligations are recognized as advances from customer.

Following accounting policies were effective for the period ended on or before June 30, 2018

3.19 Financial instruments

3.19.1 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 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.

(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 unconsolidated 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 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 unconsolidated statement of profit or loss as a reclassification adjustment. Impairment losses recognised in the unconsolidated statement of profit or loss account on equity instruments classified as available-for-sale are not reversed through unconsolidated statement of profit or loss account.

3.19.2 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 unconsolidated statement of profit or loss.

3.19.3 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 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.

3.20 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. 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:

4.1 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.

4.2 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.

4.3 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.

4.4 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 37.

5 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

	Note	2019	2018
		--------- (Rupees in '000)	---------
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	**732,090**	742,636

6.1 Operating fixed assets

June 30, 2019

	Cost / Revalued Amount*				Accumulated Depreciation				Net Book value	
	As at July 01, 2018	Additions	Disposals	As at June 30, 2019	As at July 01, 2018	Charge for the year (note 6.1.2)	Disposals	As at June 30, 2019	As at June 30, 2019	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	55,859	2,304	-	58,163	25,131	5%
Plant and machinery	64,350	1,754	-	66,104	51,943	1,402	-	53,345	12,759	5%
Furniture, fittings, electrical and other equipment	80,424	525	(99)	80,850	72,010	1,707	(74)	73,643	7,207	10%-15%
Vehicles	58,655	553	(1,639)	57,569	58,195	935	(1,639)	57,491	78	20%-25%
Tanks, pipelines and fittings	96,021	-	(2,593)	93,428	65,325	9,602	-	74,927	18,501	10%
Fire fighting equipment	21,069	108	-	21,177	17,581	999	-	18,580	2,597	15%
Cylinders and regulators (note 6.1.3)	591,751	24,381	-	616,132	461,173	21,402	(2,593)	479,982	136,150	10%
Office equipment	4,715	19	-	4,734	4,245	87	-	4,332	402	15%
Computers and related accessories	17,503	390	(428)	17,465	16,816	524	(376)	16,964	501	33.33%
Leased										
Vehicles	23,738	4,813	-	28,551	19,875	4,050	-	23,925	4,626	25%
	1,565,658	32,543	(4,759)	1,593,442	823,022	43,012	(4,682)	861,352	732,090	

June 30, 2018

	Cost / Revalued Amount*				Accumulated Depreciation				Net Book value	
	As at July 01, 2017	Additions	Disposals	As at June 30, 2018	As at July 01, 2017	Charge for the year (note 6.1.2)	Disposals	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 6.1.3)	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	

6.1.1 As at June 30, 2019, property, plant and equipment having cost of Rs. 574.662 million (2018: Rs. 552.535 million) are fully depreciated.

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

	Note	2019	2018
		(Rupees in '000)	
Cost of sales	28	**15,349**	6,104
Administrative expenses	29	**6,205**	10,342
Distribution and marketing expenses	30	**21,458**	13,773
		43,012	30,219

6.1.3 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.

6.1.4 The Company's freehold land and leasehold land was revalued on June 15, 2015 by M/s. Consultancy Support and Services and Harvestor 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 (2018: Rs. 5.627 million) and Rs. 266.097 million (2018: Rs. 266.097 million), respectively.

6.1.5 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**

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

Particulars	Usage of property	Address	Covered Area (Sq. ft.)
Freehold land	For future business expansion	Chak No. 245, Near Railway Station, Abbaspur, Faisalabad	104,544
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
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

6.1.7 In the current and previous year, there were no disposal of fixed assets with an aggregate book value exceeding amount of Rs. 5 million, hence no disposal to report.

7. INTANGIBLE ASSETS

	Cost			Accumulated Amortisation			Net Book Value	
	As at July 01, 2018	Additions	As at June 30, 2019	As at July 01, 2018	Charge for the year (note 7.6)	As at June 30, 2019	at June 30, 2019	Rate of amortisation
	(Rupees in '000)							
Goodwill (note 7.1)	**253,091**	**-**	**253,091**	**-**	**-**	**-**	**253,091**	**Nil**
Computer software	**4,569**	**289**	**4,858**	**4,569**	**14**	**4,583**	**275**	**20%**
Rights under supply contracts (notes 7.2, 7.3 & 7.4)	**394,856**	**-**	**394,856**	**203,545**	**65,047**	**268,592**	**126,264**	**7.14%-33%**
Trademarks (note 7.1 & 7.5)	**8,600**	**-**	**8,600**	**-**	**-**	**-**	**8,600**	**Nil**
2019	**661,116**	**289**	**661,405**	**208,114**	**65,061**	**273,175**	**388,230**	**135,139**

	Cost			Accumulated Amortisation			Net Book Value	
	As at July 01, 2017	Additions	As at June 30, 2018	As at July 01, 2017	Charge for the year (note 7.6)	As at June 30, 2018	at June 30, 2018	Rate of amortisation
	(Rupees in '000)							
Goodwill (note 7.1)	253,091	-	253,091	-	-	-	253,091	Nil
Computer software	4,569	-	4,569	4,569	-	4,569	-	20%
Rights under supply contracts (notes 7.2, 7.3 & 7.4)	344,706	50,150	394,856	143,604	59,941	203,545	191,311	7.14%-33%
Trademarks (note 7.1 & 7.5)	8,600	-	8,600	-	-	-	8,600	Nil
2018	610,966	50,150	661,116	148,173	59,941	208,114	453,002	

7.1 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 5).

7.1.1 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.

	2019	2018
	(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 2019 and June 2018. The Company considers the relationship between its recoverable amount and its book value, among other factors, when reviewing for indicators of impairment. As at June 30, 2019, the recoverable amount of the Company was above the book value of its equity, indicating no potential impairment of goodwill and impairment of the assets of the operating segment.

The recoverable amount of CGU amounting to Rs.1,091 million as at June 30, 2019 has been determined based on a Value in Use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The TAB was appropriately calculated over a 10 year amortization period, using the statutory tax rates. The projected cash flows have been updated to reflect increase in demand for LPG, and consequent imports. The pre-tax discount rate applied to cash flow projections is 27.9% and cash flows beyond the five-year period are extrapolated using a 5% growth rate. It was concluded that the carrying value did not exceed the value in use. As a result of this analysis, no impairment has been identified by the Company against goodwill with a carrying amount of Rs. 253.091 million as at June 30, 2019.

The Company tested its trademark "Burshane" as at June 30, 2019 and June 30, 2018 for impairment. Value in Use of Rs. 317.728 million as at June 30, 2019 of the trademarks has been calculated using Relief from Royalty Method. This method considers the royalties saved by owning the intellectual property rather than licensing it. It is commonly used in the valuation of similar assets and, from a valuation perspective, appears reasonable in this case.

Key assumptions used in value in use calculations:

The calculation of value in use for both CGU and trademarks, is most sensitive to the following assumptions:

Sales volume growth
Discount rates
Market share during the forecast period
Royalty rate used for the forecast period
Growth rate used to extrapolate cash flows beyond the forecast period

Sales volume growth

Value in use is sensitive to sales volume growth. Sales volume growth has been assumed to increase in line with management's expectations of market share.

Discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The cost of debt is based on the interest-bearing borrowings the Company is obliged to service.

Market share during the forecast period

When using industry data for growth rates (as noted below), these assumptions are important because management assesses how the unit's position, relative to its competitors, might change over the forecast period. Management expects the Company's market share in the LPG industry to be stable over the forecast period.

Royalty rate used for the forecast period

The cash flows have been estimated using a royalty rate of 1.5% and have been discounted at the WACC. The royalty rate is based on that used by similar businesses. The TAB was appropriately calculated over a 10 year amortization period, using the statutory tax rates. Cash flows beyond the five-year period are extrapolated using a 5% growth rate. It was concluded that the carrying value did not exceed the value in use. As a result of this analysis, no impairment has been identified by the Company against the trademarks with a carrying amount of Rs. 8.600 million as at June 30, 2019.

Discount rates

Rates are based on published industry research. For the reasons explained above, the long-term rate used to extrapolate the budget for the CGUs includes an adjustment for long term growth of the LPG industry.

The implications of the key assumptions for the recoverable amount are discussed below:

Sales volume growth

Value in use is sensitive to price and cost per ton of local and imported LPG and cost pass-through. The value in use was tested at various sales volume growth levels.A decline of more than 10.5% sales volume growth would result in impairment of the CGU.

Discount rate assumptions

A rise in pre-tax discount rate to 33.9% would result in the impairment of the CGU.

Market share during the forecast period assumptions

Management expects the company to maintain its market share based on the expected demand of the product and the ready supply base it has to service the demand.

Royalty rate assumptions

The cash flows have been estimated using a royalty rate of 1.5%, and have been discounted at the WACC. The royalty rate is based on that used by similar businesses. The TAB (Tax Amortization Benefit) was appropriately calculated over a 10 year amortization period, using the statutory tax rates. Cash flows beyond the five-year period are extrapolated using a 5% growth rate in line with that used by the management. It was concluded that the carrying value did not exceed the value in use. As a result of this analysis, no impairment has been identified by the Company against goodwill with a carrying amount of Rs. 253.091 million as at 30 June 2019.

Growth rate assumptions

Cashflow beyond the forecast period have been extrapolated using 5% growth based on that used by the management and long term real GDP growth forecast from Oxford Economics.

7.2 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.

7.3 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 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 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.

7.4 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 has been allotted one lot of LPG of five metric tons per day for five years from the Kunnar Pasaki Deep - Tando Allahyar.

7.5 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 7.1).

7.6 The amortisation for the year has been allocated as follows:

	Note	2019	2018
		--------- (Rupees in '000) ---------	
Cost of sales	28	**65,047**	59,941
Administrative expenses	29	**14**	-
		65,061	59,941

8. LONG-TERM INVESTMENT

	Note	2019	2018
Investment in a subsidiary company - at cost			
Burshane Auto Gas (Private) Limited (BAL)	8.1	**50,000**	50,000

8.1 Represents investment in Burshane Auto Gas (Private) Limited (BAL), a company incorporated in Pakistan. The Company owns 4,999,997 (2018: 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. 50.52 million (2018: Rs. 50.23 million).

9. LONG-TERM LOANS

	Note	2019	2018
		--------- (Rupees in '000) ---------	
Secured, considered good			
Directors	9.2	**273**	236
Executives	9.3 & 9.5	**1,371**	2,104
Other employees	9.3	**341**	556
		1,985	2,896
Current maturity of long-term loans:			
Directors		**(274)**	(236)
Executives		**(587)**	(851)
Other employees		**(230)**	(343)
		(1,091)	(1,430)
		894	1,466

9.1 Reconciliation of carrying amount of loans:

	2019				2018
	Directors (note 9.2)	**Executives (note 9.3 & 9.5)**	**Other Employees (note 9.3)**	**Total**	Total
	-----------------	-----------------	(Rupees in '000)	-----------------	-----------------
Opening balance	**236**	**2,104**	**556**	**2,896**	12,560
Disbursements	**400**	**430**	**275**	**1,105**	4,412
Repayments / adjustments	**(363)**	**(1,163)**	**(490)**	**(2,016)**	(14,076)
Closing balance	**273**	**1,371**	**341**	**1,985**	2,896

9.2 Includes interest free loan granted by the Company to Chief Financial Officer, amounting to Rs. 0.40 million, given as per Company policy. As of the reporting date, the loan from Chief Financial Officer has been recovered in full as per the agreement.

9.3 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. 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.

9.4 The maximum aggregate amount of loans due from Executives at the end of any month during the year was Rs. 0.922 million (2018: Rs. 2.14 million).

9.5 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.

10. LONG-TERM DEPOSITS

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

	Note	2019	2018
		--------- (Rupees in '000) ---------	
11. STORES AND SPARES			
Stores		**3,175**	3,322
Spare parts		**560**	604
		3,735	3,926
Provision for obsolete items		**(1,320)**	(1,320)
		2,415	2,606
12. STOCK-IN-TRADE			
Liquefied Petroleum Gas (LPG)	12.1	**73,463**	92,547
Low Pressure Regulators (LPR)		**1,959**	2,794
		75,422	95,341

12.1 Includes stock amounting to Rs. 14.721 million (2018: Rs. 14.016 million) held with the following parties under hospitality arrangements:

	2019	2018
	--------- (Rupees in '000) ---------	
Pakistan Oil Fields Limited	**-**	1,344
Ravi Sahiwal	**137**	903
Sadiq Gas Company	**3,325**	4,024
Sindh Gas (Private) Limited	**2,365**	342
Blessing Gas (Private) Limited	**702**	3,741
Tez Gas (Private) Limited	**253**	-
Petroleum Gas (Private) Limited	**-**	709
Bashir Gas	**7,810**	2,953
Faiq Gas	**129**	-
	14,721	14,016

12.2 As at June 30, 2019, stock of LPG held on behalf of third parties amounted to Rs. 0.253 million (2018: Rs. 2.414 million).

	Note	2019	2018
		--------- (Rupees in '000) ---------	

13. TRADE DEBTS

	Note	2019	2018
Unsecured, considered good		**26,492**	17,654
Allowance for expected credit losses	13.1	**(3,070)**	-
		23,422	17,654

13.1 Below is the movement of allowance for expected credit losses of trade debts:

	2019	2018
Balance as at 1 July	**-**	-
Impact of initial application of IFRS 9 (note 2.5)	**3,034**	-
Balance as at 01 July - restated	**3,034**	-
Allowance for expected credit losses	**36**	-
Balance as at 30 June	**3,070**	-

13.2 Includes trade debts aggregating to Rs. 26.066 million (2018: Rs. 12.253 million) which were past due but not impaired. Ageing analysis of these trade debts as at the reporting date is as follows:

	Note	2019	2018
		--------- (Rupees in '000) ---------	
Up to 1 month		**16,770**	8,489
1 to 6 months		**9,185**	1,095
More than 6 months		**111**	2,669
		26,066	12,253

14. LOANS AND ADVANCES

	Note	2019	2018
Loans - secured, considered good			
Current maturity of long-term loans	9	**1,091**	1,430
Advances - unsecured, considered good			
Executives	14.1	**3,260**	1,296
Contractors and suppliers		**55,264**	117,988
		58,524	119,284
		59,615	120,714

14.1 The maximum aggregate amount due from executives at the end of any month was Rs. 3.26 million (2018: Rs. 1.546 million).

	Note	2019	2018
		--------- (Rupees in '000) ---------	

15. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2019	2018
Deposits		**785**	9,785
Prepayments		**4,760**	1,816
Other receivables	15.1	**83,391**	33,470
		88,936	45,071

		Note	2019	2018
15.1	**Other receivables:**		--------- (Rupees in '000) ---------	
	OPI Gas (Private) Limited	15.1.1	**3,642**	3,642
	Burshane LPG (Pakistan) Limited - Provident Fund		**315**	766
	Burshane LPG (Pakistan) Limited - Gratuity Fund	37.1.1	**4,120**	9,436
	Burshane LPG (Pakistan) Limited - Pension Fund	37.1.1	**16,366**	-
	Burshane Petroleum (Private) Limited	15.1.2	**9,000**	9,000
	Sales tax receivable		**41,772**	-
	Others	15.1.3	**14,391**	16,841
			89,606	39,685
	Allowance for expected credit losses	15.1.3	**(6,215)**	(6,215)
			83,391	33,470

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 Company's name under an arrangement entered in prior years. This is considered neither due nor impaired.

