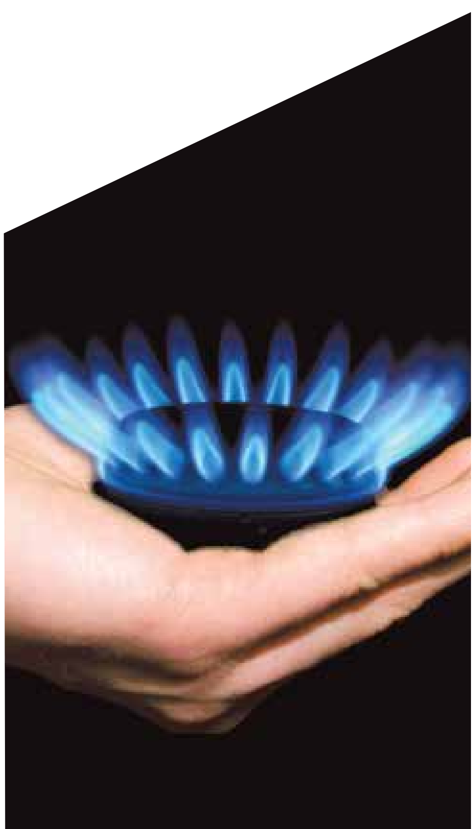
CATERING TO FUELING NEEDS

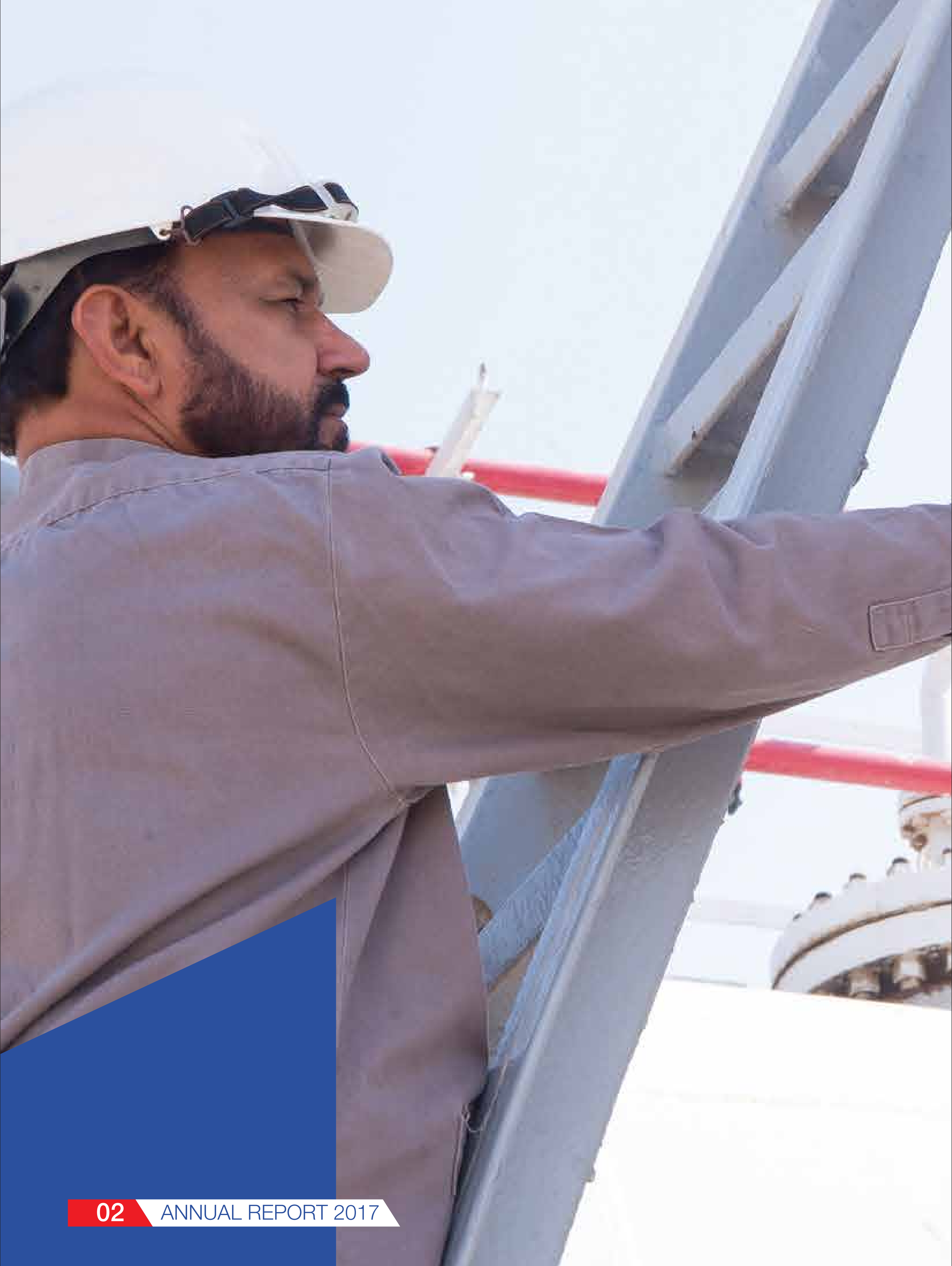
Annual Report
2017




1
2

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


S-10-001
burshane
LPG
2WE
1965

Vision

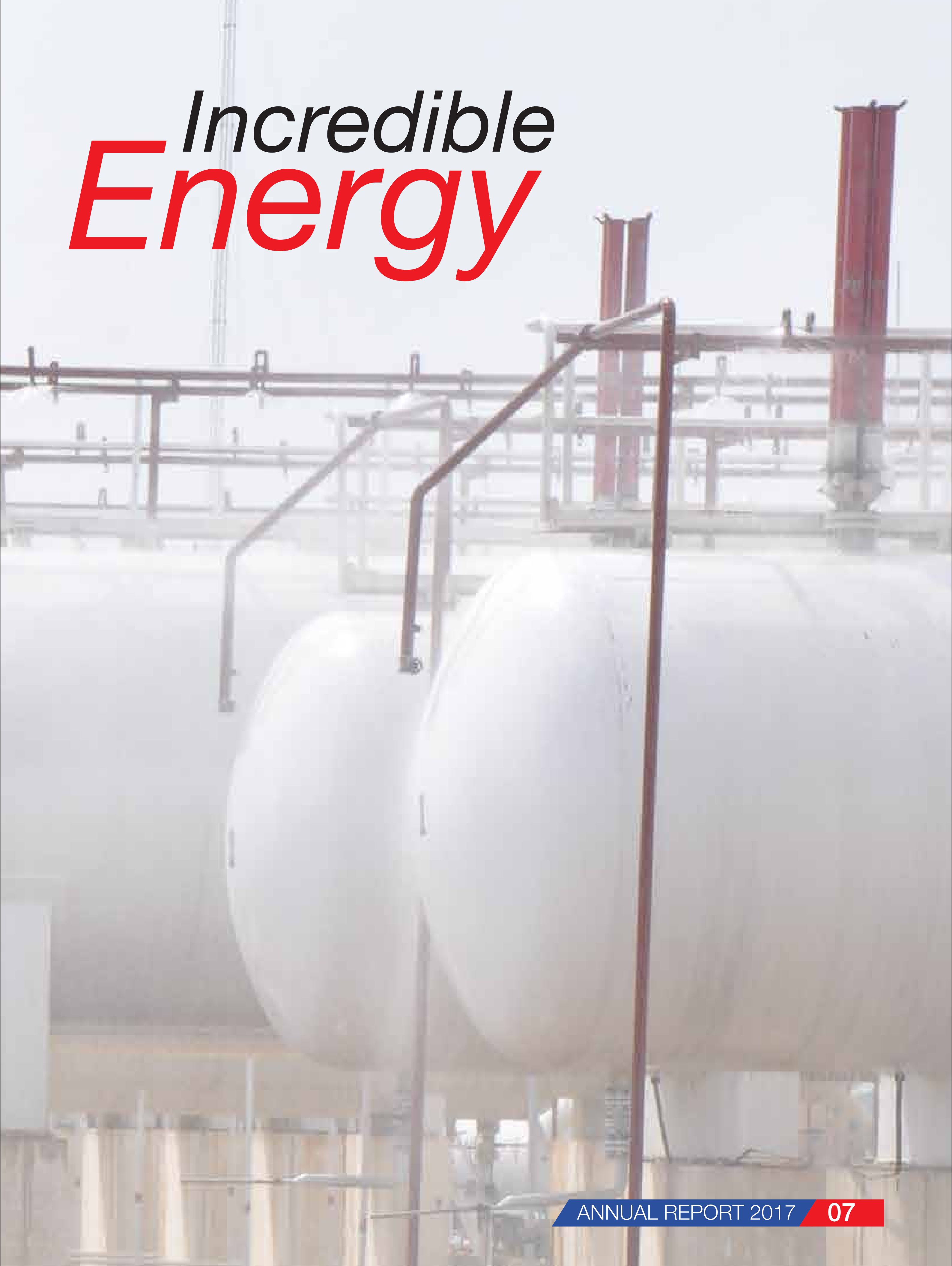
To Be The Performer of first Choice

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.

