Suite 101, 1st Floor, Horizon Vista Plot No.
Comercial-10, Bloxk-4, Scheme No. 5, Clifton,
Karachi-75600
Tel: +9221-3589 8356, 35309870 & 73
UAN: +9221 111 111 BPL (275)
Fax: +9221-3587 8353

CATERING TO FUELING NEEDS

Annual Report
2016

CATERING TO
FUELING NEEDS

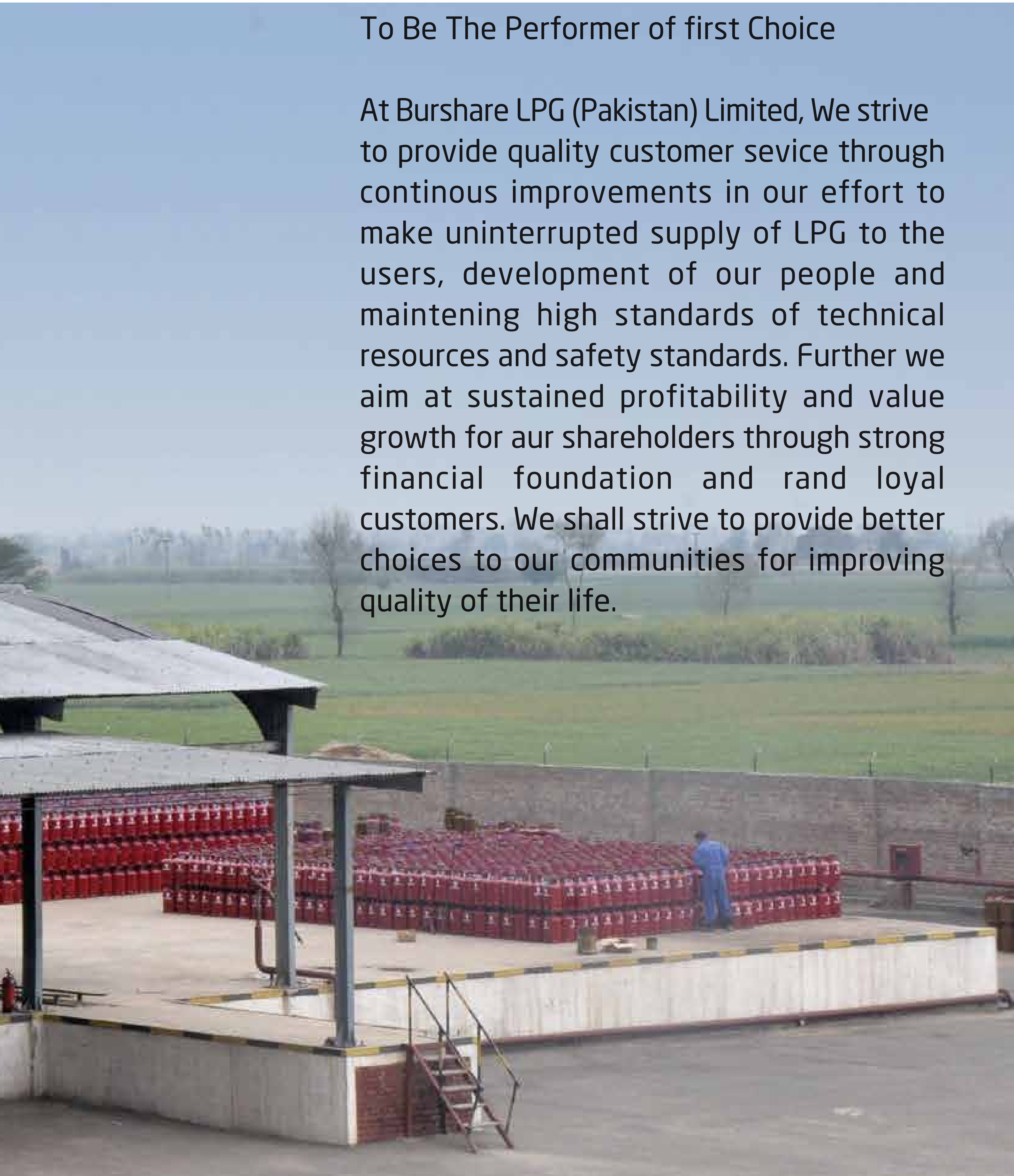
Established in 1966, the objective of Burshane LPG (pakistan) Limited is to engage efficiently, esponsiblity and profitably in the LPG and allied business. We seek a high Standard of performance, maintaining a strong long-term and growing position in the competive environment. The driving force behind 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

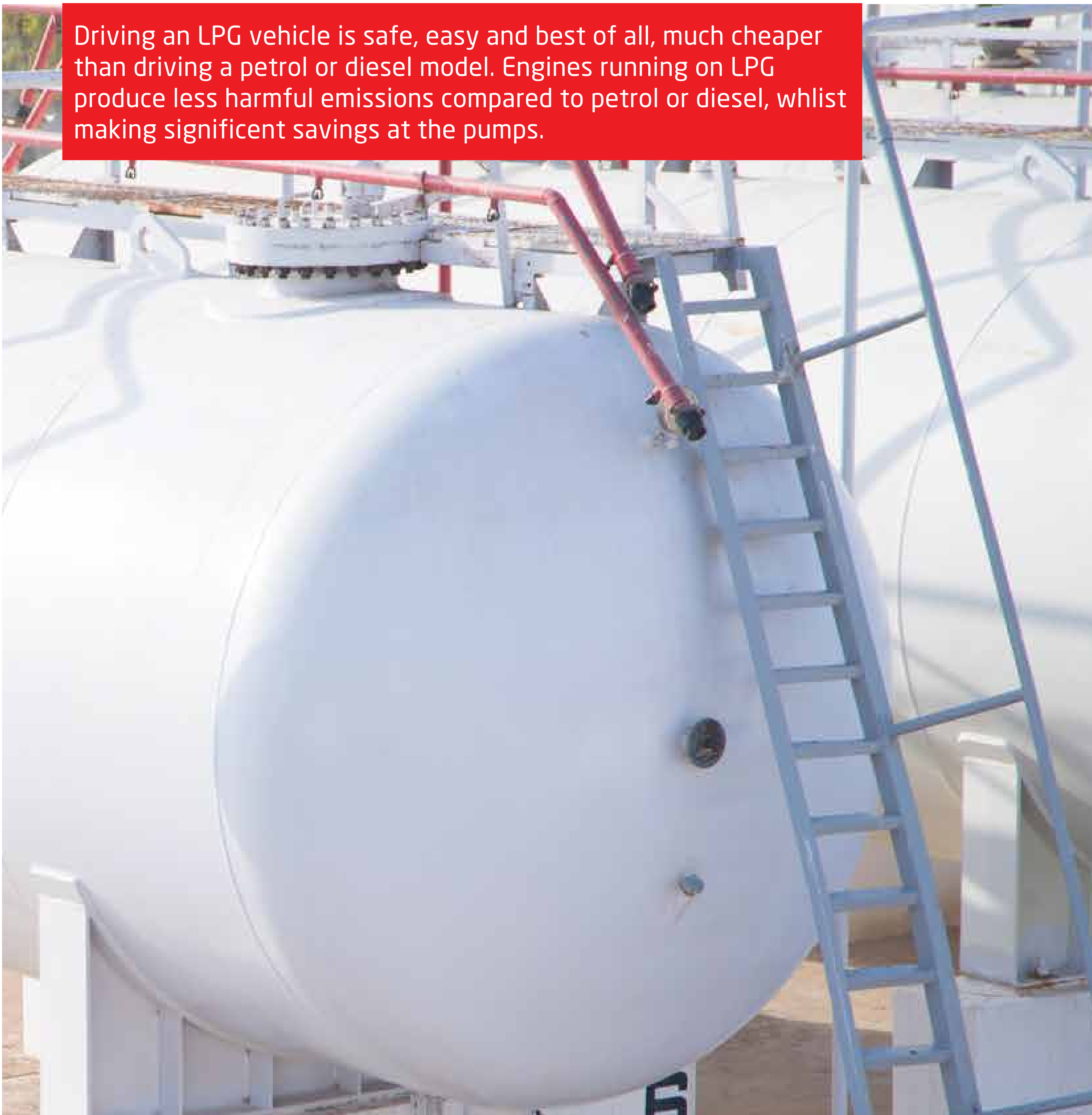
At Burshare LPG (Pakistan) Limited, We strive to provide quality customer sevice through continous improvements in our effort to make uninterrupted supply of LPG to the users, development of our people and maintening high standards of technical resources and safety standards. Further we aim at sustained profitability and value growth for aur shareholders through strong financial foundation and rand 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 Director

Mr. Shahriar Sethna
Chairman

Mr. Asad Alam Khan
CEO / Director

Ms. Hamdia Fatin Niazi
Director

Mr. Darayus T. Sethna
Director

Mr. Tassaduq Hussein Niazi
Director

Mr. Saifee Zakiuddin
Director

Syed Etrat Hussain Rizvi
Director (NIT Niminee)

Mr. Muhammad Khalid Dar
Director Marketing & Sales

Auditors
EY Ford Rhodes
Chartered Accountants

Legal Advisors
Mohsin Tayebaly & Co.

Tax Advisors
KPMG Taseer Hadi & Co. Chartered Accountants.

Registrar & Share Registration Office
THK Associates (Pvt.) Limited

Management

Mr. Asad Alam Khan
Chief Executive Officer

Mr. Saifee Zakiuddin
Director Finance & Company Secretary

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

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

Registerd Office:
Suite 101, 1st Floor,
Horizon Vista, Plot No. Commercial - 10,
Block-4
Scheme No. 5, CLifton,
Karachi - 75600
Tel : + 92 21 35898356, 35309870 & 73
UAN : +92 21 111 111 BPL (275)
Fax : +92 21 3587 8353
www.burshane.com


Burshare LPG


burshane

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 and 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.

CHAIRMAN'S REVIEW

It gives me pleasure to share the results and financial statements of the Company for the year ended June 30, 2016.

During the year the Company sold 37,083 MT as compared to 31,035 MT last year. This shows a volume growth of 19.5%. However, due to lower than last year prices, sales has decreased from Rs 2.817 billion to Rs 2.388 billion, depicting a decrease of 15.2%.

During the year the Government decided to import LNG in bulk and this was made available to Industrial consumers and to a large extent to the piped natural gas customers of SNGPL and SSGCL. This resulted in reduced demand from the Industrial and domestic customers of LPG. However, due to much lower price of LPG, its demand increased in regulated and unregulated auto sector and as a result drastic increase in demand of LPG was witnessed as demonstrated by your Company. The increased volume demand across the Country was met through imported LPG. 369,639 MT LPG was imported in the Country during July 2015 to June 2016 as compared to 142,760 MT Imported during the July 2014 to June 2015.

Gross margins remained under pressure due to lower selling prices; impact of huge amounts of Signature Bonus paid to the LPG producers i.e. the Refineries and Oil and Gas Companies and higher cost of imported LPG and lower demand from Industrial segment and substantially lower margins during winter season i.e. at a time when historically LPG companies make more margins. The Gross margins dropped from Rs 328.017 million in 2015 to Rs 141.3 million in 2016 showing a negative impact of 56.9 %. This led to loss before tax of Rs 13.968 as compared to profit before tax of Rs 150.228 million for the preceding year.

Your Company is going to celebrate its 50th Birthday on 12th October 2016. The Management of your Company congratulates you on this occasion and expresses its firm desire to let this Company witness many more of such Golden Jubilee.

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 continually looking for ways to reduce the environmental impact of its operations, products and services.

Management

Mr. Asad Alam Khan
Chief Executive Officer

Mr. Saifee Zakiuddin
Director Finance & Company Secretary

Mr. Muhammad Khalid Dar
Director Sales & Marketing

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

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

Finally, I would like to thank the staff, distributors and customers for their continuous support in ensuring sustainable growth of the company and for making Burshane their brand of first choice.

Karachi
Dated: September 30, 2016

Mr Shahriar D Sethna
Chairman

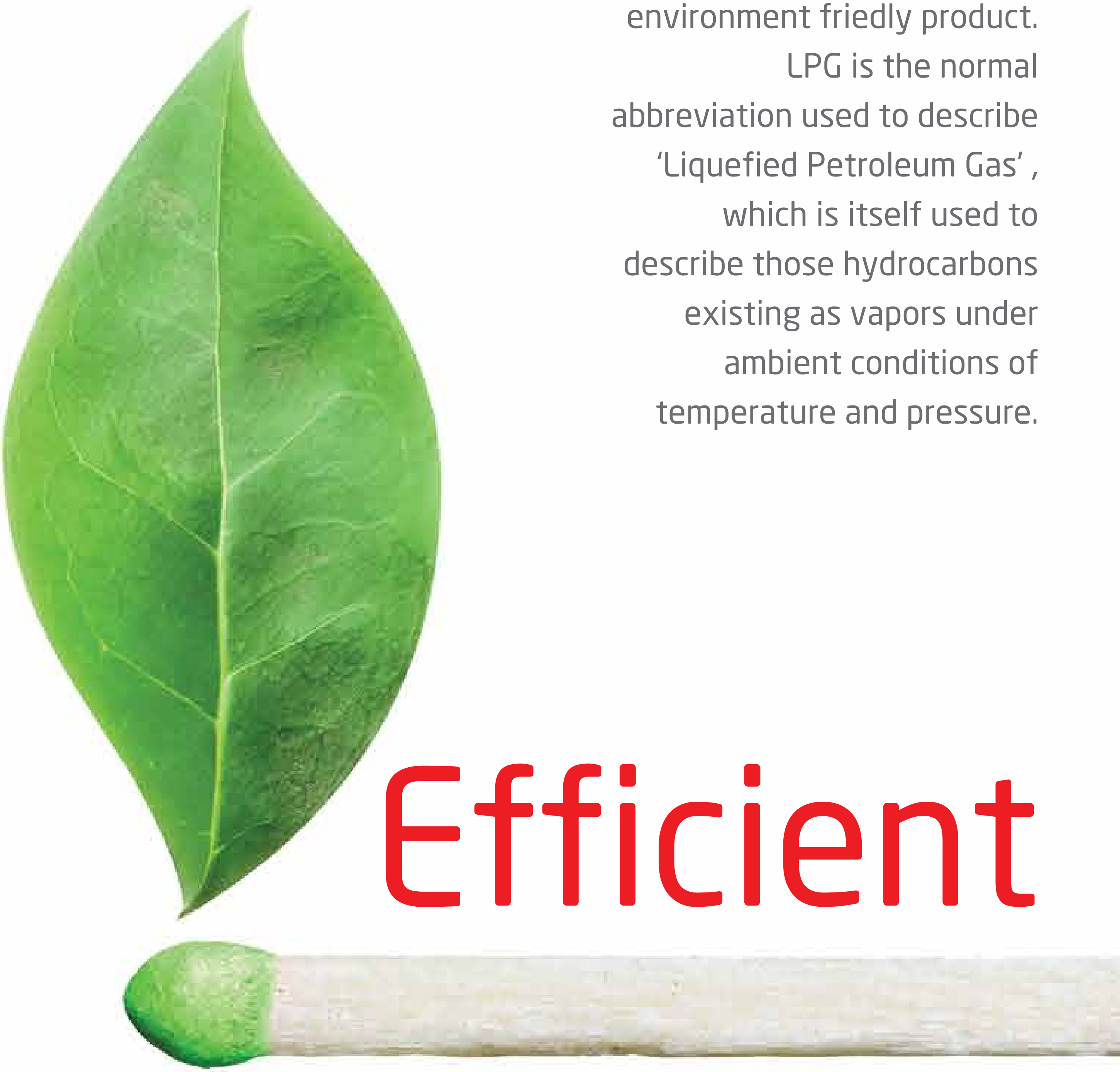
Mr. Irfan Javed Warsi
General Manager - Commercial and Business Development (HR)

Mr. Amir Aziz
Head of Operations Distribution & HSSE

Mr. Khurran Kasbati
Head of Internal Audit

burshane®

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

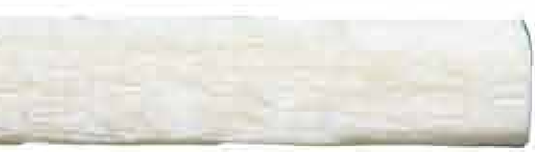
Environment Friendly LPG

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

LPG is the fuel of the future. Apart from being environmentally friendly, in Pakistan it can significantly contribute to the economy by replacing Kerosene. It can also assist in reducing de-forestation in cases where wood is used as a source of energy, thus making the environment pollution free and healthier. De-forestation leads to serious environmental damage and disturbs the ecological balance causing erosian 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.

ECO-FRIENDLY



Report of the Directors

The Directors of Burshane LPG (Pakistan) Limited (the Company) are pleased to present before you the Audited Financial Statements together with Auditor's Report thereon for the year ended June 30, 2016.

Summarized financial results

(Rupees in millions)

	June 30, 2016	June 30, 2015
Profit and loss account		
(Loss) / Profit before taxation	**(13,968)**	150,228
Taxation	**6,417**	(54,022)
(Loss) / Profit after taxation	**(7,551)**	96,206
Balance Sheet		
Non-current assets	**1,278,417**	1,197,764
Current assets	**331,917**	443,387
	1,610,334	1,641,151
Non-current liabilities	**463,746**	538,986
Current liabilities	**364,442**	289,790
	328,188	828,776
Net assets of the Company	**782,146**	812,375

During the year under review, your Company paid Signature Bonus amounting to over Rs 200 million to LPG Producing Companies for securing LPG purchase rights for next 3 to 5 years. This Signature Bonus paid on average amounts to Rs 3,000/- per MT. Signature Bonus paid has been amortised and will be charged to Cost of Goods sold annually based on quantity purchased during the year. This charge has negatively impacted the Gross Margins of the Company and as a result the Company suffered Loss during the year.

Net sales for the year declined by 15.85% because, the industry witnessed decline in oil and oil related products' prices. Hence the prices of LPG also declined in the market. Gross margins also decreased by Rs.186.7 million due to reduced LPG prices, negative impact of Signature Bonus as discussed above and higher cost of imported product required to meet the growing demand.

Administrative Expenses increased by Rs 7.5 m (10.22%) represents normal increase and Selling Expenses decreased by Rs 24.8 million (27.54%) due to reduction in depreciation expense and other savings.

Earnings per share (EPS) declined from Rs. 4.26/- earnings per ordinary share to Rs. (0.34)/- loss per ordinary share.

Dividend:

Even though the Company faced tremendous constraints during the year, to uphold Investor confidence, your Board is pleased to declare a CASH DIVIDEND of Rs 1/= per share i.e. 10%.

Future Outlook:

The Management of your company is fully committed to bring sustainable volume growth. The margins are expected to remain under pressure due to increased imports of LPG resulting in matching supply to the demand and wider competition. However, the management will put in every effort to offset the impact of lower margins by increasing the volume there by bringing in increased profitability.

Installments Payable to National Bank of Pakistan:

During the year under review, the Company was required to pay 2 installments of Rs 44.5m each to National Bank of Pakistan. However, due to the fact that your Company required liquidity to pay Signature Bonus to LPG Producers, these installments could not be paid in full and Rs 79.389 million was overdue as on June, 30th 2016. Negotiations are being taken up with the Bank and hopefully the overdue situation shall be rectified by December end 2016.

Health, Safety, Security & Environment (HSSE)

Burshane Storage and Filling Plant Faisalabad

State of the art cylinders filling system

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.

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.

Routine Fire Fighting Activity underway

Bobtail ready to Industrial bulk delivery

Our motivated Staff is our Strength

Bowser offloading in process

Corporate Social Responsibility

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.

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.

Corporate Governance:

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

- The financial statements, prepared by the management of the Company, present its state of affairs fairly, the results of its operations, changes in equity and cash flows.

- Proper books of account of the Company have been maintained.

- Appropriate accounting policies have been consistently applied in preparation of the financial statements. Accounting estimates are based on reasonable and prudent judgment.

- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from have been adequately disclosed and explained.

- The system of internal control is sound in design and has been effectively implemented and monitored.

- There are no significant doubts upon the company's ability to continue as a going concern.

- There are no material departures from the best practices of corporate governance, as detailed in the listing regulations except as disclosed in the Statement of Compliance with the Code of Corporate Governance.

- Key operating and financial data in summarized form is annexed.

- No trades in the shares of Burshane LPG (Pakistan) Limited were carried out by the Directors, CEO, CFO & Company Secretary and their spouses and minor children.

- Four of the directors have completed the Director's Training course conducted by the Institute of Chartered Accountants of Pakistan (ICAP). In accordance with the criteria specified in the Code, the remaining Directors' training certification within the time specified in the Code.

Board Meetings:

The number of Board and Committees' meetings held during the year and attendance by each Director is disclosed on page no. 124.

Board of Directors:

During the year the tenure of the Board of Directors expired and all the existing directors offered themselves for elections and were elected unopposed. The Directors as on June 30, 2016 were Mr. Asad Alam Khan, Mr. Shahriar D Sethna, Ms. Hamdia Fatin Niazi, Mr. Darayus T Sethna, Mr. Tassaduq Hussein Niazi, Syed Etrat Hussain Rizvi, Mr. Saifee Zakiuddin and Mr. Muhammad Khalid Dar.

Pattern of Shareholding:

The pattern of shareholding as of June 30, 2016 as required under section 236 of the Companies Ordinance 1984 is given on page no. 125.

Auditors:

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

On behalf of the Board

Mr. Asad Alam Khan
Director and Chief Executive Officer

Karachi
Dated: 30th September, 2016

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 50th Annual General Meeting

NOTICE IS HEREBY given that an Annual General Meeting (AGM) of Burshane LPG (Pakistan) Limited will be held on Saturday, October 29, 2016 at 06:15 P.M. at Beach Luxury Hotel Karachi, Jasmine Hall, to transact the following business:

1. 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, 2016.

2. To approve payment of final cash dividend @ 10% as recommended by the Directors for the year ended June 30, 2016, in addition to the interim cash dividend @ 10% i.e Rs.1.00 per share already paid for the half year ended December 31, 2015.

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

On behalf of the Board

(Saifee Zakiuddin)
Director Finance & Company Secretary

Karachi: October 08, 2016

Notes:

1. A member entitled to attend and vote at this meeting is entitled to appoint another member as a proxy to attend and vote on the member's behalf. Proxies must be deposited with the Company not less than 48 hours before the time appointed for holding the meeting.