15.1.3 Includes receivable against hospitality arrangements of Rs. 5.04 million (2018: Rs. 5.04 million) and receivable against cylinder and regulator deposits of Rs. 8.10 million (2018: Rs. 2.41 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	2019	2018
		--------- (Rupees in '000) ---------	
Burshane LPG (Pakistan) Limited - Provident Fund		**315**	7,369
Burshane LPG (Pakistan) Limited - Gratuity Fund		**4,120**	9,436
Burshane LPG (Pakistan) Limited - Pension Fund		**16,366**	-
Burshane Petroleum (Private) Limited	15.1.5	**9,000**	9,000
		29,801	25,805

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

	2019	2018
Up to 1 month	**-**	-
1 to 6 months	**-**	-
More than 6 months	**-**	-
More than 12 months	**9,000**	9,000
	9,000	9,000

16. CASH AND BANK BALANCES

	Note	2019	2018
Cash in hand		**176**	169
Cash at banks:			
saving accounts	16.1	**117,738**	59,440
current accounts			
- conventional banking		**55,512**	51,009
- islamic banking		**306**	304
		55,818	51,313
		173,732	110,922

16.1 The profit rates on these saving accounts range from 3.75% to 10% per annum (2018: 3.75% to 4.25% per annum). These balances are held in accounts maintained under conventional banking.

	Note	2019	2018
		--------- (Rupees in '000) ---------	

17. SHARE CAPITAL

17.1 Authorised capital

2019	2018		2019	2018
------ (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

2019	2018		2019	2018
------ (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 5, 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 ordinary share capital of the Company reduced by 151,154 ordinary shares (note 5).

16.4 As more fully explained in note 5, 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 [2019: 54.82% (2018: 54.82%) ordinary shares and other directors will held 4,358,000 [2019: 19.38% (2018: 19.38%)] ordinary shares of the company of Rs. 10 each.

16.5 As at June 30, 2019 the former Holding Company held 74.19% (June 30, 2018: 74.19%), institutions held 14.37% (June 30, 2018: 14.60%) and individuals and others held the balance of 11.44% (June 30, 2018: 11.21%) Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.

18. RESERVES

	2019	2018
	--------- (Rupees in '000) ---------	
Capital reserve		
Reserve on amalgamation	**153,458**	153,458
Revenue reserves		
General reserve	**90,000**	90,000
Unappropriated profit	**60,252**	53,529
	150,252	143,529
Actuarial gain / (loss) on remeasurement of retirement and other service benefits	**16,081**	(24,219)
Revaluation surplus on property, plant and equipment	**274,765**	274,765
	594,556	547,533

	Note	2019	2018
19. LONG-TERM LOAN		--------- (Rupees in '000)	---------
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 5, long-term finance obtained under conventional banking terms by HTPL had 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. In previous years, the Company negotiated several different offer letters with NBP. During the year, on May 17, 2019, the Company received a revised proposal for the restructuring of loan from NBP via offer letter No. NBP/ARG/ARW(S)/BLPL/2019, which has been duly accepted by the Company as per the terms specified in the aforementioned letter. As per the letter, the long-term loan and the accrued mark-up on long-term loan are termed as Demand Finance – I and Demand Finance – II. As per the terms in the aforementioned offer letter, in respect of demand finance – I, the Company is required to make a principal down payment of Rs. 89.06 million and the balance of Rs. 165.385 million to be re-paid in 20 quarterly installments starting from July 01, 2021 with a grace period of 2 years from the date of the drawdown. The Demand Finance – I carries mark-up at the rate of 3M KIBOR + 1.5%. Accordingly, in respect of Demand Finance – II, the Company is required to make a down payment of Rs. 14 million and the remaining balance is to be re-paid in 8 quarterly installments from July 01, 2019. The formalities of the restructuring arrangement were in progress as at the reporting date. Accordingly, once the formalities are completed in respect of the restructuring, the classification of long term loan will be changed and accrual of additional mark-up of Rs. 18.016 million will be credited to the unconsolidated statement of profit or loss.

	2019	2018
20. LIABILITIES UNDER FINANCE LEASE	--------- (Rupees in '000)	---------
Opening balance	**3,940**	6,942
Additions	**3,301**	-
Principal repayment during the year	**(3,497)**	(3,002)
Present value of minimum lease payments	**3,744**	3,940
Current maturity of liabilities under finance lease	**(1,567)**	(3,002)
Closing balance	**2,177**	938

20.1 Represents finance lease entered into with a leasing company for vehicles. Total lease rentals due under lease agreement aggregated to Rs. 4.635 million (2018: Rs. 4.225 million) and are payable in equal monthly installments latest by September 2023. Taxes, charges, demands and levies, repair and maintenance are to be borne by the Company. Financing rates of 3 months KIBOR plus 3% (2018: 3 months KIBOR plus 3%) per annum have been used as discounting factor. The breakup of liabilities under finance lease is as follows:

	2019		2018	
	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	**1,995**	**1,567**	3,263	3,002
After one year but not more than five year	**2,640**	**2,177**	962	938
Total minimum lease payments	**4,635**	**3,744**	4,225	3,940
Finance charges allocated to future periods	**(891)**	**-**	(285)	-
Present value of minimum lease payments	**3,744**	**3,744**	3,940	3,940
Current maturity	**(1,567)**	**(1,567)**	(3,002)	(3,002)
	2,177	**2,177**	938	938

	Note	2019	2018
21. DEFERRED TAXATION - net		--------- (Rupees in '000)	---------
Taxable temporary differences			
Tax depreciation and amortisation		**22,973**	25,754
Deductible temporary differences			
Liabilities under finance lease		**(1,086)**	(1,143)
Tax credits		**(67,175)**	(20,478)
Provisions		**(3,075)**	(2,185)
		(72,701)	(23,806)
Deffered tax asset not recognised	21.1	**(49,728)**	1,948

21.1 Deferred tax asset in excess of deferred tax liability amounting to Rs. 49.728 million (2018: Nil) has not been recognised in these unconsolidated financial statements in accordance with the accounting policy of the Company.

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 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.

23. 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 March 04, 2016 and November 07, 2016. This loan is payable on demand. The loan was obtained from the subsidiary to meet the Company's working capital requirements.

	Note	2019	2018
24. TRADE AND OTHER PAYABLES		--------- (Rupees in '000)	---------
Creditors		**62,914**	92,174
Accrued liabilities		**4,195**	14,150
Burshane (LPG) Pakistan Limited:			
Pension Fund	37.1.1	**-**	33,085
Workers' Profits Participation Fund	24.1	**1,551**	5,888
Workers' Welfare Fund		**3,067**	1,327
Withholding tax payable		**2,479**	218
Sales tax payable		**-**	6,139
Advances from distributors / customers - unsecured		**15,398**	13,304
Others		**1,738**	13,089
		91,342	179,374

24.1 Workers' Profit Participation Fund

	Note	2019	2018
Opening balance		**5,888**	2,718
Interest charged during the year	33	**260**	269
Allocation for the year	32	**1,685**	2,901
Amount paid during the year		**(6,282)**	-
Closing balance		**1,551**	5,888

25. UNCLAIMED DIVIDENDS

Includes an amount of Rs. 63.135 million (2018: Rs. 50.508 million) payable to the beneficial owners of HTPL. As explained in note 5, 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.

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

26.1.1 Claims not acknowledged as debt by the Company as at June 30, 2019 amounted to Rs. 2.06 million (2018: Rs. 2.06 million).

26.1.2 In prior year, the Deputy Commissioner Inland Revenue (DClR) 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. During the year, the order of Commissioner (Appeal) has been challenged before the Honourable Appellate Tribunal Inland Revenue, Karachi and stay has also been obtained in relation to upheld sales tax demand. 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.

During the year, on 28 September 2018, tax authorities issued another Order confronting under section 8B of Sales Tax Act, 1990, raising sales tax demand alongwith the levy of penalty aggregating to Rs. 7.899 million for tax periods from April 2018 to May 2018. Against the Order, Company filed appeal before Commissioner (Appeals-I), Large Taxpayers Unit, Karachi who vide Order dated 31 October 2018 vacated the whole principal amount of sales tax of Rs. 7.669 million. However, the liability on account of default surcharge and penalty was maintained.

The Order of the commissioner (Appeal) has been challenged before the Hon'ble Appellate Tribunal Inland Revenue, Karachi and stay has also been obtained in relation to upheld sales tax demand. 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.

The Company was also contesting an appeal before Hon'ble Appellate Tribunal Inland Revenue in relation to sales tax demand of Rs. 13.728 million as modified by the order of Commissioner (Appeals). The aforesaid demand was raised in pursuance to sales tax audit for tax periods from July 2009 to June 2010.

The Hon'ble Appellate Tribunal has remanded back to the Commissioner (Appeal) who has further remanded back to the assessing officer for re-assessment. The Department has not yet re-adjudicated the matter.

During the year the Company received a show cause notice dated 25 March 2019 confronting under section 8B of Sales Tax Act, 1990, raising sales tax demand alongwith the levy of penalty aggregating to Rs. 37.281 million for tax periods from August 2011 to May 2015. The Company responded to such notice vide the tax advisor's letter No. KST-AA-1091 dated 8 April 2019 which remained pending adjudication till 30 June 2019.

Subsequent to the year end, the tax authorities issued Order dated 24 July 2019 and raised the sales tax demand as alleged of Rs. 37.281 million alongwith penalty and default surcharge. Against the Order, the Company has filed appeal alongwith stay application before Commissioner (Appeals-I), Large Taxpayers Unit, Karachi on 22 August 2019. The main appeal before the Commissioner (Appea-I) has been heard and stay order against the impugned demand has been obtained on 23 August 2019. 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	2019	2018
		--------- (Rupees in '000) ---------	
26.2 Commitments			
26.2.1 Post-dated cheques		**4,635**	1,670

27. SALES - net

		2019	2018
Liquefied Petroleum Gas (LPG)		**3,772,649**	3,473,726
Sales tax		**(523,936)**	(548,793)
		3,248,713	2,924,933
Low Pressure Regulators (LPR)		**1,373**	1,351
Sales tax		**(216)**	(208)
		1,157	1,143
		3,249,870	2,926,076

27.1 Revenue recognised from amounts included in advance from customers at the beginning of the year amounted to Rs. 12.71 million (2018: Rs. 17.47 million).

	Note	2019	2018
		--------- (Rupees in '000) ---------	
28. COST OF SALES			
Opening stock		**92,547**	47,081
Purchases		**2,890,102**	2,630,321
		2,982,649	2,677,402
Closing stock	12	**(73,463)**	(92,547)
		2,909,186	2,584,855
Salaries, wages and other employee benefits	28.1	**30,284**	26,878
Cost of Low Pressure Regulators sold		**835**	880
Stores and spares consumed	28.2	**1,122**	4,230
Repairs and maintenance		**2,175**	1,823
Travelling, conveyance and vehicle maintenance		**1,901**	1,335
Rent, rates and electricity		**4,073**	3,070
Communication		**524**	338
Printing and stationery		**348**	549
Depreciation	6.1.2	**15,349**	6,104
Amortisation	7.6	**65,047**	59,941
Security		**3,321**	3,241
Sundry expenses		**350**	319
		3,034,515	2,693,563

28.1 Include Rs. 0.77 (2018: Rs. 0.754 million) in respect of retirement and other service benefits.

28.2 Stores and spares consumed:

	Note	2019	2018
Opening balance		**2,606**	5,800
Purchases		**931**	1,036
		3,537	6,836
Closing balance	11	**(2,415)**	(2,606)
		1,122	4,230

	Note	2019	2018
29. ADMINISTRATIVE EXPENSES		--------- (Rupees in '000) ---------	
Salaries, wages and other employee benefits	29.1	**64,151**	64,692
Repairs and maintenance		**1,584**	1,865
Travelling, conveyance and vehicle maintenance		**3,022**	7,270
Rent, rates and electricity		**7,883**	8,715
Communication		**2,965**	2,664
Printing and stationery		**1,745**	2,108
Legal and professional charges		**8,161**	3,712
Insurance		**3,377**	2,751
Advertisement expenses		**1,880**	644
Depreciation	6.1.2	**6,205**	10,342
Amortisation	7.6	**14**	-
Security		**1,729**	2,040
Donations	29.2	**3,390**	1,180
Sundry expenses		**469**	707
		106,575	108,690

29.1 Include Rs. 5.755 million (2018: Rs. 7.252 million) in respect of retirement and other service benefits.

29.2 Includes donation paid to Al-Mustafa trust amounting to rs. 1 million, where Mr. Asad Alam Niazi, Chief Excutive of the company is a trustee.

	Note	2019	2018
30. DISTRIBUTION AND MARKETING EXPENSES		--------- (Rupees in '000) ---------	
Salaries, wages and other employee benefits	30.1	**16,356**	14,871
Repairs and maintenance		**181**	129
Travelling, conveyance and vehicle maintenance		**1,557**	955
Rent, rates and electricity		**1,711**	1,213
Communication		**798**	295
Printing and stationery		**125**	261
Hospitality charges		**24,876**	30,556
Freight and octroi		**1,034**	1,455
Advertisement expenses		**38**	-
Depreciation	6.1.2	**21,458**	13,773
Security		**532**	585
Sundry expenses		**114**	131
		68,780	64,224

30.1 Include Rs. 0.379 million (2018: Rs. 0.367 million) in respect of retirement and other service benefits.

31. OTHER INCOME

	Note	2019	2018
Income from financial assets			
Profit on saving accounts	31.1	**6,714**	3,285
Income from non-financial assets			
Rental income from storage tanks		**1,002**	1,124
Gain on disposal of operating fixed assets		**3,688**	-
Liability for cylinder and regulator deposits written back	31.2	**22,231**	21,585
Recoveries against cylinder replacement		**1,205**	2,193
Hospitality income		**3,710**	6,304
Others		**4,095**	1,034
		35,931	32,240
		42,645	35,525

31.1 Represents profit on bank accounts under conventional banking relationship.

31.2 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	2019	2018
		--------- (Rupees in '000) ---------	
32. OTHER EXPENSES			
Workers' Profits Participation Fund	24.1	**1,685**	2,901
Workers' Welfare Fund		**1,868**	1,149
Auditors' remuneration	32.1	**2,073**	1,710
Directors' fees		**1,325**	925
Allowance for expected credit losses		**36**	-
Others	32.2	**5,792**	4,882
		12,779	11,567

32.1 Auditors' remuneration:

Statutory audit	**935**	850
Half yearly review	**450**	400
Review of code of corporate governance	**150**	150
Other certifications	**140**	-
Out of pocket expenses	**398**	310
	2,073	1,710

32.2 This includes expense of Rs. 0.173 million incurred on behalf of the subsidiary company.

33. FINANCE COSTS

	Note	2019	2018
Mark-up on long-term loan		**-**	25,086
Finance charges on liabilities under finance lease		**594**	565
Interest on Workers' Profits Participation Fund	24.1	**260**	269
Bank charges		**4,038**	4,056
		4,892	29,976

34. TAXATION

	Note	2019	2018
Current	34.1	**41,065**	36,979
Prior		**-**	(44)
Deferred		**(1,948)**	(2,950)
		39,117	33,985

34.1 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.