LPG 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.

Incredible Energy



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 Nominee)

Mr. Muhammad Khalid Dar
Director Marketing & Sales

Auditors
EY Ford Rhodes
Chartered Accountants

Legal Advisors
Mohsin Tayebaly & Co.

Tax Advisors
KPMG Taseer Hadi & Co. Chartered Accountants.

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

Management

Mr. Asad Alam Khan
Chief Executive Officer

Mr. 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

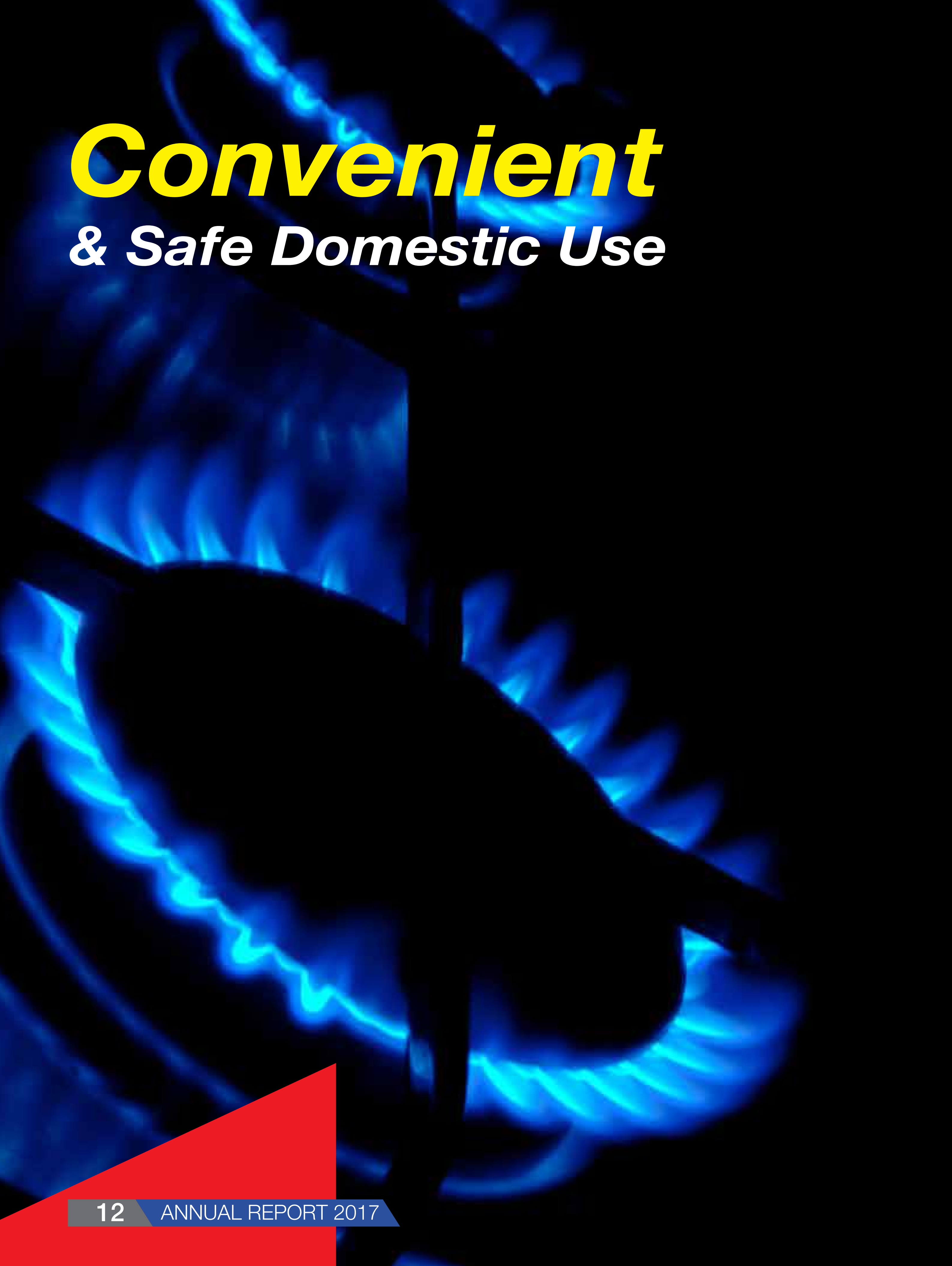
Bankers
National Bank of Pakistan
Habib Bank Limited
MCB Bank Limited
Standard Charterd Bank Pakistan Limited
Faysal Bank Limited
United Bank Limited
Summit Bank Limited
Bank Alfalah Limited

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 (Pakistan) Limited
NO SMOKING


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, 2017.

During the year the Company sold 33,548 MT as compared to 37,083 MT last year. This shows a negative volume growth of 9.5%. Decline is mainly due to lower demand in Industrial segment due to supply of LNG. As a result the Net Sales also reduced to Rs. 1.826 billion as compared to Rs. 2.013 billion last year depicting a decrease of 9.2%.

During last year the Government decided to import LNG in bulk and this was made available to Industrial consumers and to a large extent to the piped natural gas customers of SNGPL and SSGCL. This resulted in reduced demand from the Industrial and to some extent domestic customers of LPG. The trend continued this year as well and lower sales were witnessed in the industrial segment. However, due to lower price of LPG, as compared to petrol and diesel, its demand kept constant in regulated and unregulated auto sector and as a result our sales in non industrial segment remained constant. During the year your company purchased Imported LPG of 7,697 MT as compared to 12,660 MT of imported LPG purchased last year.

Gross margins were better in the year under review mainly due to better pricing of locally produced LPG. The Gross margins increased to Rs. 209.820 million as compared to Rs. 141.3 million in 2016 showing a positive impact of 48.46 %. This led to profit before tax of Rs 54.360 million as compared to loss before tax of Rs 13.968 million for the preceding year.

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.

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.

Management

Mr. Asad Alam Khan
Chief Executive Officer

Mr. Saifee Zakiuddin
Director Finance &
Company Secretary

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

Mr. Amir Aziz
Head of Operations
Distribution & HSSE

Mr. Muhammad Khalid Dar
Director Sales & Marketing

Mr. Khurram Kasbati
Head of Internal Audit

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.

Shahriar D Sethna
Chairman

Karachi
Dated: September 19, 2017

Efficient
ECO-FRIENDLY

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.

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.

Directors' Review

It gives me pleasure to share the results and financial information of the Company for the year ended June 30, 2017.

During the year under review, sales volume of the Company decreased by 3,535 MT compared to the preceding year primarily due to much lower demand from Industrial Customers due to penetration of LNG. Net sales of the Company declined by 9.24% due to reduction in quantity sold. Gross margins, however, increased by 48.46% mainly due to comparatively lower than last year cost and relatively better selling price. Profit before tax increased by 484.49%, mainly due to decrease in cost compared to the preceding year resulting in higher Gross Margins.

Administrative expenses increased by Rs. 5.71 million (6.61%) represents normal increase and Distribution & marketing expense decreased by Rs. 2.53 million (-3.88%).

In order to ensure continuity and uninterrupted supply of LPG, your Company has renewed its LPG supply contract with PARCO and has paid balance amount of signature bonus amounting to Rs. 123 million in September 2016 and is also looking for further options for increasing quota of locally produced LPG. Signature bonus paid is recorded as Intangibles and will be amortized over the period of 5 years and amortization will be charged to cost of goods sold.

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

The Company's earnings per share of the current year is Rs. 1.29 compared to loss per share Rs. (0.34) per share in the preceding year.

OGRA has issued a notification on February 24, 2017 regulating the LPG selling prices. However, due to non compliance of the notification by the LPG producers, the Company has expressed its inability to comply with the notification and has informed the same to OGRA.

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

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

Following is the appropriation:

Profit before tax		Rs. 50,631
Taxation		(21,598)
Net profit after tax		29,033
Dividend declared 10% (Re. 1/ share)	Cash	
	Bonus	NIL

Karachi
Dated: September 19, 2017

Asad Alam Khan
Director / CEO

Health, Safety, Security & Environment (HSSE)

Burshane Storage and Filling Plant Faisalabad

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.