2. The Share Transfer Books of the Company will remain closed from October 23, 2016 to October 29, 2016 (both days inclusive).

3. Shareholders are requested to notify to the Company's Share Registrar, M/s. THK Associates (Pvt) Limited, Ground Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi of any change in their address.

4. All Physical Shareholders are requested to submit their attested CNIC & Zakat Declaration Form to the Company's Share Registrar, M/s. THK Associates (Pvt) Limited, Ground Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi, with a copy to the the Company's registered office, Suit # 101 Horizon Vista Clifton Karachi. CDC account holders are advised to submit these directly to the relevant Participant / CDC Investor Account Services.

5. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting:

i) In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations, shall authenticate their identity by showing their original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

ii) In case of 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 the meeting.

B. For Appointing Proxies:

i) In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

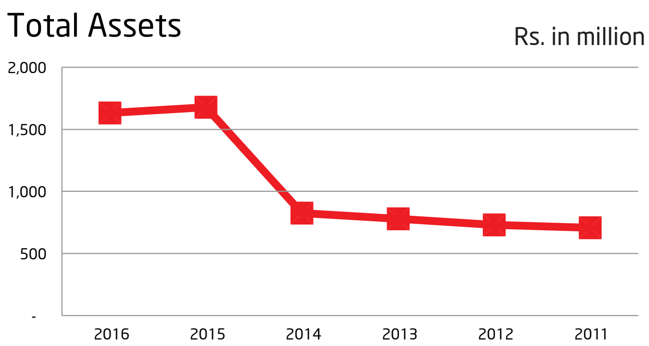
ii) The Proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

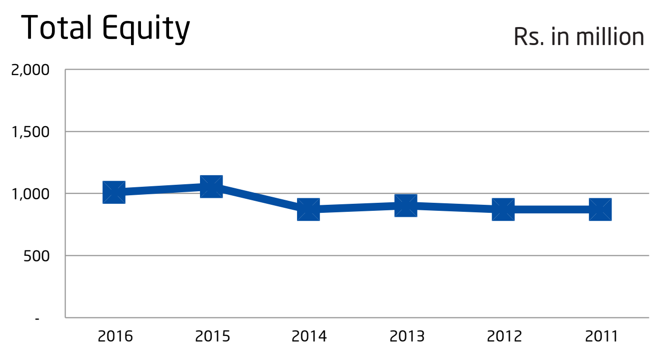
iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

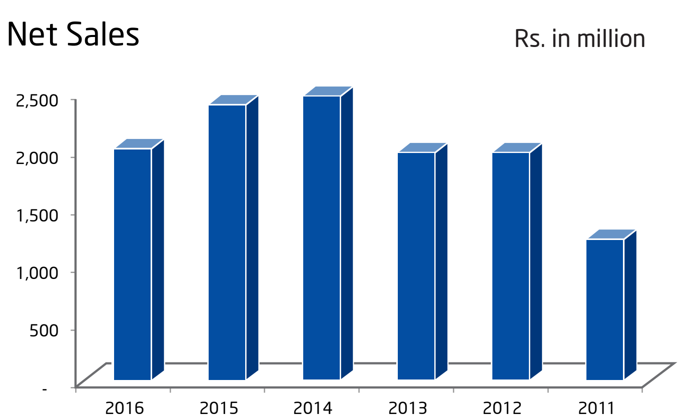
iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.

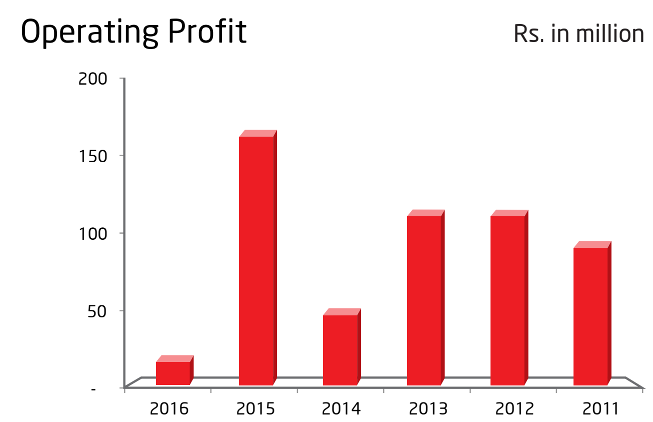
v) In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

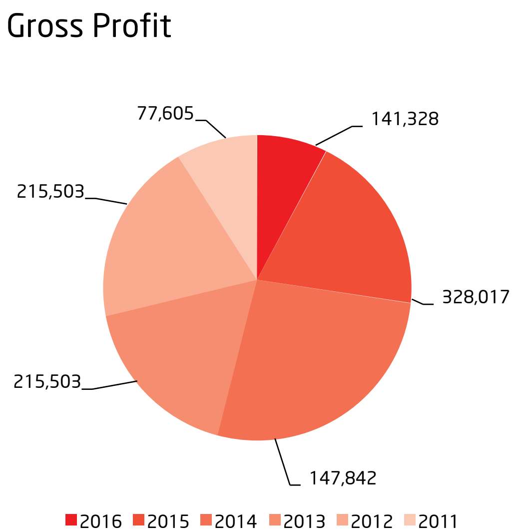
Financial Highlights

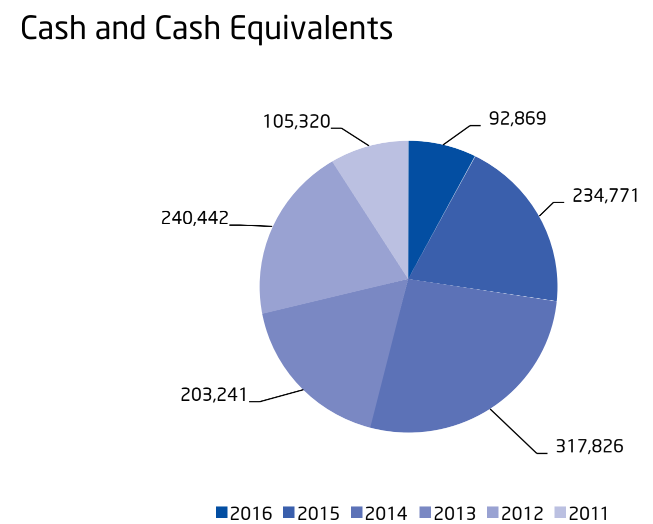












Six Years Summary

Six Years Summary Rupees in '000	2016	2015	2014	2013	2012	2011
		---Restated---				
Trading Results						
Net turnover	2,012,770	2,391,891	2,467,544	1,977,637	1,977,637	1,225,694
Gross profit	141,328	328,017	147,842	215,503	215,503	77,605
Operating profit	17,612	168,603	49,352	115,471	115,471	94,683
Earnings before interest, taxes,depreciation and amortisation	105,748	226,509	109,316	180,489	157,186	171,074
(Loss) / earnings after tax	(7,551)	96,206	28,282	57,338	72,557	50,104
Interim dividend	22,929	-	22,640	33,960	-	-
Final dividend	-	40,480	40,752	22,640	-	-
(Loss) / earnings before tax	(13,968)	150,228	45,624	111,831	111,831	79,896
Financial Position						
Share capital	224,924	224,888	226,400	226,400	226,400	226,400
Reserves and Retained Earnings	296,377	323,816	188,581	201,051	188,993	172,469
Surplus on revaluation of fixed assets	271,724	274,765	-	-	-	-
Property, plant and equipment	1,139,793	1,040,987	238,311	247,659	304,009	365,954
Net current assets	331,917	443,387	479,211	393,483	318,618	203,831
Long-term/deferred liabilities	463,746	538,986	269,776	203,141	192,982	189,759
Inventory	37,536	41,489	11,707	85,920	11,401	21,854
Debtor	11,400	17,581	15,450	23,266	6,682	15,719
Creditor	129,992	145,141	154,626	180,912	153,386	114,725
Total Assets	1,672,547	1,641,151	825,945	780,494	730,533	706,556
Total current assets	331,917	443,387	479,211	393,483	318,618	203,831
Total current liabilities	364,442	289,790	154,626	180,912	155,729	117,928
Number of issued shares	22,489	22,489	22,640	22,640	22,640	22,640
Cash & Cash equuivalents	92,869	234,771	317,826	203,241	240,442	105,320
Investors Information						
Profitability Ratios						
Gross profit ratio	7.02%	13.71%	5.99%	10.90%	10.90%	6.33%
(Loss) / profit before tax to sales	-0.69%	6.28%	1.85%	5.65%	5.65%	6.52%
(Loss) / profit after tax in percent of sales	-0.38%	4.02%	1.15%	2.90%	3.67%	4.09%
EBITDA Margin to sales	5.25%	9.47%	4.43%	9.13%	7.95%	13.96%
Return on equity/ capital employed	-1.45%	17.53%	6.82%	13.41%	17.47%	12.56%
Activity / Turnover Ratios						
Inventory turnover ratio (in times)	47.36	77.60	47.52	36.21	57.55	44.67
Inventory turnover ratio (no. of days)	8	5	8	10	6	8
Debtor turnover ratio (in times)	138.90	144.83	127.47	132.07	138.57	298.19
Debtorturnoverratio(no.ofdays)	3	3	3	3	3	1
Creditor turnover ratio (in times)	13.60	13.77	13.83	10.54	10.96	9.45
Creditor turnover ratio (no. of days)	27	27	26	35	33	39
Operating cycle (no. of days)	(16)	(19)	(16)	(22)	(24)	(29)
Total assets turnover ratio (in times)	1.21	1.94	3.07	2.62	2.04	1.52
Total assets turnover ratio (in days)	300.46	188.24	118.81	139.44	178.82	240.87
Liquidity Ratios						
Current ratio	0.91	1.53	3.10	2.17	1.73	1.50
Quick/ acid test ratio	0.81	1.39	3.02	1.70	1.54	1.31
Cash to Current Liabilities	0.25	0.81	2.06	1.12	0.89	0.94
Investment/Market Ratios						
(Loss) / earnings per share	(0.50)	4.26	1.25	2.53	3.20	2.21
Break-up value per share	23.18	24.40	18.33	18.88	17.62	15.40
Cash Flows						
Net cash (used in) / generated from operating activities	(9,854)	174,932	186,022	3,787	182,238	(15,230)
Net cash flow from investing activities	(154,125)	(75,929)	(34,195)	12,096	14,847	(4,272)
Net cash flow from financing activities	22,077	(182,109)	(37,242)	(53,084)	(61,963)	(2,107)
Net change in cash and cash equivalents	(141,902)	(83,106)	114,585	(37,201)	135,122	(21,609)

Horizontal Analysis of Financial Statements

Amounts in PKR '000

	2016	2015	2014	2013	2012	2011
			-------------Restated-----------------			
Balance Sheet						
Non□current assets	1,278,418	1,197,764	346,734	387,011	411,915	502,725
Current assets	331,917	443,387	479,211	393,483	318,618	203,831
Total assets	1,610,335	1,641,151	825,945	780,494	730,533	706,556
Equity	510,423	537,610	401,543	396,441	381,822	398,869
Surplus on revaluation of fixed assets	271,724	-	-	-	-	-
Non□current liabilities	463,746	538,986	269,776	203,141	192,982	189,759
Current Liabilities	364,442	289,790	154,626	180,912	155,729	117,928
Total equity and liabilities	1,610,335	1,366,386	825,945	780,494	730,533	706,556
Net sales	2,012,770	2,391,891	2,467,544	1,977,637	1,977,637	1,471,885
Cost of product sold	(1,871,442)	(2,063,874)	(2,319,702)	(1,762,134)	(1,762,134)	(1,366,763)
Gross profit	141,328	328,017	147,842	215,503	215,503	105,122
Administrative expenses	(80,816)	(73,320)	(53,290)	(41,448)	(41,448)	(59,758)
Distribution and marketing expenses	(65,283)	(90,100)	(68,965)	(61,721)	(61,721)	(55,893)
Other operating income	45,133	25,949	31,662	21,220	21,220	112,227
Other operating expenses	(22,750)	(21,943)	(7,897)	(18,083)	(18,083)	(17,878)
	(123,716)	(159,414)	(98,490)	(100,032)	(100,032)	(21,302)
Operating profit	17,612	168,603	49,352	115,471	115,471	83,820
Finance costs	(31,580)	(18,375)	(3,728)	(3,640)	(3,640)	(3,924)
(Loss) / profit before taxation	(13,968)	150,228	45,624	111,831	111,831	79,896

	2016	2015	2014	2013	2012	2011
		-----% increase/ (decrease) over preceeding year-----				
Balance Sheet						
Non□current assets	6.73%	245.44%	-10.41%	-6.05%	-18.06%	-13%
Current assets	-25.14%	-7.48%	21.79%	23.50%	56.31%	-24%
Total assets	-1.88%	98.70%	5.82%	6.84%	3.39%	-16.60%
Equity	-5.06%	33.89%	1.29%	3.83%	-4.27%	16.86%
Non□current liabilities	-13.96%	99.79%	32.80%	5.26%	1.70%	46.97%
Current Liabilities	25.76%	87.41%	-14.53%	16.17%	32.05%	24.57%
Total equity and liabilities	17.85%	65.43%	5.82%	6.84%	3.39%	-16.60%
Net sales	-15.85%	-3.07%	24.77%	0.00%	34.36%	-1.12%
Cost of product sold	-9.32%	-11.03%	31.64%	0.00%	28.93%	15.64%
Gross profit	-56.91%	121.87%	-31.40%	0.00%	105.00%	-68.55%
Administrative expenses	10.22%	37.59%	28.57%	0.00%	-30.64%	-7.79%
Distribution and marketing expenses	-27.54%	30.65%	11.74%	0.00%	10.43%	-37.65%
Other operating income	73.93%	-18.04%	49.21%	0.00%	-81.09%	532.54%
Other operating expenses	3.68%	177.87%	-56.33%	0.00%	1.15%	133.31%
Operating profit	-89.55%	241.63%	-57.26%	0.00%	37.76%	16.52%
Finance costs	71.86%	392.89%	2.42%	0.00%	-7.24%	-7.08%
(Loss) / profit before taxation	-109.30%	229.27%	-59.20%	0.00%	39.97%	20.89%

Vertical Analysis of Financial Statements

	2016		2015		2014		2013		2012		2011	
	----Rupee 000----	%	----Rupee 000----	%	----Rupee 000----	%	----Rupee 000----	%	----Rupee 000----	%	----Rupee 000----	%
					------------------------Restated----------------------------							
Balance Sheet												
Non-current assets	1,278,418	79%	1,197,764	73%	346,734	42%	387,011	50%	411,915	56%	502,725	71%
Current assets	331,917	21%	443,387	27%	479,211	58%	393,483	50%	318,618	44%	203,831	29%
Total assets	1,610,335	100%	1,641,151	100%	825,945	100%	780,494	100%	730,533	100%	706,556	100%
Equity	510,423	32%	537,610	33%	401,543	49%	396,441	51%	381,822	52%	398,869	56%
Surplus on revaluation of fixed assets	271,724	17%	274,765	17%								
Non-current liabilities	463,746	29%	538,986	33%	269,776	33%	203,141	26%	192,982	26%	189,759	27%
Current Liabilities	364,442	23%	289,790	18%	154,626	19%	180,912	23%	155,729	21%	117,928	17%
Total equity and liabilities	1,610,335	100%	1,641,151	100%	825,945	100%	780,494	100%	730,533	100%	706,556	100%
Net sales	2,012,770	100%	2,391,891	100%	2,467,544	100%	2,350,872	100%	1,977,637	100%	1,471,885	100%
Cost of product sold	(1,871,442)	-93%	(2,063,874)	-86%	(2,319,702)	-94%	(2,150,733)	-91%	(1,762,134)	-89%	(1,366,763)	-93%
Gross profit	141,328	7%	328,017	14%	147,842	6%	200,139	9%	215,503	11%	105,122	7%
Administrative expenses	(80,816)	-4%	(73,320)	-3%	(53,290)	-2%	(48,011)	-2%	(41,448)	-2%	(59,758)	-4%
Distribution and marketing expenses	(65,283)	-3%	(90,100)	-4%	(68,965)	-3%	(66,407)	-3%	(61,721)	-3%	(55,893)	-4%
Other operating income	45,133	2%	25,949	1%	31,662	1%	23,115	1%	21,220	1%	112,227	8%
Other operating expenses	(22,750)	-1%	(21,943)	-1%	(7,897)	0%	(14,638)	-1%	(18,083)	-1%	(17,878)	-1%
	(123,716)	-6%	(159,414)	-7%	(98,490)	-4%	(105,941)	-5%	(100,032)	-5%	(21,302)	-1%
Operating profit	17,612	1%	168,603	7%	49,352	2%	94,198	4%	115,471	6%	83,820	6%
Finance costs	(31,580)	-2%	(18,375)	-1%	(3,728)	0%	(4,073)	0%	(3,640)	0%	(3,924)	0%
(Loss) / profit before taxation	(13,968)	-1%	150,228	6%	45,624	2%	90,125	4%	111,831	6%	79,896	5%

Statement of Compliance with the Code of Corporate Governance

For the year ended 30 June 2016

This statement is being presented to comply with the code of corporate governance (the Code) contained in Regulation No.5.19.23 of the Rule Book of the Pakistan Stock Exchange Limited (formerly: Karachi & Lahore Stock exchanges) for the purpose of establishing a frame work of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests, on its Board of Directors. As at June 30, 2016, the Board included the following members.

Category	Name
Executive Director / CEO	Mr. Asad Alam Khan
Executive Director / Company Secretary / CFO	Mr. Saifee Zakiuddin
Executive Director / Head of Sales& Marketing	Mr. Khalid Dar
Non-Executive Director / Chairman	Mr. Shahriar D. Sethna
Non- Executive Director	Mr. Hamdia Fatin Niazi
Non-Executive Director	Mr. Darayus T. Sethna
Non-Executive Director	Mr. Tassaduq Hussain Niazi
Non-Executive Director (NIT Nominee)	Mr. Syed Etrat Hussain Rizvi

Presently no independent director is appointed on the Board of Directors of the Company. The tenure of the Board of Directors had expired on August 09, 2015 and elections of new Board had been done on September 04, 2015. The Company invited nominations from the shareholders and the intention of the Board was to appoint an independent director from the nominations received. However, apart from NIT (Private) Limited and H.A.K.S Trading (Private) Limited, no other shareholders sent in their nominations and therefore, independent director could not be elected as required under clause (i) (b) of the Code.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

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

4. No casual vacancy occurred in the Board.

5. The Company has prepared a “Code of Conduct”

and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures and this will soon be uploaded on the Company's website.

6. 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 has been maintained.

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

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this Purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with the agenda & working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. Four of the eight directors have completed the director's training program (DTP) as required by the Code of Corporate Governance. The remaining directors have been advised and are expected to have the said certification within the prescribed deadline.

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

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

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

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

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

15. The Board has formed an Audit Committee. It comprises of four members, all of whom are non-executive directors including the chairman of the Committee. The requirement for one of the members to be an independent director, as required under of the Code, will be complied at that time when an independent director is appointed on the Board, as referred to in paragraph 1.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code, except for the first quarter due to delay in finalization of the financial statements. The terms of reference of the committee have been formed and advised to the committee for compliance.

Statement of Compliance with the Code of Corporate Governance

For the year ended 30 June 2016

17. The Board has formed an HR and Remuneration Committee. It comprises of three members, of whom one is executive director i.e. the CEO and other two are non-executive directors. The chairman of the Committee is a non-executive director.

18. The Board has setup an effective internal audit function manned by suitably qualified and experienced persons who are involved in the internal audit function on a full time basis.

19. The Company has made reasonable progress to seek compliance by the end of the next accounting year, of a mechanism in place for an annual evaluation of the Board's own performance.

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

21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

22. The "closed period", prior to the announcement of interim/ final results, and business decisions, which may materially affect the market price of the Company's securities was determined and intimated to directors, employees and stock exchanges.

23. Material/ price sensitive information has been disseminated among all market participants at once through stock exchanges.

24. We confirm that all other material principles contained in the Code have been complied with except for the following, for which the Company is planning to achieve compliance by the next year:

- Appointment of an independent director on the Board as well as the Board Audit Committee;
- Development of a mechanism for annual evaluation of the Board's own performance;
- Dissemination of the "Code of Conduct" by uploading it on the Company's website and;
- Scheduling at least one audit committee meeting in every quarter.

On behalf of the Board of Director

Karachi
Dated: 3rd October, 2016

Mr. Asad Alam Khan
Chief Executive

Building a better working world

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REVIEW REPORT TO THE SHAREHOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices (the Statement) contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of Burshane LPG (Pakistan) Limited (the Company) for the year ended **30 June 2016** to comply with the requirements of Rule Book of Pakistan Stock Exchange Limited Chapter 5, Clause 5.19.23 of the Code of Corporate Governance, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of 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's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2016.

EYFR

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

Paragraph Reference	Description
1	There is no independent director on the Board.
5	The Code of Conduct is not uploaded on the Company's website.
15	There is no member in the Audit Committee who is an independent director, as the same is yet to be appointed on the Board.
16	There was no meeting of the Audit Committee held during the first quarter of the year.
19	There is no mechanism in place for an annual evaluation of the Board's own performance.

EY Ford Rhodes

Chartered Accountants

Karachi

Date: 03 October 2016

Financial Statements

For the year ended June 30, 2016

Burshane LPG (Pakistan) Limited

EY
Building a better
working world

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed unconsolidated balance sheet of **Burshane LPG (Pakistan) Limited** (the Company) as at **30 June 2016**, the related unconsolidated statement of comprehensive income, unconsolidated statement of changes in equity, unconsolidated statement of cash flows together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the unconsolidated balance sheet and unconsolidated statement of comprehensive income together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as stated in note 2.1 to the accompanying financial statements, with which we concur;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.

EYFR

c) in our opinion, and to the best of our information and according to the explanations given to us, the unconsolidated balance sheet, unconsolidated statement of comprehensive income, unconsolidated statement of changes in equity and unconsolidated statement of cash flows together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2016 and of the total comprehensive loss, changes in equity and its cash flows, for the year then ended; and

d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company during the year and deposited in the Central Zakat Fund established under Section 7 of that Ordinance subsequent to year end.