	Note	2019	2018
35. EARNINGS PER SHARE – basic and diluted			
Profit for the year (Rupees in '000)		**25,857**	19,596
Weighted average number of ordinary shares in issue (in '000)		**22,489**	22,489
Earnings per share - basic and diluted		**Rs. 1.15**	Rs. 0.87

36. 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:

	2019				2018			
	Chief Executive	Directors	Executives	Total	Chief Executive	Director	Executives	Total
	(Rupees in '000)							
Managerial remuneration	**27,324**	**15,222**	**17,868**	**60,414**	25,668	13,952	15,670	55,290
Bonus	**2,277**	**1,268**	**1,400**	**4,945**	2,277	1,248	1,400	4,925
Company's contribution to provident fund	**1,161**	**-**	**669**	**1,830**	1,091	333	582	2,006
Company's contribution to gratuity fund	**-**	**-**	**-**	**-**	259	-	382	641
Company's contribution to pension fund	**-**	**-**	**207**	**207**	-	-	186	186
Travelling and conveyance	**227**	**116**	**74**	**417**	-	135	66	201
Extra working day compensation	**-**	**-**	**-**	**-**	-	-	222	222
Mobile allowance	**-**	**30**	**-**	**30**	-	30	-	30
Medical allowance	**-**	**475**	**489**	**964**	-	382	251	633
	30,989	**17,111**	**20,707**	**68,807**	29,295	16,080	18,760	64,134
Number of persons (including those who worked part of the year)	1	2	9	12	1	2	8	11

36.1 Fee amounting to Rs. 0.65 million (2018: Rs. 0.65 million) was paid to five (2018: five) non-executive directors for attending Board meetings during the year.

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

37. RETIREMENT AND OTHER SERVICE BENEFITS

37.1 Pension fund and gratuity fund - valuation results

The latest actuarial valuations of the defined benefit plans were carried out as at June 30, 2019, using the "Projected Unit Credit Method". The details of defined benefit plans are as follows:

	Note	Pension Fund 2019	Pension Fund 2018	Gratuity Fund 2019	Gratuity Fund 2018
		(Rupees in '000)			
37.1.1 Statement of financial position reconciliation:					
Fair value of plan assets	37.1.4	**(93,399)**	(75,828)	**(17,431)**	(25,236)
Present value of defined benefit obligations	37.1.3	**77,031**	108,913	**13,311**	15,800
Net asset / (liability) at end of the year	37.1.2	**(16,368)**	33,085	**(4,120)**	(9,436)

	Note	Pension Fund 2019	Pension Fund 2018	Gratuity Fund 2019	Gratuity Fund 2018
		(Rupees in '000)			
37.1.2 Movement in net asset / net liability recognised:					
Opening balance		**33,085**	6,089	**(9,436)**	3,200
Charge for the year	37.1.5	**3,803**	1,747	**329**	3,712
Amounts paid to the fund		**(8,736)**	(7,468)	**-**	-
Employee contribution to be paid to fund		**262**	245	**-**	-
Remeasurements recognised in other comprehensive income	37.1.7	**(44,782)**	9,968	**4,987**	(6,963)
Paid to Burshane LPG (Pakistan) Limited		**-**	22,504	**-**	-
Employer contribution to the fund		**-**	-	**-**	(9,385)
Closing balance		**(16,368)**	33,085	**(4,120)**	(9,436)
37.1.3 Movement in defined benefit obligations:					
Opening balance		**108,913**	102,914	**15,800**	15,754
Current service cost		**1,219**	1,085	**1,178**	566
Interest cost		**9,409**	8,857	**1,362**	1,244
Past service cost (late joiners)		**-**	-	**-**	2,591
Benefits paid		**(8,735)**	(9,014)	**(1,340)**	(3,857)
Employees contribution		**261**	245	**-**	-
Remeasurements of obligations	37.1.7	**(34,036)**	4,826	**(3,689)**	(498)
Closing balance		**77,031**	108,913	**13,311**	15,800
37.1.4 Movement in fair value of plan assets:					
Opening balance		**75,828**	96,825	**25,236**	12,554
Expected return on plan assets		**6,825**	8,195	**2,211**	689
Benefits paid on behalf of the fund		**8,735**	7,468	**-**	-
Employees contributions		**261**	-	**-**	9,385
Benefits paid		**(8,735)**	(9,014)	**(1,340)**	(3,857)
Paid to Burshane LPG (Pakistan) Limited		**(261)**	(22,504)	**-**	-
Remeasurements of plan assets	37.1.7	**10,746**	(5,142)	**(8,676)**	6,465
Closing balance		**93,399**	75,828	**17,431**	25,236
37.1.5 Charge for the year:					
Current service cost		**1,219**	1,085	**1,178**	3,157
Net Interest cost		**2,584**	662	**(849)**	555
		3,803	1,747	**329**	3,712
37.1.6 Actual return on plan assets		**17,571**	3,053	**(6,465)**	7,154
37.1.7 Remeasurement recognised in Other Comprehensive Income:					
Remeasurement of obligation					
Experience (gain) / loss		**(34,036)**	4,826	**(3,689)**	(498)
Remeasurement of plan assets					

	Note	Pension Fund 2019	Pension Fund 2018	Gratuity Fund 2019	Gratuity Fund 2018
		(Rupees in '000)			
Return on plan assets, excluding amounts included in interest expense / (income)		-	-	8,676	(6,465)
(Gain) / loss from change in financial assumptions		(10,746)	5,142	-	-
		(10,746)	5,142	8,676	(6,465)
		(44,782)	9,968	4,987	(6,963)

37.1.8 Principal actuarial assumptions used in the actuarial valuation:

	Pension Fund 2019	Pension Fund 2018	Gratuity Fund 2019	Gratuity Fund 2018
Financial assumptions				
Discount rate	14.25%	9.00%	14.25%	9.00%
Expected per annum rate of return on plan assets	14.25%	9.00%	14.25%	9.00%
Expected per annum rate of increase in salaries - long term	12.25%	7.00%	12.25%	7.00%
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	Low

37.1.9 Analysis of present value of defined benefit obligation:

	As at June 30, 2019 Pension Fund	As at June 30, 2019 Gratuity Fund
	(Rupees in '000)	
Vested benefits	75,776	13,311
Non-vested benefits	1,256	-
	77,032	13,311

37.1.10 Plan assets comprise of the following:

	Pension Fund 2019 Rupees in '000	Pension Fund 2019 %	Pension Fund 2018 Rupees in '000	Pension Fund 2018 %	Gratuity Fund 2019 Rupees in '000	Gratuity Fund 2019 %	Gratuity Fund 2018 Rupees in '000	Gratuity Fund 2018 %
Equity instruments	5,042	7.36	5,024	6.63%	3,705	15.43	3,455	13.69
Debt instruments								
Defence Savings Certificates	-	-	17,232	22.73	-	-	14,360	56.90
Treasury Bills	-	-	36,468	48.09	-	-	6,889	27.30
Pakistan Investment Bonds	-	-	6,238	8.23	-	-	-	-
Money Market Fund	20,059	29.29	10,045	13.25	10,029	41.78	-	-
JS Hybrid Fund	402	0.59	-	-	602	2.51	-	-
Certificate of investment	10,458	15.27	-	-	5,229	21.78	-	-
Musharka Certificate	31,500	46.00	-	-	4,300	17.91	-	-
	62,419	91.14	69,983	92.29	20,160	83.98	21,249	84.20
Cash and cash equivalents	1,024	1.50	821	1.08	140	0.58	532	2.11
	68,485		75,828		24,005		25,236	

37.1.11 Historical information of staff retirement benefits:

	2019	2018	2017	2016	2015	2014
	--------	--------	-------- (Rupees in '000)	--------	--------	--------
Gratuity Fund						
Present value of defined benefit obligation	**13,311**	15,800	15,754	13,396	15,294	16,392
Fair value of plan assets	**(17,431)**	(25,236)	(12,554)	(12,089)	(10,028)	(9,350)
(Deficit) / surplus	**(4,120)**	(9,436)	3,200	1,307	5,266	7,042
Pension Fund						
Present value of defined benefit obligation	**77,031**	108,913	102,914	99,680	97,531	93,748
Fair value of plan assets	**(93,399)**	(75,828)	(96,825)	(94,229)	(91,355)	(84,098)
(Deficit) / surplus	**(16,368)**	33,085	6,089	5,451	6,176	9,650

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

	As at June 30, 2019 **Pension Fund**	**Gratuity Fund**
	-------- (Rupees in '000)	--------
Discount rate + 1%	**72,526**	12,635
Discount rate - 1%	**83,128**	14,057
Long term salaries increase +1%	**78,112**	14,089
Long term salaries increase -1%	**76,887**	12,596
Withdrawal rates +10%	**77,473**	13,332
Withdrawal rates -10%	**77,488**	13,289

37.1.13 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 unconsolidated statement of financial position.

37.2 Provident Fund

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

	2019 Unaudited	2018 Audited
	------- (Rupees in '000)	-------
Size of the fund - total assets	**32,424**	32,962
Fair value of investments	**32,331**	32,917
Cost of investments	**30,294**	29,992
Percentage of investments	**99.71%**	99.86%

	2019		2018	
37.2.1 The break-up of fair value of investments is as follows:	**Rupees in '000**	**%**	Rupees in '000	%
Bank deposits	**1,800**	**5.57**	3,130	9.51
Government securities	**-**	**-**	23,703	72.01
Mutual funds	**12,874**	**39.82**	6,084	18.48
Certificate of Investment	**4,157**	**12.86**	-	-
Musharka Certificates	**13,500**	**41.76**	-	-
	32,331	**100.00**	32,917	100.00

37.2.2 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.

38. TRANSACTIONS WITH RELATED PARTIES

38.1 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.

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

Transactions with related parties

Nature of relationship	Nature of transactions	2019	2018
		(Rupees in '000)	
Former Holding Company			
H.A.K.S Trading (Private) Limited	Dividend	12,627	16,836
Subsidiary			
Burshane Auto Gas (Private) Limited	Expenses incurred on behalf of the company	173	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	8,735	7,468
Provident Fund	Company's contribution for the year	2,771	2,913
Associated Companies / Other Related Parties			
ALSAA & AAK Commodities (Private) Limited	Advances given for expenses	92	326
	Advances recovered	-	326

Balances with related parties

Nature of relationship	Nature of transactions	2019	2018
Former Holding Company			
H.A.K.S. Trading (Private) Limited	Dividend payable	63,135	50,508
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 from Staff Gratuity Fund	4,120	9,422
Pension Fund	Receivable / payable to Staff Pension Fund	16,367	33,085
Provident Fund	Receivable from Staff Provident Fund	315	766
Associated Companies / Other Related Parties			
Burshane Petroleum (Private) Limited (Formerly Darian International (Private) Limited)	Receivable against use of name "Burshane"	9,000	9,000
	Receivable against expenses	500	-
ALSAA & AAK Commodities (Private) Limited	Receivable against expenses	105	13
Key management personnel			
Managerial remuneration		61,381	56,364
Bonus		4,945	4,925
Retirement benefits		2,078	2,864
Utilities		30	30
Travelling and conveyance		417	201
Medical		1,134	635
		69,985	65,019

38.3. 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 (Formerly Darian International (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

39. CASH GENERATED FROM OPERATIONS

		2019	2018
		(Rupees in '000)	
Profit before taxation		**64,974**	53,581
Adjustments			
Depreciation	6.1.2	**43,012**	30,219
Amortisation	7.6	**65,061**	59,941
Provision for retirement and other service benefits		**6,903**	8,372
Finance costs	33	**4,892**	29,976
Gain on disposal of operating assets		**(3,688)**	-
Profit on saving accounts	31	**(6,714)**	(3,285)
Liability for cylinder and regulator deposits written back	31	**(22,231)**	(21,235)
Others		**(4,095)**	-
Working capital changes	39.1	**(7,790)**	(42,743)
		140,325	114,826

39.1 Working capital changes

	2019	2018
Decrease / (increase) in current assets:		
Stores and spares - net	**191**	3,194
Stock-in-trade	**19,919**	(44,586)
Trade debts	**(5,768)**	(12,653)
Loans and advances	**61,099**	(45,505)
Deposits, prepayments and other receivables	**(27,051)**	5,512
	48,390	(94,038)
(Increase) / decrease in current liabilities:		
Trade and other payables	**(56,180)**	51,295
	(7,790)	(42,743)

40. FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

	Note	2019	2018
		(Rupees in '000)	
40.1 Financial assets as at the reporting date - at amortised cost			
Long-term loans	9	**894**	1,466
Long-term deposits		**122,761**	100,839
Trade debts	13	**23,422**	17,654
Loans	14	**1,091**	1,430
Deposits and other receivables	15	**84,176**	43,255
Cash and bank balances	16	**173,732**	110,922
		406,076	275,566
40.2 Financial liabilities as at the reporting date - at amortised cost			
Long-term loan including current maturity of long-term loan	19	**254,439**	254,439
Liabilities under finance lease	20	**3,744**	3,940
Cylinder and regulator deposits		**386,402**	374,145
Trade and other payables	24	**91,342**	179,374
Loan from a subsidiary company		**50,000**	50,000
Accrued mark-up on long-term loan		**60,295**	60,295
		846,222	929,212

41. FINANCIAL RISK MANAGEMENT

41.1 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. 2.582 (2018: Rs. 2.584 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, 2019.

(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. All the below financial assets are carried at amortised cost (note 2.5) and the maximum exposure to credit risk at the reporting date is as follows:

	2019	2018
	--------- (Rupees in '000) ---------	
Long-term loans	1,985	2,896
Long-term deposits	122,761	100,839
Trade debts	23,422	17,654
Deposits and other receivables	84,176	43,255
Cash and bank balances	173,732	59,440
	406,076	224,084

For trade debts, the credit risk exposure is net of allowance for expected credit losses as disclosed in note 13.

Long-term loans represent loans given to employees which are secured against the letter of guarantee and promissory notes or their respective provident fund balances as disclosed in note 9 and therefore, management expects no credit losses.

Due to the nature of bank balances and deposits and high credit ratings of banks and counter parties involved, the expected credit losses in relation to these assets are low and are therefore, not recognised.

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	
		2019	2018	2019	2018
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
JS Bank Limited	PACRA	A1+	A1+	AA-	AA
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+	A	AAA
Summit Bank Limited	JCR-VIS	A1+	A1	A+	A-

(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. 86.052 million (2018: Rs. 198.491 million), which is mainly due to classification of the long-term loan to current liabilities (note 19). However, 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.

	2019			2018		
	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	**1,567**	**2,177**	**3,744**	3,002	938	3,940
Cylinder and regulator deposits	**-**	**386,402**	**386,402**	-	374,145	374,145
Trade and other payables	**91,342**	**-**	**91,342**	186,393	-	186,393
Accrued mark-up on long term loan	**60,295**	**-**	**60,295**	60,295	-	60,295
Loan from a subsidiary company	**50,000**	**-**	**50,000**	50,000	-	50,000
	457,643	**388,579**	**846,222**	554,129	375,083	929,212

41.2 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 6.1.4).