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.

Routine Fire Fighting Activity underway

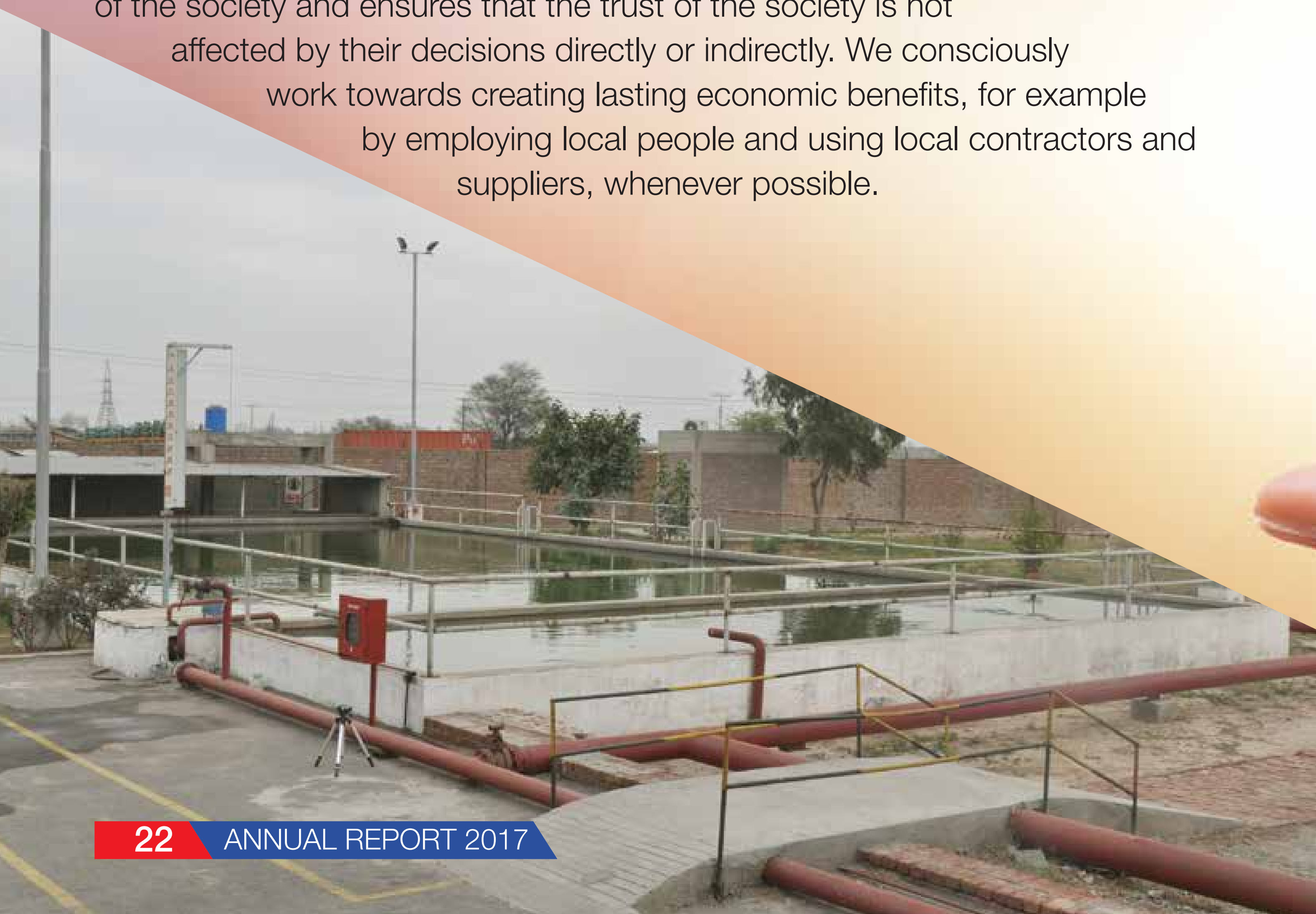
Our motivated Staff is our Strength

Bobtail ready to Industrial bulk delivery

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. 116.

Board of Directors:

The Directors as on June 30, 2017 are Mr. Asad Alam Khan, Mr. Shahriar D Sethna, Ms. Hamdia Fatin Niazi, Mr. Darayus T Sethna, Mr. Tassaduq Hussein Niazi, Syed Etrat Hussain Rizvi, Mr. Saifee Zakiuddin and Mr. Muhammad Khalid Dar.

Pattern of Shareholding:

The pattern of shareholding as of June 30, 2017 as required under section 236 of the Companies Ordinance 1984 is given on page no. 117.

Auditors:

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

On behalf of the Board

Karachi
Dated: 19th September, 2017

Mr. Asad Alam Khan
Director and Chief Executive Officer

Statement of General Business Principles

Value

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

Sustainable Development

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

Responsibilities

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

To Shareholders

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

To Customers

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

To Those With Whom We Do Business

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

To Society

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

To Employees

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

Economics

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

Health, Safety, Security & Environment

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

Competition

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

Local Communities

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

Business Integrity

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

Communication and Engagement

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

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

Statement of General Business Principles

Political Activities

Of The Company

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

Of Employees

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

Compliance

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

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

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

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

Notice of 51th Annual General Meeting

NOTICE IS HEREBY given that an Annual General Meeting (AGM) of Burshane LPG (Pakistan) Limited will be held on Monday, October 30, 2017 at 12:30 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, 2017.

2. To approve payment of final cash dividend @ 10% i.e Re. 1.00 per share as recommended by the Directors for the year ended June 30, 2017.

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 09, 2017

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 24, 2017 to October 30, 2017 (both days inclusive).

3. Shareholders are requested to notify to the Company's Share Registrar, M/s. THK Associates (Pvt) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., 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, 1st Floor, 40-C, Block-6, P.E.C.H.S., 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.

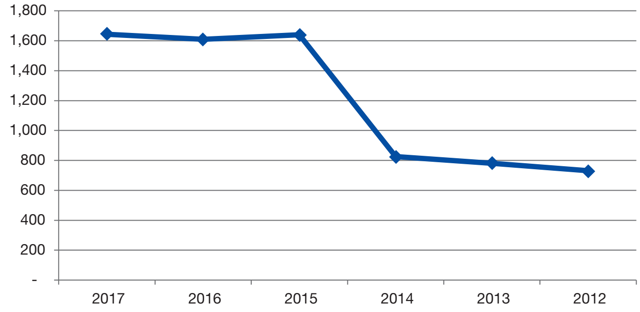
iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.