We draw attention to note 23.1 to the accompanying financial statements, wherein the management has disclosed that the Company has not paid its own contribution and the employees' contribution to the provident fund trust within fifteen days from the date of collection, as required by Section 227(1) of the Companies Ordinance, 1984, aggregating to Rs.5.172 million at the year end. Our opinion is not qualified in respect of this matter.

The financial statements of the Company for the year ended 30 June 2015 were audited by another firm of chartered accountants who expressed an unmodified opinion on those financial statements in their audit report dated 07 October 2015.

EY Ford Rhodes

Chartered Accountants

Audit Engagement Partner: Shabbir Yunus

Date: 30 September 2016

Karachi

Balance Sheet

As At June 30, 2016

Amounts in PKR '000

	Note	June 30, 2016	June 30, 2015
ASSETS			
Non-current assets			
Property, plant and equipment	5	**750,768**	760,352
Intangible assets	6	**389,026**	280,635
Long-term investment	7	**50,000**	50,000
Long-term loans	8	**11,750**	29,754
Long-term deposits	9	**76,874**	77,023
		1,278,418	1,197,764
Current assets			
Current portion of long-term loans	8	**25,798**	19,225
Stores and spares	10	**3,924**	3,607
Stock-in-trade	11	**37,536**	41,489
Trade debts	12	**11,400**	17,581
Loans, advances, deposits, prepayments and other receivables	13	**157,659**	123,633
Short-term investment	14	**-**	3,081
Taxation		**2,731**	-
Cash and bank balances	15	**92,869**	234,771
		331,917	443,387
TOTAL ASSETS		**1,610,335**	1,641,151
EQUITY AND LIABILITIES			
Equity			
Share capital	16	**224,888**	224,888
Reserve on amalgamation		**153,458**	153,458
General reserve		**90,000**	90,000
Unappropriated profit		**52,919**	80,358
Remeasurement of post employment benefits - actuarial loss		**(10,842)**	(11,094)
		510,423	537,610
Surplus on revaluation of fixed assets	17	**271,724**	274,765
Non-current liabilities			
Long-term borrowing	18	**86,161**	175,050
Obligation under finance lease	19	**6,942**	9,944
Deferred taxation	20	**1,586**	23,576
Cylinder and regulator deposits	21	**369,057**	330,416
		463,746	538,986
Current liabilities			
Current portion of:			
- Long-term borrowing	18	**168,278**	88,889
- Obligation under finance lease	19	**3,002**	3,034
Loans from Directors	22	**18,818**	27,146
Trade and other payables	23	**129,992**	145,141
Accrued mark-up	24	**4,352**	5,746
Loan from subsidiary	25	**40,000**	-
Taxation		**-**	19,834
		364,442	289,790
Contingencies and commitments	26		
TOTAL EQUITY AND LIABILITIES		**1,610,335**	1,641,151

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

Director

Chief Executive

Statement of Comprehensive Income

For the year ended June 30, 2016

Amounts in PKR '000

	Note	June 30, 2016	June 30, 2015
Gross sales		**2,387,790**	2,817,087
Sales tax		**(375,020)**	(425,196)
Net sales		**2,012,770**	2,391,891
Cost of products sold	27	**(1,871,442)**	(2,063,874)
Gross profit		**141,328**	328,017
Administrative expenses	28	**(80,816)**	(73,320)
Distribution and marketing expenses	29	**(65,283)**	(90,100)
Other income	30	**45,133**	25,949
Other expenses	31	**(22,750)**	(21,943)
Operating profit		**17,612**	168,603
Finance costs	32	**(31,580)**	(18,375)
(Loss) / profit before taxation		**(13,968)**	150,228
Taxation	33	**6,417**	(54,022)
(Loss) / profit for the year		**(7,551)**	96,206
Other comprehensive income for the year			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefits obligation - net of tax		**252**	2,344
Total comprehensive (loss) / income for the year		**(7,299)**	98,550
(Loss) / earnings per share - basic and diluted	34	**(0.34)**	4.26

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

Director

Chief Executive

State ment of Changes In Equity

For the year ended June 30, 2016

Amounts in PKR '000

		Reserves				
		Capital	Revenue			
	Share Capital	Reserve on amalgamation	General reserve	Unappropriated profit	Remeasurement of post employment benefits - actuarial (loss) / gain	
		(Rupees in '000)				
Balance as at June 30, 2014	**226,400**	**-**	**90,000**	**98,581**	**(13,438)**	**401,543**
Effects of amalgamation:						
- recognition of reserve	-	151,946	-	-	-	151,946
- transferred from H.A.K.S. Trading (Private) Limited	-	-	-	(73,677)	-	(73,677)
- reduction in paid-up share capital	(1,512)	1,512	-	-	-	-
	(1,512)	153,458	-	(73,677)	-	78,269
Profit for the year	-	-	-	96,206	-	96,206
Other comprehensive income for the year	-	-	-	-	2,344	2,344
Transaction with owners						
Final dividend for the year ended June 30, 2014 @ Rs.1.80 per share	-	-	-	(40,752)	-	(40,752)
Balance as at June 30, 2015	**224,888**	**153,458**	**90,000**	**80,358**	**(11,094)**	**537,610**
Loss for the year	-	-	-	(7,551)	-	(7,551)
Other comprehensive income for the year	-	-	-	-	252	252
Transfer from revaluation surplus of property, plant and equipment - incremental depreciation (note 17)	-	-	-	3,041	-	3,041
Transaction with owners						
Interim dividend @ Re.1 per share	-	-	-	(22,929)	-	(22,929)
Balance as at June 30, 2016	**224,888**	**153,458**	**90,000**	**52,919**	**(10,842)**	**510,423**

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

Director

Chief Executive

Statement of Cash Flows

For the year ended June 30, 2016

Amounts in PKR '000

	Note	June 30, 2016	June 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	40	12,873	163,274
Retirement and other service benefits paid		(8,851)	(4,970)
Finance costs paid		(32,974)	(30,137)
Taxes paid		(37,696)	(24,274)
Long-term loans - net		18,004	(27,769)
Long-term deposits - net		149	29,415
Cylinder and regulator deposits - net		38,641	69,393
Net cash (used in) / generated from operating activities		(9,854)	174,932
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of:			
- property, plant and equipment		(26,994)	(44,106)
- intangible asset		(135,000)	-
Investment in subsidiary		-	(50,000)
Purchase of short-term investment		-	(92,000)
Redemption of short-term investment		2,992	91,907
Interest received		4,877	18,270
Net cash used in investing activities		(154,125)	(75,929)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(5,389)	(44,016)
Repayment of long-term borrowing		(9,500)	(136,061)
Loan from subsidiary		40,000	-
Repayment of obligation under finance lease		(3,034)	(2,032)
Net cash generated from / (used in) financing activities		22,077	(182,109)
Net decrease in cash and cash equivalents		(141,902)	(83,106)
Cash and cash equivalents at beginning of the year		234,771	317,826
Cash transferred on amalgamation	3	-	51
Cash and cash equivalents at end of the year		92,869	234,771

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

Director

Chief Executive

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2016

1 LEGAL STATUS AND OPERATIONS

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

The principal activity of the Company is storing and marketing Liquefied Petroleum Gas (LPG) throughout Pakistan.

The Company was a subsidiary of H.A.K.S. Trading (Private) Limited (HTPL). However, consequent to the approval of the scheme of arrangement for amalgamation of HTPL and the Company (the Group) by the High Court of Sindh (the Court), HTPL was amalgamated with the Company during last year on February 20, 2015, as more fully explained in note 3.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year, except as described in note 2.1 below.

2.1 New standards, interpretations and amendments

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

IFRS 10 - Consolidated Financial Statements

IFRS 11 - Joint Arrangements

IFRS 12 - Disclosure of Interests in Other Entities

IFRS 13 - Fair Value Measurement

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

2.2 Basis of preparation

2.2.1 Statement of compliance

2.2.1.1 These financial statements have been prepared under the historical cost convention, unless specifically disclosed in the accounting policies below.

These financial statements have been prepared in accordance with the requirements of approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of such IFRSs issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984 (the Ordinance), provisions of and directives issued under the Ordinance. In case requirements differ, the provisions or directives of the Ordinance shall prevail.

2.2.1.2 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.

2.2.2 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the above requirements 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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

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

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

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2016

Standards or interpretations	Effective date (accounting periods beginning on or after)
IFRS 2 – Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 01, 2016
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 01, 2016
IAS 7 – Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	January 01, 2017
IAS 12 – Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2017
IAS 16 – Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	January 01, 2016
IAS 16 – Property, Plant and Equipment IAS 41 Agriculture – Agriculture: Bearer Plants (Amendment)	January 01, 2016
IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	January 01, 2016

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

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014. Such improvements are generally effective for accounting periods beginning on or after January 01, 2016. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

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

Standards	IASB effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018
IFRS 16 – Leases	January 01, 2019

There are number of other standards, amendments and interpretations to the published standards that are not yet effective, and are also not relevant to the Company and therefore have not been presented here.

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses, except for freehold land, which is stated at revalued amount less accumulated impairment loss, if any, and leasehold land, which is stated at revalued amount less accumulated depreciation and accumulated impairment loss, if any. Capital work-in-progress is stated at cost less accumulated impairment loss, if any.

Capital work-in-progress consists of expenditure incurred in respect of tangible assets in the course of their construction and installation, including financial charges on borrowings 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.

Depreciation is charged to profit or loss using straight-line method whereby the cost of the asset is allocated over its estimated useful life at the rates given in note 5.1. 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 revalued amount of leasehold land is depreciated equally over the remaining life from the date of revaluation. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each balance sheet 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 profit or loss in the statement of comprehensive income.

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 profit or loss in the statement of comprehensive income.

2.5 Surplus on revaluation of fixed assets

The surplus arising on revaluation of fixed assets is credited to the 'Surplus on revaluation of fixed assets' account which is shown below equity in the balance sheet in accordance with the requirements of Section 235 of the Companies Ordinance, 1984. The said section was amended through the Companies (Amendment) Ordinance, 2002 and accordingly the Company has adopted the following accounting treatment of depreciation on revalued assets, keeping in view the SECP SRO 45(1)/2003 dated January 13, 2003:

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

- an amount equal to incremental depreciation for the period net of deferred taxation where applicable is transferred from surplus on revaluation of fixed assets to unappropriated profit through statement of changes in equity to record realisation of surplus to the extent of the incremental depreciation charged.

2.6 Leased assets

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.

2.7 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.

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2016

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 (former Holding Company).

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

iii) Trademarks

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

Intangible assets, where applicable, are amortised from the month when such asset is 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 6.

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

2.8 Investment in subsidiary

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 profit or loss in the statement of comprehensive income.

2.9 Impairment of non-financial assets

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

2.10 Financial instruments

2.10.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held to maturity and available-for-sale. The classification depends on the purpose for which the financial assets are acquired. Management determines the classification of its financial assets at the time of initial recognition.

(a) Financial assets 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. Financial assets at fair value through profit or loss comprise 'short term investment' at the balance sheet date.

(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. These are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise 'trade debts', 'loans, deposits and other receivables' and 'cash and bank balances' at the balance sheet date.

(c) Held to maturity

Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity with a positive intension to hold to maturity.

(d) Available-for-sale

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

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognised 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 carried 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 to the profit or loss in the statement of comprehensive income. 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 and held-to-maturity investments are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit or loss in the statement of comprehensive income within 'other income / operating expenses' in the period in which they arise. Dividend income from financial assets at 'fair value through profit or loss' is recognised in the profit or loss in the statement of comprehensive income as part of 'other income' when the Company's right to receive payments is established. Gains or losses on sale of investments at 'fair value through profit or loss' are recognised in the profit or loss in the statement of comprehensive income as 'gains and losses from investment securities'.

Gains or losses arising from changes in the fair value of monetary and non-monetary securities as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are taken to the profit or loss in the statement of comprehensive income 'as gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss in the statement of comprehensive income as part of 'other income'. Dividends on available-for-sale equity instruments are recognised in the profit or loss in the statement of comprehensive income as part of 'other income' when the Company's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company measures the investments at cost less impairment in value, if any.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss-measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in equity is removed from equity and recognised in the profit or loss in the statement of comprehensive income. Impairment losses recognised in profit or loss in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed. Impairment testing of trade debts and other receivables are described in note 2.13.

2.10.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

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

2.10.3 Offsetting of financial assets and financial liabilities

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

2.11 Stores and spares

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

2.12 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value. Cost is determined using the weighted average method for both Liquefied Petroleum Gas and low pressure regulators. 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.

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2016

2.13 Trade debts and other receivables

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

2.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash with banks on current, collection, deposit and savings accounts, other short-term highly liquid investments with original maturities of three months or less and running finance under mark-up arrangements. Running finance under mark-up arrangements, if utilised, are shown in current liabilities on the balance sheet.

2.15 Share capital

Ordinary shares are classified as equity and are recorded at their face value.

2.16 Retirement and other service benefits

2.16.1 Defined benefit plans

The Company operates:

- an approved defined benefit gratuity scheme for all permanent 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. 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.

2.16.2 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.

2.17 Borrowings

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for atleast twelve months after the balance sheet date.

2.18 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.

2.19 Provisions

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

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2016

2.20 Taxation

2.20.1 Current

Provision for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates. The charge for current tax also includes tax credits and adjustments, where considered necessary, for prior years determined during the year or otherwise considered necessary for such years.

2.20.2 Deferred

Deferred income tax is accounted for using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset will be realised or the deferred income tax liability will be settled. Deferred tax is charged or credited to the profit or loss in the statement of comprehensive income except to the extent that it relates to the items recognised directly in equity in which case it is recognised in equity.

2.21 Foreign currencies

The financial statements are presented in Pakistan Rupees which is the Company's functional currency.

Transactions in foreign currencies are translated into Pakistan Rupees using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange which approximate those prevailing at the balance sheet date. Exchange differences are included in the profit or loss in the statement of comprehensive income.

2.22 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 deposits is recognised on accrual basis.
- Recovery of storage and handling charges is accounted for on accrual basis after netting off the related costs.
- Income from dividend in recognised when right to receive dividend is established.

2.23 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.

2.24 Dividend and appropriation to reserves

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

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2016

3. AMALGAMATION WITH HOLDING COMPANY

Effective February 20, 2015 during last year, the Company went through the scheme of amalgamation (the Scheme) with its holding company 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 (note 5.1.1)	559,529
Cash and bank balances	51
	812,671
Liabilities	
Long-term borrowing - secured	400,000
Deferred taxation	14,863
Trade and other payables	2,247
Short-term borrowings	30,646
Accrued mark-up	17,508
	465,264
Net assets	347,407
Represented by:	
Unappropriated loss	(73,677)
Surplus on revaluation of fixed assets	269,138
Reserve on amalgamation	151,946
	347,407

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

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.

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

4.3 Taxation

In making the estimates for current income taxes payable by the Company, the management considers the applicable laws and the decisions / judgments of appellate authorities on certain issues in the past. Accordingly, the recognition of deferred tax is also made, taking into account these judgments and the best estimates of future results of operations of the 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 36.

4.5 Change in accounting estimates

During the year, the management has revised its accounting estimate in respect of useful life of tanks, pipelines and fittings and cylinder and regulators. The useful life has been reassessed based on the exercise carried out by an independent valuer.

The change has been accounted for prospectively i.e from July 01, 2015 in accordance with the requirements of IAS - 8 " Accounting Policies, Change in Accounting Estimates and Errors".

Had there been no change in accounting estimates in respect of useful life, the depreciation charge and loss for the year would have been higher by Rs.45.838 million and carrying value of property, plant and equipment would have been lower by the same amount.

	Note	**June 30, 2016**	June 30, 2015
5. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	5.1	**750,668**	760,038
Capital work-in-progress	5.2	**100**	314
		750,768	760,352

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2016

5.1 Operating assets

	June 30, 2016									
	Cost				Depreciation					
	As at July 01, 2015	Additions	Disposals	As at June 30, 2016	As at July 01, 2015	Charge for the year	Disposals	As at June 30, 2016	Book value as at June 30, 2016	Rate of depreciation
	(Rupees in '000)									
Owned										
Freehold land	15,000	-	-	15,000	-	-	-	-	15,000	Nil
Leasehold land	509,138	-	-	509,138	-	(5,752)	-	(5,752)	503,386	1.13%
Building on freehold land	5,580	-	-	5,580	(3,875)	(180)	-	(4,055)	1,525	5%
Building on leasehold land	70,548	-	-	70,548	(38,205)	(2,249)	-	(40,454)	30,094	5%
Building on land under license	7,166	-	-	7,166	(6,673)	(28)	-	(6,701)	465	5%
Plant and machinery	61,952	72	-	62,024	(46,478)	(2,859)	-	(49,337)	12,687	5%
Tanks, pipelines and fittings	96,021	-	-	96,021	(57,443)	(3,754)	-	(61,197)	34,824	10%
Fire fighting equipment	20,761	-	-	20,761	(14,731)	(876)	-	(15,607)	5,154	15%
Cylinders and regulators	524,884	23,239	-	548,123	(422,094)	(7,699)	-	(429,793)	118,330	10%
Vehicles	57,165	1,396	-	58,561	(55,132)	(2,176)	-	(57,308)	1,253	20%-25%
Furniture, fittings, electrical and other equipments	77,961	1,768	-	79,729	(62,852)	(5,789)	-	(68,641)	11,088	10%-15%
Office machines	4,560	155	-	4,715	(3,974)	(101)	-	(4,075)	640	15%
Personal computers	16,497	364	-	16,861	(16,219)	(153)	-	(16,372)	489	33.33%
Leased										
Vehicles	23,738	-	-	23,738	(3,257)	(4,748)	-	(8,005)	15,733	25%
	1,490,971	26,994	-	1,517,965	-	(730,933)	(36,364)	-	(767,298)	750,668

5.1 Operating assets (continued)

	June 30, 2015													
	Cost							Depreciation						
			Effect of amalgamation											
	As at July 01, 2014	Additions	Assets transferred on amalgamation	Fair Value Adjustment (note 5.1.4)	Revaluation Surplus	Disposals	As at June 30, 2015	As at July 01, 2014	Charge for the year	Charge on Fair Value adjustments (note 5.1.4)	Disposals	As at June 30, 2015	Book value as at June 30, 2015	Rate of depreciation
	(Rupees in '000)													
Owned														
Freehold land	5,618	-	-	3,755	5,627	-	15,000	-	-	-	-	-	15,000	Nil
Leasehold land	-	-	509,138	-	-	-	509,138	-	-	-	-	-	509,138	1.13%
Building on freehold land	6,575	-	-	(995)	-	-	5,580	(3,594)	(314)	33	-	(3,875)	1,705	5%
Building on leasehold land	88,442	-	-	(17,894)	-	-	70,548	(34,805)	(4,068)	668	-	(38,205)	32,343	5%
Building on land under license	7,166	-	-	-	-	-	7,166	(6,645)	(28)	-	-	(6,673)	493	5%
Plant and machinery	66,591	72	-	(4,711)	-	-	61,952	(42,177)	(4,569)	268	-	(46,478)	15,474	5%
Tanks, pipelines and fittings	58,654	-	-	37,367	-	-	96,021	(49,467)	(1,586)	(6,390)	-	(57,443)	38,578	10%
Fire fighting equipment	20,761	-	-	-	-	-	20,761	(13,882)	(849)	-	-	(14,731)	6,030	15%
Cylinders and regulators	465,967	28,179	-	30,738	-	-	524,884	(384,228)	(30,957)	(6,910)	-	(422,094)	102,790	10%
Vehicles	54,530	2,099	-	536	-	-	57,165	(53,762)	(1,170)	(201)	-	(55,132)	2,032	20%-25%
Furniture, fittings, electrical and other equipments	67,153	9,225	1,583	-	-	-	77,961	(57,446)	(5,406)	-	-	(62,852)	15,109	10%-15%
Office machines	3,929	631	-	-	-	-	4,560	(3,855)	(119)	-	-	(3,974)	586	15%
Personal computers	16,219	266	12	-	-	-	16,497	(16,195)	(24)	-	-	(16,219)	278	33.33%
Leased														
Vehicles	-	23,738	-	-	-	-	23,738	-	(3,257)	-	-	(3,257)	20,481	25%
	861,605	64,210	510,733	48,796	5,627	-	1,490,971	(666,056)	(52,346)	(12,531)	-	(730,933)	760,038	

5.1.1 As at June 30, 2016, property, plant and equipment having cost of Rs.369.015 million (2015: Rs.304.863 million) are fully depreciated.

Notes To The Unconsolidated Financial Statements

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		Note	June 30, 2016	June 30, 2015
5.1.2	The depreciation charge for the year has been allocated as follows:			
	Cost of products sold	27	**10,395**	21,255
	Administrative expenses	28	**13,674**	5,164
	Distribution and marketing expenses	29	**12,295**	38,458
			36,364	64,877

5.1.3 The Company's assets include cylinders and regulators which are in custody of distributors / customers due to the nature of business of the Company. Due to significant number of distributors / customers, the particulars of these assets which are not in possession of the Company, have not been disclosed.

5.1.4 This represents fair value adjustments in the consolidated financial statements of HTPL in respect of property, plant and equipment of the Company at the time of its acquisition by HTPL, net off effect of depreciation till the date of amalgamation, i.e. February 19, 2015.

5.1.5 During prior year, the Company's freehold land measuring 2.5 acres was revalued resulting in a surplus of Rs.5.627 million. The valuation was carried out by an independent valuer - M/s. Consultancy Support and Services on the basis of present market value for similar sized plots in the near vicinity for freehold land. Further, leasehold land transferred from HTPL, as a result of the Scheme referred to in note 3, is also carried at revalued amount. 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 and Rs.266.097 million, resepctively.