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 date (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		
	Total	Quoted price in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
June 30, 2019:	-----------	(Rupees in '000)	-----------	
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, 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	-

41.3 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	2019	2018
		(Rupees in '000)	
Liabilities under finance lease	20	**3,744**	3,940
Cylinder and regulator deposits	22	**386,402**	374,145
Loan from a subsidiary company		**50,000**	50,000
Current maturity of long-term loan	19	**254,439**	254,439
Trade and other payables	24	**91,342**	179,374
Unclaimed dividends	25	**66,181**	53,676
Accrued mark up on long-term loan		**60,295**	60,295
Total debt		**912,403**	975,869
Cash and bank balances	16	**(173,732)**	(110,922)
Net debt		**738,671**	864,947
Share capital	17	**224,888**	224,888
Revenue reserves	18	**150,252**	143,529
Capital reserves	18	**153,458**	153,458
Actuarial gain / (loss) on remeasurement of retirement and other service benefits	18	**16,081**	(24,219)
Revaluation surplus on property, plant and equipment	18	**274,765**	274,765
Total equity		**819,444**	772,421
Capital		**1,558,115**	1,637,368
Gearing ratio		**47.41%**	52.83%

42. NON-ADJUSTING EVENT AFTER THE REPORTING DATE

42.1 Subsequent to the year end, the Board of Directors of the Company in their meeting held on 20 September, 2019 have proposed a final cash dividend of Re. 1.0 per share (2018: Re. 0.75) per share.

42.2 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. 22.488 million for the financial and tax year 2019 which exceeds the prescribed minimum dividend requirement as referred above. Accordingly, no further tax provision has been recorded under section 5A of the Ordinance.

43. CORRESPONDING FIGURES

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

		2019	2018
		(Quantity in metric ton)	
		--------- (Rupees in '000) ---------	
44. CAPACITY			
Installed annual filling capacity		**37,500**	37,500
Actual utilization	44.1	**38,385**	42,502

44.1 This does not include storage and filling capacity of hospitality locations. The variations are due to change in market demand and high refilling of the storage tanks.

45. NUMBER OF EMPLOYEES

	As at and for the year ended June 30, 2019	As at and for the year ended June 30, 2018
Total number of employees		
As at the reporting date	**83**	55
Average number of employees during the year	**83**	52

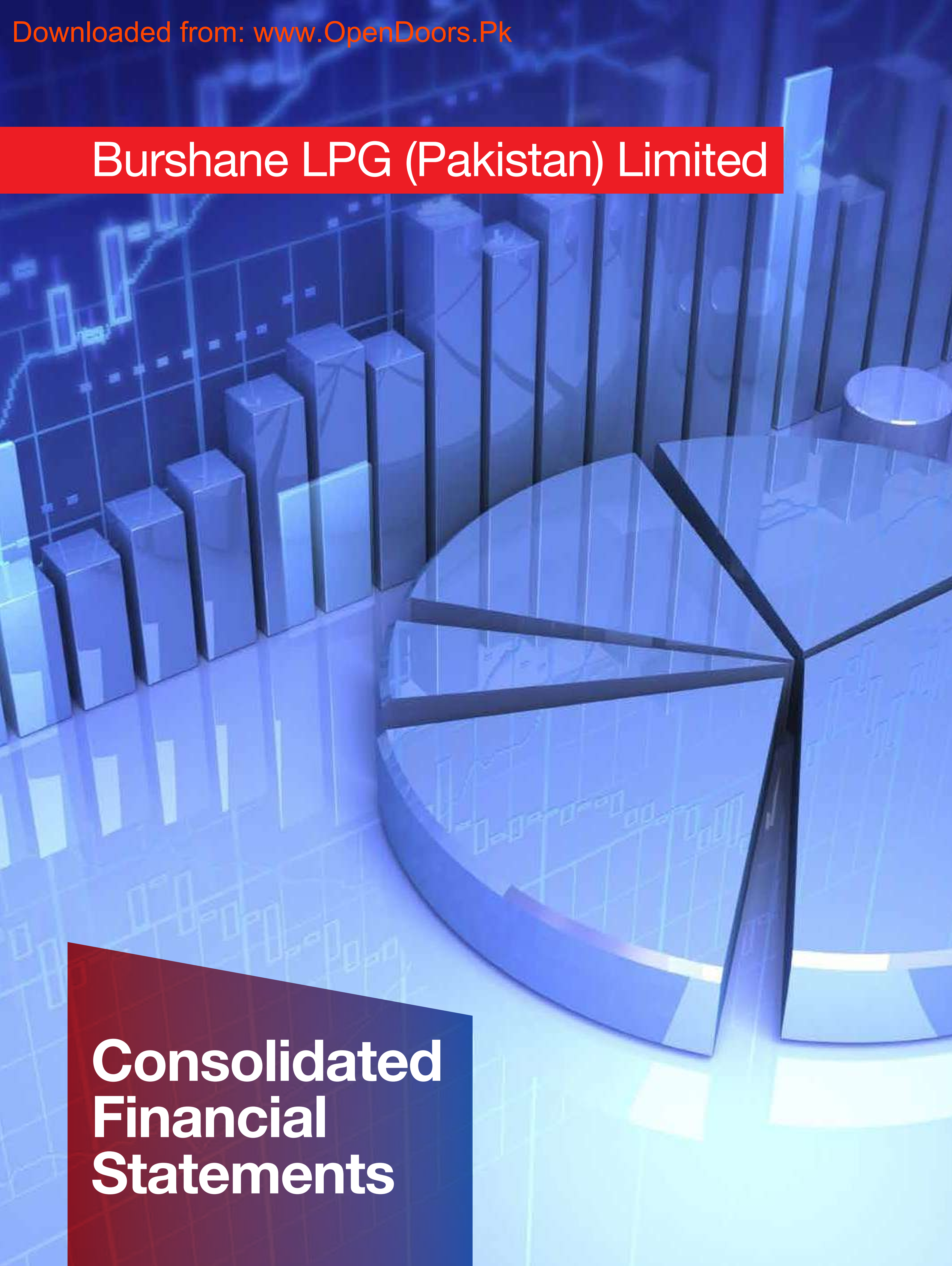
46. GENERAL

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

47. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on 20 September, 2019 by the Board of Directors of the Company.

Chief Executive Officer	Chief Financial Officer	Director



Burshane LPG (Pakistan) Limited

Consolidated Financial Statements

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: + 9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

Building a better working world

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 2019**, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity 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 2019 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.

Building a better working world

Following are the key audit matters:

S.No.	Key audit matters	How our audit addressed the key audit matter
1.	**Revenue**	
	As disclosed in note 27 to the consolidated financial statements, the Group reported revenue of Rs. 3.25 billion from sale of Liquefied Petroleum Gas (LPG) which reflects an increase of 11% from the previous year. We focused on revenue as a key audit area due to high volume of transactions and an increase in the revenue from the previous year.	We performed a range of audit procedures in relation to revenue including the following: • 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.	**Adoption of IFRS 9 - Financial Instruments**	
	As referred to in note 2.5 to the accompanying consolidated financial statements, the Group has adopted IFRS 9 with effect from 1 July 2018. IFRS 9 requires the Group to calculate loss allowances for financial assets using expected credit loss (ECL) model as against the incurred loss model previously applied by the management. Assessment of allowance for ECL against trade debts requires significant judgement, estimates	Our key audit procedures in this area included, amongst others, review of the methodology developed and applied by the management to estimate the allowance for ECL against trade debts. We considered and evaluated the assumptions used in applying the ECL model based on historical information and qualitative factors as relevant for such estimates. Further, we assessed the integrity and quality of the data used for allowance for ECL computation based on the accounting records

EY
Building a better working world

S No.	Key audit matters	How our audit addressed the key audit matter
	and assumptions applied by the management including historical credit loss experience adjusted with forward-looking macro-economic information. Given the significance of the estimates and judgments used by the management related to the calculation of allowance for ECL as well as incremental qualitative and quantitative disclosure, we considered this as a key audit matter.	and information system of the Group as well as the external sources used for this purpose. We checked the mathematical accuracy of the ECL model by performing recalculation on test basis. We assessed the reasonableness of judgments exercised by the management. We further assessed the adequacy of financial statement disclosures in accordance with the applicable financial reporting framework.

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 consolidated 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 consolidated 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.

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.

Building a better working world

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.

Building a better working world

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 consolidated 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**.

Chartered Accountants

Place: Karachi

Date: 30 September 2019

Consolidated Statement of Financial Position

As at June 30, 2019

	Note	June 30, 2019	June 30, 2018
		---------- (Rupees in '000) ---------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	**732,090**	742,636
Intangible assets	7	**388,230**	453,002
Long-term loans	8	**894**	1,466
Long-term deposits	9	**122,761**	100,839
		1,243,975	1,297,943
CURRENT ASSETS			
Stores and spares	10	**2,415**	2,606
Stock-in-trade	11	**75,422**	95,341
Trade debts	12	**23,422**	17,654
Loans and advances	13	**59,615**	120,714
Deposits, prepayments and other receivables	14	**88,945**	45,076
Taxation - net		**13,652**	9,311
Cash and bank balances	15	**175,069**	112,179
		438,540	402,881
		1,682,515	1,700,824
EQUITY AND LIABILITIES			
EQUITY			
Share capital	16	**224,888**	224,888
Capital reserve	17	**153,458**	153,458
Revenue reserves	17	**150,770**	143,965
Actuarial gain / (loss) on remeasurement of retirement and other service benefits	17	**16,081**	(24,219)
Revaluation surplus on property, plant and equipment	17	**274,765**	274,765
		595,074	547,969
		819,962	772,857
NON-CURRENT LIABILITIES			
Long-term loan	18	**-**	-
Liabilities under finance lease	19	**2,177**	938
Deferred taxation - net	20	**-**	1,948
Cylinder and regulator deposits	21	**386,402**	374,145
		388,579	377,031
CURRENT LIABILITIES			
Current maturity of long-term loan	18	**254,439**	254,439
Current maturity of liabilities under finance lease	19	**1,567**	3,002
Trade and other payables	22	**91,492**	179,524
Unclaimed dividends	23	**66,181**	53,676
Accrued mark-up on long-term loan		**60,295**	60,295
		473,974	550,936
CONTINGENCIES AND COMMITMENTS	24		
		1,682,515	1,700,824

The annexed notes 1 to 45 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, 2019

	Note	2019	2018
		--------- (Rupees in '000) ---------	
Sales - net	25	**3,249,870**	2,926,076
Cost of sales	26	**(3,034,515)**	(2,693,563)
Gross profit		**215,355**	232,513
Administrative expenses	27	**(106,575)**	(108,437)
Distribution and marketing expenses	28	**(68,780)**	(64,224)
Other income	29	**42,737**	35,590
Other expenses	30	**(12,756)**	(11,717)
Operating profit		**69,981**	83,725
Finance costs	31	**(4,892)**	(29,976)
Profit before taxation		**65,089**	53,749
Taxation	32	**(39,150)**	(34,035)
Profit for the year		**25,939**	19,715
Earnings per share - basic and diluted	33	**Rs. 1.15**	Rs. 0.88

The annexed notes 1 to 45 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, 2019

	2019	2018
	------- (Rupees in '000) -------	
Profit for the year	**25,939**	19,715
Other comprehensive income for the year		
Items that will not be reclassified subsequently to profit or loss:		
Acturial gain / (loss) on remeasurement of retirement and other service benefits	**40,300**	(3,005)
Total comprehensive income for the year	**66,239**	16,710

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

Chief Executive Officer

Chief Financial Officer

Director

Consolidated Statement of Cash Flows

For the Year Ended June 30, 2019

	Note	2019	2018
		-------- (Rupees in '000) --------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	37	**140,343**	114,479
Retirement and other service benefits		**(10,288)**	9,123
Finance costs paid		**(4,632)**	(4,621)
Taxes paid		**(45,439)**	(41,283)
Long-term loans - net		**572**	(436)
Long-term deposits - net		**(21,922)**	(30,853)
Cylinder and regulator deposits - net		**34,488**	22,131
Net cash generated from operating activities		**93,123**	68,540
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of operating fixed assets	6.1	**(32,543)**	(14,629)
Purchase of intangible assets	7	**(289)**	(50,150)
Proceeds from disposal of operating fixed assets		**3,765**	-
Interest received		**6,806**	3,350
Net cash used in investing activities		**(22,261)**	(61,429)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**(4,475)**	(5,086)
Repayment of liabilities under finance lease	19	**(3,497)**	(3,002)
Net cash used in financing activities		**(7,972)**	(8,088)
Net increase / (decrease) in cash and cash equivalents		**62,890**	(977)
Cash and cash equivalents at beginning of the year		**112,179**	113,156
Cash and cash equivalents at end of the year	15	**175,069**	112,179

The annexed notes 1 to 45 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, 2019

	Issued, subscribed & paid-up Capital	Reserves: Capital: Reserve on amalgamation	Reserves: Revenue: General reserve	Reserves: Revenue: Unappropriated profit	Actuarial (loss) / gain on remeasurement of retirement and other service benefits	Revaluation surplus on property, plant and equipment	Total reserves	Total equity
	(Rupees in '000)							
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 @ Rs.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**
Impact of initial application of IFRS 9 (note 2.5)	-	-	-	(3,034)	-	-	(3,034)	(3,034)
Related deferred tax impact	-	-	-	880	-	-	880	880
	-	-	-	(2,154)	-	-	(2,154)	(2,154)
Balance as at July 01, 2018 - restated	**224,888**	**153,458**	**90,000**	**51,811**	**(24,219)**	**274,765**	**545,815**	**770,703**
Profit for the year	-	-	-	25,939	-	-	25,939	25,939
Other comprehensive income for the year	-	-	-	-	40,300	-	40,300	40,300
Total comprehensive income for the year	-	-	-	25,939	40,300	-	66,239	66,239
Final dividend @ Re.0.75 per share	-	-	-	(16,980)	-	-	(16,980)	(16,980)
Balance as at June 30, 2019	**224,888**	**153,458**	**90,000**	**60,770**	**16,081**	**274,765**	**595,074**	**819,962**

The annexed notes 1 to 45 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, 2019

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, trading and marketing of Liquefied Petroleum Gas (LPG) throughout Pakistan and trading of Low Pressure Regulators (LPR).

The Holding Company was a subsidiary of H.A.K.S. Trading (Private) Limited (HTPL). The major shareholder of HTPL was Mr. Asad Alam Niazi, Chief Executive of the holding company with 73.88% of the ordinary shares while various other shareholders held 26.12% shares. 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 Holding Company on February 20, 2015, as more fully explained in note 5.

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 will mainly be 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 particulary 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 no transactions were undertaken by BTPL during the year.

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

Karachi:	**Purpose:**
Plot No. 70, Sector 7-D,Korangi Filling Plant-1, Adjacent to Pakistan Refinery Limited, Korangi Creek	LPG Storage & filling plant
Faisalabad:	**Purpose:**
Square No. 94, Killa no. 1,2,3,4,5,6 & 7, tehsil Faisalabad, Near Abbaspur railway station.	LPG Storage & filling plant

2. BASIS OF PREPARATION

2.1 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) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as notified under Companies Act, 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRS standards, the provisions of and directives issued under the Act have been followed.

2.2 Basis of measurement

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

2.3 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'.

2.3.1 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 consolidated 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.

2.4 Functional and presentation currency

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

2.5 New standards, amendments and improvements effective during the year

The Group has adopted, wherever applicable, the following standards, amendments and improvements of International Financial Reporting Standards (IFRSs) which became effective for the current year:

IFRS 2 - Share based Payments: Classification and Measurement of Share Based Payments Transactions (Amendments)
IFRS 9 - Financial Instruments
IFRS 15 - Revenue from Contracts with Customers
IAS 40 - Investment Property: Transfers of Investment Property (Amendments)
IFRIC 22 - Foreign Currency Transactions and Advance Consideration
IAS 28 - Investments in Associates and Joint Ventures: Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The adoptions of the above standards, amendments and improvements of IFRS do not have any material impact on the consolidated financial statements of the Group except for IFRS 15 and IFRS 9 as described below:

IFRS 9 Financial Instruments

"IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has applied IFRS 9 using modified retrospective approach with initial application date of 01 July 2018 as notified by the SECP. The Group has not restated the comparative information, which continues to be reported under IAS 39.