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

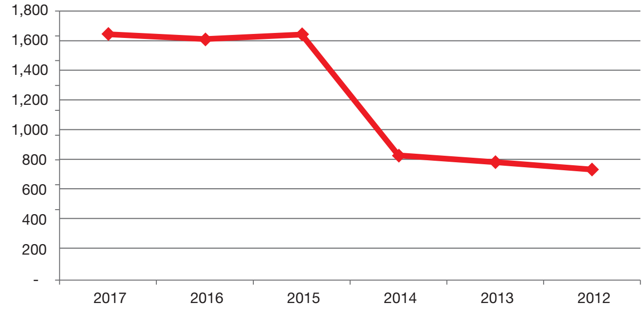
Total Assets

Rs. in million



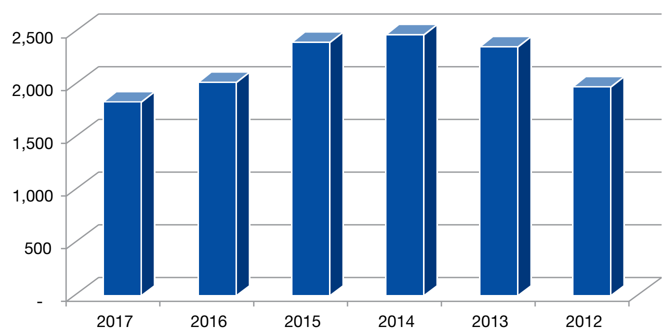
Total Equity and Liabilities

Rs. in million



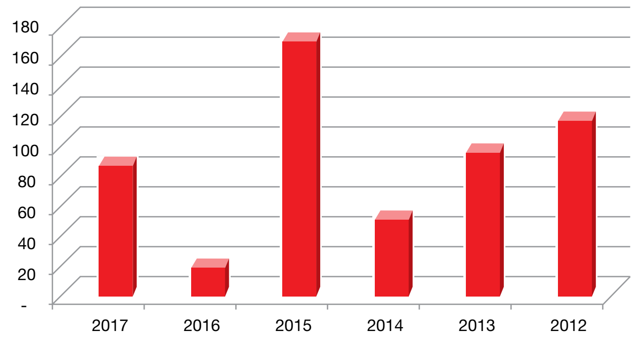
Net Sales

Rs. in million

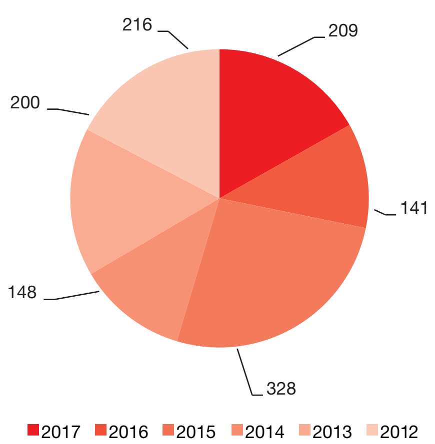


Operating Profit

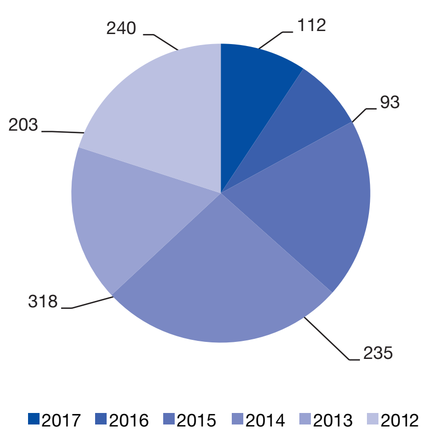
Rs. in million



Gross Profit



Cash and Cash Equivalents



Six Years Summary

Amounts in PKR '000

Six Years Summary Rupees in '000	2017	2016	2015	2014	2013	2012
				----------------Restated	--------------------	
Trading Results						
Net turnover	1,826,825	2,012,770	2,391,891	2,467,544	2,350,872	1,977,637
Gross profit	208,820	141,328	328,017	147,842	200,139	215,503
Operating profit / (loss)	85,793	17,612	168,603	49,352	94,198	115,471
Earnings before interest, taxes,depreciation and amortisation	160,532	105,748	261,665	107,258	154,162	180,489
Earnings after tax	29,033	(7,551)	96,206	28,282	57,338	72,557
Interim dividend	22,489	22,929	-	-	22,640	33,960
Final dividend	-	-	-	40,752	40,752	22,640
Earnings / (loss) before tax	50,631	(13,968)	150,228	45,624	90,125	111,831
Financial Position						
Share capital	224,888	224,888	224,888	226,400	226,400	226,400
Reserves and Retained Earnings	299,880	293,336	323,816	188,581	201,051	188,993
Surplus on revaluation of fixed assets	274,765	274,765	274,765	-	-	-
Property, plant and equipment	1,221,019	1,139,793	1,040,987	238,311	247,659	304,009
Net current assets	301,658	331,917	443,387	479,211	393,483	318,618
Long-term/deferred liabilities	382,437	463,746	538,986	269,776	203,141	192,982
Inventory	50,755	37,536	41,489	11,707	85,920	11,401
Debtor	5,001	11,400	17,581	15,450	23,266	6,682
Creditor	140,287	129,992	145,141	154,626	180,912	153,386
Total Assets	1,643,693	1,610,335	1,641,151	825,945	780,494	730,533
Total current assets	301,658	331,917	443,387	479,211	393,483	318,618
Total current liabilities	482,937	364,442	289,790	154,626	180,912	155,729
Number of issued shares	22,489	22,489	22,489	22,640	22,640	22,640
Cash & Cash equuivalents	111,924	92,869	234,771	317,826	203,241	240,442
Investors Information						
Profitability Ratios						
Gross profit ratio	11.43%	7.02%	13.71%	5.99%	8.51%	10.90%
(Loss) / profit before tax to sales	2.77%	-0.69%	6.28%	1.85%	3.83%	5.65%
(Loss) / profit after tax in percent of sales	1.59%	-0.38%	4.02%	1.15%	2.44%	3.67%
EBITDA Margin to sales	8.79%	5.25%	10.94%	4.35%	6.56%	9.13%
Return on equity/ capital employed	5.53%	-1.46%	17.53%	6.82%	13.41%	17.47%
Activity / Turnover Ratios						
Inventory turnover ratio (in times)	36.65	47.36	77.60	47.52	44.20	57.55
Inventory turnover ratio (no. of days)	10	8	5	8	10.00	6.00
Debtor turnover ratio (in times)	222.77	138.90	144.83	127.47	132.07	138.57
Debtorturnoverratio(no.ofdays)	3	3	3	3	2	3.00
Creditor turnover ratio (in times)	13.60	13.60	13.77	13.83	10.54	1,096.00
Creditor turnover ratio (no. of days)	27	27	27	26	35	33
Operating cycle (no. of days)	(14)	(16)	(19)	(16)	(22)	(24)
Total assets turnover ratio (in times)	1.12	1.24	1.94	3.07	2.62	2.04
Total assets turnover ratio (in days)	325.08	294.82	188.24	118.81	139.44	178.82
Liquidity Ratios						
Current ratio	0.62	0.91	1.53	3.10	2.17	1.73
Quick/ acid test ratio	0.52	0.81	1.39	3.02	1.70	1.54
Cash to Current Liabilities	0.23	0.25	0.81	2.06	1.12	0.89
Investment/Market Ratios						
(Loss) / earnings per share	1.29	(0.34)	4.26	1.25	2.53	3.20
Break-up value per share	23.33	23.04	24.40	18.33	18.88	17.62
Cash Flows						
Net cash flow from operating activities	187,794	(1,526)	174,932	186,022	3,787	182,238
Net cash flow from investing activities	(151,638)	(154,125)	(75,929)	(34,195)	12,096	14,847
Net cash flow from financing activities	(17,101)	13,749	(182,109)	(37,242)	(53,084)	(61,963)
Net change in cash and cash equivalents	19,055	(141,902)	(83,106)	114,585	(37,201)	135,122

Horizontal Analysis of Financial Statements

Amounts in PKR '000

	2017	2016	2015	2014	2013	2012
				-------------Restated-----------------		
Balance Sheet						
Non-current assets	1,342,035	1,278,418	1,197,764	346,734	387,011	411,915
Current assets	301,658	331,917	443,387	479,211	393,483	318,618
Total assets	1,643,693	1,610,335	1,641,151	825,945	780,494	730,533
Equity	503,554	507,382	537,610	401,543	396,441	381,822
Surplus on revaluation of fixed assets	274,765	274,765	274,765	-	-	-
Non-current liabilities	382,437	463,746	538,986	269,776	203,141	192,982
Current Liabilities	482,937	364,442	289,790	154,626	180,912	155,729
Total equity and liabilities	1,643,693	1,610,335	1,641,151	825,945	780,494	730,533
Net sales	1,826,825	2,012,770	2,391,891	2,467,544	2,350,872	1,977,637
Cost of product sold	(1,617,005)	(1,871,442)	(2,063,874)	(2,319,702)	(2,150,733)	(1,762,134)
Gross profit	209,820	141,328	328,017	147,842	200,139	215,503
Administrative expenses	(92,102)	(80,816)	(73,320)	(53,290)	(48,011)	(41,448)
Distribution and marketing expenses	(62,752)	(65,283)	(90,100)	(68,965)	(66,407)	(61,721)
Other operating income	49,812	45,133	25,949	31,662	23,115	21,220
Other operating expenses	(18,985)	(22,750)	(21,943)	(7,897)	(14,638)	(18,083)
	(124,027)	(123,716)	(159,414)	(98,490)	(105,941)	(100,032)
Operating profit	85,793	17,612	168,603	49,352	94,198	115,471
Finance costs	(35,162)	(31,580)	(18,375)	(3,728)	(4,073)	(3,640)
Profit / (loss) before taxation	50,631	(13,968)	150,228	45,624	90,125	111,831