5.2 Capital work-in-progress

	June 30, 2016	June 30, 2015
Plant and machinery	**-**	314
Advance against softwares	**100**	-
	100	314

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6. INTANGIBLE ASSETS

	June 30, 2016							
	Cost			Amortisation				
	As at July 01, 2015	Additions	A at June 30, 2016	As at July 01, 2016	Charge for the year (note 6.5)	As at June 30, 2016	Book value as at June 30, 2016	Rate of amortisation
	------ (Rupees in '000) ------							
Goodwill (note 6.1)	**253,091**	-	**253,091**	-	-	-	**253,091**	-
Computer software	**4,569**	-	**4,569**	**4,025**	**544**	**4,569**	-	**20%**
Rights under supply contracts (notes 6.2 and 6.3)	**86,706**	**135,000**	**221,706**	**68,306**	**26,065**	**94,371**	**127,335**	**7.14%-33%**
Trademarks (note 6.4)	**8,600**	-	**8,600**	-	-	-	**8,600**	-
	352,966	**135,000**	**487,966**	**72,331**	**26,609**	**98,940**	**389,026**	

	June 30, 2015							
	Cost			Amortisation				
	As at July 01, 2014	Additions	A at June 30, 2015	As at July 01, 2015	Charge for the year (note 6.5)	As at June 30, 2015	Book value as at June 30, 2015	Rate of amortisation
	------ (Rupees in '000) ------							
Goodwill (note 6.1)	-	253,091	253,091	-	-	-	253,091	-
Computer software	4,569	-	4,569	3,301	724	4,025	544	20.00%
Rights under supply contracts (notes 6.2 and 6.3)	86,706	-	86,706	59,220	9,086	68,306	18,400	7.14%-20%
Trademarks (note 6.4)	8,600	-	8,600	-	-	-	8,600	-
	99,875	253,091	352,966	62,521	9,810	72,331	280,635	

6.1 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.

6.1.1 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.

	Note	June 30, 2016	June 30, 2015
- Carrying amount of goodwill		**253,901**	253,901
- Carrying amount of trademarks		**8,600**	8,600

The Company performed its annual impairment test in June 2016 and June 2015. The Company considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at June 30, 2016, the market capitalisation 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.1,200.233 million as at June 30, 2016 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 5 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 15.97% and cash flows beyond the five-year period are extrapolated using a 6.0% 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, 2016.

The Company tested its trademark "Burshane" as at June 30, 2016 and June 30, 2015 for impairment. Value in Use of Rs.834.545 million as at June 30, 2016 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.

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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:

- Gross margins
- Discount rates
- Purchase price inflation
- Market share during the forecast period
- Royalty rate used for the forecast period
- Growth rate used to extrapolate cash flows beyond the forecast period

- **Gross margins**

Gross margins are largely a function of price which is dictated by trends in the international market, and the company's ability to pass on increase in cost to end consumers. Based on our analysis of the company, we have concluded that the company will not pass on the increase in cost to the end consumer entirely.

- **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.

- **Purchase price inflation**

The company is involved in the distribution and marketing of LPG, and incurs mainly processing and transportation cost. These have been increased in line with the forecast inflation of 5%, in line with IMF forecast, over the forecast horizon.

- **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 5 year amortization period, using the statutory tax rates. Cash flows beyond the five-year period are extrapolated using a 6.0% 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, 2016.

- **Growth rate used to extrapolate cash flows beyond the forecast period**

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.

Sensitivity to changes in assumptions:

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

- **Gross margin assumptions**

Reduced prices can lead to a decline in gross margin. A 0.25% decline in price leading to an average of 0.68% decrease in gross margin would result in an impairment in the CGU.

Amounts in PKR '000

- **Discount rate assumptions**

A rise in pre-tax discount rate to 26% would result in the impairment of the CGU.

- **Purchase price inflation assumptions**

The company mainly incurs processing and transportation costs, which have been linked with inflation. A greater than anticipated increase in cost, accompanied by the Company's practice of not passing it on entirely will result in an impairment.

- **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 5 year amortization period, using the statutory tax rates. Cash flows beyond the five-year period are extrapolated using a 6.0% 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 2016.

- **Growth rate assumptions**

Cashflow beyond the forecast period have been extrapolated using 6.0% growth based on that used by the management and long term growth of the LPG industry.

6.2 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, ending during current year. Further, on completion of term of the existing contract during the current 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 has agreed to pay a signature bonus of Rs.248 million out of which Rs.125 million have been paid during the year and the balance has been paid subsequent to year end.

6.3 During 2014, the Company participated in a tender offer by Government Holdings (Private) Limited (GHPL) in respect of purchase of LPG from Makori Gas Field, TAL Block. On successful submission of the highest bid of Rs. 22.5 million, the Company had been allotted one lot of LPG of five metric tons per day from the Makori Gas Field, TAL Block. However, pending the final decision of the Lahore High Court in writ petition No. 6569/2014, to which the Company is not a party, the LPG purchase agreement between the Company and GHPL has not yet been executed. The supply of LPG from Makori Gas Field is in accordance with the terms and conditions contained in the tender document and is for a temporary period of five years. Accordingly, Rs.22.5 million, paid as signature bonus, being right to continuous supply of LPG, has been recognised as an intangible asset with a useful life of five years.

6.4 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.

6.5 Amortisation for the year has been allocated as follows:

	Note	**June 30, 2016**	June 30, 2015
Cost of products sold	27	**26,065**	9,086
Administrative expenses	28	**544**	724
		26,609	9,810

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7. LONG-TERM INVESTMENT

Investment in subsidiary - at cost Burshane Autogas (Private) Limited 5,000,000 ordinary shares of Rs.10 each	7.1	**50,000**	50,000

7.1 The Board of Directors of the Company in its meeting held on July 24, 2014, resolved to form two 100% owned subsidiaries i.e. Burshane Trading (Private) Limited (BTL) and Burshane Autogas (Private) Limited (BAL). BTL was incorporated on October 13, 2014 for setting up trading operations particularly in coal and other energy related products, while BAL was incorporated on September 26, 2014 to set up operations of LPG autogas stations. No share capital has yet been issued or transactions undertaken by BTL till year end.

	Note	**June 30, 2016**	June 30, 2015
8. LONG-TERM LOANS - considered good			
Chief Executive	8.2 & 8.4	**8,500**	15,500
Executive Directors	8.3 & 8.4	**3,832**	-
Executives	8.4	**2,482**	1,013
Other employees	8.4	**84**	2,466
Supplier	8.5	**22,650**	30,000
		37,548	48,979
Less: Recoverable within one year, shown under current assets			
Chief Executive		**6,000**	6,000
Executive Directors		**2,077**	-
Executives		**986**	404
Other employees		**85**	821
Supplier		**16,650**	12,000
		25,798	19,225
		11,750	29,754

8.1 Reconciliation of carrying amount of loans:

	2016						2015				
	Chief Executive	Executive Directors	Executives	Other Employees	Supplier	Total	Chief Executives	Executives	Other Employees	Supplier	Total
	(Rupees in '000)										
Balance at beginning of the year	**15,500**	**-**	**1,013**	**2,466**	**30,000**	**48,979**	-	727	3,163	-	3,890
Add / (less):											
- Disbursements	**-**	**5,580**	**1,704**	**67**	**-**	**7,351**	20,000	1,266	997	30,000	52,263
- Repayments / adjustments	**(7,000)**	**(1,748)**	**(235)**	**(2,449)**	**(7,350)**	**(18,782)**	(4,500)	(980)	(1,694)	-	(7,174)
Balance at the end of the year	**8,500**	**3,832**	**2,482**	**84**	**22,650**	**37,548**	15,500	1,013	2,466	30,000	48,979

8.2 This represents loan granted by the Company to Chief Executive Officer, amounting to Rs. 20 million, given as per Company policy, repayable in 40 equal monthly installments carrying no mark-up. This loan is approved by the Securities and Exchange Commission of Pakistan (SECP) vide their letter number EMD/233/642/02.1699 dated March 31, 2015.

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8.3 This represents loans granted by the Company to Director Finance and Director Sales and Marketing during the year, amounting to Rs.3 million and Rs.1.85 million respectively, given as per Company policy, repayable in 30 equal monthly installments carrying no mark-up.

8.4 These loans are granted to employees under the Company's loan policies. Car and motor cycle loans are repayable over a maximum period of five years and two and a half years respectively. Housing loans are repayable in maximum 50 equal monthly installments and salary loans are repayable over a maximum period of three years. Car loans and housing loans carry interest at the rate of 1% per annum, however, the interest on housing loans can be waived off subject to approval of Chief Executive Officer (CEO) / Board of Directors of the Company. 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.

8.5 This represents loan granted by the Company to a transporter for purchase of vehicles to be used for the Company's business. The loan is unsecured and repayable in 30 equal monthly installments and carries no mark-up.

8.6 The maximum aggregate amount of loans due from Executives, including Chief Executive, at the end of any month during the year was Rs.22.930 million (2015: Rs.20.679 million) respectively.

8.7 The carrying value of these financial assets is neither past due nor impaired except for loan to supplier which includes a past due amount of Rs.4.650 million.

9. LONG-TERM DEPOSITS

This represents deposits placed with supplier of liquefied petroleum gas as per the terms of the supply agreement.

	Note	June 30, 2016	June 30, 2015
10. STORES AND SPARES			
Stores and spares		**5,244**	3,733
Less: Provision for obsolete items		**(1,320)**	(126)
		3,924	3,607
11. STOCK-IN-TRADE			
Liquefied petroleum gas	11.1	**32,348**	35,011
Low pressure regulators		**5,188**	6,478
		37,536	41,489

11.1 As at June 30, 2016, stock of liquefied petroleum gas includes stock amounting to Rs.3.168 million (2015: Rs.3.504 million) held with the following parties under hospitality arrangements:

	2016	2015
Pakistan State Oil Company Limited	**865**	324
OPI Gas (Private) Limited	**309**	705
Sadiq Gas Company	**1,945**	1,640
Sindh Gas (Private) Limited	**40**	835
Marshal Gas (Private) Limited	**9**	-
	3,168	3,504

11.2 As at June 30, 2016, stock of liquefied petroleum gas held on behalf of third parties amounted to Rs. 2.281 million (2015: Rs. 5.093 million).

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12. TRADE DEBTS

12.1 Trade debts are unsecured and considered good.

12.2 As at June 30, 2016, trade debts aggregating to Rs.7.586 million (2015: Rs.10.489 million) were past due but not impaired. These relate to various customers for which there is no or some history of default, however, no losses. Aging analysis of these trade debts is as follows:

	Note	June 30, 2016	June 30, 2015
Upto 1 month		**3,280**	5,368
1 to 6 months		**2,189**	4,565
More than 6 months		**2,117**	556
		7,586	10,489

13. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	June 30, 2016	June 30, 2015
Advances to:			
Executives	13.1	**296**	743
Contractors and suppliers		**143,570**	104,258
		143,866	105,001
Short-term deposits		**647**	2,712
Short-term prepayments		**4,279**	2,330
Receivable against hospitality arrangements	13.2	**3,571**	1,600
Due from OPI Gas (Private) Limited	13.3	**3,642**	3,642
Accrued interest		**113**	384
Receivable against cylinder deposits		**765**	3,049
Receivable from Burshane Petroleum (Private) Limited	13.4	**9,000**	-
Others		**6,597**	7,488
		172,480	126,206
Less: Provision for impairment	13.5	**(14,821)**	(2,573)
		157,659	123,633

13.1 The maximum aggregate amount due from executives at the end of any month was Rs.0.743 million (2015: Rs.0.743 million).

13.2 This represents receivable against hospitality arrangements entered into with third parties.

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

13.4 This 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 into during the year.

13.5 Provision for impairment

	June 30, 2016	June 30, 2015
Balance at beginning of the year	**2,573**	1,377
Add: Charged during the year and recognised in other expenses (note 31)	**12,248**	1,196
Balance at end of the year	**14,821**	2,573

13.6 As at June 30, 2016, other receivables amounting to Rs.14.821 million (2015: Rs.2.573 million) were considered impaired and provided for.

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	Note	June 30, 2016	June 30, 2015
14. SHORT-TERM INVESTMENT			
Financial assets at fair value through profit or loss			
Mutual Funds	14.1	-	3,081

14.1 Investment in units of NIT Islamic Equity Fund were redeemed during the year.

	Note	June 30, 2016	June 30, 2015
15. CASH AND BANK BALANCES			
Cash in hand		257	102
Balances with banks in:			
- savings accounts	15.1	50,161	74,701
- current accounts		42,451	159,968
		92,612	234,669
		92,869	234,771

15.1 The profit rates on these savings accounts range from 3.75% to 4% per annum (2015: 4.5% to 7% per annum).

16. SHARE CAPITAL

16.1 Authorised capital

June 30, 2016	June 30, 2015		June 30, 2016	June 30, 2015
90,000,000	90,000,000	Ordinary shares of Rs.10 each	900,000	900,000

16.2 Issued, subscribed and paid-up capital

June 30, 2016	June 30, 2015		June 30, 2016	June 30, 2015
19,881,766	19,881,766	Ordinary shares of Rs.10 each fully paid up in cash (note 16.3)	198,817	198,817
76,820	76,820	Ordinary shares of Rs.10 each issued as fully paid for consideration other than cash	768	768
2,530,304	2,530,304	Ordinary shares of Rs.10 each issued as 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 3, the authorised share capital of the Company enhanced to Rs.900 million divided into 90 million ordinary shares of Rs.10 each. Further, pursuant to the effects of amalgamation, the paid-up share capital of the Company reduced by 151,154 shares as more fully explained in note 3.

16.4 As more fully explained in note 3, the Company is in process of completing legal formalities for cancellation of 151,154 shares and for issuance of new shares to the shareholders of HTPL (former Holding Company) in accordance with the Scheme. Post completion of legal formalities, Mr. Asad Alam Khan Niazi, Chief Executive, will hold 12,326,629 ordinary shares of the Company of Rs. 10 each.

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		Note	June 30, 2016	June 30, 2015
17.	**SURPLUS ON REVALUATION OF FIXED ASSETS**			
	Opening balance		**274,765**	-
	Surplus arising on revaluation during the year		**-**	5,627
	Transferred from HTPL on amlagamation		**-**	269,138
	Transferred to retained earnings respect of incremental depreciation during the year		**(3,041)**	-
	Closing balance		**271,724**	274,765
18.	**LONG-TERM BORROWING - secured**			
	National Bank of Pakistan	18.1	**254,439**	263,939
	Less: Current portion shown under current liabilities		**(168,278)**	(88,889)
			86,161	175,050

18.1 As a result of the Scheme referred to in note 3, long-term finance obtained from National Bank of Pakistan (NBP) by the HTPL has been transferred to the Company. The finance 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 by April 01, 2018 with a grace period of six months from the date of the drawdown. The finance carries markup at rate of 6 months KIBOR plus 2.5% to 6% per annum. This loan is secured by way of mortgage on leasehold land and charge on the Company's present and future current and fixed assets as well as personal guarantees of Directors of the Company. As at June 30, 2016, amount due but not paid by the Company was Rs.79.389 million. No payment was made by the Company in respect of the overdue amount subsequent to year-end.

		June 30, 2016	June 30, 2015
19.	**OBLIGATION UNDER FINANCE LEASE**		
	Opening balance	**12,978**	-
	Recognised during the year	**-**	15,010
	Less: Principal repayment during the year	**(3,034)**	(2,032)
	Present value of minimum lease payments	**9,944**	12,978
	Less: Current portion shown under current liabilities	**(3,002)**	(3,034)
	Closing balance	**6,942**	9,944

19.1 During 2015, the Company entered into lease arrangements in respect of motor vehicles. The liabilities under the lease agreements are payable on monthly installment basis by year 2020 and are subject to finance charge at the rate of at rate of 3 months KIBOR plus 3% (2015: 3 months KIBOR plus 3%) per annum. Title of the leased assets will be transferred to the Company at the end of the lease term.

The amount of future payments for the leases and the period in which the lease payments will become due are as follows:

	2016		
	Minimum lease payments	**Finance costs**	**Present value of minimum lease payments**
	------------------(Rupees in '000)------------------		
Not later than 1 year	**3,871**	**869**	**3,002**
Later than 1 year but not later than 5 years	**7,792**	**850**	**6,942**
	11,663	**1,719**	**9,944**

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

	June 30, 2016	June 30, 2015
20. DEFERRED TAXATION		
Deferred tax asset arising due to:		
Obligation under finance lease	**(3,182)**	(3,983)
Recoupable minimum turnover tax	**(19,528)**	-
Provision for impairment of other receivables and slow moving stores and spares	**(5,165)**	(701)
	(27,875)	(4,684)
Deferred tax liability arising due to:		
Accelerated depreciation allowance	**29,461**	28,260
	1,586	23,576

21. CYLINDER AND REGULATOR DEPOSITS

These deposits are non-interest bearing and are refundable on termination of distributorship agreements and / or return of cylinders and ancillary equipment as per the Company policy.

22. LOANS FROM DIRECTORS

These represent short-term loans received from Directors of the Company Mr. Asad Alam Khan Niazi (Chief Executive) and Mr. Shahriar D. Sethna (Non-executive Director) amounting to Rs.13.798 million (2015: Rs.22.126 million) and Rs.5.020 million (2015: Rs.5.020 million) respectively. These loans were received by HTPL and were transferred to the Company on amalgamation. These loans carry no mark-up and are repayable on demand by the Directors. Further, these loans are sub-ordinated to the long-term borrowing.

	Note	June 30, 2016	June 30, 2015
23. TRADE AND OTHER PAYABLES			
Creditors		**48,064**	73,177
Accrued liabilities		**16,386**	15,226
Payable to Burshane LPG (Pakistan) Limited			
- Gratuity Fund	36.1.1	**1,607**	5,266
- Management Staff Pension Fund	36.1.1	**4,339**	6,176
- Provident Fund	23.1	**5,172**	378
Workers' Profits Participation Fund	23.2	**8,800**	8,120
Workers' Welfare Fund		**51**	3,991
Withholding tax payable		**670**	957
Sales tax payable		**4,273**	2,532
Advances from distributors / customers		**18,091**	21,214
Unclaimed dividends	23.3	**19,065**	1,525
Zakat payable		**126**	65
Excess advance received from Shell Petroleum Company Limited against right issue		**-**	5,722
Others		**3,348**	792
		129,992	145,141

23.1 The employer's and employees' contributions were not made during the year to Burshane LPG (Pakistan) Limited Staff Provident Fund (the Fund). However, the oustanding balance as at June 30, 2016 has been paid to the Fund subsequent to year end.

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

		Note	June 30, 2016	June 30, 2015
23.2	Workers' Profit Participation Fund			
	Balance at beginning of the year		**8,120**	2,457
	Add:			
	- Interest charged during the year	32	**680**	-
	- Allocation for the year		**-**	8,120
	Less: Amount paid		**-**	(2,457)
	Balance at end of the year		**8,800**	8,120

23.3 This includes an amount of Rs.16.835 million payable to the Beneficial Owners of HTPL. 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.

24. ACCRUED MARK-UP

This represents finance costs accrued on long-term borrowing.

25. LOAN FROM SUBSIDIARY

During the year, the Company obtained loan from Burshane Auto Gas (Private) Limited a wholly owned subsidiary amounting to Rs.40 million (2015: Rs.Nil) under an agreement dated March 04, 2016. This loan is interest free and has been agreed to be repaid within 12 months after the agreement date.

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

26.1.1 Claims not acknowledged as debt by the Company as at June 30, 2016 amounted to Rs.16.200 million (2015: Rs.16.200 million). This includes Rs.14.140 million (2015: Rs.14.140 million) billed by OPI in respect of business support fee.

26.2 Commitments

26.2.1 Capital commitments contracted for but not incurred as at June 30, 2016 amounted to Rs. 22 million (2015: Rs. 5.828 million).

26.2.2 Signature bonus relating to sale and purchase agreement with PARCO amounting to Rs.123 million (2015: Rs.Nil). The same has been paid in full, subsequent to year end.

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

	Note	June 30, 2016	June 30, 2015
27. COST OF PRODUCTS SOLD			
Cost of LPG sold:			
Opening stock	11	**35,011**	4,324
Purchases		**1,782,580**	2,019,084
		1,817,591	2,023,408
Less: Closing stock	11	**(32,348)**	(35,011)
		1,785,243	1,988,397
Salaries, wages and other employee benefits	27.1	**26,936**	29,505
Cost of low pressure regulators sold		**1,290**	905
Stores and spares consumed		**5,328**	2,096
Repairs and maintenance		**5,507**	2,951
Traveling, conveyance and vehicle maintenance		**137**	52
Rent, rates and electricity		**4,760**	4,472
Communication		**827**	813
Printing and stationery		**320**	203
Insurance		**1,412**	1,217
Depreciation	5.1.2	**10,395**	21,255
Amortisation	6.5	**26,065**	9,086
Security		**3,094**	2,206
Sundry expenses		**129**	716
		1,871,442	2,063,873

27.1 Salaries, wages and other employee benefits include Rs.0.692 million (2015: Rs.3.148 million) in respect of staff retirement benefits.

	Note	June 30, 2016	June 30, 2015
28. ADMINISTRATIVE EXPENSES			
Salaries, wages and other employee benefits	28.1	**43,910**	44,777
Repairs and maintenance		**1,388**	88
Travelling, conveyance and vehicle maintenance		**3,926**	4,503
Rent, rates and electricity		**5,738**	5,788
Communication		**1,988**	2,650
Printing and stationery		**1,224**	1,211
Insurance		**1,439**	346
Advertisement and publicity		**579**	1,066
Depreciation	5.1.2	**13,674**	5,164
Amortisation	6.5	**544**	724
Security		**1,137**	1,830
Donations		**2,018**	1,120
Sundry expenses		**3,251**	4,053
		80,816	73,320

28.1 Salaries, wages and other employee benefits include Rs.5.068 million (2015: Rs.2.801 million) in respect of staff retirement benefits.

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

	Note	June 30, 2016	June 30, 2015
29. DISTRIBUTION AND MARKETING EXPENSES			
Salaries, wages and other employee benefits	29.1	**14,242**	17,752
Repairs and maintenance		**116**	924
Travelling, conveyance and vehicle maintenance		**770**	1,663
Rent, rates and electricity		**808**	1,056
Communication		**556**	580
Printing and stationery		**121**	135
Insurance		**65**	270
Hospitality charges		**26,020**	16,796
Freight and octroi		**6,111**	6,373
Advertisement and publicity		**249**	1,367
Commission		**3,419**	2,865
Depreciation	5.1.2	**12,295**	38,458
Security		**398**	392
Sundry expenses		**112**	1,469
		65,283	90,100

29.1 Salaries, wages and other employee benefits include Rs.0.251 million (2015: Rs.1.354 million) in respect of staff retirement benefits.