The new accounting policy in respect of financial instruments and impairment of financial assets is stated in note 3.16 to these consolidated financial statements."

The effect of adopting IFRS 9 on the classification and carrying amounts of the financial assets at July 01, 2018 is as follows:

Impact on the statement of financial position of the Group:

Financial asset	Original category under IAS 39	New category under IFRS 9	Carrying amount under IAS 39 as at July 01, 2018	Impact of ECL in opening equity as at July 01, 2018	Carrying amount under IFRS 9 as at July 01, 2018
			------------- (Rupees in '000) -------------		
Long-term loans	Loans and receivables	Amortised cost	1,466	-	1,466
Long-term deposits	Loans and receivables	Amortised cost	100,839	-	100,839
Trade debts	Loans and receivables	Amortised cost	17,654	(3,034)	14,620
Loans	Loans and receivables	Amortised cost	1,091	-	1,091
Deposits and other receivables	Loans and receivables	Amortised cost	84,185	-	84,185
Bank balances	Loans and receivables	Amortised cost	174,893	-	174,893

The nature of the impact is described below:

(a) Classification and measurement

There was no material impact to the consolidated statement of financial position resulting from the Group applying the classification and measurement requirements of IFRS 9 except for the amount as stated above.

(b) Impairment

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

Upon adoption of IFRS 9, the Group Company recognised impairment on the Company's trade debts of Rs. 3.034 million, which resulted in a decrease in retained earnings by the same amount as at 01 July 2018. The information about the ECL on the Group's financial assets is disclosed in note 3.16 to these consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group has applied IFRS 15 using modified retrospective approach with initial application date of July 01, 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP). Based on management's assessment of the contractual arrangements with customers, the adoption of IFRS 15 does not have any impact on the consolidated financial statements of the Group. Hence, no cumulative adjustment amounts have been recognised to adjust the opening retained earnings as at July 01, 2018. Accordingly, the information presented for previous years has not been restated, as previously reported, under IAS 18 and related interpretations.

The new accounting policy in respect of revenue recognition is stated in note 3.17 to these consolidated financial statements.

Standards, amendments and improvements to IFRSs that are not yet effective

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 3 - Definition of a Business (Amendments)	01 January 2020
IFRS 3 - Business Combinations: Previously held interests in a joint operation	01 January 2019
IFRS 9 - Prepayment Features with Negative Compensation (Amendments)	01 January 2019
IFRS 10 / IAS 28 - consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IFRS 11 - Joint Arrangements: Previously held interests in a joint operation	01 January 2019
IFRS 16 - Leases	01 January 2019
IAS 1 / IAS 8 - Definition of Material (Amendments)	01 January 2020
IAS 12 - Income Taxes: Income tax consequences of payments on financial instruments classified as equity	01 January 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	01 January 2019
IAS 23 - Borrowing Costs - Borrowing costs eligible for capitalisation	01 January 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)	01 January 2019
IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019

The above standards and amendments, where applicable, are not expected to have any material impact on the Group's consolidated financial statements in the period of initial application, except for IFRS 16 - 'Leases'. The management of the Group is currently evaluating the impact of this standard on the consolidated financial statements.

In addition to the above standards, amendments and improvements to various IFRSs have also been issued by the IASB in December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 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 1 January 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 management of the Group expects that below new standards will not have any material impact on the consolidated financial statements in the period of initial application.

Standard	**IASB Effective date (annual periods beginning on or after)**
IFRS 1 - First time adoption of IFRSs	January 01, 2004
IFRS 14 - Regulatory Deferral Accounts	January 01, 2016
IFRS 17 - Insurance Contracts	January 01, 2021

3. 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.

3.1 Property, plant and equipment

3.1.1 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 6.1. 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.

A revaluation surplus is recorded in consolidated statement of other comprehensive income (OCI) and credited to the asset revaluation surplus in equity. However, the increase is recorded in the consolidated statement of profit or loss to the extent it reverses a revaluation deficit of the same asset previously. A decrease as a result of revaluation is recognised in the consolidated statement of profit or loss however, a decrease is recorded in consolidated statement of other comprehensive income to the extent of any credit balance entry in revaluation surplus in respect of same asset.

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.

3.1.2 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.

3.2 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.

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 Group 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 7.

The useful life 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.

3.3 Stores and spares

Stores and spares to be consumed in the ordinary course of business are valued at cost less impairment loss, if any, 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.

3.4 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.

3.5 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 expected credit losses, if any. Allowance for expected credit losses is based on lifetime ECLs that result from all possible default events over the expected life of the trade debts and other receivables. Trade debts and other receivables are written-off when considered irrecoverable.

3.6 Cash and cash equivalents

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

3.7 Retirement and other service benefits

3.7.1 Defined benefit plans

The Group 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.

3.7.2 Defined contribution plan

The Group 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.

3.8 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.

3.9 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.

3.10 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.

3.11 Taxation

3.11.1 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.

3.11.2 Deferred

Deferred tax is recognized 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 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 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.

3.12 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.

3.13 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.

3.14 Dividend and appropriation to reserves

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

3.15 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.

3.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit or Loss (FVTPL).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics."

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of a debt instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price, determined under IFRS 15) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at FVTPL - The Group has not designated any financial asset as fair value through profit or loss;

- Financial assets at amortised cost - The Group subsequently measures financial assets at amortised cost using Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired;

- Debt instruments at FVOCI - The Group has not designated any financial asset at fair value through OCI with / without recycling of cumulative gains and losses; and upon derecognition.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment / expected credit losses on financial assets

The Group recognises an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Group uses the standard's simplified approach and calculates ECL based on life-time ECL on its financial assets. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The expected credit losses are recognised in the consolidated statement of profit or loss.

ii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group financial liabilities include long-term loan, accrued mark-up on long-term loan, liabilities under finance lease, cylinder and regulator deposits, trade and other payables and loan from subsidiary company."

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss. This category generally applies to interest-bearing loans and borrowings and trade and other payables.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.17 Revenue from contracts with customers

The Holding Company is in the business of storing, marketing and trading of Liquefied Petroleum Gas (LPG) throughout Pakistan and trading of Low Pressure Regulators (LPR). Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Holding Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Holding Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Performance obligations

Information about the Holding Company performance obligations are summarised below:

Sale of LPG and LPR

The performance obligation is satisfied upon delivery of LPG and LPR at LPG pump stations. Payment is generally due at the time of delivery. The revenue from sale of these products is recognised at the point in time when control of the asset is transferred to the customer i.e. on delivery of products.

Others

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

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

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

The Group recognises an account receivable when the performance obligations have been met, recognising the corresponding revenue. Moreover, the consideration received before satisfying the performance obligations are recognised as advances from customer.

Following accounting policies were effective for the period ended on or before June 30, 2018

3.18 Financial instruments

3.18.1 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.

(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 account on equity instruments classified as available-for-sale are not reversed through consolidated statement of profit or loss account.

3.18.2 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.

3.18.3 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.

3.19 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:

- 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. 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 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 consolidated financial statements:

4.1 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.

4.2 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.

4.3 Taxation

In making the estimates for current income taxes payable by the Group, 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 Group.

4.4 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 35.

5 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 ordinary 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, as per the swap ratio, will result in reduction of 151,154 shares of the Holding Company. The Holding Company is in the process of completing the legal formalities for 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	**2019**	2018
		--------- (Rupees in '000) ---------	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	**732,090**	742,636

6.1 Operating fixed assets

June 30, 2019

	Cost / Revalued Amount*				Accumulated Depreciation				Net Book value	
	As at July 01, 2018	Additions	Disposals	As at June 30, 2019	As at July 01, 2018	Charge for the year (note 6.1.2)	Disposals	As at June 30, 2019	As at June 30, 2019	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	55,859	2,304	-	58,163	25,131	5%
Plant and machinery	64,350	1,754	-	66,104	51,943	1,402	-	53,345	12,759	5%
Furniture, fittings, electrical and other equipment	80,424	525	(99)	80,850	72,010	1,707	(74)	73,643	7,207	10%-15%
Vehicles	58,655	553	(1,639)	57,569	58,195	935	(1,639)	57,491	78	20%-25%
Tanks, pipelines and fittings	96,021	-	(2,593)	93,428	65,325	9,602	-	74,927	18,501	10%
Fire fighting equipment	21,069	108	-	21,177	17,581	999	-	18,580	2,597	15%
Cylinders and regulators (note 6.1.3)	591,751	24,381	-	616,132	461,173	21,402	(2,593)	479,982	136,150	10%
Office equipment	4,715	19	-	4,734	4,245	87	-	4,332	402	15%
Computers and related accessories	17,503	390	(428)	17,465	16,816	524	(376)	16,964	501	33.33%
Leased										
Vehicles	23,738	4,813	-	28,551	19,875	4,050	-	23,925	4,626	25%
	1,565,658	32,543	(4,759)	1,593,442	823,022	43,012	(4,682)	861,352	732,090	

June 30, 2018

	Cost / Revalued Amount*				Accumulated Depreciation				Net Book value	
	As at July 01, 2017	Additions	Disposals	As at June 30, 2018	As at July 01, 2017	Charge for the year (note 6.1.2)	Disposals	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 6.1.3)	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	

6.1.1 As at June 30, 2019, property, plant and equipment having cost of Rs. 574.662 million (2018: Rs. 552.535 million) are fully depreciated.

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

	Note	**2019**	2018
		--------- (Rupees in '000) ---------	
Cost of sales	26	**15,349**	6,104
Administrative expenses	27	**6,205**	10,342
Distribution and marketing expenses	28	**21,458**	13,773
		43,012	30,219

6.1.3 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.

6.1.4 The Holding Company's freehold land and leasehold land was revalued on June 15, 2015 by M/s. Consultancy Support and Services and Harvestor 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 (2018: Rs. 5.627 million) and Rs. 266.097 million (2018: Rs. 266.097 million), respectively.

6.1.5 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**

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

Particulars	**Usage of property**	**Address**	**Covered Area (Sq. ft.)**
Freehold land	For future business expansion	Chak No. 245, Near Railway Station, Abbaspur, Faisalabad	104,544
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
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

6.1.7 In the current and previous year, there were no disposal of fixed assets with an aggregate book value exceeding amount of Rs. 5 million, hence no disposal to report.

7. INTANGIBLE ASSETS

	Cost			Accumulated Amortisation			Net Book Value	
	As at July 01, 2018	Additions	A at June 30, 2019	As at July 01, 2018	Charge for the year (note 7.6)	As at June 30, 2019	at June 30, 2019	Rate of amortisation
	------ (Rupees in '000) ------							
Goodwill (note 7.1)	**253,091**	**-**	**253,091**	**-**	**-**	**-**	**253,091**	**Nil**
Computer software	**4,569**	**289**	**4,858**	**4,569**	**14**	**4,583**	**275**	**20%**
Rights under supply contracts (notes 7.2, 7.3 & 7.4)	**394,856**	**-**	**394,856**	**203,545**	**65,047**	**268,592**	**126,264**	**7.14%-33%**
Trademarks (note 7.1 & 7.5)	**8,600**	**-**	**8,600**	**-**	**-**	**-**	**8,600**	**Nil**
2019	**661,116**	**289**	**661,405**	**208,114**	**65,061**	**273,175**	**388,230**	

	Cost			Accumulated Amortisation			Net Book Value	
	As at July 01, 2017	Additions	A at June 30, 2018	As at July 01, 2017	Charge for the year (note 7.6)	As at June 30, 2018	at June 30, 2018	Rate of amortisation
	------ (Rupees in '000) ------							
Goodwill (note 7.1)	253,091	-	253,091	-	-	-	253,091	Nil
Computer software	4,569	-	4,569	4,569	-	4,569	-	20%
Rights under supply contracts (notes 7.2, 7.3 & 7.4)	344,706	50,150	394,856	143,604	59,941	203,545	191,311	7.14%-33%
Trademarks (note 7.1 & 7.5)	8,600	-	8,600	-	-	-	8,600	Nil
2018	610,966	50,150	661,116	148,173	59,941	208,114	453,002	

7.1 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 5).

7.1.1 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.

	2019	2018
	--------- (Rupees in '000) ---------	
Carrying amount of goodwill	**253,091**	253,091
Carrying amount of trademarks	**8,600**	8,600

The Holding Company performed its annual impairment test in June 2019 and June 2018. The Holding Company considers the relationship between its recoverable amount and its book value, among other factors, when reviewing for indicators of impairment. As at June 30, 2019, the recoverable amount of the Holding Company was above the book value of its equity, indicating no potential impairment of goodwill and impairment of the assets of the operating segment.

The recoverable amount of CGU amounting to Rs.1,091 million as at June 30, 2019 has been determined based on a Value in Use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The TAB was appropriately calculated over a 10 year amortization period, using the statutory tax rates. The projected cash flows have been updated to reflect increase in demand for LPG, and consequent imports. The pre-tax discount rate applied to cash flow projections is 27.9% and cash flows beyond the five-year period are extrapolated using a 5% growth rate. It was concluded that the carrying value did not exceed the value in use. As a result of this analysis, no impairment has been identified by the Holding Company against goodwill with a carrying amount of Rs. 253.091 million as at June 30, 2019.

The Holding Company tested its trademark "Burshane" as at June 30, 2019 and June 30, 2018 for impairment. Value in Use of Rs. 317.728 million as at June 30, 2019 of the trademarks has been calculated using Relief from Royalty Method. This method considers the royalties saved by owning the intellectual property rather than licensing it. It is commonly used in the valuation of similar assets and, from a valuation perspective, appears reasonable in this case.

Key assumptions used in value in use calculations:

The calculation of value in use for both CGU and trademarks, is most sensitive to the following assumptions:

Sales volume growth
Discount rates
Market share during the forecast period
Royalty rate used for the forecast period
Growth rate used to extrapolate cash flows beyond the forecast period

Sales volume growth

Value in use is sensitive to sales volume growth. Sales volume growth has been assumed to increase in line with management's expectations of market share.

Discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Holding Company and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Holding Company's investors. The cost of debt is based on the interest-bearing borrowings the Holding Company is obliged to service.

Market share during the forecast period

When using industry data for growth rates (as noted below), these assumptions are important because management assesses how the unit's position, relative to its competitors, might change over the forecast period. Management expects the Holding Company's market share in the LPG industry to be stable over the forecast period.

Royalty rate used for the forecast period

The cash flows have been estimated using a royalty rate of 1.5% and have been discounted at the WACC. The royalty rate is based on that used by similar businesses. The TAB was appropriately calculated over a 10 year amortization period, using the statutory tax rates. Cash flows beyond the five-year period are extrapolated using a 5% growth rate. It was concluded that the carrying value did not exceed the value in use. As a result of this analysis, no impairment has been identified by the Holding Company against the trademarks with a carrying amount of Rs. 8.600 million as at June 30, 2019.

Discount rates

Rates are based on published industry research. For the reasons explained above, the long-term rate used to extrapolate the budget for the CGUs includes an adjustment for long term growth of the LPG industry.

The implications of the key assumptions for the recoverable amount are discussed below:

Sales volume growth

Value in use is sensitive to price and cost per ton of local and imported LPG and cost pass-through. The value in use was tested at various sales volume growth levels. A decline of more than 10.5% sales volume growth would result in impairment of the CGU.