	2017	2016	2015	2014	2013	2012
		-------------% increase/ (decrease) over preceeding year--------				
Balance Sheet						
Non-current assets	4.98%	6.73%	245.44%	-10.41%	-6.05%	-18.06%
Current assets	-9.12%	-25.14%	-7.48%	21.79%	23.50%	5631.00%
Total assets	2.07%	-1.88%	98.70%	5.82%	6.84%	3.39%
Equity	-0.75%	-5.62%	33.89%	1.29%	3.83%	-4.27%
Non-current liabilities	-17.53%	-13.96%	99.79%	32.80%	5.26%	1.70%
Current Liabilities	32.51%	25.76%	87.41%	-14.53%	16.17%	32.05%
Total equity and liabilities	2.07%	-1.88%	98.70%	5.82%	6.84%	3.39%
Net sales	-9.24%	-15.85%	-3.07%	4.96%	18.87%	34.36%
Cost of product sold	-13.60%	-9.32%	-11.03%	7.86%	22.05%	28.93%
Gross profit	48.46%	-56.91%	121.87%	-26.13%	-7.13%	105.00%
Administrative expenses	13.97%	10.22%	37.59%	11.00%	15.83%	-30.64%
Distribution and marketing expenses	-3.88%	-27.54%	30.65%	3.85%	7.59%	10.43%
Other operating income	10.37%	73.93%	-18.04%	36.98%	8.93%	-81.09%
Other operating expenses	-16.55%	3.68%	177.87%	-46.05%	-19.05%	1.15%
Operating profit	387.13%	-89.55%	241.63%	-47.61%	-18.42%	37.76%
Finance costs	11.34%	71.86%	392.89%	-8.47%	11.90%	-7.24%
Profit before taxation	-462.48%	-109.30%	229.27%	-49.38%	-19.41%	39.97%

Vertical Analysis of Financial Statements

	2017		2016		2015		2014		2013		2012	
	----Rupee 000----	%	----Rupee 000----	%	----Rupee 000----	%	----Rupee 000----	%	----Rupee 000----	%	----Rupee 000----	%
							-----Restated-----					
Balance Sheet												
Non-current assets	1,342,035	82%	1,278,418	78%	1,197,764	73%	346,734	42%	387,011	50%	411,915	56%
Current assets	301,658	18%	331,917	20%	443,387	27%	479,211	58%	393,483	50%	318,618	44%
Total assets	1,643,693	100%	1,610,335	100%	1,641,151	100%	825,945	100%	780,494	100%	730,533	100%
Equity	503,554	31%	507,382	31%	537,610	33%	401,543	49%	396,441	51%	381,822	52%
Surplus on revaluation of fixed assets	274,765	17%	274,765	17%	274,765	17%						
Non-current liabilities	382,437	23%	463,746	28%	538,986	33%	269,776	33%	203,141	26%	192,982	26%
Current Liabilities	482,937	29%	364,442	22%	289,790	18%	154,626	19%	180,912	23%	155,729	21%
Total equity and liabilities	1,643,693	100%	1,610,335	100%	1,641,151	100%	825,945	100%	780,494	100%	730,533	100%
Net sales	1,826,825	100%	2,012,770	100%	2,391,891	100%	2,467,544	100%	2,350,872	100%	1,977,637	100%
Cost of product sold	(1,617,005)	-68%	(1,871,442)	-78%	(2,063,874)	-86%	(2,319,702)	-94%	(2,150,733)	-91%	(1,762,134)	-89%
Gross profit	209,820	9%	141,328	6%	328,017	14%	147,842	6%	200,139	9%	215,503	11%
Administrative expenses	(92,102)	-4%	(80,816)	-3%	(73,320)	-3%	(53,290)	-2%	(48,011)	-2%	(41,448)	-2%
Distribution and marketing expenses	(62,752)	-3%	(65,283)	-3%	(90,100)	-4%	(68,965)	-3%	(66,407)	-3%	(61,721)	-3%
Other operating income	49,812	2%	45,133	2%	25,949	1%	31,662	1%	23,115	1%	21,220	1%
Other operating expenses	(18,985)	-1%	(22,750)	-1%	(21,943)	-1%	(7,897)	0%	(14,638)	-1%	(18,083)	-1%
	(124,027)	-5%	(123,716)	-5%	(159,414)	-7%	(98,490)	-4%	(105,941)	-5%	(100,032)	-5%
Operating profit	85,793	3%	17,612	1%	168,603	7%	49,352	2%	94,198	4%	115,471	6%
Finance costs	(35,162)	-1%	(31,580)	-1%	(18,375)	-1%	(3,728)	0%	(4,073)	0%	(3,640)	0%
Profit / (loss) before taxation	50,631	2%	(13,968)	-1%	150,228	6%	45,624	2%	90,125	4%	111,831	6%

Statement of Compliance with the Code of Corporate Governance

For the year ended 30 June 2017

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulation No.5.19.24 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 (the Board). As at June 30, 2017, 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	Ms. 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 5.19.1 (ib) of the Code. Further, Executive directors of the Company are more than one third of three elected directors, including the Chief Executive due to the reason that one-third of the elected directors comes to 2.67. The Company has rounded off the eligibility of executive directors of the board to 3.

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.

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.

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 along with the dates on which these were approved or amended has been maintained. Further the mechanism for the annual evaluation of Board's own performance has been prepared and will be implemented in the upcoming Board meetings.

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 remuneration of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

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 three 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. 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 2017

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 managed by suitably qualified and experienced persons who are involved in the internal audit function on a full time basis and are conversant with the policies and procedures of the Company.

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

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

21. The "closed period", prior to the announcement of interim/ 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.

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

23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by Company Secretary in a timely manner and maintained proper record including basis for inclusion and exclusion of persons from said list.

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 before the end of the next accounting year:

- Appointment of an independent Non-executive director on the Board as well as the Board Audit Committee.
- Ensure the executive directors on the Board do not exceed one third of the elected directors, including Chief Executive.
- Implementation of mechanism to annually evaluate the Board's performance.

On behalf of the Board of Director

Mr. Asad Alam Khan
Chief Executive

Dated: 19th September, 2017

EY
Building a better working world

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

Tel: + 9221 3565 0007-11
Fax: + 9221 3568 1965
e.y.khi@pk.ey.com
ey.com/pk

Review report to the members on the statement of compliance with 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 2017 to comply requirements of Chapter 5, Clause 5.19.24 (b) of the Code of Corporate Governance of Rule Book of Pakistan Stock Exchange Limited, 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 the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board'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 2017.

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.
1	Executive directors exceed one third of the elected directors, including the Chief Executive.
6	The mechanism is yet to be implemented for an annual evaluation of the Board's own performance.
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.

EY Ford Rhodes
Chartered Accountants
Date: 19 September 2017
Place: Karachi

Unconsolidated Financial Statements

For the year ended June 30, 2017

Burshane LPG (Pakistan) Limited

EY
Building a better working world

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

Tel: + 9221 3565 0007-11
Fax: + 9221 3568 1965
e.y.khi@pk.ey.com
ey.com/pk

Auditors' report to the members

We have audited the annexed unconsolidated balance sheet of **Burshane LPG (Pakistan) Limited** (the Company) as at **30 June 2017** and the related unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the repealed 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 repealed Companies Ordinance, 1984;

b) in our opinion:

   i) the unconsolidated balance sheet and unconsolidated profit and loss account together with the notes thereon have been drawn up in conformity with the repealed 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 2.5 to the accompanying unconsolidated financial statements with which we concur;

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

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

c) in our opinion and to the best of our information and according to the explanations given to us, the unconsolidated balance sheet, unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof, conform with approved accounting standards as applicable in Pakistan, and give the information required by the repealed Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **30 June 2017**, and of the profit, its comprehensive income, cash flows and changes in equity for the year then ended; and

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

EY Ford Rhodes

Chartered Accountants

Audit Engagement Partner: Arif Nazeer

Date: 19 September 2017

Place: Karachi

Unconsolidated Balance Sheet

As at June 30, 2017

Amounts in PKR '000

	Note	June 30, 2017	June 30, 2016
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	**758,226**	750,768
Intangible assets	7	**462,793**	389,026
Long-term investment	8	**50,000**	50,000
Long-term loans	9	**1,030**	11,750
Long-term deposits	10	**69,986**	76,874
		1,342,035	1,278,418
CURRENT ASSETS			
Stores and spares	11	**5,800**	3,924
Stock-in-trade	12	**50,755**	37,536
Trade debts	13	**5,001**	11,400
Loans and advances	14	**75,209**	169,664
Deposits, prepayments and other receivables	15	**47,287**	13,793
Taxation - net		**5,682**	2,731
Cash and bank balances	16	**111,924**	92,869
		301,658	331,917
TOTAL ASSETS		**1,643,693**	1,610,335
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	17	**224,888**	224,888
Reserves	18	**278,666**	282,494
		503,554	507,382
Surplus on revaluation of fixed assets		**274,765**	274,765
NON-CURRENT LIABILITIES			
Long-term loan	19	**-**	86,161
Liabilities under finance lease	20	**3,940**	6,942
Deferred taxation - net	21	**4,898**	1,586
Cylinder and regulator deposits	22	**373,599**	369,057
		382,437	463,746
CURRENT LIABILITIES			
Loan from a subsidiary company	23	**50,000**	40,000
Loans from directors	24	**-**	18,818
Current maturity of long-term loan	19	**254,439**	168,278
Current maturity of liabilities under finance lease	20	**3,002**	3,002
Trade and other payables	25	**140,287**	129,992
Accrued mark-up on long-term loan		**35,209**	4,352
		482,937	364,442
CONTINGENCIES	26		
TOTAL EQUITY AND LIABILITIES		**1,643,693**	1,610,335