	Note	June 30, 2016	June 30, 2015
30. OTHER INCOME			
Income from financial assets			
Savings bank accounts		**4,606**	12,726
Short term investment		**-**	2,988
Income from non-financial assets			
Rental income from storage tanks		**1,439**	1,641
Others			
Scrap sales		**2**	10
Old liabilities written back	30.1	**20,889**	-
Recoveries against cylinder replacement		**2,841**	2,971
Hospitality income		**6,089**	2,453
Exchange gain - net		**-**	1,162
Others		**9,267**	1,998
		45,133	25,949

30.1 These include Rs.17.600 million reprsenting long outstanding payables to Shell Group Companies which have been written-off during the year.

Notes To The Unconsolidated Financial Statements
For the year ended June 30, 2016

Amounts in PKR '000

	Note	June 30, 2016	June 30, 2015
31. OTHER EXPENSES			
Legal and professional charges		**5,579**	5,721
Workers' Profits Participation Fund	23.2	**-**	8,120
Workers' Welfare Fund		**148**	4,031
Auditors' remuneration	31.1	**1,297**	1,748
Provision for impairment of other receivables	13.5	**12,248**	1,196
Directors' fees		**1,038**	1,015
Others		**2,440**	112
		22,750	21,943
31.1 Auditors' remuneration			
Statutory audit		**734**	734
Half yearly review		**260**	260
Review of compliance with the code of corporate governance		**60**	60
Audit of provident, pension and gratuity funds		**-**	144
Special certifications and other advisory services		**-**	250
		1,054	1,448
Out of pocket expenses		**243**	300
		1,297	1,748
32. FINANCE COSTS			
Mark-up on long-term borrowing		**24,698**	13,423
Finance charges on obligation under finance lease		**1,719**	1,248
Interest on Workers' Profits Participation Fund	23.2	**680**	-
Bank charges		**4,483**	3,704
		31,580	18,375
33. TAXATION			
Current:			
- for the year	33.1	**20,324**	54,212
- for prior years		**(4,751)**	(150)
		15,573	54,062
Deferred		**(21,990)**	(40)
		(6,417)	54,022

33.1 This represents minimum tax @ 1% of turnover for the year leviable under section 113 of the Income Tax Ordinance, 2001, therefore, no numerical tax reconciliation is reported.

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

	June 30, 2016	June 30, 2015

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

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. There is no dilutive effect on the basic earnings per share of the Company.

(Loss) / profit for the year	**(7,551)**	96,206
	--------- **Number of shares** ---------	
Weighted average number of ordinary shares in issue (in thousands)	**22,489**	22,586
	---------------- **(Rupees)** ----------------	
(Loss) / earnings per share - basic and diluted	**(0.34)**	4.26

35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

35.1 The aggregate amounts charged during the year for remuneration, including all benefits, to the chief executive, executive directors and executives of the Company are as follows:

	2016				**2015**			
	Chief Executive	**Executive Directors**	**Executives**	**Total**	**Chief Executive**	**Executive Director**	**Executives**	**Total**
	---------------- (Rupees in '000) ----------------							
Managerial remuneration	**21,600**	**12,155**	**17,785**	**51,540**	16,800	7,862	18,159	42,821
Bonus	**-**	**-**	**-**	**-**	3,000	2,763	4,510	10,273
Company's contribution to provident fund	**918**	**356**	**756**	**2,030**	714	334	772	1,820
Travelling and conveyance	**-**	**135**	**441**	**576**	-	-	391	391
Directors' fees	**125**	**350**	**-**	**475**	140	235	-	375
Medical allowance	**21**	**290**	**594**	**904**	-	278	379	657
	22,664	**13,286**	**19,576**	**55,525**	20,654	11,472	24,210	56,336
Number of persons (including those who worked part of the year)	**1**	**2**	**15**	**18**	1	1	15	17

35.2 Aggregate amount charged for the year in respect of fees to five non-executive directors is Rs.0.717 million (2015: five non-executive directors, Rs.0.640 million).

35.3 In addition, the chief executive, the executive directors and certain executives were also provided with free use of the Company's cars.

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2016

36. EMPLOYEE BENEFITS

The Company offers a defined post-employment gratuity benefit to permanent management and non-management employees and defined post-employment pension benefit to management employees. The gratuity and pension funds are governed under the Trust Act, 1882, Trust Deed and Rules of Fund, 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.

36.1 Valuation Results

The latest actuarial valuations of the defined benefit plans were carried out as at June 30, 2016, using the "Projected Unit Credit Method". The details of defined benefit plans are as follows:

	Pension Fund		Gratuity Fund	
	2016	2015	2016	2015
	------------------ (Rupees in '000) ------------------			
36.1.1 Balance sheet reconciliation				
Fair value of plan assets	**98,365**	91,355	**11,204**	10,028
Present value of defined benefit obligations	**(102,704)**	(97,531)	**(12,811)**	(15,294)
Net liability at end of the year	**(4,339)**	(6,176)	**(1,607)**	(5,266)
36.1.2 Movement in net liability recognised				
Net liability at beginning of the year	**6,176**	9,650	**5,266**	7,042
Charge for the year	**2,290**	2,887	**936**	1,921
Amounts paid to the Fund	**(7,075)**	(6,803)	**(1,776)**	-
Employee contribution to be paid to fund	**239**	244	**-**	-
Remeasurements recognised in OCI (note 36.1.7)	**2,709**	198	**(2,819)**	(3,697)
Net liability at end of the year	**4,339**	6,176	**1,607**	5,266
36.1.3 Movement in defined benefit obligations				
Obligation as at beginning of the year	**97,531**	93,748	**15,294**	16,392
Current service cost	**1,269**	1,608	**928**	988
Interest cost	**9,164**	12,422	**1,405**	1,887
Benefits paid	**(7,075)**	(11,961)	**(1,776)**	(4,296)
Remeasurements of obligations (note 36.1.7)	**1,815**	1,714	**(3,040)**	323
Obligations as at end of the year	**102,704**	97,531	**12,811**	15,294
36.1.4 Movement in fair value of plan assets				
Fair value as at beginning of the year	**91,355**	84,098	**10,028**	9,350
Expected return on plan assets	**8,143**	11,143	**1,397**	954
Benefits paid on behalf of the Fund	**7,075**	6,803	**1,776**	-
Employees contributions	**(239)**	(244)	**-**	-
Benefits paid	**(7,075)**	(11,961)	**(1,776)**	(4,296)
Remeasurements of plan assets (note 36.1.7)	**(894)**	1,516	**(221)**	4,020
Fair value as at end of the year	**98,365**	91,355	**11,204**	10,028
36.1.5 Charge for the year				
Current service cost	**1,269**	1,608	**928**	988
Net Interest cost	**1,021**	1,279	**8**	933
	2,290	2,887	**936**	1,921
36.1.6 Actual return on plan assets	**7,249**	12,659	**1,176**	4,974

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2016

	Pension Fund 2016	Pension Fund 2015	Gratuity Fund 2016	Gratuity Fund 2015
36.1.7 Remeasurement recognised in Other Comprehensive Income:				
Remeasurement of obligation				
(Gain) / Loss from change in:				
- demographic assumptions	**-**	-	**-**	-
- financial assumptions	**1,927**	(4,023)	**(1,696)**	(2,585)
Experience (gains) / losses	**(112)**	5,737	**(1,344)**	2,908
	1,815	1,714	**(3,040)**	323
Remeasurement of plan assets				
Return on plan assets, excluding amounts included in interest expense / (income)	**894**	(3,437)	**-**	(3,463)
(Gain) / loss from change in financial assumptions	**-**	3,145	**221**	(557)
	894	(292)	**221**	(4,020)
	2,709	1,422	**(2,819)**	(3,697)

	Pension Fund 2016	Pension Fund 2015	Gratuity Fund 2016	Gratuity Fund 2015
36.1.8 Principal actuarial assumptions used in the actuarial valuation:				
Financial assumptions				
Discount rate	**9.00%**	9.75%	**9.00%**	9.75%
Expected per annum rate of return on plan assets	**9.00%**	9.75%	**9.00%**	9.75%
Expected per annum rate of increase in salaries - long term	**7.00%**	7.75%	**7.00%**	7.75%
Expected per annum rate of increase in pension	**0%**	0%	**-**	-
Demographic assumptions	**Adjusted**	Adjusted	**Adjusted**	Adjusted
Expected mortality rate	**SLIC 2001-2005**	SLIC 2001-2005	**SLIC 2001-2005**	SLIC 2001-2005
Expected withdrawal rate	**High**	High	**High**	High

	As at June 30, 2016 Pension Fund	As at June 30, 2016 Gratuity Fund
	-------- (Rupees in '000) --------	
36.1.9 Analysis of present value of defined benefit obligation:		
Vested benefits	**91,040**	**12,665**
Non-vested benefits	**7,325**	**146**
	98,365	**12,811**

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2016

36.1.10 Plan assets comprise of the following:

	Pension Fund				Gratuity Fund			
	2016		2015		2016		2015	
	Rupees in '000in	% in '000	Rupees in '000	% in '000	Rupees in '000	% in '000	Rupees in '000	%
Equity instruments	6,252	6.36	5,993	6.56	2,967	26.48	2,834	23.30
Debt instruments								
Defence Savings Certificates	14,783	15.03	13,409	14.68	12,319	109.95	11,175	100.30
Pakistan Investment Bonds	61,162	62.18	61,480	67.30	-	-	-	-
	75,945	77.21	74,889	82	12,319	109.95	11,175	100.30
Cash and cash equivalents	11,868	12.07	6,173	6.76	218	1.95	319	3.10
Others	4,300	4.37	4,300	4.71	(4,300)	(38.38)	(4,300)	(26.70)
	98,365		91,355		11,204		10,028	

36.1.11 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date.

36.1.12 Historical information of staff retirement benefits:

	2016	2015	2014	2013	2012	2011
	--(Rupees in '000)--------------------------------------					
Gratuity Fund						
Present value of defined benefit obligation	(12,811)	(15,294)	(16,392)	(26,406)	(30,212)	(31,135)
Fair value of plan assets	11,204	10,028	9,350	15,854	15,827	13,876
Deficit	(1,607)	(5,266)	(7,042)	(10,552)	(14,385)	(17,259)
Pension Fund						
Present value of defined benefit obligation	(102,704)	(97,531)	(93,748)	(127,719)	(125,980)	(81,323)
Fair value of plan assets	98,365	91,355	84,098	98,225	94,534	84,529
(Deficit) / surplus	(4,339)	(6,176)	(9,650)	(29,494)	(31,446)	3,206

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

	Pension Fund	Gratuity Fun
	------- (Rupees in '000) ----------	
Discount rate + 1%	89,529	12,223
Discount rate - 1%	108,878	13,456
Long term salaries increase +1%	101,161	13,534
Long term salaries increase -1%	95,864	12,143
Withdrawal rates - Light	98,394	12,806
Withdrawal rates - Heavy	98,336	12,816

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

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36.2 Provident Fund

The following information is based upon the latest un-audited financial statements of the provident fund as at June 30, 2016 and June 30, 2015:

	Unaudited 2016	Unaudited 2015
	(Rupees in '000)	
Size of the fund - total assets	**49,059**	49,059
Fair value of investments	**48,470**	48,681
Cost of investments	**31,378**	28,162
Percentage of investments	**99%**	99%

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

	2016		2015	
	Rupees in '000	%	Rupees in '000	%
Bank deposits	**2,117**	**4.37**	4,520	9.28
Government securities	**46,353**	**95.63**	44,161	90.72
	48,470	**100.00**	48,681	100.00

36.2.2 The investments out of the fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for the purpose.

37. TRANSACTIONS WITH RELATED PARTIES

37.1 Related parties include associated companies and other companies with common directors, retirement benefit funds, directors and key management personnel.

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

Transactions with related parties

Nature of relationship	Nature of transactions	2016	2015
		(Rupees in '000)	
Former Holding Company			
H.A.K.S Trading (Private) Limited	Dividend	**16,836**	30,302
Subsidiary			
Burshane Autogas (Private) Limited	Loan obtained from subsidiary	**40,000**	-
Staff Retirement Benefit / Contribution Plans			
Burshane LPG (Pakistan) Limited:			
- Staff Gratuity Fund	Benefits paid	**1,776**	-
- Management Staff Pension Fund	Benefits paid	**7,075**	6,803
- Staff Provident Fund	Company's contribution for the year	**2,394**	2,495
Other related parties			
Burshane Petroleum (Private) Limited (Formerly Darian International (Private) Limited)	Consideration against use of name "Burshane"	**9,000**	-
Norinco International Thatta Power (Private) Limited	Advances given for expenses	**140**	-
	Expenses incurred for related party	**7**	-
ALSAA & AAK Commodities (Private) Limited	Expenses incurred for related party	**15**	-

Notes To The Unconsolidated Financial Statements

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37. TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions with related parties		2016	2015
		(Rupees in '000)	
Nature of relationship	**Nature of transactions**		
Former Holding Company			
H.A.K.S Trading (Private) Limited	Dividend payable	**16,836**	-
Subsidiary			
Burshane Autogas (Private) Limited	Investment in subsidiary	**50,000**	50,000
Loan payable to subsidiary		**40,000**	-
Staff Retirement Benefit / Contribution Plans			
Burshane LPG (Pakistan) Limited:			
- Staff Gratuity Fund	Payable to Staff Gratuity Fund	**1,607**	5,266
- Management Staff Pension Fund	Payable to Staff Pension Fund	**4,339**	6,176
- Staff Provident Fund	Contributions to Staff Provident Fund	**5,172**	378
Other related parties			
Burshane Petroleum (Private) Limited (Formerly Darian International (Private) Limited)	Receivable against use of name "Burshane"	**9,000**	-
Norinco International Thatta Power - (Private) Limited)	Receivable against expenses	**406**	266

37.3 All major transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company.

37.4 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. The Company considers its Chief Executive and Executive Directors to be the key management personnel. Transactions with key management personnel, as disclosed in note 35 to these financial statements, are as per the terms of their employment.

38. CAPACITY

	2016	2015
	(Quantity in metric ton)	
Installed annual filling capacity	**37,500**	37,500
Actual utilization	**37,083**	31,035

Actual utilization is mainly attributable to availability of LPG supply and market demand.

39. NUMBER OF EMPLOYEES

	Number of employees as at		Average number of employees	
	June 30, 2016	June 30, 2015	**June 30, 2016**	June 30, 2015
Management employees	**20**	21	**20**	19
Non-management employees	**11**	13	**12**	13
	31	34	**32**	32

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

	Note	June 30, 2016	June 30, 2015
40. CASH GENERATED FROM OPERATIONS			
(Loss) / profit before taxation		(13,968)	150,228
Adjustment for non cash charges and other items:			
Depreciation		36,364	64,877
Amortisation		26,609	9,810
Provision for impairment of other receivable		12,248	1,196
Provision for retirement and other service benefits		5,620	7,303
Finance costs		31,580	18,375
Unrealised loss / (gain) on short term investment		123	(81)
Income on short-term investments		-	(2,907)
Interest income on savings bank accounts		(4,606)	(12,726)
Working capital changes	40.1	(81,097)	(72,801)
		12,873	163,274
40.1 Working capital changes			
(Increase) / decrease in current assets			
Stores and spares		(317)	(190)
Stock-in-trade		3,953	(29,782)
Trade debts		6,181	(2,131)
Loans, advances, deposits, prepayments and other receivables		(48,371)	(33,602)
		(38,554)	(65,705)
(Decrease) / increase in current liabilities			
Trade and other payables - net		(34,215)	(3,596)
Loans from Directors		(8,328)	(3,500)
		(81,097)	(72,801)

41. FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

41.1 Financial assets as per balance sheet

	June 30, 2016	June 30, 2015
- Fair value through profit or loss		
Short-term investment	-	3,081
- Loans and receivables		
Long-term loans	11,750	29,754
Long-term deposits	76,874	77,023
Trade debts	11,400	17,581
Loans, advances, deposits and other receivables	153,380	121,303
Cash and bank balances	92,869	234,771
	346,274	480,432

Amounts in PKR '000

	Note	June 30, 2016	June 30, 2015
41.2 Financial liabilities as per balance sheet			
- Financial liabilities measured at amortised cost			
Long-term borrowing		**254,439**	263,939
Obligation under finance lease		**9,944**	12,978
Cylinder and regulator deposits		**369,057**	330,416
Loans from Directors		**18,818**	27,146
Trade and other payables		**91,009**	96,442
Loan from subsidiary		**40,000**	-
Accrued mark-up		**4,352**	5,746
		787,619	736,667

42. FINANCIAL RISK MANAGEMENT

42.1 Financial risk factors

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

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As majority of the Company's financial assets and liabilities are denominated in Pakistan 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 borrowing from bank. Borrowing at variable rate exposes the Company to cash flow interest rate risk.

As at June 30, 2016, if interest rate on Company's borrowing had been 1% higher / lower with all other variable held constant, post tax profit for the year would have been lower / higher by approximately Rs.1,705 thousand (2015: Rs.1,768 thousand) mainly as a result of higher / lower interest exposure on variable rate borrowing.

(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, 2016.

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

(b) Credit risk

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation.

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 equal to the carrying amount of financial assets.

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

	Note	June 30, 2016	June 30, 2015
Long-term loans		**11,750**	29,754
Long-term deposits		**76,874**	77,023
Trade debts		**3,814**	7,092
Loans, advances, deposits and other receivables		**153,380**	121,303
Short-term investment		**-**	3,081
Bank balances		**92,612**	234,669
		338,431	472,922

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

Name	Rating agency	Rating Short term 2016	Rating Short term 2015	Rating Long term 2016	Rating Long term 2015
Bank Alfalah Limited	PACRA	**A1+**	A1+	**AA**	AA
Habib Bank Limited	JCR-VIS	**A-1+**	A-1+	**AAA**	AAA
MCB Bank Limited	PACRA	**A1+**	A1+	**AAA**	AAA
National Bank of Pakistan	PACRA	**A1+**	A1+	**AAA**	AAA
Standard Chartered Bank (Pakistan) Limited	PACRA	**A1+**	A1+	**AAA**	AAA
Faysal Bank Limited	PACRA	**A1+**	A1+	**AA**	AA
United Bank Limited	JCR-VIS	**A-1+**	A-1+	**AAA**	AA+
Sindh Bank Limited	JCR-VIS	**A-1+**	A-1+	**AA**	AA
Summit Bank Limited	JCR-VIS	**A-1**	A-1	**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.

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

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

	2016			2015		
	"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 borrowing	168,278	86,161	254,439	88,889	175,050	263,939
Obligation under finance lease	3,002	6,942	9,944	3,034	9,944	12,978
Cylinder and regulator deposits	-	369,057	369,057	-	330,416	330,416
Loans from Directors	18,818	-	18,818	27,146	-	27,146
Trade and other payables	91,009	-	91,009	96,442	-	96,442
Accrued mark-up	4,352	-	4,352	5,746	-	5,746
Loan from subsidiary	40,000	-	40,000	-	-	-
	325,459	462,160	787,619	221,257	515,410	736,667

42.2 Fair value

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

42.2.1 Fair value of hierarchy

The following table provides the fair value measurement hierarchy of Company's assets as of balance sheet date:

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

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

42.2 Capital risk management

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to provide expected returns to it shareholders by maintaining optimum capital structure to minimize the cost of capital. To maintain or adjust the capital structure, the Company may issue new equity, manage dividends payouts to its shareholders or sell its short-term investment to reduce debt.

The Company manages capital by maintaining gearing ratio at certain levels. This ratio is calculated as long-term borrowing, as disclosed in note 18, divided by total capital. Total capital is calculated as 'equity' as shown in the balance sheet plus long term borrowing.

The gearing of Company is as follows:

	Note	June 30, 2016	June 30, 2015
Long-term borrowing	18	**86,161**	175,050
Total equity		**510,423**	537,610
Total capital		**596,584**	712,660
Gearing ratio		**0.144**	0.246

43. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

Subsequent to the year end, the Board of Directors of the Company in their meeting held on 30 September 2016 have proposed a final cash dividend of Rs. 1 (2015: Rs. Nil) per share.

44. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary, the effect of which is not material.

45. GENERAL

These financial statements have been rounded to the nearest thousand.

46. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 30 September 2016 by the Board of Directors of the Company.

Director

Chief Executive

Consolidated Financial Statements

For the year ended June 30, 2016

Burshane LPG (Pakistan) Limited

EY
Building a better working world

EY Ford Rhodes
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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of **Burshane LPG (Pakistan) Limited** (the Holding Company) and its subsidiary company, **Burshane Autogas (Private) Limited**, here-in-after referred to as the Group, as at **30 June 2016**, the related consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows together with the notes forming part thereof, for the year then ended. We have also expressed separate opinion on the financial statements of the Holding Company, whereas, the financial statements of Burshane Autogas (Private) Limited were audited by other auditors, whose report has been furnished to us and our opinion, in so far as it relates to the amounts included for such company, is based solely on the report of such auditors. The consolidated financial statements for the year ended 30 June 2015 were audited by another firm of chartered accountants who expressed an unmodified opinion on those financial statements in their audit report dated 07 October 2015. These consolidated financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

In our opinion, the consolidated financial statements present fairly the financial position of Burshane LPG (Pakistan) Limited and its subsidiary company as at 30 June 2016 and the results of their operations for the year then ended.

We draw attention to note 22.1 to the consolidated financial statements, wherein the management has disclosed that the Holding Company has not paid its own contribution and the employees' contribution to the provident fund trust within fifteen days from the date of collection, as required by Section 227(1) of the Companies Ordinance, 1984, aggregating to Rs.5.172 million at the year end. Our opinion is not qualified in respect of this matter.