Discount rate assumptions

A rise in pre-tax discount rate to 33.9% would result in the impairment of the CGU.

Market share during the forecast period assumptions

Management expects the Holding Company to maintain its market share based on the expected demand of the product and the ready supply base it has to service the demand.

Royalty rate assumptions

The cash flows have been estimated using a royalty rate of 1.5%, and have been discounted at the WACC. The royalty rate is based on that used by similar businesses. The TAB (Tax Amortization Benefit) was appropriately calculated over a 10 year amortization period, using the statutory tax rates. Cash flows beyond the five-year period are extrapolated using a 5% growth rate in line with that used by the management. It was concluded that the carrying value did not exceed the value in use. As a result of this analysis, no impairment has been identified by the Holding Company against goodwill with a carrying amount of Rs. 253.091 million as at 30 June 2019.

Growth rate assumptions

Cashflow beyond the forecast period have been extrapolated using 5% growth based on that used by the management and long term real GDP growth forecast from Oxford Economics.

7.2 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.

7.3 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.

7.4 During the year, the Holding Company participated in a tender offer by Oil & Gas Development Holding 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.

7.5 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 7.1).

7.6 The amortisation for the year has been allocated as follows:

	Note	**2019**	2018
		(Rupees in '000)	
Cost of sales	26	**65,047**	59,941
Administrative expenses	27	**14**	-
		65,061	59,941

	Note	2019	2018
		(Rupees in '000)	
8. LONG-TERM LOANS			
Secured, considered good			
Directors	8.2	**273**	236
Executives	8.3 & 8.5	**1,371**	2,104
Other employees	8.3	**341**	556
		1,985	2,896
Current maturity of long-term loans:			
Directors		**(274)**	(236)
Executives		**(587)**	(851)
Other employees		**(230)**	(343)
		(1,091)	(1,430)
		894	1,466

8.1 Reconciliation of carrying amount of loans:

	2019				2018
	Directors (note 9.2)	**Executives (note 9.3 & 9.5)**	**Other Employees (note 9.3)**	**Total**	Total
	(Rupees in '000)				
Opening balance	**236**	**2,104**	**556**	**2,896**	12,560
Disbursements	**400**	**430**	**275**	**1,105**	4,412
Repayments / adjustments	**(363)**	**(1,163)**	**(490)**	**(2,016)**	(14,076)
Closing balance	**273**	**1,371**	**341**	**1,985**	2,896

8.2 Represents interest free loan granted to Chief Financial Officer of the Holding Company, amounting to Rs. 0.40 million, given as per Holding Company policy. As of the reporting date, the loan from Chief Financial Officer has been recovered in full as per the agreement.

8.3 These loans are granted to employees under the Holding 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. 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.

8.4 The maximum aggregate amount of loans due from Executives at the end of any month during the year was Rs. 0.922 million (2018: Rs. 2.14 million).

8.5 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.

9. LONG-TERM DEPOSITS

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

	Note	2019	2018
		(Rupees in '000)	
10. STORES AND SPARES			
Stores		**3,175**	3,322
Spare parts		**560**	604
		3,735	3,926
Provision for obsolete items		**(1,320)**	(1,320)
		2,415	2,606

11. STOCK-IN-TRADE

	Note	2019	2018
		--------- (Rupees in '000) ---------	
Liquefied Petroleum Gas (LPG)	11.1	**73,463**	92,547
Low Pressure Regulators (LPR)		**1,959**	2,794
		75,422	95,341

11.1 Includes stock amounting to Rs. 14.721 million (2018: Rs. 14.016 million) held with the following parties under hospitality arrangements:

	Note	2019	2018
		--------- (Rupees in '000) ---------	
Pakistan Oil Fields Limited		**-**	1,344
Ravi Sahiwal		**137**	903
Sadiq Gas Company		**3,325**	4,024
Sindh Gas (Private) Limited		**2,365**	342
Blessing Gas (Private) Limited		**702**	3,741
Tez Gas (Private) Limited		**253**	-
Petroleum Gas (Private) Limited		**-**	709
Bashir Gas		**7,810**	2,953
Faiq Gas		**129**	-
		14,721	14,016

11.2 As at June 30, 2019, stock of LPG held on behalf of third parties amounted to Rs. 0.253 million (2018: Rs. 2.414 million).

12. TRADE DEBTS

	Note	2019	2018
		--------- (Rupees in '000) ---------	
Unsecured, considered good		**26,492**	17,654
Allowance for expected credit losses	12.1	**(3,070)**	-
		23,422	17,654

12.1 Below is the movement of allowance for expected credit losses of trade debts:

	2019	2018
Balance as at 1 July	**-**	-
Impact of initial application of IFRS 9 (note 2.5)	**3,034**	-
Balance as at 01 July - restated	**3,034**	-
Allowance for expected credit losses	**36**	-
Balance as at 30 June	**3,070**	-

12.2 Includes trade debts aggregating to Rs. 26.066 million (2018: Rs. 12.253 million) which were past due but not impaired. Ageing analysis of these trade debts as at the reporting date is as follows:

	Note	2019	2018
		--------- (Rupees in '000) ---------	
Up to 1 month		**16,770**	8,489
1 to 6 months		**9,185**	1,095
More than 6 months		**111**	2,669
		26,066	12,253

	Note	2019	2018
		--------- (Rupees in '000) ---------	
13. LOANS AND ADVANCES			
Loans - secured, considered good			
Current maturity of long-term loans	8	**1,091**	1,430
Advances - unsecured, considered good			
Executives	13.1	**3,260**	1,296
Contractors and suppliers		**55,264**	117,988
		58,524	119,284
		59,615	120,714

13.1 The maximum aggregate amount due from executives at the end of any month was Rs. 3.26 million (2018: Rs. 1.546 million).

	Note	2019	2018
		--------- (Rupees in '000) ---------	
14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Deposits		**785**	9,785
Prepayments		**4,760**	1,816
Other receivables	14.1	**83,400**	33,475
		88,945	45,076
14.1 Other receivables:			
OPI Gas (Private) Limited	14.1.1	**3,642**	3,642
Burshane LPG (Pakistan) Limited - Provident Fund		**315**	766
Burshane LPG (Pakistan) Limited - Gratuity Fund	35.1.1	**4,120**	9,436
Burshane LPG (Pakistan) Limited - Pension Fund	35.1.1	**16,367**	-
Burshane Petroleum (Private) Limited	14.1.2	**9,000**	9,000
Accrued Interest		**8**	5
Sales tax receivable		**41,772**	-
Others	14.1.3	**14,391**	16,841
		89,615	36,690
Allowance for expected credit losses		**(6,215)**	(6,215)
		83,400	33,475

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

14.1.2 Represents amount receivable from Burshane Petroleum (Private) Limited (formerly Darian International (Private) Limited), a related party, as consideration against use of the Holding Company's name under an arrangement entered in prior years. This is considered neither due nor impaired.

14.1.3 Includes receivable against hospitality arrangements of Rs. 5.04 million (2018: Rs. 5.04 million) and receivable against cylinder and regulator deposits of Rs. 8.10 million (2018: Rs. 2.41 million).

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

	Note	2019	2018
		--------- (Rupees in '000) ---------	
Burshane LPG (Pakistan) Limited - Provident Fund		**315**	7,369
Burshane LPG (Pakistan) Limited - Gratuity Fund		**4,120**	9,436
Burshane LPG (Pakistan) Limited - Pension Fund		**16,367**	-
Burshane Petroleum (Private) Limited	14.1.5	**9,000**	9,000
		29,802	25,805

	Note	2019	2018
14.1.5 The ageing analysis of receivable balances due from related parties is as follows:		--------- (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

15. CASH AND BANK BALANCES

	Note	2019	2018
Cash in hand		**176**	169
Cash at banks:			
saving accounts	15.1	**117,738**	59,440
current accounts			
- conventional banking		**56,849**	52,266
- islamic banking		**306**	304
		57,155	52,570
		175,069	112,179

15.1 The profit rates on these saving accounts range from 3.75% to 10% per annum (2018: 3.75% to 4.25% per annum). These balances are held in accounts maintained under conventional banking.

	2019	2018
	--------- (Rupees in '000)	---------

16. SHARE CAPITAL

16.1 Authorised capital

2019	2018		2019	2018
------ (Number of shares)	------		--------- (Rupees in '000)	---------
90,000,000	90,000,000	Ordinary shares of Rs.10 each	**900,000**	900,000

16.2 Issued, subscribed and paid-up capital

2019	2018		2019	2018
------ (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 16.3)	**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

16.3 'As a result of the Scheme referred to in note 5, 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 ordinary share capital of the Holding Company reduced by 151,154 ordinary shares (note 5).

16.4 As more fully explained in note 5, 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 Holding Company) in accordance with the Scheme. Post completion of legal formalities, Mr. Asad Alam Khan Niazi, Chief Executive, will hold 12,326,629 [2019: 54.82% (2018: 54.82%) ordinary shares and other directors will hold 4,358,000 [2019: 19.38% (2018: 19.38%)] ordinary shares of the holding company of Rs. 10 each.

16.5 As at June 30, 2019 the former Holding held 74.19% (June 30, 2018: 74.19%), institution held 14.37% (June 30, 2018: 14.60%) and individuals and others held the balance of 11.44% (June 30, 2018: 11.21%) Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.

	Note	2019	2018
		--------- (Rupees in '000)	---------
17. RESERVES			
Capital reserve			
Reserve on amalgamation		**153,458**	153,458
Revenue reserves			
General reserve		**90,000**	90,000
Unappropriated profit		**60,770**	53,965
		150,770	143,965
Actuarial gain / (loss) on remeasurement of retirement and other service benefits		**16,081**	(24,219)
Revaluation surplus on property, plant and equipment		**274,765**	274,765
		595,074	547,969
18. LONG-TERM LOAN			
Secured			
National Bank of Pakistan (NBP)	18.1	**254,439**	254,439
Current maturity of long-term loan		**(254,439)**	(254,439)
		-	-

18.1 As a result of the Scheme referred to in note 5, 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. In previous years, the Holding Company negotiated several different offer letters with NBP. During the year, on May 17, 2019, the Holding Company received a revised proposal for the restructuring of loan from NBP via offer letter No. NBP/ARG/ARW(S)/BLPL/2019, which has been duly accepted by the Holding Company as per the terms specified in the aforementioned letter. As per the letter, the long-term loan and the accrued mark-up on long-term loan are termed as Demand Finance – I and Demand Finance – II. As per the terms in the aforementioned offer letter, in respect of Demand Finance – I, the Holding Company is required to make a principal down payment of Rs. 89.06 million and the balance of Rs. 165.385 million to be re-paid in 20 quarterly installments starting from July 01, 2021 with a grace period of 2 years from the date of the drawdown. The Demand Finance – I carries mark-up at the rate of 3M KIBOR + 1.5%. Accordingly, in respect of Demand Finance – II, the Holding Company is required to make a down payment of Rs. 14 million and the remaining balance is to be re-paid in 8 quarterly installments from July 01, 2019. The formalities of the restructuring arrangement were in progress as at the reporting date. Accordingly, once the formalities are completed in respect of the restructuring, the classification of long-term loan will be changed and accrual of additional mark-up of Rs. 18.016 million will be credited to the consolidated statement of profit or loss.

	2019	2018
19. LIABILITIES UNDER FINANCE LEASE	--------- (Rupees in '000)	---------
Opening balance	**3,940**	6,942
Additions	**3,301**	-
Principal repayment during the year	**(3,497)**	(3,002)
Present value of minimum lease payments	**3,744**	3,940
Current maturity of liabilities under finance lease	**(1,567)**	(3,002)
Closing balance	**2,177**	938

19.1 Represents finance lease entered into with a leasing Holding Company for vehicles. Total lease rentals due under lease agreement aggregated to Rs. 4.635 million (2018: Rs. 4.225 million) and are payable in equal monthly installments latest by September 2023. Taxes, charges, demands and levies, repair and maintenance are to be borne by the Holding Company. Financing rates of 3 months KIBOR plus 3% (2018: 3 months KIBOR plus 3%) per annum have been used as discounting factor. The breakup of liabilities under finance lease is as follows:

	2019		2018	
	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	**1,995**	**1,567**	3,263	3,002
After one year but not more than five year	**2,640**	**2,177**	962	938
Total minimum lease payments	**4,635**	**3,744**	4,225	3,940
Finance charges allocated to future periods	**(891)**	**-**	(285)	-
Present value of minimum lease payments	**3,744**	**3,744**	3,940	3,940
Current maturity	**(1,567)**	**(1,567)**	(3,002)	(3,002)
	2,177	**2,177**	938	938

	Note	2019	2018
		--------- (Rupees in '000)	---------
20. DEFERRED TAXATION - net			
Taxable temporary differences			
Tax depreciation and amortisation		**22,973**	25,754
Deductible temporary differences			
Liabilities under finance lease		**(1,086)**	(1,143)
Tax credits		**(68,540)**	(20,478)
Provisions		**(3,075)**	(2,185)
		(72,701)	(23,806)
Defered tax asset not recognised	20.1	**(49,728)**	1,948

20.1 Deferred tax asset in excess of deferred tax liability amounting to Rs. 49,728 million (2018: Nil) has not been recognised in these consolidated financial statements in accordance with the accounting policy of the Holding Company.

21. 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 policy. These deposits, kept in the Holding Company's bank accounts, are utilizable for the purpose of the business in terms of section 217 of the Act.

	Note	2019	2018
22. TRADE AND OTHER PAYABLES		--------- (Rupees in '000) ---------	
Creditors		62,914	92,174
Accrued liabilities		4,345	14,300
Burshane (LPG) Pakistan Limited: Pension Fund	35.1.1	-	33,085
Workers' Profits Participation Fund	22.1	1,551	5,888
Workers' Welfare Fund		3,067	1,327
Withholding tax payable		2,479	218
Sales tax payable		-	6,139
Advances from distributors / customers - unsecured		15,398	13,304
Others		1,738	13,089
		91,492	179,524

22.1 Workers' Profit Participation Fund

	Note	2019	2018
Opening balance		5,888	2,718
Interest charged during the year	31	260	269
Allocation for the year	30	1,685	2,901
Amount paid during the year		(6,282)	-
Closing balance		1,551	5,888

23. UNCLAIMED DIVIDENDS

Includes an amount of Rs. 63.135 million (2018: Rs. 50.508 million) payable to the beneficial owners of HTPL. As explained in note 5, 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.

24. CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 Claims not acknowledged as debt by the Holding Company as at June 30, 2019 amounted to Rs. 2.06 million (2018: Rs. 2.06 million).

24.1.2 In prior 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. During the year, the order of Commissioner (Appeal) has been challenged before the Honourable Appellate Tribunal Inland Revenue, Karachi and stay has also been obtained in relation to upheld sales tax demand. As per the tax advisor of the Holding Company, 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.

During the year, on 28 September 2018, tax authorities issued another Order confronting under section 8B of Sales Tax Act, 1990, raising sales tax demand alongwith the levy of penalty aggregating to Rs. 7.899 million for tax periods from April 2018 to May 2018. Against the Order, Holding Company filed appeal before Commissioner (Appeals-I), Large Taxpayers Unit, Karachi who vide Order dated 31 October 2018 vacated the whole principal amount of sales tax of Rs. 7.669 million. However, the liability on account of default surcharge and penalty was maintained.