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

Director

Chief Financial Officer

Chief Executive

Unconsolidated Profit and Loss Account

For the year ended June 30, 2017

Amounts in PKR '000

	Note	June 30, 2017	June 30, 2016
Sales - net	27	**1,826,825**	2,012,770
Cost of sales	28	**(1,617,005)**	(1,871,442)
Gross profit		**209,820**	141,328
Administrative expenses	29	**(92,102)**	(86,395)
Distribution and marketing expenses	30	**(62,752)**	(65,283)
Other income	31	**49,812**	45,133
Other expenses	32	**(18,985)**	(17,171)
Operating profit		**85,793**	17,612
Finance costs	33	**(35,162)**	(31,580)
Profit / (loss) before taxation		**50,631**	(13,968)
Taxation	34	**(21,598)**	6,417
Profit / (loss) for the year		**29,033**	(7,551)
Earnings / (loss) per share - basic and diluted	35	**Rs. 1.29**	Rs. (0.34)

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

Director

Chief Financial Officer

Chief Executive

Unconsolidated Statement of Comprehensive Income
For the year ended June 30, 2017

Amounts in PKR '000

	June 30, 2017	June 30, 2016
Profit / (loss) for the year	**29,033**	(7,551)
Other comprehensive income for the year		
Items that will not be reclassified subsequently to profit or loss:		
Acturial (loss) / gain on remeasurement of retirement and other service benefits	**(10,372)**	252
Total comprehensive income / (loss) for the year	**18,661**	(7,299)

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

Director

Chief Financial Officer

Chief Executive

Unconsolidated Statement of Cash Flows

For the year ended June 30, 2017

Amounts in PKR '000

	Note	June 30, 2017	June 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	39	**193,981**	21,201
Retirement and other service benefits paid		**(24,030)**	(8,851)
Finance costs paid		**(4,305)**	(32,974)
Taxes paid		**(21,237)**	(37,696)
Long-term loans - net		**10,720**	18,004
Long-term deposits - net		**6,888**	149
Cylinder and regulator deposits - net		**25,777**	38,641
Net cash generated from / (used in) operating activities		**187,794**	(1,526)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		**(33,064)**	(26,994)
Purchase of intangible assets		**(123,000)**	(135,000)
Redemption of short-term investment		**-**	2,992
Interest received		**4,426**	4,877
Net cash used in investing activities		**(151,638)**	(154,125)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**(5,281)**	(5,389)
Repayment of long-term loan		**-**	(9,500)
Loan obtained from a subsidiary company		**10,000**	40,000
Repayment of loan from directors		**(18,818)**	(8,328)
Repayment of liabilities under finance lease		**(3,002)**	(3,034)
Net cash (used in) / generated from financing activities		**(17,101)**	13,749
Net increase / (decrease) in cash and cash equivalents		**19,055**	(141,902)
Cash and cash equivalents at beginning of the year		**92,869**	234,771
Cash and cash equivalents at end of the year		**111,924**	92,869

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

Director

Chief Financial Officer

Chief Executive

Unconsolidated Statement of Changes In Equity

For the year ended June 30, 2017

Amounts in PKR '000

	Issued, subscribed & paid-up Capital	Reserves: Capital: Reserve on amalga-mation	Reserves: Revenue: General reserve	Reserves: Revenue: Unappro-priated profit	Reserves: Revenue: Actuarial (loss) / gain on remeasurement of retirement and other service benefits	Total reserves	Total equity
Balance as at June 30, 2015	224,888	153,458	90,000	80,358	(11,094)	312,722	537,610
Loss for the year	-	-	-	(7,551)	-	(7,551)	(7,551)
Other comprehensive income for the year	-	-	-	-	252	252	252
Total comprehensive loss for the year	-	-	-	(7,551)	252	(7,299)	(7,299)
Interim dividend @ Re.1 per share	-	-	-	(22,929)	-	(22,929)	(22,929)
Balance as at June 30, 2016	**224,888**	**153,458**	**90,000**	**49,878**	**(10,842)**	**282,494**	**507,382**
Profit for the year	-	-	-	29,033	-	29,033	29,033
Other comprehensive income for the year	-	-	-	-	(10,372)	(10,372)	(10,372)
Total comprehensive income for the year	-	-	-	29,033	(10,372)	18,661	18,661
Interim dividend @ Re.1 per share	-	-	-	(22,489)	-	(22,489)	(22,489)
Balance as at June 30, 2017	**224,888**	**153,458**	**90,000**	**56,422**	**(21,214)**	**278,666**	**503,554**

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

Director

Chief Financial Officer

Chief Executive

Notes To The Unconsolidated Financial Statements
For the year ended June 30, 2017

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

The Company was a subsidiary of H.A.K.S. Trading (Private) Limited (HTPL). However, consequent to the approval of the scheme of arrangement for amalgamation of HTPL and the Company by the High Court of Sindh (the Court), HTPL was amalgamated with the Company on February 20, 2015, as more fully explained in note 5.

2. BASIS OF PREPARATION

2.1 Statement of compliance

During the year, the Companies Act, 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 17 of 2017 dated July 20, 2017 communicated its decision that the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, the Company's financial statements for the year ended June 30, 2017 have been prepared considering the requirements of the repealed Companies Ordinance, 1984 and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountants of Pakistan (ICAP), as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

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

2.3 Separate financial statements

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

2.4 Functional and presentation currency

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

2.5 Standards, interpretations and amendments applicable to the financial statements

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below. The Company has adopted the following accounting standards and amendments which became effective for the current year:

IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements: Investment Entities: Applying the Consolidation Exception (Amendment)
IFRS 11 – Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment)
IAS 1 – Presentation of Financial Statements: Disclosure Initiative (Amendment)
IAS 16 – Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable of Depreciation and Amortization (Amendment) Method of Depreciation and Amortization (Amendment)
IAS 16 – Property, Plant and Equipment and IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)
IAS 27 – Separate Financial Statements: Equity Method in Separate 'Financial Statements (Amendment)

2.6 Annual improvements

IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal
IFRS 7 – Financial Instruments: Disclosures - Servicing contracts
IFRS 7 – Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements
IAS 19 – Employee Benefits - Discount rate: regional market issue
IAS 34 – Interim Financial Reporting - Disclosure of information elsewhere in the interim financial report

The adoption of the above accounting standards, amendments, improvements to accounting standards and interpretations did not have any material effect on these financial statements.

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

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

Standards or interpretations		Effective date (annual periods beginning on or after)
IFRS 2 –	Share Based Payments – Classification and Measurement of Share Based Payments Transactions (Amendments)	January 01, 2018
IFRS 10 –	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IAS 7 –	Statement of Cash Flows – Disclosure Initiative (Amendment)	January 01, 2017
IAS 12 –	Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2017
IFRS 4 –	Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 (Amendments)	January 01, 2018
IAS 40 –	Investment Property – Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22 –	Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 –	Uncertainty over Income Tax Treatments	January 01, 2019

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

In addition, the Companies Act, 2017 was enacted on 30 May 2017 and SECP vide its circular 17 of 2017 has clarified that the companies whose financial year closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017 applicable for financial year beginning on 1 July 2017 requires certain additional disclosures and Section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the Companies Act, 2017. This would require change in accounting policy relating to surplus on revaluation of fixed assets to bring it in line with the requirements of IAS 16 – Property, plant and equipment. The application of Companies Act 2017 is not likely to have financial impact on the Company's financial statements except extended disclosures.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan. The Company is currently evaluating the impact on the financial statements.

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 CustomersJanuary 01, 2018	
IFRS 16 –	Leases	January 01, 2019
IFRS 17 –	Insurance Contracts	January 01, 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property, plant and equipment

3.1.1 Operating fixed assets

Owned

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

Depreciation is charged to profit and loss account using straight-line method whereby the cost of an asset is allocated over its estimated useful life at the rates given in note 6.1. Depreciation on additions is charged from the month in which the asset is available for use, while no depreciation is charged in the month in which the asset is disposed off. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each balance sheet date.

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2017

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 and loss account as and when incurred.

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

Leased

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

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

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

3.1.2 Capital work-in-progress

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

3.2 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 repealed Companies Ordinance, 1984. The said section was amended through the repealed Companies (Amendment) Ordinance, 2002.