EY Ford Rhodes

Chartered Accountants

Audit Engagement Partner: Shabbir Yunus

Date: 30 September 2016

Karachi

Consolidated Balance Sheet

As at June 30, 2016

Amounts in PKR '000

	Note	June 30, 2016	June 30, 2015
ASSETS			
Non-current assets			
Property, plant and equipment	5	**750,768**	760,352
Intangible assets	6	**389,026**	280,635
Long-term loans	7	**11,750**	29,754
Long-term deposits	8	**76,874**	77,023
		1,228,418	1,147,764
Current assets			
Current portion of long-term loans	7	**25,798**	19,225
Stores and spares	9	**3,924**	3,607
Stock-in-trade	10	**37,536**	41,489
Trade debts	11	**11,400**	17,581
Loans, advances, deposits, prepayments and other receivables	12	**157,709**	123,785
Short-term investment	13	**-**	3,081
Taxation		**2,030**	-
Cash and bank balances	14	**103,872**	284,079
		342,269	492,847
TOTAL ASSETS		**1,570,687**	1,640,611
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**224,888**	224,888
Reserve on amalgamation		**153,458**	153,458
General reserve		**90,000**	90,000
Unappropriated profit		**53,171**	79,391
Remeasurement of post employment benefits - actuarial loss		**(10,842)**	(11,094)
		510,675	536,643
Surplus on revaluation of fixed assets	16	**271,724**	274,765
Non-current liabilities			
Long-term borrowing	17	**86,161**	175,050
Obligation under finance lease	18	**6,942**	9,944
Deferred taxation	19	**1,586**	23,576
Cylinder and regulator deposits	20	**369,057**	330,416
		463,746	538,986
Current liabilities			
Current portion of:			
- Long-term borrowing	17	**168,278**	88,889
- Obligation under finance lease	18	**3,002**	3,034
Loans from Directors	21	**18,818**	27,146
Trade and other payables	22	**130,092**	145,191
Accrued mark-up	23	**4,352**	5,746
Taxation		**-**	20,211
		324,542	290,217
Contingencies and commitments	24		
TOTAL EQUITY AND LIABILITIES		**1,570,687**	1,640,611

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

Director

Chief Executive

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

Amounts in PKR '000

	Note	**June 30, 2016**	June 30, 2015
Gross sales		**2,387,790**	2,817,087
Sales tax		**(375,020)**	(425,196)
Net sales		**2,012,770**	2,391,891
Cost of products sold	25	**(1,871,442)**	(2,063,874)
Gross profit		**141,328**	328,017
Administrative expenses	26	**(81,149)**	(75,234)
Distribution and marketing expenses	27	**(65,283)**	(90,100)
Other income	28	**47,514**	27,520
Other expenses	29	**(22,800)**	(22,048)
Operating profit		**19,610**	168,155
Finance costs	30	**(31,786)**	(18,375)
(Loss) / profit before taxation		**(12,176)**	149,780
Taxation	31	**5,844**	(54,541)
(Loss) / profit for the year		**(6,332)**	95,239
Other comprehensive income for the year			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefits obligation - net of tax		**252**	2,344
Total comprehensive (loss) / income for the year		**(6,080)**	97,583
		------------ (Rupees) ------------	
(Loss) / earnings per share - basic and diluted	32	**(0.28)**	4.22

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

Director

Chief Executive

Consolidated Statement of Changes in Equity

For the year ended June 30, 2016

		Reserves				
		Capital	Revenue			
	Share Capital	Reserve on amalgamation	General reserve	Unappropriated profit	Remeasurement of post employment benefits - actuarial (loss) / gain	
		(Rupees in '000)				
Balance as at June 30, 2014	**226,400**	**-**	**90,000**	**98,581**	**(13,438)**	**401,543**
Effects of amalgamation:						
- recognition of reserve	-	151,946	-	-	-	151,946
- transferred from H.A.K.S. Trading (Private) Limited	-	-	-	(73,677)	-	(73,677)
- reduction in paid-up share capital	(1,512)	1,512	-	-	-	-
	(1,512)	153,458	-	(73,677)	-	78,269
Profit for the year	-	-	-	95,239	-	95,239
Other comprehensive income for the year	-	-	-	-	2,344	2,344
Transaction with owners						
Final dividend for the year ended June 30, 2014 @ Rs.1.80 per share	-	-	-	(40,752)	-	(40,752)
Balance as at June 30, 2015	**224,888**	**153,458**	**90,000**	**79,391**	**(11,094)**	**536,643**
Loss for the year	-	-	-	(6,332)	-	(6,332)
Other comprehensive income for the year	-	-	-	-	252	252
Transfer from revaluation surplus of property, plant and equipment - incremental depreciation (note 17)	-	-	-	3,041	-	3,041
Transaction with owners						
Interim dividend @ Re.1 per share	-	-	-	(22,929)	-	(22,929)
	224,888	**153,458**	**90,000**	**53,171**	**(10,842)**	**510,675**

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

Director

Chief Executive

Consolidated Statement of Cash Flows

For the year ended June 30, 2016

Amounts in PKR '000

	Note	June 30, 2016	June 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	38	**12,440**	161,305
Retirement and other service benefits paid		**(8,851)**	(4,970)
Finance costs paid		**(33,180)**	(30,137)
Taxes paid		**(37,696)**	(24,416)
Long-term loans - net		**18,004**	(27,769)
Long-term deposits - net		**-**	29,415
Cylinder and regulator deposits - net		**38,641**	69,393
Net cash (used in) / generated from operating activities		**(10,642)**	172,821
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of:			
- property, plant and equipment		**(26,994)**	(44,106)
- intangible asset		**(135,000)**	-
Purchase of short-term investment		**-**	(92,000)
Redemption of short-term investment		**2,992**	91,907
Interest received		**7,360**	19,689
Net cash used in investing activities		**(151,642)**	(24,510)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**(5,389)**	(44,016)
Repayment of long-term borrowing		**(9,500)**	(136,061)
Repayment of obligation under finance lease		**(3,034)**	(2,032)
Net cash used in financing activities		**(17,923)**	(182,109)
Net decrease in cash and cash equivalents		**(180,207)**	(33,798)
Cash and cash equivalents at beginning of the year		**284,079**	317,826
Cash transferred on amalgamation	3	**-**	51
Cash and cash equivalents at end of the year		**103,872**	284,079

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

Director

Chief Executive

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

1 LEGAL STATUS AND OPERATIONS

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 Holding Company is situated at Suite 101, 1st Floor, Horizon Vista, Plot No. Commercial-10, Block-4, Scheme No. 5, Clifton, Karachi.

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

The Holding Company was a subsidiary of H.A.K.S. Trading (Private) Limited (HTPL, the former ultimate holding company). However, consequent to the approval of the scheme of arrangement for amalgamation of HTPL and the Holding Company by the High Court of Sindh (the Court), HTPL was amalgamated with the Holding Company during last year on February 20, 2015, as more fully explained in note 3.

1.1 The Group consists of:

Holding Company: Burshane LPG (Pakistan) Limited

Subsidiary Companies: Burshane Autogas (Private) Limited (note 1.1.1) and Burshane Trading (Private) Limited (note 1.1.2). The Holding Company holds 100% voting rights and controls both of the subidiaries.

1.1.1 Burshane Autogas (Private) Limited (the Subsidiary Company) was incorporated on September 26, 2014 under the Companies Ordinance, 1984, to set up operations of LPG autogas stations. The Subsidiary Company's registered office is situated at Suite 101, 1st Floor, Horizon Vista, Plot No. Commercial-10, Block-4, Scheme No. 5, Clifton, Karachi.

1.1.2 Burshane Trading (Private) Limited (BTPL) was incorporated on October 13, 2014 under the 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-10, Block-4, Scheme No. 5, Clifton, Karachi. No share capital has been issued and transactions undertaken by BTPL during the year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year, except as described in note 2.1 below.

2.1 New standards, interpretations and amendments

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

IFRS 10 - Consolidated Financial Statements

IFRS 11 - Joint Arrangements

IFRS 12 - Disclosure of Interests in Other Entities

IFRS 13 - Fair Value Measurement

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

2.2 Basis of consolidation

2.2.1.1 These consolidated financial statements include the financial statements of Burshane LPG (Pakistan) Limited and its subsidiary company - Burshane Autogas (Private) Limited.

The assets and liabilities of the Subsidiary Company have been consolidated on a line by line basis at their book value. The carrying value of investment held by the Holding Company is eliminated against the Subsidiary Company's share capital in these consolidated financial statements.

Material intra-group balances and transactions have been eliminated.

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

2.2.2 Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformity with the above requirements 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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

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

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

Standards or interpretations	Effective date (accounting periods beginning on or after)
IFRS 2 – Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 01, 2016
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 01, 2016
IAS 7 – Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	January 01, 2017
IAS 12 – Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2017
IAS 16 – Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	January 01, 2016
IAS 16 – Property, Plant and Equipment IAS 41 Agriculture – Agriculture: Bearer Plants (Amendment)	January 01, 2016
IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	January 01, 2016

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

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014. Such improvements are generally effective for accounting periods beginning on or after January 01, 2016. The Group expects that such improvements to the standards will not have any material impact on the Group's financial statements in the period of initial application.

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

Standards	IASB effective date (annual periods beginning on or after)
IFRS 9 - Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 - Regulatory Deferral Accounts	January 01, 2016
IFRS 15 - Revenue from Contracts with Customers	January 01, 2018
IFRS 16 - Leases	January 01, 2019

There are number of other standards, amendments and interpretations to the published standards that are not yet effective, and are also not relevant to the Group and therefore have not been presented here.

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses, except for freehold land, which is stated at revalued amount less accumulated impairment loss, if any, and leasehold land, which is stated at revalued amount less accumulated depreciation and accumulated impairment loss, if any. Capital work-in-progress is stated at cost less accumulated impairment loss, if any.

Capital work-in-progress consists of expenditure incurred in respect of tangible assets in the course of their construction and installation, including financial charges on borrowings 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.

Depreciation is charged to profit or loss using straight-line method whereby the cost of the asset is allocated over its estimated useful life at the rates given in note 5.1. 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 revalued amount of leasehold land is depreciated equally over the remaining life from the date of revaluation. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each balance sheet 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 profit or loss in the statement of comprehensive income.

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 profit or loss in the statement of comprehensive income.

2.5 Surplus on revaluation of fixed assets

The surplus arising on revaluation of fixed assets is credited to the 'Surplus on revaluation of fixed assets' account which is shown below equity in the balance sheet in accordance with the requirements of Section 235 of the Companies Ordinance, 1984. The said section was amended through the Companies (Amendment) Ordinance, 2002 and accordingly the Group has adopted the following accounting treatment of depreciation on revalued assets, keeping in view the SECP SRO 45(1)/2003 dated January 13, 2003:

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

- an amount equal to incremental depreciation for the period net of deferred taxation where applicable is transferred from surplus on revaluation of fixed assets to unappropriated profit through statement of changes in equity to record realisation of surplus to the extent of the incremental depreciation charged.

2.6 Leased assets

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.

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

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.

2.7 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 Holding Company at the time of acquisition by HTPL (former Holding Holding Company).

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

iii) Trademarks

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

Intangible assets, where applicable, are amortised from the month when such asset is 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 6.

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

2.8 Investment in subsidiary

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 profit or loss in the statement of comprehensive income.

2.9 Impairment of non-financial assets

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

2.10 Financial instruments

2.10.1 Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held to maturity and available-for-sale. The classification depends on the purpose for which the financial assets are acquired. Management determines the classification of its financial assets at the time of initial recognition.

(a) Financial assets 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. Financial assets at fair value through profit or loss comprise 'short term investment' at the balance sheet date.

(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. These are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise 'trade debts', 'loans, deposits and other receivables' and 'cash and bank balances' at the balance sheet date.

(c) Held to maturity

Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity with a positive intension to hold to maturity.

(d) Available-for-sale

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

All financial assets are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognised 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 carried 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 to the profit or loss in the statement of comprehensive income. 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 and held-to-maturity investments are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit or loss in the statement of comprehensive income within 'other income / operating expenses' in the period in which they arise. Dividend income from financial assets at 'fair value through profit or loss' is recognised in the profit or loss in the statement of comprehensive income as part of 'other income' when the Group's right to receive payments is established. Gains or losses on sale of investments at 'fair value through profit or loss' are recognised in the profit or loss in the statement of comprehensive income as 'gains and losses from investment securities'.

Gains or losses arising from changes in the fair value of monetary and non-monetary securities as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are taken to the profit or loss in the statement of comprehensive income 'as gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss in the statement of comprehensive income as part of 'other income'. Dividends on available-for-sale equity instruments are recognised in the profit or loss in the statement of comprehensive income as part of 'other income' when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group measures the investments at cost less impairment in value, if any.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss-measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in equity is removed from equity and recognised in the profit or loss in the statement of comprehensive income. Impairment losses recognised in profit or loss in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed. Impairment testing of trade debts and other receivables are described in note 2.13.

2.10.2 Financial liabilities

All financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument.

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

2.10.3 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability are offset and the net amount is reported in the balance sheet if the 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.

2.11 Stores and spares

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

2.12 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value. Cost is determined using the weighted average method for both Liquefied Petroleum Gas and low pressure regulators. 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

2.13 Trade debts and other receivables

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

2.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash with banks on current, collection, deposit and savings accounts, other short-term highly liquid investments with original maturities of three months or less and running finance under mark-up arrangements. Running finance under mark-up arrangements, if utilised, are shown in current liabilities on the balance sheet.

2.15 Share capital

Ordinary shares are classified as equity and are recorded at their face value.

2.16 Retirement and other service benefits

2.16.1 Defined benefit plans

The Holding Company operates:

- an approved defined benefit gratuity scheme for all permanent 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. 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.

2.16.2 Defined contribution plan

The Holding Company operates a recognised contributory provident fund for all permanent employees. Equal monthly contributions are made, both by the Holding 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.

2.17 Borrowings

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for atleast twelve months after the balance sheet date.

2.18 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.

2.19 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 balance sheet date and adjusted to reflect current best estimate.

2.20 Taxation

2.20.1 Current

Provision for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates. The charge for current tax also includes tax credits and adjustments, where considered necessary, for prior years determined during the year or otherwise considered necessary for such years.

2.20.2 Deferred

Deferred income tax is accounted for using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset will be realised or the deferred income tax liability will be settled. Deferred tax is charged or credited to the profit or loss in the statement of comprehensive income except to the extent that it relates to the items recognised directly in equity in which case it is recognised in equity.

2.21 Foreign currencies

The financial statements are presented in Pakistan Rupees which is the Group's functional currency.

Transactions in foreign currencies are translated into Pakistan Rupees using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange which approximate those prevailing at the balance sheet date. Exchange differences are included in the profit or loss in the statement of comprehensive income.

2.22 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 deposits is recognised on accrual basis.
- Recovery of storage and handling charges is accounted for on accrual basis after netting off the related costs.
- Income from dividend in recognised when right to receive dividend is established.

2.23 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.

2.24 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. AMALGAMATION WITH HOLDING COMPANY

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

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

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

	Fair value as of February 19, 2015 (Rupees in '000)
Assets	
Goodwill	253,091
Property, plant and equipment (note 5.1.1)	559,529
Cash and bank balances	51
	812,671
Liabilities	
Long-term borrowing - secured	400,000
Deferred taxation	14,863
Trade and other payables	2,247
Short-term borrowings	30,646
Accrued mark-up	17,508
	465,264
Net assets	347,407
Represented by:	
Unappropriated loss	(73,677)
Surplus on revaluation of fixed assets	269,138
Reserve on amalgamation	151,946
	347,407

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

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 / judgments of appellate authorities on certain issues in the past. Accordingly, the recognition of deferred tax is also made, taking into account these judgments and the best estimates of future results of operations of the Group.

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 36.

4.5 Change in accounting estimates

During the year, the management has revised its accounting estimate in respect of useful life of tanks, pipelines and fittings and cylinder and regulators. The useful life has been reassessed based on the exercise carried out by an independent valuer.

The change has been accounted for prospectively i.e from July 01, 2015 in accordance with the requirements of IAS - 8 " Accounting Policies, Change in Accounting Estimates and Errors".

Had there been no change in accounting estimates in respect of useful life, the depreciation charge and loss for the year would have been higher by Rs.45.838 million and carrying value of property, plant and equipment would have been lower by the same amount.

Amounts in PKR '000

	Note	**June 30, 2016**	June 30, 2015
5. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	5.1	**750,668**	760,038
Capital work-in-progress	5.2	**100**	314
		750,768	760,352

5.1 Operating assets

	June 30, 2016									
	Cost				Depreciation					
	As at July 01, 2015	Additions	Disposals	As at June 30, 2016	As at July 01, 2015	Charge for the year	Disposals	As at June 30, 2016	Book value as at June 30, 2016	Rate of depreciation
	(Rupees in '000)									
Owned										
Freehold land	15,000	-	-	15,000	-	-	-	-	15,000	Nil
Leasehold land	509,138	-	-	509,138	-	(5,752)	-	(5,752)	503,386	1.13%
Building on freehold land	5,580	-	-	5,580	(3,875)	(180)	-	(4,055)	1,525	5%
Building on leasehold land	70,548	-	-	70,548	(38,205)	(2,249)	-	(40,454)	30,094	5%
Building on land under license	7,166	-	-	7,166	(6,673)	(28)	-	(6,701)	465	5%
Plant and machinery	61,952	72	-	62,024	(46,478)	(2,859)	-	(49,337)	12,687	5%
Tanks, pipelines and fittings	96,021	-	-	96,021	(57,443)	(3,754)	-	(61,197)	34,824	10%
Fire fighting equipment	20,761	-	-	20,761	(14,731)	(876)	-	(15,607)	5,154	15%
Cylinders and regulators	524,884	23,239	-	548,123	(422,094)	(7,699)	-	(429,793)	118,330	10%
Vehicles	57,165	1,396	-	58,561	(55,132)	(2,176)	-	(57,308)	1,253	20%-25%
Furniture, fittings, electrical and other equipments	77,961	1,768	-	79,729	(62,852)	(5,789)	-	(68,641)	11,088	10%-15%
Office machines	4,560	155	-	4,715	(3,974)	(101)	-	(4,075)	640	15%
Personal computers	16,497	364	-	16,861	(16,219)	(153)	-	(16,372)	489	33.33%
Leased										
Vehicles	23,738	-	-	23,738	(3,257)	(4,748)	-	(8,005)	15,733	25%
	1,490,971	26,994	-	1,517,965	(730,933)	(36,364)	-	(767,298)	750,668	

5.1 Operating assets (continued)

June 30, 2015

	Cost						Depreciation						
		Effect of amalgamation							Charge on				
	As at July 01, 2014	Additions	Assets transferred on amalgamation	Fair Value Adjustment (note 5.1.4)	Revaluation Surplus	Disposals	As at June 30, 2015	As at July 01, 2014	Charge for the year	Fair Value adjustments (note 5.1.4)	Disposals	As at June 30, 2015	Book value as at June 30, 2015	Rate of depreciation
	(Rupees in '000)													
Owned														
Freehold land	5,618	-	-	3,755	5,627	-	15,000	-	-	-	-	-	15,000	Nil
Leasehold land	-	-	509,138	-	-	-	509,138	-	-	-	-	-	509,138	1.13%
Building on freehold land	6,575	-	-	(995)	-	-	5,580	(3,594)	(314)	33	-	(3,875)	1,705	5%
Building on leasehold land	88,442	-	-	(17,894)	-	-	70,548	(34,805)	(4,068)	668	-	(38,205)	32,343	5%
Building on land under license	7,166	-	-	-	-	-	7,166	(6,645)	(28)	-	-	(6,673)	493	5%
Plant and machinery	66,591	72	-	(4,711)	-	-	61,952	(42,177)	(4,569)	268	-	(46,478)	15,474	5%
Tanks, pipelines and fittings	58,654	-	-	37,367	-	-	96,021	(49,467)	(1,586)	(6,390)	-	(57,443)	38,578	10%
Fire fighting equipment	20,761	-	-	-	-	-	20,761	(13,882)	(849)	-	-	(14,731)	6,030	15%
Cylinders and regulators	465,967	28,179	-	30,738	-	-	524,884	(384,228)	(30,957)	(6,910)	-	(422,094)	102,790	10%
Vehicles	54,530	2,099	-	536	-	-	57,165	(53,762)	(1,170)	(201)	-	(55,132)	2,032	20%-25%
Furniture, fittings, electrical and other equipments	67,153	9,225	1,583	-	-	-	77,961	(57,446)	(5,406)	-	-	(62,852)	15,109	10%-15%
Office machines	3,929	631	-	-	-	-	4,560	(3,855)	(119)	-	-	(3,974)	586	15%
Personal computers	16,219	266	12	-	-	-	16,497	(16,195)	(24)	-	-	(16,219)	278	33.33%
Leased														
Vehicles	-	23,738	-	-	-	-	23,738	-	(3,257)	-	-	(3,257)	20,481	25%
	861,605	64,210	510,733	48,796	5,627	-	1,490,971	(666,056)	(52,346)	(12,531)	-	(730,933)	760,038	

5.1.1 As at June 30, 2016, property, plant and equipment having cost of Rs.369.015 million (2015: Rs.304.863 million) are fully depreciated.

Amounts in PKR '000

		Note	**June 30, 2016**	June 30, 2015
5.1.2	The depreciation charge for the year has been allocated as follows:			
	Cost of products sold	25	10,395	21,255
	Administrative expenses	26	13,674	5,164
	Distribution and marketing expenses	27	12,295	38,458
			36,364	64,877

5.1.3 The Holding Company's assets include cylinders and regulators which are in custody of distributors / customers due to the nature of business of the Group. Due to significant number of distributors / customers, the particulars of these assets which are not in possession of the Group, have not been disclosed.

5.1.4 This represents fair value adjustments in the consolidated financial statements of HTPL in respect of property, plant and equipment of the Holding Company at the time of its acquisition by HTPL, net off effect of depreciation till the date of amalgamation, i.e. February 19, 2015.

5.1.5 During prior year, the Holding Company's freehold land measuring 2.5 acres was revalued resulting in a surplus of Rs.5.627 million. The valuation was carried out by an independent valuer - M/s. Consultancy Support and Services on the basis of present market value for similar sized plots in the near vicinity for freehold land. Further, leasehold land transferred from HTPL, as a result of the Scheme referred to in note 3, is also carried at revalued amount. 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 and Rs.266.097 million, resepctively.