The Order of the commissioner (Appeal) has been challenged before the Hon'ble Appellate Tribunal Inland Revenue, Karachi and stay has also been obtained in relation to upheld sales tax demand. As per the tax advisor of the Holding Company, 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.

The Holding Company was also contesting an appeal before Hon'ble Appellate Tribunal Inland Revenue in relation to sales tax demand of Rs. 13.728 million as modified by the order of Commissioner (Appeals). The aforesaid demand was raised in pursuance to sales tax audit for tax periods from July 2009 to June 2010.

The Hon'ble Appellate Tribunal has remanded back to the Commissioner (Appeal) who has further remanded back to the assessing officer for re-assessment. The Department has not yet re-adjudicated the matter.

During the year the Holding Company received a show cause notice dated 25 March 2019 confronting under section 8B of Sales Tax Act, 1990, raising sales tax demand alongwith the levy of penalty aggregating to Rs. 37.281 million for tax periods from August 2011 to May 2015. The Holding Company responded to such notice vide the tax advisor's letter No. KST-AA-1091 dated 8 April 2019 which remained pending adjudication till 30 June 2019.

Subsequent to the year end, the tax authorities issued Order dated 24 July 2019 and raised the sales tax demand as alleged of Rs. 37.281 million alongwith penalty and default surcharge. Against the Order, the Holding Company has filed appeal alongwith stay application before Commissioner (Appeals-I), Large Taxpayers Unit, Karachi on 22 August 2019. The main appeal before the Commissioner (Appea-I) has been heard and stay order against the impugned demand has been obtained on 23 August 2019. As per the tax advisor of the Holding Company, 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.

	2019	2018
	--------- (Rupees in '000)	---------
24.2 Commitments		
24.2.1 Post-dated cheques	**4,635**	1,670

25. SALES - net

	2019	2018
Liquefied Petroleum Gas (LPG)	**3,772,649**	3,473,726
Sales tax	**(523,936)**	(548,793)
	3,248,713	2,924,933
Low Pressure Regulators (LPR)	**1,373**	1,351
Sales tax	**(216)**	(208)
	1,157	1,143
	3,249,870	2,926,076

25.1 Revenue recognised from amounts included in advance from customers at the beginning of the year amounted to Rs. 12.71 million (2018: Rs. 17.47 million).

	Note	2019	2018
		--------- (Rupees in '000) ---------	

26. COST OF SALES

	Note	2019	2018
Opening stock		92,547	47,081
Purchases		2,890,102	2,630,321
		2,982,649	2,677,402
Closing stock	11	(73,463)	(92,547)
		2,909,186	2,584,855
Salaries, wages and other employee benefits	26.1	30,284	26,878
Cost of Low Pressure Regulators sold		835	880
Stores and spares consumed	26.2	1,122	4,230
Repairs and maintenance		2,175	1,823
Travelling, conveyance and vehicle maintenance		1,901	1,335
Rent, rates and electricity		4,073	3,070
Communication		524	338
Printing and stationery		348	549
Depreciation	6.1.2	15,349	6,104
Amortisation	7.6	65,047	59,941
Security		3,321	3,241
Sundry expenses		350	319
		3,034,515	2,693,563

26.1 Include Rs. 0.77 (2018: Rs. 0.754 million) in respect of retirement and other service benefits.

26.2 Stores and spares consumed:

	Note	2019	2018
Opening balance		2,606	5,800
Purchases		931	1,036
		3,537	6,836
Closing balance	10	(2,415)	(2,606)
		1,122	4,230

27. ADMINISTRATIVE EXPENSES

	Note	2019	2018
Salaries, wages and other employee benefits	27.1	64,151	64,692
Repairs and maintenance		1,584	1,865
Travelling, conveyance and vehicle maintenance		3,022	7,270
Rent, rates and electricity		7,883	8,715
Communication		2,965	2,664
Printing and stationery		1,745	2,108
Legal and professional charges		8,161	3,459
Insurance		3,377	2,751
Advertisement expenses		1,880	644
Depreciation	6.1.2	6,205	10,342
Amortisation	7.6	14	-
Security		1,729	2,040
Donations	27.2	3,390	1,180
Sundry expenses		469	707
		106,575	108,937

27.1 Include Rs. 5.755 million (2018: Rs. 7.252 million) in respect of retirement and other service benefits.

27.2 Includes donation paid to Al-Mustafa Trust amounting to Rs.1 million, where Mr. Asad Alam Niazi Chief Executive of the Holding Company, is a trustee..

28. DISTRIBUTION AND MARKETING EXPENSES

	Note	2019	2018
		(Rupees in '000)	
Salaries, wages and other employee benefits	28.1	**16,356**	14,871
Repairs and maintenance		**181**	129
Travelling, conveyance and vehicle maintenance		**1,557**	955
Rent, rates and electricity		**1,711**	1,213
Communication		**798**	295
Printing and stationery		**125**	261
Hospitality charges		**24,876**	30,556
Freight and octroi		**1,034**	1,455
Advertisement expenses		**38**	-
Depreciation	6.1.2	**21,458**	13,773
Security		**532**	585
Sundry expenses		**114**	131
		68,780	64,224

28.1 Include Rs. 0.379 million (2018: Rs. 0.367 million) in respect of retirement and other service benefits.

29. OTHER INCOME

	Note	2019	2018
		(Rupees in '000)	
Income from financial assets			
Profit on saving accounts	29.1	**6,806**	3,350
Income from non-financial assets			
Rental income from storage tanks		**1,002**	1,124
Gain on disposal of operating fixed assets		**3,688**	-
Liability for cylinder and regulator deposits written back	29.2	**22,231**	21,585
Recoveries against cylinder replacement		**1,205**	2,193
Hospitality income		**3,710**	6,304
Others		**4,095**	1,034
		35,931	32,240
		42,737	35,590

29.1 Represents profit on bank accounts under conventional banking relationship.

29.2 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.

30. OTHER EXPENSES

	Note	2019	2018
		(Rupees in '000)	
Workers' Profits Participation Fund	22.1	**1,685**	2,901
Workers' Welfare Fund		**1,868**	1,149
Auditors' remuneration	30.1	**2,223**	1,860
Directors' fees		**1,325**	925
Allowance for expected credit losses		**36**	-
Others		**5,619**	4,882
		12,756	11,717

	Note	2019	2018
		--------- (Rupees in '000) ---------	
30.1 Auditors' remuneration:			
Statutory audit		**1,085**	1,000
Half yearly review		**450**	400
Review of code of corporate governance		**150**	150
Other certifications		**140**	-
Out of pocket expenses		**398**	310
		2,223	1,860

31. FINANCE COSTS

	Note	2019	2018
Mark-up on long-term loan		**-**	25,086
Finance charges on liabilities under finance lease		**594**	565
Interest on Workers' Profits Participation Fund	22.1	**260**	269
Bank charges		**4,038**	4,056
		4,892	29,976

32. TAXATION

	Note	2019	2018
Current	32.1	**41,098**	36,029
Prior		**-**	(44)
Deferred		**(1,948)**	(2,950)
		39,150	34,035

32.1 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. EARNINGS PER SHARE – basic and diluted

	2019	2018
Profit for the year (Rupees in '000)	**25,939**	19,715
Weighted average number of ordinary shares in issue (in '000)	**22,489**	22,489
Earnings per share - basic and diluted	**Rs. 1.15**	Rs. 0.88

34. 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:

	2019				2018			
	Chief Executive	Directors	Executives	Total	Chief Executive	Director	Executives	Total
	(Rupees in '000)							
Managerial remuneration	**27,324**	**15,222**	**17,868**	**60,414**	25,668	13,952	15,670	55,290
Bonus	**2,277**	**1,268**	**1,400**	**4,945**	2,277	1,248	1,400	4,925
Group's contribution to provident fund	**1,161**	**-**	**669**	**1,830**	1,091	333	582	2,006
Group's contribution to gratuity fund	**-**	**-**	**-**	**-**	259	-	382	641
Group's contribution to pension fund	**-**	**-**	**207**	**207**	-	-	186	186
Travelling and conveyance	**227**	**116**	**74**	**417**	-	135	66	201
Extra working day compensation	**-**	**-**	**-**	**-**	-	-	222	222
Mobile allowance	**-**	**30**	**-**	**30**	-	30	-	30
Medical allowance	**-**	**475**	**489**	**964**	-	382	251	633
	30,989	**17,111**	**20,707**	**68,807**	29,295	16,080	18,759	64,134
Number of persons (including those who worked part of the year)	1	2	9	12	1	2	8	11

34.1 Fee amounting to Rs. 0.65 million (2018: Rs. 0.65 million) was paid to five (2018: five) non-executive directors for attending Board meetings during the year.

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

35. RETIREMENT AND OTHER SERVICE BENEFITS

35.1 Pension fund and gratuity fund - valuation results

The latest actuarial valuations of the defined benefit plans were carried out as at June 30, 2019, using the "Projected Unit Credit Method". The details of defined benefit plans are as follows:

	Note	Pension Fund 2019	Pension Fund 2018	Gratuity Fund 2019	Gratuity Fund 2018
		(Rupees in '000)			
35.1.1 Statement of financial position reconciliation:					
Fair value of plan assets	35.1.4	**(93,399)**	(75,828)	**(17,431)**	(25,236)
Present value of defined benefit obligations	35.1.3	**77,031**	108,913	**13,311**	15,800
Net asset / (liability) at end of the year	35.1.2	**(16,368)**	33,085	**(4,120)**	(9,436)

	Note	Pension Fund 2019	Pension Fund 2018	Gratuity Fund 2019	Gratuity Fund 2018
		(Rupees in '000)			
35.1.2 Movement in net asset / net liability recognised:					
Opening balance		**33,085**	6,089	**(9,436)**	3,200
Charge for the year	37.1.5	**3,803**	1,747	**329**	3,712
Amounts paid to the fund		**(8,736)**	(7,468)	**-**	-
Employee contribution to be paid to fund		**262**	245	**-**	-
Remeasurements recognised in other comprehensive income	35.1.7	**(44,782)**	9,968	**4,987**	(6,963)
Paid to Burshane LPG (Pakistan) Limited		**-**	22,504	**-**	-
Employer contribution to the fund		**-**	-	**-**	(9,385)
Closing balance		**(16,368)**	33,085	**(4,120)**	(9,436)
35.1.3 Movement in defined benefit obligations:					
Opening balance		**108,913**	102,914	**15,800**	15,754
Current service cost		**1,219**	1,085	**1,178**	566
Interest cost		**9,409**	8,857	**1,362**	1,244
Past service cost (late joiners)		**-**	-	**-**	2,591
Benefits paid		**(8,735)**	(9,014)	**(1,340)**	(3,857)
Employees contribution		**261**	245	**-**	-
Remeasurements of obligations	35.1.7	**(34,036)**	4,826	**(3,689)**	(498)
Closing balance		**77,031**	108,913	**13,311**	15,800
35.1.4 Movement in fair value of plan assets:					
Opening balance		**75,828**	96,825	**25,236**	12,554
Expected return on plan assets		**6,825**	8,195	**2,211**	689
Benefits paid on behalf of the fund		**8,735**	7,468	**-**	-
Employees contributions		**261**	-	**-**	9,385
Benefits paid		**(8,735)**	(9,014)	**(1,340)**	(3,857)
Paid to Burshane LPG (Pakistan) Limited		**(261)**	(22,504)	**-**	-
Remeasurements of plan assets	35.1.7	**10,746**	(5,142)	**(8,676)**	6,465
Closing balance		**93,399**	75,828	**17,431**	25,236
35.1.5 Charge for the year:					
Current service cost		**1,219**	1,085	**1,178**	3,157
Net Interest cost		**2,584**	662	**(849)**	555
		3,803	1,747	**329**	3,712
35.1.6 Actual return on plan assets		**17,571**	3,053	**(6,465)**	7,154
35.1.7 Remeasurement recognised in Other Comprehensive Income:					
Remeasurement of obligation					
Experience (gain) / loss		**(34,036)**	4,826	**(3,689)**	(498)
Remeasurement of plan assets					

	Note	Pension Fund 2019	Pension Fund 2018	Gratuity Fund 2019	Gratuity Fund 2018
		(Rupees in '000)			
Return on plan assets, excluding amounts included in interest expense / (income)		-	-	8,676	(6,465)
(Gain) / loss from change in financial assumptions		(10,746)	5,142	-	-
		(10,746)	5,142	8,676	(6,465)
		(44,781)	9,968	4,987	(6,963)

35.1.8 Principal actuarial assumptions used in the actuarial valuation:

	Pension Fund 2019	Pension Fund 2018	Gratuity Fund 2019	Gratuity Fund 2018
Financial assumptions				
Discount rate	14.25%	9.00%	14.25%	9.00%
Expected per annum rate of return on plan assets	14.25%	9.00%	14.25%	9.00%
Expected per annum rate of increase in salaries - long term	12.25%	7.00%	12.25%	7.00%
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	Low

35.1.9 Analysis of present value of defined benefit obligation:

	As at June 30, 2019 Pension Fund	As at June 30, 2019 Gratuity Fund
	(Rupees in '000)	
Vested benefits	75,776	13,311
Non-vested benefits	1,256	-
	77,032	13,311

35.1.10 Plan assets comprise of the following:

	Pension Fund 2019 Rupees in '000	Pension Fund 2019 %	Pension Fund 2018 Rupees in '000	Pension Fund 2018 %	Gratuity Fund 2019 Rupees in '000	Gratuity Fund 2019 %	Gratuity Fund 2018 Rupees in '000	Gratuity Fund 2018 %
Equity instruments	5,042	7.36	5,024	6.63%	3,705	15.43	3,455	13.69
Debt instruments								
Defence Savings Certificates	-	-	17,232	22.73	-	-	14,360	56.90
Treasury Bills	-	-	36,468	48.09	-	-	6,889	27.30
Pakistan Investment Bonds	-	-	6,238	8.23	-	-	-	-
Money Market Fund	20,059	29.29	10,045	13.25	10,029	41.78	-	-
JS Hybrid Fund	402	0.59	-	-	602	2.51	-	-
Certificate of investment	10,458	15.27	-	-	5,229	21.78	-	-
Musharka Certificate	31,500	46.00	-	-	4,300	17.91	-	-
	62,419	91.14	69,983	92.29	20,160	83.98	21,249	84.20
Cash and cash equivalents	1,024	1.50	821	1.08	140	0.58	532	2.11
	68,485		75,828		24,005		25,236	

35.1.11 Historical information of staff retirement benefits:

	2019	2018	2017	2016	2015	2014
	(Rupees in '000)					
Gratuity Fund						
Present value of defined benefit obligation	**13,311**	15,800	15,754	13,396	15,294	16,392
Fair value of plan assets	**(17,431)**	(25,236)	(12,554)	(12,089)	(10,028)	(9,350)
(Deficit) / surplus	**(4,120)**	(9,436)	3,200	1,307	5,266	7,042
Pension Fund						
Present value of defined benefit obligation	**77,031**	108,913	102,914	99,680	97,531	93,748
Fair value of plan assets	**(93,399)**	(75,828)	(96,825)	(94,229)	(91,355)	(84,098)
(Deficit) / surplus	**(16,368)**	33,085	6,089	5,451	6,176	9,650

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

	As at June 30, 2019 Pension Fund	Gratuity Fund
	(Rupees in '000)	
Discount rate + 1%	**72,526**	12,635
Discount rate - 1%	**83,128**	14,057
Long term salaries increase +1%	**78,112**	14,089
Long term salaries increase -1%	**76,887**	12,596
Withdrawal rates +10%	**77,473**	13,332
Withdrawal rates -10%	**77,488**	13,289

35.1.13 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.