3.3 Intangible assets

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

i) Software

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

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

ii) Goodwill

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

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

iii) Trademarks

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

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

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

3.4 Investment in a subsidiary company

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

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

3.5 Impairment of non-financial assets

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

3.6 Financial instruments

3.6.1 Financial assets

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

(a) At fair value through profit or loss

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

(b) Loans and receivables

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

(c) Available-for-sale

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

(d) Held-to-maturity

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

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

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

3.6.2 Financial liabilities

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

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

3.6.3 Offsetting of financial assets and financial liabilities

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

3.7 Stores and spares

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

3.8 Stock-in-trade

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

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

3.9 Trade debts and other receivables

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

3.10 Cash and cash equivalents

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

3.11 Retirement and other service benefits

3.11.1 Defined benefit plans

The Company operates:

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

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

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

3.11.2 Defined contribution plan

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

3.12 Loans and borrowings

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

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

3.13 Trade and other payables

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

3.14 Provisions

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

3.15 Taxation

3.15.1 Current

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

3.15.2 Deferred

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

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

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

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

3.16 Foreign currencies

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

3.17 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and is recognised on the following basis:

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

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

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

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

3.18 Borrowing costs

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

3.19 Dividend and appropriation to reserves

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

3.20 Earnings per share

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

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 Property, plant and equipment

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

4.2 Intangible assets

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

4.3 Taxation

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

4.4 Provision for retirement and other service benefits

The present value of these obligations depends on a number of factors that are determined on actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of these obligations. The present values of these obligations and the underlying assumptions are disclosed in note 37.

5. AMALGAMATION WITH HOLDING COMPANY

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

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2017

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

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

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

	Note	June 30, 2017	June 30, 2016
		----------(Rupees in '000)----------	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	**758,226**	750,668
Capital work-in-progress		**-**	100
		758,226	750,768

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2017

6.1 Operating fixed assets

	June 30, 2017							
	Cost / Revalued Amount*			Accumulated Depreciation			Net Book value	
	As at July 01, 2016	Additions	As at June 30, 2017	As at July 01, 2017	Charge for the year (note 6.1.2)	As at June 30, 2017	As at June 30, 2017	Rate of depreciation
	(Rupees in '000)							
Owned								
Freehold land*	15,000	-	15,000	-	-	-	15,000	Nil
Leasehold land*	509,138	-	509,138	-	-	-	509,138	Nil
Building on freehold land	5,580	-	5,580	4,055	127	4,182	1,398	5%
Building on leasehold land	77,714	-	77,714	47,155	2,211	49,366	28,348	5%
Plant and machinery	62,024	1,752	63,776	49,337	1,293	50,630	13,146	5%
Furniture, fittings, electrical and other equipments	79,729	503	80,232	68,641	1,599	70,240	9,992	10%-15%
Vehicles	58,561	-	58,561	57,308	441	57,749	812	20%-25%
Tanks, pipelines and fittings	96,021	-	96,021	61,197	699	61,896	34,125	10%
Fire fighting equipment	20,761	209	20,970	15,607	985	16,592	4,378	15%
Cylinders and regulators (note 6.1.3)	548,123	30,300	578,423	435,545	11,966	447,511	130,912	10%
Office equipment	4,715	-	4,715	4,075	85	4,160	555	15%
Computers and related accessories	16,861	300	17,161	16,372	165	16,537	624	33.33%
Leased								
Vehicles	23,738	-	23,738	8,005	5,935	13,940	9,798	25%
	1,517,965	33,064	1,551,029	767,297	25,506	792,803	758,226	

	June 30, 2016							
	Cost / Revalued Amount*			Accumulated Depreciation			Net Book value	
	As at July 01, 2015	Additions	As at June 30, 2016	As at July 01, 2015	Charge for the year (note 6.1.2)	As at June 30, 2016	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	-	-	-	509,138	Nil
Building on freehold land	5,580	-	5,580	3,875	180	4,055	1,525	5%
Building on leasehold land	77,714	-	77,714	44,878	2,277	47,155	30,559	5%
Plant and machinery	61,952	72	62,024	46,478	2,859	49,337	12,687	5%
Furniture, fittings, electrical and other equipments	77,961	1,768	79,729	62,852	5,789	68,641	11,088	10%-15%
Vehicles	57,165	1,396	58,561	55,132	2,176	57,308	1,253	20%-25%
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 (note 6.1.3)	524,884	23,239	548,123	422,094	13,451	435,545	112,578	10%
Office equipment	4,560	155	4,715	3,974	101	4,075	640	15%
Computers and related accessories	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	767,297	750,668	

6.1.1 As at June 30, 2017, property, plant and equipment having cost of Rs. 550.452 million (2016: Rs. 369.015 million) are fully depreciated.

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

	Note	June 30, 2017	June 30, 2016
		----------(Rupees in '000)----------	
Cost of products sold	28	**4,773**	10,395
Administrative expenses	29	**8,021**	13,674
Distribution and marketing expenses	30	**12,712**	12,295
		25,506	36,364

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

6.1.4 The Company's freehold land and leasehold land was revalued on 15 June 2015 by M/s. Consultancy Support and Services and Harvestor Services (Private) Limited, respectively. Had the revaluation not been carried out, the carrying value of freehold land and leasehold land would have been lower by Rs. 5.627 million (2016: Rs. 5.627 million) and Rs. 266.097 million (2016: Rs. 266.097 million), respectively.

7. INTANGIBLE ASSETS

	Cost			Accumulated Amortisation			Net Book Value	
	As at July 01, 2016	Additions	As at June 30, 2017	As at July 01, 2016	Charge for the year (note 7.5)	As at June 30, 2017	at June 30, 2017	Rate of amortisation
			---------- (Rupees in '000) ----------					
Goodwill (note 7.1)	253,091	-	253,091	-	-	-	253,091	Nil
Computer software	4,569	-	4,569	4,569	-	4,569	-	20%
Rights under supply contracts (notes 7.2 and 7.3)	221,706	123,000	344,706	94,371	49,233	143,604	201,102	7.14%-33%
Trademarks (note 7.1 & 7.4)	8,600	-	8,600	-	-	-	8,600	Nil
2017	487,966	123,000	610,966	98,940	49,233	148,173	462,793	

	Cost			Accumulated Amortisation			Net Book Value	
	As at July 01, 2015	Additions	As at June 30, 2016	As at July 01, 2015	Charge for the year (note 7.5)	As at June 30, 2016	As at June 30, 2016	Rate of amortisation
			---------- (Rupees in '000) ----------					
Goodwill (note 7.1)	253,091	-	253,091	-	-	-	253,091	Nil
Computer software	4,569	-	4,569	4,025	544	4,569	-	20%
Rights under supply contracts (notes 7.2 and 7.3)	86,706	135,000	221,706	68,306	26,065	94,371	127,335	7.14%-33%
Trademarks (note 7.1 & 7.4)	8,600	-	8,600	-	-	-	8,600	Nil
2016	352,966	135,000	487,966	72,331	26,609	98,940	389,026	

7.1 This represents excess of cost of acquisition over fair value of the identifiable assets and liabilities of the Company at the time of acquisition by HTPL (note 5).

7.1.1 Impairment testing of goodwill and trademarks:

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

	June 30, 2017	June 30, 2016
	----------(Rupees in '000)----------	
Carrying amount of goodwill	**253,091**	253,091
Carrying amount of trademarks	**8,600**	8,600

The Company performed its annual impairment test in June 2017 and June 2016. 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, 2017, 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.1,752.214 million as at June 30, 2017 has been determined based on a Value in Use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The TAB was appropriately calculated over a 10 year amortization period, using the statutory tax rates. The projected cash flows have been updated to reflect increase in demand for LPG, and consequent imports. The pre-tax discount rate applied to cash flow projections is 13.56% and cash flows beyond the five-year period are extrapolated using a 5.0% 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, 2017.

The Company tested its trademark "Burshane" as at June 30, 2017 and June 30, 2016 for impairment. Value in Use of Rs. 376 million as at June 30, 2017 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:

Price and cost per ton
Discount rates
Market share during the forecast period
Royalty rate used for the forecast period
Growth rate used to extrapolate cash flows beyond the forecast period

Price and cost per ton

Value in use is sensitive to price and cost per ton of local and imported LPG and cost pass-through. Cost per ton has been assumed to increase in line with inflation and price per ton has been assumed to incorporate 100% inflation pass-through.

Discount rates

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

Market share during the forecast period

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

Royalty rate used for the forecast period

The cash flows have been estimated using a royalty rate of 1.5% and have been discounted at the WACC. The royalty rate is based on that used by similar businesses.The TAB was appropriately calculated over a 10 year amortization period, using the statutory tax rates. Cash flows beyond the five-year period are extrapolated using a 5.0% 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, 2017.