		Note	**June 30, 2016**	June 30, 2015
5.2	**Capital work-in-progress**			
	Plant and machinery		**-**	314
	Advance against softwares		**100**	-
			100	314

Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

6. INTANGIBLE ASSETS

June 30, 2016

	Cost			Amortisation				
	As at July 01, 2015	Additions	A at June 30, 2016	As at July 01, 2016	Charge for the year (note 6.5)	As at June 30, 2016	Book value as at June 30, 2016	Rate of amortisation
	(Rupees in '000)							
Goodwill (note 6.1)	253,091	-	253,091	-	-	-	253,091	-
Computer software	4,569	-	4,569	4,025	544	4,569	-	20%
Rights under supply contracts (notes 6.2 and 6.3)	86,706	135,000	221,706	68,306	26,065	94,371	127,335	7.14%-33%
Trademarks (note 6.4)	8,600	-	8,600	-	-	-	8,600	-
	352,966	135,000	487,966	72,331	26,609	98,940	389,026	

June 30, 2015

	Cost			Amortisation				
	As at July 01, 2014	Additions	A at June 30, 2015	As at July 01, 2015	Charge for the year (note 6.5)	As at June 30, 2015	Book value as at June 30, 2015	Rate of amortisation
	(Rupees in '000)							
Goodwill (note 6.1)	-	253,091	253,091	-	-	-	253,091	-
Computer software	4,569	-	4,569	3,301	724	4,025	544	20.00%
Rights under supply contracts (notes 6.2 and 6.3)	86,706	-	86,706	59,220	9,086	68,306	18,400	7.14%-20%
Trademarks (note 6.4)	8,600	-	8,600	-	-	-	8,600	-
	99,875	253,091	352,966	62,521	9,810	72,331	280,635	

6.1 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.

6.1.1 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.

	Note	June 30, 2016	June 30, 2015
- Carrying amount of goodwill		**253,901**	253,901
- Carrying amount of trademarks		**8,600**	8,600

The Holding Company performed its annual impairment test in June 2016 and June 2015. The Holding Company considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at June 30, 2016, the market capitalisation 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.1,200.233 million as at June 30, 2016 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 5 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 15.97% and cash flows beyond the five-year period are extrapolated using a 6.0% 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, 2016.

The Holding Company tested its trademark "Burshane" as at June 30, 2016 and June 30, 2015 for impairment. Value in Use of Rs.834.545 million as at June 30, 2016 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:

- Gross margins
- Discount rates
- Purchase price inflation
- Market share during the forecast period
- Royalty rate used for the forecast period
- Growth rate used to extrapolate cash flows beyond the forecast period

- **Gross margins**

Gross margins are largely a function of price which is dictated by trends in the international market, and the Holding Company's ability to pass on increase in cost to end consumers. Based on our analysis of the Holding Company, we have concluded that the Holding Company will not pass on the increase in cost to the end consumer entirely.

- **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.

- **Purchase price inflation**

The Holding Company is involved in the distribution and marketing of LPG, and incurs mainly processing and transportation cost. These have been increased in line with the forecast inflation of 5%, in line with IMF forecast, over the forecast horizon.

- **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 5 year amortization period, using the statutory tax rates. Cash flows beyond the five-year period are extrapolated using a 6.0% 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, 2016.

- **Growth rate used to extrapolate cash flows beyond the forecast period**

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.

Sensitivity to changes in assumptions:

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

- **Gross margin assumptions**

Reduced prices can lead to a decline in gross margin. A 0.25% decline in price leading to an average of 0.68% decrease in gross margin would result in an impairment in the CGU.

- **Discount rate assumptions**

  A rise in pre-tax discount rate to 26% would result in the impairment of the CGU.

- **Purchase price inflation assumptions**

  The Holding Company mainly incurs processing and transportation costs, which have been linked with inflation. A greater than anticipated increase in cost, accompanied by the Holding Company's practice of not passing it on entirely will result in an impairment.

- **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 5 year amortization period, using the statutory tax rates. Cash flows beyond the five-year period are extrapolated using a 6.0% 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 2016.

- **Growth rate assumptions**

  Cashflow beyond the forecast period have been extrapolated using 6.0% growth based on that used by the management and long term growth of the LPG industry.

6.2 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, ending during current year. Further, on completion of term of the existing contract during the current 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 has agreed to pay a signature bonus of Rs.248 million out of which Rs.125 million have been paid during the year and the balance has been paid subsequent to year end.

6.3 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 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.

6.4 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.

6.5 Amortisation for the year has been allocated as follows:

	Note	**June 30, 2016**	June 30, 2015
Cost of products sold	25	**26,065**	9,086
Administrative expenses	26	**544**	724
		26,609	9,810

Amounts in PKR '000

	Note	June 30, 2016	June 30, 2015
7. LONG-TERM LOANS - considered good			
Chief Executive	7.2 & 7.4	**8,500**	15,500
Executive Directors	7.3 & 7.4	**3,832**	-
Executives	7.4	**2,482**	1,013
Other employees	7.4	**84**	2,466
Supplier	7.5	**22,650**	30,000
		37,548	48,979
Less: Recoverable within one year, shown under current assets			
Chief Executive		**6,000**	6,000
Executive Directors		**2,077**	-
Executives		**986**	404
Other employees		**85**	821
Supplier		**16,650**	12,000
		25,798	19,225
		11,750	29,754

7.1 Reconciliation of carrying amount of loans:

	2016						2015				
	Chief Executive	Executive Directors	Executives	Other Employees	Supplier	Total	Chief Executives	Executives	Other Employees	Supplier	Total
	(Rupees in '000)										
Balance at beginning of the year	**15,500**	**-**	**1,013**	**2,466**	**30,000**	**48,979**	-	727	3,163	-	3,890
Add / (less):											
- Disbursements	**-**	**5,580**	**1,704**	**67**	**-**	**7,351**	20,000	1,266	997	30,000	52,263
- Repayments / adjustments	**(7,000)**	**(1,748)**	**(235)**	**(2,449)**	**(7,350)**	**(18,782)**	(4,500)	(980)	(1,694)	-	(7,174)
Balance at the end of the year	**8,500**	**3,832**	**2,482**	**84**	**22,650**	**37,548**	15,500	1,013	2,466	30,000	48,979

7.2 This represents loan granted by the Holding Company to its Chief Executive Officer, amounting to Rs. 20 million, given as per its loan policies, repayable in 40 equal monthly installments carrying no mark-up. This loan is approved by the Securities and Exchange Commission of Pakistan (SECP) vide their letter number EMD/233/642/02.1699 dated March 31, 2015.

7.3 This represents loans granted by the Holding Company to its Director Finance and Director Sales and Marketing during the year, amounting to Rs.3 million and Rs.1.85 million respectively, given as per its loan policies, repayable in 30 equal monthly installments carrying no mark-up.

7.4 These loans are granted to employees of the Holding Company under its loan policies. Car and motor cycle loans are repayable over a maximum period of five years and two and a half years respectively. Housing loans are repayable in maximum 50 equal monthly installments and salary loans are repayable over a maximum period of three years. Car loans and housing loans carry interest at the rate of 1% per annum, however, the interest on housing loans can be waived off subject to approval of Chief Executive Officer (CEO) / Board of Directors of the Holding Company. 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.

7.5 This represents loan granted by the Holding Company to a transporter for purchase of vehicles to be used for the Holding Company's business. The loan is unsecured and repayable in 30 equal monthly installments and carries no mark-up.

7.6 The maximum aggregate amount of loans due from Executives, including Chief Executive, at the end of any month during the year was Rs.22.930 million (2015: Rs.20.679 million) respectively.

7.7 The carrying value of these financial assets is neither past due nor impaired except for loan to supplier which includes a past due amount of Rs.4.650 million.

8. LONG-TERM DEPOSITS

This represents deposits placed with supplier of liquefied petroleum gas as per the terms of the supply agreement.

	Note	**June 30, 2016**	June 30, 2015
9. STORES AND SPARES			
Stores and spares		**5,244**	3,733
Less: Provision for obsolete items		**(1,320)**	(126)
		3,924	3,607
10. STOCK-IN-TRADE			
Liquefied petroleum gas	10.1	**32,348**	35,011
Low pressure regulators		**5,188**	6,478
		37,536	41,489

10.1 As at June 30, 2016, stock of liquefied petroleum gas includes stock amounting to Rs.3.168 million (2015: Rs.3.504 million) held with the following parties under hospitality arrangements:

	June 30, 2016	June 30, 2015
Pakistan State Oil Company Limited	**865**	324
OPI Gas (Private) Limited	**309**	705
Sadiq Gas Company	**1,945**	1,640
Sindh Gas (Private) Limited	**40**	835
Marshal Gas (Private) Limited	**9**	-
	3,168	3,504

10.2 As at June 30, 2016, stock of liquefied petroleum gas held on behalf of third parties amounted to Rs. 2.281 million (2015: Rs. 5.093 million).

Amounts in PKR '000

11. TRADE DEBTS

11.1 Trade debts are unsecured and considered good.

11.2 As at June 30, 2016, trade debts aggregating to Rs.7.586 million (2015: Rs.10.489 million) were past due but not impaired. These relate to various customers for which there is no or some history of default, however, no losses. Aging analysis of these trade debts is as follows:

	Note	June 30, 2016	June 30, 2015
Upto 1 month		**3,280**	5,368
1 to 6 months		**2,189**	4,565
More than 6 months		**2,117**	556
		7,586	10,489

12. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	June 30, 2016	June 30, 2015
Advances to:			
Executives	12.1	**296**	743
Contractors and suppliers		**143,570**	104,258
		143,866	105,001
Short-term deposits		**647**	2,712
Short-term prepayments		**4,279**	2,330
Receivable against hospitality arrangements	12.2	**3,571**	1,600
Due from OPI Gas (Private) Limited	12.3	**3,642**	3,642
Accrued interest		**163**	536
Receivable against cylinder deposits		**765**	3,049
Receivable from Burshane Petroleum (Private) Limited	12.4	**9,000**	-
Others		**6,597**	7,488
		172,530	126,358
Less: Provision for impairment	12.5	**(14,821)**	(2,573)
		157,709	123,785

12.1 The maximum aggregate amount due from executives at the end of any month was Rs.0.743 million (2015: Rs.0.743 million).

12.2 This represents receivable against hospitality arrangements entered into with third parties.

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

12.4 This 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 into during the year.

12.5 Provision for impairment

	June 30, 2016	June 30, 2015
Balance at beginning of the year	**2,573**	1,377
Add: Charged during the year and recognised in other expenses (note 31)	**12,248**	1,196
Balance at end of the year	**14,821**	2,573

12.6 As at June 30, 2016, other receivables amounting to Rs.14.821 million (2015: Rs.2.573 million) were considered impaired and provided for.

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

Amounts in PKR '000

	Note	June 30, 2016	June 30, 2015
13. SHORT-TERM INVESTMENT			
Financial assets at fair value through profit or loss			
Mutual Funds	13.1	-	3,081

13.1 Investment in units of NIT Islamic Equity Fund were redeemed during the year.

	Note	June 30, 2016	June 30, 2015
14. CASH AND BANK BALANCES			
Cash in hand		**260**	105
Balances with banks in:			
- savings accounts	14.1	**61,068**	123,978
- current accounts		**42,544**	159,996
		103,612	283,974
		103,872	284,079

14.1 The profit rates on these savings accounts range from 3.75% to 4% per annum (2015: 4.5% to 7% per annum).

15. SHARE CAPITAL

15.1 Authorised capital

June 30, 2016	June 30, 2015		June 30, 2016	June 30, 2015
-------- (Number of shares) -------			-------- (Rupees in '000) -------	
90,000,000	90,000,000	Ordinary shares of Rs.10 each	**900,000**	900,000

15.2 Issued, subscribed and paid-up capital

19,881,766	19,881,766	Ordinary shares of Rs.10 each fully paid up in cash (note 16.3)	**198,817**	198,817
76,820	76,820	Ordinary shares of Rs.10 each issued as fully paid for consideration other than cash	**768**	768
2,530,304	2,530,304	Ordinary shares of Rs.10 each issued as fully paid bonus shares	**25,303**	25,303
22,488,890	22,488,890		**224,888**	224,888

15.3 As a result of the Scheme referred to in note 3, the authorised share capital of the Holding Company enhanced to Rs.900 million divided into 90 million ordinary shares of Rs.10 each. Further, pursuant to the effects of amalgamation, the paid-up share capital of the Holding Company reduced by 151,154 shares as more fully explained in note 3.

15.4 As more fully explained in note 3, the Holding Company is in 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 ordinary shares of the Holding Company of Rs. 10 each.

Amounts in PKR '000

	Note	June 30, 2016	June 30, 2015
16. SURPLUS ON REVALUATION OF FIXED ASSETS			
Opening balance		**274,765**	-
Surplus arising on revaluation during the year		**-**	5,627
Transferred from HTPL on amlagamation		**-**	269,138
Transferred to retained earnings respect of incremental depreciation during the year		**(3,041)**	-
Closing balance		**271,724**	274,765
17. LONG-TERM BORROWING - secured			
National Bank of Pakistan	17.1	**254,439**	263,939
Less: Current portion shown under current liabilities		**(168,278)**	(88,889)
		86,161	175,050

17.1 As a result of the Scheme referred to in note 3, long-term finance obtained from National Bank of Pakistan (NBP) by the HTPL has been transferred to the Holding Company. The finance 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 by April 01, 2018 with a grace period of six months from the date of the drawdown. The finance carries markup at rate of 6 months KIBOR plus 2.5% to 6% per annum. This loan is secured by way of mortgage on leasehold land and charge on the Holding Company's present and future current and fixed assets as well as personal guarantees of Directors of the Holding Company. As at June 30, 2016, amount due but not paid by the Holding Company was Rs.79.389 million. No payment was made by the Holding Company in respect of the overdue amount subsequent to year-end.

18. OBLIGATION UNDER FINANCE LEASE

	2016	2015
Opening balance	**12,978**	-
Recognised during the year	**-**	15,010
Less: Principal repayment during the year	**(3,034)**	(2,032)
Present value of minimum lease payments	**9,944**	12,978
Less: Current portion shown under current liabilities	**(3,002)**	(3,034)
Closing balance	**6,942**	9,944

18.1 During 2015, the Holding Company entered into lease arrangements in respect of motor vehicles. The liabilities under the lease agreements are payable on monthly installment basis by year 2020 and are subject to finance charge at the rate of at rate of 3 months KIBOR plus 3% (2015: 3 months KIBOR plus 3%) per annum. Title of the leased assets will be transferred to the Holding Company at the end of the lease term.

The amount of future payments for the leases and the period in which the lease payments will become due are as follows:

	2016		
	Minimum lease payments	**Finance costs**	**Present value of minimum lease payments**
	------------------(Rupees in '000)------------------		
Not later than 1 year	**3,871**	**869**	**3,002**
Later than 1 year but not later than 5 years	**7,792**	**850**	**6,942**
	11,663	**1,719**	**9,944**

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

Amounts in PKR '000

	June 30, 2016	June 30, 2015
19. DEFERRED TAXATION		
Deferred tax asset arising due to:		
Obligation under finance lease	**(3,182)**	(3,983)
Recoupable minimum turnover tax	**(19,528)**	-
Provision for impairment of other receivables and slow moving stores and spares	**(5,165)**	(701)
	(27,875)	(4,684)
Deferred tax liability arising due to:		
Accelerated depreciation allowance	**29,461**	28,260
	1,586	23,576

20. CYLINDER AND REGULATOR DEPOSITS

These deposits are non-interest bearing and are refundable on termination of distributorship agreements and / or return of cylinders and ancillary equipment as per the Holding Company policy.

21. LOANS FROM DIRECTORS

These represent short-term loans received from Directors of the Holding Company Mr. Asad Alam Khan Niazi (Chief Executive) and Mr. Shahriar D. Sethna (Non-executive Director) amounting to Rs.13.798 million (2015: Rs.22.126 million) and Rs.5.020 million (2015: Rs.5.020 million) respectively. These loans were received by HTPL and were transferred to the Holding Company on amalgamation. These loans carry no mark-up and are repayable on demand by the Directors. Further, these loans are sub-ordinated to the long-term borrowing.

	Note	June 30, 2016	June 30, 2015
22. TRADE AND OTHER PAYABLES			
Creditors		**48,064**	73,177
Accrued liabilities		**16,486**	15,276
Payable to Burshane LPG (Pakistan) Limited			
- Gratuity Fund	34.1.1	**1,607**	5,266
- Management Staff Pension Fund	34.1.1	**4,339**	6,176
- Provident Fund	22.1	**5,172**	378
Workers' Profits Participation Fund	22.2	**8,800**	8,120
Workers' Welfare Fund		**51**	3,991
Withholding tax payable		**670**	957
Sales tax payable		**4,273**	2,532
Advances from distributors / customers		**18,091**	21,214
Unclaimed dividends	22.3	**19,065**	1,525
Zakat payable		**126**	65
Excess advance received from Shell Petroleum Company Limited against right issue		**-**	5,722
Others		**3,348**	792
		130,092	145,191

22.1 The employer's and employees' contributions were not made during the year to Burshane LPG (Pakistan) Limited Staff Provident Fund (the Fund). However, the oustanding balance as at June 30, 2016 has been paid to the Fund subsequent to year end.

Amounts in PKR '000

		Note	June 30, 2016	June 30, 2015
22.2	Workers' Profit Participation Fund			
	Balance at beginning of the year		**8,120**	2,457
	Add:			
	- Interest charged during the year	30	**680**	-
	- Allocation for the year		**-**	8,120
	Less: Amount paid		**-**	(2,457)
	Balance at end of the year		**8,800**	8,120

22.3 This includes an amount of Rs.16.835 million payable to the Beneficial Owners of HTPL. 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.

23. ACCRUED MARK-UP

This represents finance costs accrued on long-term borrowing.

24. CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 Claims not acknowledged as debt by the Group as at June 30, 2016 amounted to Rs.16.200 million (2015: Rs.16.200 million). This includes Rs.14.140 million (2015: Rs.14.140 million) billed by OPI in respect of business support fee.

24.2 Commitments

24.2.1 Capital commitments contracted for but not incurred as at June 30, 2016 amounted to Rs. 22 million (2015: Rs. 5.828 million).

24.2.2 Signature bonus relating to sale and purchase agreement with PARCO amounting to Rs.123 million (2015: Rs.Nil). The same has been paid in full, subsequent to year end.

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

Amounts in PKR '000

	Note	**June 30, 2016**	June 30, 2015
25. COST OF PRODUCTS SOLD			
Cost of LPG sold:			
Opening stock	10	**35,011**	4,324
Purchases		**1,782,580**	2,019,084
		1,817,591	2,023,408
Less: Closing stock	10	**(32,348)**	(35,011)
		1,785,243	1,988,397
Salaries, wages and other employee benefits	25.1	**26,936**	29,505
Cost of low pressure regulators sold		**1,290**	905
Stores and spares consumed		**5,328**	2,096
Repairs and maintenance		**5,507**	2,951
Traveling, conveyance and vehicle maintenance		**137**	52
Rent, rates and electricity		**4,760**	4,472
Communication		**827**	813
Printing and stationery		**320**	203
Insurance		**1,412**	1,217
Depreciation	5.1.2	**10,395**	21,255
Amortisation	6.5	**26,065**	9,086
Security		**3,094**	2,206
Sundry expenses		**129**	716
		1,871,442	2,063,874

25.1 Salaries, wages and other employee benefits include Rs.0.692 million (2015: Rs.3.148 million) in respect of staff retirement benefits.

	Note	**June 30, 2016**	June 30, 2015
26. ADMINISTRATIVE EXPENSES			
Salaries, wages and other employee benefits	26.1	**44,172**	45,319
Repairs and maintenance		**1,388**	88
Travelling, conveyance and vehicle maintenance		**3,997**	5,226
Rent, rates and electricity		**5,738**	5,788
Communication		**1,988**	2,671
Printing and stationery		**1,224**	1,211
Insurance		**1,439**	346
Advertisement and publicity		**579**	1,066
Depreciation	5.1.2	**13,674**	5,164
Amortisation	6.5	**544**	724
Security		**1,137**	1,830
Donations		**2,018**	1,120
Sundry expenses		**3,251**	4,681
		81,149	75,234

26.1 Salaries, wages and other employee benefits include Rs.5.068 million (2015: Rs.2.801 million) in respect of staff retirement benefits.

Amounts in PKR '000

	Note	June 30, 2016	June 30, 2015
27. DISTRIBUTION AND MARKETING EXPENSES			
Salaries, wages and other employee benefits	27.1	**14,242**	17,752
Repairs and maintenance		**116**	924
Travelling, conveyance and vehicle maintenance		**770**	1,663
Rent, rates and electricity		**808**	1,056
Communication		**556**	580
Printing and stationery		**121**	135
Insurance		**65**	270
Hospitality charges		**26,020**	16,796
Freight and octroi		**6,111**	6,373
Advertisement and publicity		**249**	1,367
Commission		**3,419**	2,865
Depreciation	5.1.2	**12,295**	38,458
Security		**398**	392
Sundry expenses		**112**	1,469
		65,283	90,100

27.1 Salaries, wages and other employee benefits include Rs.0.251 million (2015: Rs.1.354 million) in respect of staff retirement benefits.

	Note	June 30, 2016	June 30, 2015
28. OTHER INCOME			
Income from financial assets			
Savings bank accounts		**6,987**	14,297
Short term investment		**-**	2,988
Income from non-financial assets			
Rental income from storage tanks		**1,439**	1,641
Others			
Scrap sales		**2**	10
Old liabilities written back	28.1	**20,889**	-
Recoveries against cylinder replacement		**2,841**	2,971
Hospitality income		**6,089**	2,453
Exchange gain - net		**-**	1,162
Others		**9,267**	1,998
		47,514	27,520

28.1 These include Rs.17.600 million reprsenting long outstanding payables to Shell Group Companies which have been written-off during the year.

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

	Note	June 30, 2016	June 30, 2015
29. OTHER EXPENSES			
Legal and professional charges		**5,579**	5,742
Workers' Profits Participation Fund	22.2	**-**	8,120
Workers' Welfare Fund		**148**	4,031
Auditors' remuneration	29.1	**1,347**	1,830
Provision for impairment of other receivables	12.5	**12,248**	1,196
Directors' fees		**1,038**	1,015
Others		**2,440**	114
		22,800	22,048

	Note	June 30, 2016	June 30, 2015
29.1 Auditors' remuneration			
Statutory audit		**784**	734
Half yearly review		**260**	260
Review of compliance with the code of corporate governance		**60**	60
Audit of provident, pension and gratuity funds		**-**	144
Special certifications and other advisory services		**-**	250
		1,104	1,448
Out of pocket expenses		**243**	300
		1,347	1,748

	Note	June 30, 2016	June 30, 2015
30. FINANCE COSTS			
Mark-up on long-term borrowing		**24,698**	13,423
Finance charges on obligation under finance lease		**1,719**	1,248
Interest on Workers' Profits Participation Fund	22.2	**680**	-
Bank charges		**4,689**	3,704
		31,786	18,375

	Note	June 30, 2016	June 30, 2015
31. TAXATION			
Current:			
for the year	31.1	**20,897**	54,731
- for prior years		**(4,751)**	(150)
		16,146	54,581
Deferred		**(21,990)**	(40)
		(5,844)	54,541

31.1 This represents minimum tax @ 1% of turnover for the year leviable under section 113 of the Income Tax Ordinance, 2001, therefore, no numerical tax reconciliation is reported.