35.2 Provident Fund

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

	2019 Unaudited	2018 Audited
	(Rupees in '000)	
Size of the fund - total assets	**32,424**	32,962
Fair value of investments	**32,331**	32,917
Cost of investments	**30,294**	29,992
Percentage of investments	**99.71%**	99.86%

35.2.1 The break-up of fair value of investments is as follows:

	2019 Rupees in '000	2019 %	2018 Rupees in '000	2018 %
Bank deposits	**1,800**	**5.57**	3,130	9.51
Government securities	**-**	**-**	23,703	72.01
Mutual funds	**12,874**	**39.82**	6,084	18.48
Certificate of Investment	**4,157**	**12.86**	-	-
Musharka Certificates	**13,500**	**41.76**	-	-
	32,331	**100.00**	32,917	100.00

35.2.2 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.

36. TRANSACTIONS WITH RELATED PARTIES

36.1 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.

36.2 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

Nature of relationship	Nature of transactions	2019	2018
		(Rupees in '000)	
Former Holding Company			
H.A.K.S Trading (Private) Limited	Dividend	**12,627**	16,836
Staff Retirement Benefit / Contribution Plans			
Burshane LPG (Pakistan) Limited:			
Pension Fund	Benefits paid	**8,735**	7,468
Provident Fund	Company's contribution for the year	**2,771**	2,913
Associated Companies / Other Related Parties			
ALSAA & AAK Commodities (Private) Limited	Advances given for expenses	**92**	326
	Advances recovered	**-**	326
Balances with related parties			
Former Holding Company			
H.A.K.S. Trading (Private) Limited	Dividend payable	**63,135**	50,508
Staff Retirement Benefit / Contribution Plans			
Burshane LPG (Pakistan) Limited:			
Gratuity Fund	Receivable from Staff Gratuity Fund	**4,120**	9,422
Pension Fund	Receivable / payable to Staff Pension Fund	**16,367**	33,085
Provident Fund	Receivable from Staff Provident Fund	**315**	766
Associated Companies / Other Related Parties			
Burshane Petroleum (Private) Limited (Formerly Darian International (Private) Limited)	Receivable against use of name "Burshane"	**9,000**	9,000
	Receivable against expenses	**500**	-
ALSAA & AAK Commodities (Private) Limited	Receivable against expenses	**105**	13
Key management personnel			
Managerial remuneration		**61,381**	56,364
Bonus		**4,945**	4,925
Retirement benefits		**2,078**	2,864
Utilities		**30**	30
Travelling and conveyance		**417**	201
Medical		**1,134**	635
		69,985	65,019

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

Name	Basis of relationship	% of shareholding in the Company
ALSAA & AAK Commodities (Private) Limited	Common directorship	Nil
Norinco International Thatta Power (Private) Limited	Common directorship	Nil
Burshane Petroleum (Private) Limited (Formerly Darian International (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

37. CASH GENERATED FROM OPERATIONS

	Note	2019	2018
		(Rupees in '000)	
Profit before taxation		**65,089**	53,749
Adjustments			
Depreciation	6.1.2	**43,012**	30,219
Amortisation	7.6	**65,061**	59,941
Provision for retirement and other service benefits		**6,903**	8,372
Finance costs	31	**4,892**	29,976
Gain on disposal of operating assets		**(3,688)**	-
Profit on saving accounts	29	**(6,806)**	(3,350)
Liability for cylinder and regulator deposits written back	29	**(22,231)**	(21,585)
Others		**(4,095)**	-
Working capital changes	37.1	**(7,794)**	(42,843)
		140,325	114,479

37.1 Working capital changes

	2019	2018
Decrease / (increase) in current assets:		
Stores and spares - net	**191**	3,194
Stock-in-trade	**19,919**	(44,586)
Trade debts	**(5,768)**	(12,653)
Loans and advances	**61,099**	(45,505)
Deposits, prepayments and other receivables	**(27,054)**	5,512
	48,387	(94,038)
(Increase) / decrease in current liabilities:		
Trade and other payables	**(56,181)**	51,195
	(7,794)	(42,843)

38. FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

		2019	2018
		(Rupees in '000)	
38.1 Financial assets as at the reporting date - at amortised cost			
Long-term loans	8	**1,985**	2,896
Long-term deposits		**122,761**	100,839
Trade debts	12	**23,422**	17,654
Deposits and other receivables	14	**84,185**	43,260
Cash and bank balances	15	**175,069**	112,179
		407,422	276,828
38.2 Financial liabilities as at the reporting date - at amortised cost			
Long-term loan including current maturity of long-term loan	18	**254,439**	254,439
Liabilities under finance lease including current maturity of finance lease	19	**3,744**	3,940
Cylinder and regulator deposits		**386,402**	374,145
Trade and other payables	20	**91,492**	152648
Loan from a subsidiary company		**66,181**	53,676
Accrued mark-up on long-term loan		**60,295**	60,295
		862,553	899,143

39. FINANCIAL RISK MANAGEMENT

39.1 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.

(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 Company 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. 2.582 (2018: Rs. 2.584 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, 2019.

(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. All the below financial assets are carried at amortised cost (note 2.4) and the maximum exposure to credit risk at the reporting date is as follows:

	2019	2018
	--------- (Rupees in '000) ---------	
Long-term loans	1,985	2,896
Long-term deposits	122,761	100,839
Trade debts	23,422	17,654
Deposits and other receivables	84,185	43,260
Bank balances	174,893	112,010
	407,246	276,659

For trade debts, the credit risk exposure is net of allowance for expected credit losses as disclosed in note 12.

Long-term loans represent loans given to employees which are secured against the letter of guarantee and promissory notes or their respective provident fund balances as disclosed in note 9 and therefore, management expects no credit losses.

Due to the nature of bank balances and deposits and high credit ratings of banks and counter parties involved, the expected credit losses in relation to these assets are low and are therefore, not recognised.

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	
		2019	2018	2019	2018
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
JS Bank Limited	PACRA	A1+	A1+	AA-	AA
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+	A	AAA
Summit Bank Limited	JCR-VIS	A1+	A1	A+	A-

(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. 35.534 million (2018: Rs. 148.055 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.

	2019			2018		
	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	**1,567**	**2,177**	**3,744**	3,002	938	3,940
Cylinder and regulator deposits	**-**	**386,402**	**386,402**	-	374,145	374,145
Trade and other payables	**91,492**	**-**	**91,492**	152,648	-	152,648
Unclaimed dividend	**66,181**	**-**	**66,181**	53,676	-	53,676
Accrued mark-up on long term loan	**60,295**	**-**	**60,295**	60,295	-	60,295
	473,974	**388,579**	**862,553**	524,060	375,083	899,143

39.2 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 6.1.4).

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 date (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:

	Total	Fair value measurement using: Quoted price in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
June 30, 2019:	----------------------- (Rupees in '000)			-----------------------
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, 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	-

39.3 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	2019	2018
		--------- (Rupees in '000)	---------
Liabilities under finance lease	19	**3,744**	3,940
Cylinder and regulator deposits	21	**386,402**	374,145
Current maturity of long-term loan	18	**254,439**	254,439
Trade and other payables	22	**91,492**	179,524
Unclaimed dividends	23	**66,181**	53,676
Accrued mark up on long-term loan		**60,295**	60,295
Total debt		**862,553**	926,019
Cash and bank balances	15	**(175,069)**	(112,179)
Net debt		**687,484**	813,840
Share capital	16	**224,888**	224,888
Revenue reserves	17	**150,770**	143,965
Capital reserves	17	**153,458**	153,458
Actuarial gain / (loss) on remeasurement of retirement and other service benefits	17	**16,081**	(24,219)
Revaluation surplus on property, plant and equipment	17	**274,765**	274,765
Total equity		**819,962**	772,857
Capital		**1,507,446**	1,586,697
Gearing ratio		**45.61%**	51.29%

40. NON-ADJUSTING EVENT AFTER THE REPORTING DATE

40.1 Subsequent to the year end, the Board of Directors of the Holding Company in their meeting held on 20 September, 2019 have proposed a final cash dividend of Re. 1 per share (2018: Re. 0.75) per share.

40.2 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. 22.488 million for the financial and tax year 2019 which exceeds the prescribed minimum dividend requirement as referred above. Accordingly, no further tax provision has been recorded under section 5A of the Ordinance.

41. CORRESPONDING FIGURES

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

		2019	2018
		(Quantity in metric ton)	
42. CAPACITY		--------- (Rupees in '000) ---------	
Installed annual filling capacity		**37,500**	37,500
Actual utilization	42.1	**38,385**	42,502

42.1 This does not include storage and filling capacity of hospitality locations. The variations are due to change in market demand and high refilling of the storage tanks.

43. NUMBER OF EMPLOYEES	**As at and for the year ended June 30, 2019**	As at and for the year ended June 30, 2018
Total number of employees		
As at the reporting date	**83**	55
Average number of employees during the year	**83**	52

44. GENERAL

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

45. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on 20 September, 2019 by the Board of Directors of the Company.

Chief Executive Officer | Chief Financial Officer | Director

Attendance at Board & Committees Meetings

For the year ended June 30, 2019

Name	Board			Audit Committee			Human Resource and Remuneration Committee		
	Member	Meeting	Attendence	Member	Meeting	Attendence	Member	Meeting	Attendence
Mr. Asad Alam Niazi	◆	6	5				◆	1	1
Mr. Shahriar D. Sethna	◆	6	4	◆	4	4			
Ms. Hamdia Fatin Niazi	◆	6	5	◆	4	4	◆	1	1
Mr. Darayus T. Sethna	◆	6	6	◆	4	4	◆	1	1
Mr. Saifee Zakiuddin	◆	6	6						
Mr. Tassaduq Hussain Niazi	◆	6	-						
Mr. Syed Etrat Hussain Rizvi	◆	6	5						
Mr. Muhammad Khalid Dar	◆	6	3						
Maj. Gen. Rafiullah Khan (R)	◆	5	-						

Pattern of Shareholding

For the year ended June 30, 2019

No. Shareholders	Having Shares		Shares Held	Percentage
	From	To		
589	1	100	11975	0.0529
289	101	500	109135	0.4820
177	501	1000	164945	0.7286
252	1001	5000	653307	2.8856
46	5001	10000	351381	1.5520
18	10001	15000	232000	1.0247
3	15001	20000	52822	0.2333
3	20001	25000	61552	0.2719
3	25001	30000	84236	0.3721
1	30001	35000	33500	0.1480
1	45001	50000	48702	0.2151
1	50001	55000	52000	0.2297
1	60001	65000	61000	0.2694
1	65001	70000	70000	0.3092
2	70001	75000	146058	0.6451
1	140001	145000	140248	0.6195
1	380001	385000	380569	1.6810
1	1335001	1340000	1336033	5.9012
1	1815001	1820000	1816238	8.0222
1	16830001	16835000	16683189	74.19t
1392	Company	Total	22488890	100.0000

Pattern of Shareholding

For the year ended June 30, 2019

Categories of Shareholders	Number of Folio	Balance Share	Percentage
ASSOCIATED COMPANIES			
. H.A.K.S. TRADING (PVT.) LIMITED	2	16,684,629	74.19%
NIT & ICP			
. NATIONAL BANK OF PAKISTAN, TRUSTEE DEPARTMENT	1	9,489	0.04%
BANKS, DFI & NBFI			
. NATIONAL BANK OF PAKISTAN	2	1,817,099	8.03%
. THE BANK OF PUNJAB, TREASURY DIVISION.	1	70,000	0.31%
MODARABAS & MUTUAL FUNDS			
. CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,336,033	5.90%
GENERAL PUBLIC			
. LOCAL	1346	2,281,696	10.08%
. FORGEIN	29	46,536	0.21%
OTHERS	10	243,408	1.08%
Company Total	**1392**	**22,488,890**	**100.00%**

Shareholders holding five percent or more voting rights

H.A.K.S. TRADING (PVT.) LIMITED	2	16,684,629	74.19%
NATIONAL BANK OF PAKISTAN	3	1,826,588	8.12%
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,336,033	5.94%

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 **Saturday, October 26, 2019, at 11:00 a.m.** at **Marvi Hall, Hotel Mehran, Main Shahrah-e-Faisal Karachi** and any adjournment thereof.

Dated this _______________ day of _______________ , 2019.

Revenue Stamp
Rs. 5/-

____
(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. ___________________
Address. _____________________________________
____

____
(Signature of Witness 2)

Name. _______________________________________
C.N.I.C./ Passport Number. ___________________
Address. _____________________________________
____

پراکسی فارم

کمپنی سیکریٹری،
برشین ایل پی جی (پاکستان) لمیٹڈ
کمرہ نمبر 101، پہلی منزل، ہوریزن وسٹا،
پلاٹ نمبر کمرشل 10، بلاک 4 اسکیم 5
کلفٹن، کراچی 75600

میں/ہم ________________________________ برشین ایل پی جی (پاکستان) لمیٹڈ کے ممبر کی حیثیت سے ______________________
شیئر رجسٹرار فولیو نمبر ______________________ اور/یا سی ڈی سی پارٹی سپنٹ آئی ڈی نمبر ______________________ اور سب اکاؤنٹ
نمبر ____________________ عمومی شیئرز کی تحویل رکھتا ہوں۔ ____________________ میں/ہم یہاں ____________________
کو ہفتہ، 26 اکتوبر 2019 کو 11:00 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، ________________ 2019

5 روپے والا
ریونیو اسٹامپ

____

شیئر ہولڈر کے دستخط

فولیو نمبر ______________________

پارٹی سپنٹ آئی ڈی نمبر ______________________

سب اکاؤنٹ نمبر ______________________

سی این آئی سی/پاسپورٹ نمبر ______________________

____

(پراکسی کے دستخط کا نمونہ)

فولیو نمبر ______________________

پارٹی سپنٹ آئی ڈی نمبر ______________________

سب اکاؤنٹ نمبر ______________________

سی این آئی سی/پاسپورٹ نمبر ______________________

____

گواہ نمبر 1 کے دستخط

نام: ______________________

سی این آئی سی/پاسپورٹ نمبر ______________________

سی این آئی سی/پاسپورٹ نمبر ______________________

____

____

گواہ نمبر 2 کے دستخط

نام: ______________________

سی این آئی سی/پاسپورٹ نمبر ______________________

سی این آئی سی/پاسپورٹ نمبر ______________________

____


www.jamapunji.pk
Jama Punji
سرمایہ کاری سمجھداری کے ساتھ
Be aware, Be alert, Be safe
Learn about investing at www.jamapunji.pk
Key features:
Licensed Entities Verification
Scam meter*
Jamapunji games*
Tax credit calculator*
Company Verification
Insurance & Investment Checklist
FAQs Answered
Stock trading simulator (based on live feed from KSE)
Knowledge center
Risk profiler*
Financial calculator
Subscription to Alerts (event notifications, corporate and regulatory actions)
Jamapunji application for mobile device
Online Quizzes
jamapunji.pk
@jamapunji_pk
Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan
*Mobile apps are also available for download for android and ios devices

Suite 101, 1st Floor, Horizon Vista,
Plot No. Commercial - 10, Block-4
Scheme No. 5, Clifton, Karachi - 75600
Tel : + 92 21 35878356, 35309870 & 73
UAN : +92 21 111 111 BPL (275)
Fax : +92 21 3587 8353
www.burshane.com