	June 30, 2016	June 30, 2015

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

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year. There is no dilutive effect on the basic earnings per share of the Group.

	June 30, 2016	June 30, 2015
(Loss) / profit for the year	**(6,332)**	95,239
	--------- Number of shares ---------	
Weighted average number of ordinary shares in issue (in thousands)	**22,489**	22,586
	---------------- (Rupees) ----------------	
(Loss) / earnings per share - basic and diluted	**(0.28)**	4.22

33. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

33.1 The aggregate amounts charged during the year for remuneration, including all benefits, to the chief executive, executive directors and executives of the Group are as follows:

	2016				2015			
	Chief Executive	Executive Directors	Executives	Total	Chief Executive	Executive Director	Executives	Total
	------------------ (Rupees in '000) ------------------							
Managerial remuneration	21,600	12,155	17,785	51,540	16,800	7,862	18,159	42,821
Bonus	-	-	-	-	3,000	2,763	4,510	10,273
Company's contribution to provident fund	918	356	756	2,030	714	334	772	1,820
Travelling and conveyance	-	135	441	576	-	-	391	391
Directors' fees	125	350	-	475	140	235	-	375
Medical allowance	21	290	594	904	-	278	379	657
	22,664	13,286	19,576	55,525	20,654	11,472	24,210	56,336
Number of persons (including those who worked part of the year)	1	2	15	18	1	1	15	17

33.2 Aggregate amount charged for the year in respect of fees to five non-executive directors is Rs.0.717 million (2015: five non-executive directors, Rs.0.640 million).

33.3 In addition, the chief executive, the executive directors and certain executives were also provided with free use of the Holding Company's cars.

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

34. EMPLOYEE BENEFITS

The Holding Company offers a defined post-employment gratuity benefit to permanent management and non-management employees and defined post-employment pension benefit to management employees. The gratuity and pension funds are governed under the Trust Act, 1882, Trust Deed and Rules of Fund, 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.

34.1 Valuation Results

The latest actuarial valuations of the defined benefit plans were carried out as at June 30, 2016, using the "Projected Unit Credit Method". The details of defined benefit plans are as follows:

	Pension Fund		Gratuity Fund	
	2016	2015	2016	2015
	----------------- (Rupees in '000) -----------------			
34.1.1 Balance sheet reconciliation				
Fair value of plan assets	**98,365**	91,355	**11,204**	10,028
Present value of defined benefit obligations	**(102,704)**	(97,531)	**(12,811)**	(15,294)
Net liability at end of the year	**(4,339)**	(6,176)	**(1,607)**	(5,266)
34.1.2 Movement in net liability recognised				
Net liability at beginning of the year	**6,176**	9,650	**5,266**	7,042
Charge for the year	**2,290**	2,887	**936**	1,921
Amounts paid to the Fund	**(7,075)**	(6,803)	**(1,776)**	-
Employee contribution to be paid to fund	**239**	244	**-**	-
Remeasurements recognised in OCI (note 34.1.7)	**2,709**	198	**(2,819)**	(3,697)
Net liability at end of the year	**4,339**	6,176	**1,607**	5,266
34.1.3 Movement in defined benefit obligations				
Obligation as at beginning of the year	**97,531**	93,748	**15,294**	16,392
Current service cost	**1,269**	1,608	**928**	988
Interest cost	**9,164**	12,422	**1,405**	1,887
Benefits paid	**(7,075)**	(11,961)	**(1,776)**	(4,296)
Remeasurements of obligations (note 34.1.7)	**1,815**	1,714	**(3,040)**	323
Obligations as at end of the year	**102,704**	97,531	**12,811**	15,294
34.1.4 Movement in fair value of plan assets				
Fair value as at beginning of the year	**91,355**	84,098	**10,028**	9,350
Expected return on plan assets	**8,143**	11,143	**1,397**	954
Benefits paid on behalf of the Fund	**7,075**	6,803	**1,776**	-
Employees contributions	**(239)**	(244)	**-**	-
Benefits paid	**(7,075)**	(11,961)	**(1,776)**	(4,296)
Remeasurements of plan assets (note 34.1.7)	**(894)**	1,516	**(221)**	4,020
Fair value as at end of the year	**98,365**	91,355	**11,204**	10,028
34.1.5 Charge for the year				
Current service cost	**1,269**	1,608	**928**	988
Net Interest cost	**1,021**	1,279	**8**	933
	2,290	2,887	**936**	1,921
34.1.6 Actual return on plan assets	**7,249**	12,659	**1,176**	4,974

	Pension Fund 2016	Pension Fund 2015	Gratuity Fund 2016	Gratuity Fund 2015
34.1.7 Remeasurement recognised in Other Comprehensive Income:				
Remeasurement of obligation				
(Gain) / Loss from change in:				
- demographic assumptions	-	-	-	-
- financial assumptions	1,927	(4,023)	(1,696)	(2,585)
Experience (gains) / losses	(112)	5,737	(1,344)	2,908
	1,815	1,714	(3,040)	323
Remeasurement of plan assets				
Return on plan assets, excluding amounts included in interest expense / (income)	894	(3,437)	-	(3,463)
(Gain) / loss from change in financial assumptions	-	3,145	221	(557)
	894	(292)	221	(4,020)
	2,709	1,422	(2,819)	(3,697)

	Pension Fund 2016	Pension Fund 2015	Gratuity Fund 2016	Gratuity Fund 2015
34.1.8 Principal actuarial assumptions used in the actuarial valuation:				
Financial assumptions				
Discount rate	9.00%	9.75%	9.00%	9.75%
Expected per annum rate of return on plan assets	9.00%	9.75%	9.00%	9.75%
Expected per annum rate of increase in salaries - long term	7.00%	7.75%	7.00%	7.75%
Expected per annum rate of increase in pension	0%	0%	-	-
Demographic assumptions	Adjusted	Adjusted	Adjusted	Adjusted
Expected mortality rate	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005
Expected withdrawal rate	High	High	High	High

	As at June 30, 2016 Pension Fund	As at June 30, 2016 Gratuity Fund
	-------- (Rupees in '000) --------	
34.1.9 Analysis of present value of defined benefit obligation:		
Vested benefits	91,040	12,665
Non-vested benefits	7,325	146
	98,365	12,811

34.1.10 Plan assets comprise of the following:

	Pension Fund				Gratuity Fund			
	2016		2015		2016		2015	
	Rupees in '000in	% in '000	Rupees in '000	% in '000	Rupees in '000	% in '000	Rupees in '000	%
Equity instruments	**6,252**	**6.36**	5,993	6.56	**2,967**	**26.48**	2,834	23.30
Debt instruments								
Defence Savings Certificates	**14,783**	**15.03**	13,409	14.68	**12,319**	**109.95**	11,175	100.30
Pakistan Investment Bonds	**61,162**	**62.18**	61,480	67.30	**-**	**-**	-	-
	75,945	**77.21**	74,889	82	**12,319**	**109.95**	11,175	100.30
Cash and cash equivalents	**11,868**	**12.07**	6,173	6.76	**218**	**1.95**	319	3.10
Others	**4,300**	**4.37**	4,300	4.71	**(4,300)**	**(38.38)**	(4,300)	(26.70)
	98,365		91,355		**11,204**		10,028	

34.1.11 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date.

34.1.12 Historical information of staff retirement benefits:

	2016	2015	2014	2013	2012	2011
	-----------------(Rupees in '000)-----------------					
Gratuity Fund						
Present value of defined benefit obligation	**(12,811)**	(15,294)	(16,392)	(26,406)	(30,212)	(31,135)
Fair value of plan assets	**11,204**	10,028	9,350	15,854	15,827	13,876
Deficit	**(1,607)**	(5,266)	(7,042)	(10,552)	(14,385)	(17,259)
Pension Fund						
Present value of defined benefit obligation	**(102,704)**	(97,531)	(93,748)	(127,719)	(125,980)	(81,323)
Fair value of plan assets	**98,365**	91,355	84,098	98,225	94,534	84,529
(Deficit) / surplus	**(4,339)**	(6,176)	(9,650)	(29,494)	(31,446)	3,206

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

	Pension Fund	Gratuity Fun
	------- (Rupees in '000) ----------	
Discount rate + 1%	89,529	12,223
Discount rate - 1%	108,878	13,456
Long term salaries increase +1%	101,161	13,534
Long term salaries increase -1%	95,864	12,143
Withdrawal rates - Light	98,394	12,806
Withdrawal rates - Heavy	98,336	12,816

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

Amounts in PKR '000

34.2 Provident Fund

The following information is based upon the latest un-audited financial statements of the provident fund as at June 30, 2016 and June 30, 2015:

	Unaudited 2016	Unaudited 2015
	(Rupees in '000)	(Rupees in '000)
Size of the fund - total assets	**49,059**	49,059
Fair value of investments	**48,470**	48,681
Cost of investments	**31,378**	28,162
Percentage of investments	**99%**	99%

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

	2016		2015	
	Rupees in '000	%	Rupees in '000	%
Bank deposits	**2,117**	**4.37**	4,520	9.28
Government securities	**46,353**	**95.63**	44,161	90.72
	48,470	**100.00**	48,681	100.00

34.2.2 The investments out of the fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for the purpose.

35. TRANSACTIONS WITH RELATED PARTIES

35.1 Related parties include associated companies and other companies with common directors, retirement benefit funds, directors and key management personnel.

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

Transactions with related parties		2016	2015
Nature of relationship	**Nature of transactions**		
Former Ultimate Holding Company			
H.A.K.S Trading (Private) Limited	Dividend	**16,836**	30,302
Staff Retirement Benefit / Contribution Plans			
Burshane LPG (Pakistan) Limited:			
- Staff Gratuity Fund	Benefits paid	**1,776**	-
- Management Staff Pension Fund	Benefits paid	**7,075**	6,803
- Staff Provident Fund	Holding Company's contribution for the year	**2,394**	2,495
Other related parties			
Burshane Petroleum (Private) Limited (Formerly Darian International (Private) Limited)	Consideration against use of name "Burshane"	**9,000**	-
Norinco International Thatta Power (Private) Limited	Advances given for expenses	**140**	-
	Expenses incurred for related party	**7**	-
ALSAA & AAK Commodities (Private) Limited	Expenses incurred for related party	**15**	-

Amounts in PKR '000

35. TRANSACTIONS WITH RELATED PARTIES (continued)

Balance with related parties

Nature of relationship	Balance of transactions	2016	2015
		(Rupees in '000)	
Former Ultimate Holding Company			
H.A.K.S Trading (Private) Limited	Dividend payable	**16,836**	-
Staff Retirement Benefit / Contribution Plans			
Burshane LPG (Pakistan) Limited:			
- Staff Gratuity Fund	Payable to Staff Gratuity Fund	**1,607**	5,266
- Management Staff Pension Fund	Payable to Staff Pension Fund	**4,339**	6,176
- Staff Provident Fund	Contributions to Staff Provident Fund	**5,172**	378
Other related parties			
Burshane Petroleum (Private) Limited (Formerly Darian International (Private) Limited)	Receivable against use of name "Burshane"	**9,000**	-
Norinco International Thatta Power - (Private) Limited	Receivable against expenses	**406**	266

35.3 All major transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the respective Companies.

35.4 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly. The Group considers its Chief Executive and Executive Directors to be the key management personnel. Transactions with key management personnel, as disclosed in note 33 to these financial statements, are as per the terms of their employment.

36. CAPACITY

	2016	2015
	(Quantity in metric ton)	
Installed annual filling capacity	**37,500**	37,500
Actual utilization	**37,083**	31,035

Actual utilization is mainly attributable to availability of LPG supply and market demand.

37. NUMBER OF EMPLOYEES

	Number of employees as at		Average number of employees	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Management employees	**21**	23	**20**	19
Non-management employees	**13**	13	**12**	13
	34	36	**32**	32

Amounts in PKR '000

	Note	June 30, 2016	June 30, 2015
38. CASH GENERATED FROM OPERATIONS			
(Loss) / profit before taxation		**(12,176)**	149,780
Adjustment for non cash charges and other items:			
Depreciation		**36,364**	64,877
Amortisation		**26,609**	9,810
Provision for impairment of other receivable		**12,248**	1,196
Provision for retirement and other service benefits		**5,620**	7,303
Finance costs		**31,786**	18,375
Unrealised loss / (gain) on short term investment		**123**	(81)
Income on short-term investments		**-**	(2,907)
Interest income on savings bank accounts		**(6,987)**	(14,297)
Working capital changes	38.1	**(81,097)**	(72,751)
		12,440	161,305
38.1 Working capital changes			
(Increase) / decrease in current assets			
Stores and spares		**(317)**	(190)
Stock-in-trade		**3,953**	(29,782)
Trade debts		**6,181**	(2,131)
Loans, advances, deposits, prepayments and other receivables		**(48,471)**	(33,602)
		(38,654)	(65,705)
(Decrease) / increase in current liabilities			
Trade and other payables - net		**(34,165)**	(3,546)
Loans from Directors		**(8,328)**	(3,500)
		(81,147)	(72,751)

39. FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

39.1 Financial assets as per balance sheet

	June 30, 2016	June 30, 2015
- Fair value through profit or loss		
Short-term investment	-	3,081
- Loans and receivables		
Long-term loans	**11,750**	29,754
Long-term deposits	**76,874**	77,023
Trade debts	**11,400**	17,581
Loans, advances, deposits and other receivables	**153,430**	121,455
Cash and bank balances	**103,872**	284,079
	357,326	529,892

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

Amounts in PKR '000

	Note	June 30, 2016	June 30, 2015
39.2 Financial liabilities as per balance sheet			
- Financial liabilities measured at amortised cost			
Long-term borrowing		**254,439**	263,939
Obligation under finance lease		**9,944**	12,978
Cylinder and regulator deposits		**369,057**	330,416
Loans from Directors		**18,818**	27,146
Trade and other payables		**91,109**	96,442
Accrued mark-up		**4,352**	5,746
		747,719	736,667

40. FINANCIAL RISK MANAGEMENT

40.1 Financial risk factors

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

(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.

As majority of the Group's financial assets and liabilities are denominated in Pakistan 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 borrowing from bank. Borrowing at variable rate exposes the Group to cash flow interest rate risk.

As at June 30, 2016, if interest rate on Group's borrowing had been 1% higher / lower with all other variable held constant, post tax profit for the year would have been lower / higher by approximately Rs.1,705 thousand (2015: Rs.1,768 thousand) mainly as a result of higher / lower interest exposure on variable rate borrowing.

(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, 2016.

Amounts in PKR '000

(b) Credit risk

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation.

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 equal to the carrying amount of financial assets.

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

	Note	June 30, 2016	June 30, 2015
Long-term loans		**11,750**	29,754
Long-term deposits		**76,874**	77,023
Trade debts		**3,814**	7,092
Loans, advances, deposits and other receivables		**153,430**	121,455
Short-term investment		-	3,081
Bank balances		**103,612**	234,669
		349,480	473,074

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

Name	Rating agency	Rating Short term 2016	Rating Short term 2015	Rating Long term 2016	Rating Long term 2015
Bank Alfalah Limited	PACRA	**A1+**	A1+	**AA**	AA
Habib Bank Limited	JCR-VIS	**A-1+**	A-1+	**AAA**	AAA
MCB Bank Limited	PACRA	**A1+**	A1+	**AAA**	AAA
National Bank of Pakistan	PACRA	**A1+**	A1+	**AAA**	AAA
Standard Chartered Bank (Pakistan) Limited	PACRA	**A1+**	A1+	**AAA**	AAA
Faysal Bank Limited	PACRA	**A1+**	A1+	**AA**	AA
United Bank Limited	JCR-VIS	**A-1+**	A-1+	**AAA**	AA+
Sindh Bank Limited	JCR-VIS	**A-1+**	A-1+	**AA**	AA
Summit Bank Limited	JCR-VIS	**A-1**	A-1	**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.

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

Amounts in PKR '000

	2016			2015		
	"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 borrowing	**168,278**	**86,161**	**254,439**	88,889	175,050	263,939
Obligation under finance lease	**3,002**	**6,942**	**9,944**	3,034	9,944	12,978
Cylinder and regulator deposits	**-**	**369,057**	**369,057**	-	330,416	330,416
Loans from Directors	**18,818**	**-**	**18,818**	27,146	-	27,146
Trade and other payables	**91,109**	**-**	**91,009**	96,442	-	96,442
Accrued mark-up	**4,352**	**-**	**4,352**	5,746	-	5,746
	285,559	**462,160**	**747,719**	221,257	515,410	736,667

40.2 Fair value

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

40.2.1 Fair value of hierarchy

The following table provides the fair value measurement hierarchy of Company's assets as of balance sheet date:

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

Amounts in PKR '000

40.3 Capital risk management

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to provide expected returns to it shareholders by maintaining optimum capital structure to minimize the cost of capital. To maintain or adjust the capital structure, the Company may issue new equity, manage dividends payouts to its shareholders or sell its short-term investment to reduce debt.

The Company manages capital by maintaining gearing ratio at certain levels. This ratio is calculated as long-term borrowing, as disclosed in note 18, divided by total capital. Total capital is calculated as 'equity' as shown in the balance sheet plus long term borrowing.

The gearing of Company is as follows:

	Note	**June 30, 2016**	June 30, 2015
Long-term borrowing	17	**86,161**	175,050
Total equity		**510,675**	536,643
Total capital		**596,836**	711,693
Gearing ratio		**0.144**	0.246

41. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

Subsequent to the year end, the Board of Directors of the Holding company in their meeting held on 30 September 2016 have proposed a final cash dividend of Rs. 1 2015: Rs. Nil) per share.

42. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary, the effect of which is not material.

43. GENERAL

These financial statements have been rounded to the nearest thousand.

44. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 30 September 2016 by the Board of Directors of the Holding company.

Director

Chief Executive

Attendance at Board & Audit Committe Meetings

For the year ended June 30, 2016

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	2	◆	4	4			
Ms. Hamdia Fatin Niazi	◆	6	6	◆	4	2	◆	1	1
Mr. Darayus T. Sethna	◆	6	6	◆	4	4	◆	1	1
Mr. Saifee Zakiuddin	◆	6	6	◆	4	4			
Mr. Tassaduq Hussain Niazi	◆	6	-						
Mr. Syed Etrat Hussain Rizvi	◆	6	3						
Mr. Muhammad Khalid Dar	◆	6	5						
Mr. Khurram Kasbati				◆	4	4			

Pattern of Shareholding

For the year ended June 30, 2016

No. Shareholders	Having Shares From	Having Shares To	Shares Held	Percentage
571	1	100	14,269	0.0634%
323	101	500	119,561	0.5316%
171	501	1,000	157,105	0.6986%
224	1,001	5,000	558,287	2.4825%
31	5,001	10,000	239,457	1.0648%
9	10,001	15,000	121,300	0.5394%
1	15,001	20,000	15,822	0.0704%
6	20,001	25,000	138,352	0.6152%
3	25,001	30,000	80,500	0.3580%
1	35,001	40,000	37,000	0.1645%
1	40,001	45,000	42,500	0.1890%
1	45,001	50,000	48,702	0.2166%
1	50,001	55,000	52,000	0.2312%
1	70,001	75,000	71,058	0.3160%
1	115,001	120,000	115,700	0.5145%
1	140,001	145,000	140,248	0.6236%
1	225,001	230,000	230,000	1.0227%
1	380,001	385,000	380,569	1.6923%
1	1,425,001	1,430,000	1,427,033	6.3455%
1	1,815,001	1,820,000	1,816,238	8.0762%
1	16,830,001	16,835,000	16,683,189	74.1841%
1351	Company Total	22,488,890	100.0000	%

Pattern of Shareholding

For the year ended June 30, 2016

Categories of Shareholders	Number of Folio	Balance Share	Percentage
Associated Companies			
· H.A.K.S. Trading (Pvt) Ltd	2	16,684,629	74.1905 %
NIT & ICP			
· National Bank of Pakistan, Trustee Department	1	9,489	0.0419 %
· CDC- Trustee National Investment (Unit) Trust	1	1,427,033	6.3031 %
BANKS, DFI & NBFI			
· National Bank of Pakistan	2	1,817,099	8.0260 %
· The Bank of Punjab, Trustee Division	1	230,000	1.0159 %
MODARBAS & MUTUAL FUNDS			
· Pak Asian Fund Limited	2	4,600	0.0203 %
GENERAL PUBLIC			
· Local	1310	2,084,536	9.2073 %
· Foreign	20	23,975	0.1059 %
OTHERS	12	207,529	0.9166 %
Company Total	**1,351**	**22,488,890**	**100.0000 %**

Shareholders holding five percent or more voting rights			
H.A.K.S. Trading (Pvt) Ltd	2	16,684,629	74.1905 %
National Bank of Pakistan	2	1,826,588	8.0679 %
CDC- Trustee National Investment (Unit) Trust	1	1,427,033	6.3031 %

Form of Proxy

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

I / We Directors of H.A.K.S. Trading (Pvt.) Limited being a member of Burshane LPG (Pakistan) Limited holding 16,835,783 ordinary shares, hereby appoint Mr./Mrs./Miss Shabbir Mohammad Hussain of ______________ failing whom Mr./Mrs./Miss ________________________ 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 **29, 2016, at 06:15 p.m.** at **Beach Luxury Hotel, M.T. Khan Road, Karachi** and any adjournment thereof.

Dated this ______________ day of ______________ , 2016.

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. ________________

____
(Specimen Signature of Alternate Proxy)

Folio No. ______________________________
Participant I.D. No. ______________________
Sub Account No. ________________________
C.N.I.C./ Passport Number. ________________

____
(Signature of Witness 1)

Folio No. ______________________________
Participant I.D. No. ______________________
Sub Account No. ________________________
C.N.I.C./ Passport Number. ________________

____
(Signature of Witness 2)

Folio No. ______________________________
Participant I.D. No. ______________________
Sub Account No. ________________________
C.N.I.C./ Passport Number. ________________