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:

Price and cost per ton

Value in use is sensitive to price and cost per ton of local and imported LPG and cost pass-through. The value in use was tested at various levels of pass-through, and found it to be comfortably above the carrying value at thresholds above 78%.

Discount rate assumptions

A rise in pre-tax discount rate to 19.8% would result in the impairment of the CGU.

Market share during the forecast period assumptions

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

Royalty rate assumptions

The cash flows have been estimated using a royalty rate of 1.5%, and have been discounted at the WACC. The royalty rate is based on that used by similar businesses. The TAB (Tax Amortization Benefit) was appropriately calculated over a 10 year amortization period, using the statutory tax rates. Cash flows beyond the five-year period are extrapolated using a 5.0% 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 2017.

Growth rate assumptions

Cashflow beyond the forecast period have been extrapolated using 5.0% growth based on that used by the management and long term real GDP growth forecast from Oxford Economics.

7.2 This includes Rs. 64.206 million representing consideration for beneficial rights of continuous supply of LPG under the supply contract between Sui Northern Gas Pipelines Limited (SNGPL) and Pak Arab Refinery Limited (PARCO) which was transferred to the Company as part of its acquisition of the LPG business of SNGPL in October 2001. The asset was recorded at its cost, which was bifurcated from the total cost of acquisition of Rs. 142 million, on the basis of a valuation carried out by an independent valuer. This cost has been amortised over a period of fourteen years, being the remaining period of the supply contract with PARCO at the acquisition date, ended in prior year. Further, on completion of term of the existing contract during the prior year, the Company entered into an agreement with PARCO for purchase of LPG. The agreement provides right to supply of LPG for a period of five years for which the Company has agreed to pay a signature bonus of Rs. 248 million out of which Rs. 125 million was paid in prior year and Rs. 123 million was paid during the year.

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

7.4 This represents consideration paid to OPI Gas (Private) Limited in 2011 for acquisition of rights and title to "Burshane" trademarks. These trade marks are considered to have an indefinite useful life, and therefore have not been amortised. Further, no impairment has been identified in this regard (note 7.1).

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

	Note	June 30, 2017	June 30, 2016
		----------(Rupees in '000)----------	
Cost of products sold	28	**49,233**	26,065
Administrative expenses	29	**-**	544
		49,233	26,609

8. LONG-TERM INVESTMENT

	Note	June 30, 2017	June 30, 2016
Investment in a subsidiary company - at cost			
Burshane Auto Gas (Private) Limited (BAL)	8.1	**50,000**	50,000

8.1 Represents investment in Burshance Auto Gas (Private) Limited (BAL), a company incorporated in Pakistan. The Company owns 5,000,000 (2016: 5,000,000) ordinary sahres of Rs. 10 each representing 100% of the share capital as of the balance sheet date. As of the balance sheet date, the subsidiary company has not yet started its business operations, however the net assets of the subsidiary company at year end amounted to Rs. 50.318 million (2016: Rs. 50.252 million).

9. LONG-TERM LOANS

	Note	June 30, 2017	June 30, 2016
		----------(Rupees in '000)----------	
Unsecured, considered good			
Chief Executive	9.2, 9.4 & 9.6	**-**	8,500
Directors	9.3 & 9.4	**1,555**	3,832
Executives	9.4	**1,992**	2,482
Other employees	9.4	**509**	84
Supplier	9.5	**8,504**	22,650
	9.7	**12,560**	37,548
Current maturity of long-term loans:			
Chief Executive		**-**	(6,000)
Directors		**(1,892)**	(2,077)
Executives		**(974)**	(986)
Other employees		**(160)**	(85)
Supplier		**(8,504)**	(16,650)
		(11,530)	(25,798)
		1,030	11,750

9.1 Reconciliation of carrying amount of loans:

	2017						2016
	Chief Executive	**Directors**	**Executives**	**Other employees**	**Supplier**	**Total**	**Total**
	---------- (Rupees in '000) ----------						
Opening balance	**8,500**	**3,832**	**2,482**	**84**	**22,650**	**37,548**	48,979
Disbursements	**-**	**-**	**827**	**564**	**-**	**1,391**	7,351
Repayments / adjustments	**(8,500)**	**(1,840)**	**(1,754)**	**(139)**	**(14,146)**	**(26,379)**	(18,782)
Closing balance	**-**	**1,992**	**1,555**	**509**	**8,504**	**12,560**	37,548

9.2 During the year, Chief Executive has fully settled / paid the interest free loan granted by the Company which was given as per Company policy. This loan was approved by the Securities and Exchange Commission of Pakistan (SECP) vide their letter number EMD/233/642/02.1699 dated March 31, 2015.

9.3 Represents interest free loan granted by the Company to Chief Financial Officer and Director Sales and Marketing during last year, amounting to Rs. 3 million and Rs. 1.85 million respectively, given as per Company policy, repayable in 30 equal monthly installments.

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

9.5 Represents unsecured interest free loan granted by the Company on 1 July 2015 to a transporter repayable in 30 equal monthly installments.

9.6 The maximum aggregate amount of loans due from Executives, including Chief Executive, at the end of any month during the year was Rs. 14.710 million (2016: Rs. 22.930 million).

9.7 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. Nil (2016: Rs. 4.650 million). Further interest free loans are not discounted to present value, since the impact is considered to be immaterial in the overall context of these financial statements.

10. LONG-TERM DEPOSITS

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

	Note	June 30, 2017	June 30, 2016
		----------(Rupees in '000)----------	
11. STORES AND SPARES			
Stores		**6,052**	3,146
Spare parts		**1,068**	2,098
		7,120	5,244
Provision for obsolete items		**(1,320)**	(1,320)
		5,800	3,924
12. STOCK-IN-TRADE			
Liquefied Petroleum Gas (LPG)	12.1	**47,081**	32,348
Low Pressure Regulators (LPR)		**3,674**	5,188
		50,755	37,536

12.1 Includes stock amounting to Rs. 7.092 million (2016: Rs. 3.168 million) held with the following parties under hospitality arrangements:

	June 30, 2017	June 30, 2016
	----------(Rupees in '000)----------	
Pakistan State Oil Company Limited	**-**	865
OPI Gas (Private) Limited	**-**	309
Sadiq Gas Company	**3,514**	1,945
Sindh Gas (Private) Limited	**-**	40
Blessing Gas (Private) Limited	**1,257**	-
Tez Gas (Private) Limited	**2,016**	-
Petroleum Gas (Private) Limited	**305**	-
Marshal Gas (Private) Limited	**-**	9
	7,092	3,168

12.2 As at June 30, 2017, stock of LPG held on behalf of third parties amounted to Rs. 2.968 million (2016: Rs. 2.281 million).

	Note	June 30, 2017	June 30, 2016
		----------(Rupees in '000)----------	
13. TRADE DEBTS			
Unsecured, considered good	13.1	**5,001**	11,400

13.1 Includes trade debts aggregating to Rs. 4.543 million (2016: Rs. 7.586 million) which were past due but not impaired. These relate to various customers for which there is no or some history of default, however, no losses. Aging analysis of these trade debts as at 30 June is as follows:

		June 30, 2017	June 30, 2016
Upto 1 month		**1,484**	3,280
1 to 6 months		**596**	2,189
More than 6 months		**2,463**	2,117
		4,543	7,586

	Note	June 30, 2017	June 30, 2016
14. LOANS AND ADVANCES			
Loans - secured, considered good			
Current maturity of long-term loans	9	**11,530**	25,798
Advances - unsecured, considered good			
Executives	14.1	**1,713**	296
Contractors and suppliers		**61,966**	143,570
		63,679	143,866
		75,209	169,664

14.1 The maximum aggregate amount due from executives at the end of any month was Rs. 1.136 million (2016: Rs. 0.296 million).

	Note	June 30, 2017	June 30, 2016
		----------(Rupees in '000)----------	
15. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Deposits		**647**	647
Prepayments		**5,319**	4,279
Other receivables	15.1	**41,321**	8,867
		47,287	13,793

15.1 Other receivables:

	Note	June 30, 2017	June 30, 2016
OPI Gas (Private) Limited	15.1.1	**3,642**	3,642
Burshane LPG (Pakistan) Limited - Provident Fund		**6,906**	-
Burshane Petroleum (Private) Limited	15.1.2	**9,000**	9,000
Accrued interest		**113**	113
Sales tax receivable		**11,336**	-
Others	15.1.3	**16,539**	10,933
		47,536	23,688
Provision for impairment	15.1.4	**(6,215)**	(14,821)
		41,321	8,867

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

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

15.1.3 Includes receivable against hospitality arrangements of Rs. 5.05 million (2016: Rs. 3.57 million) and receivable against cylinder deposits of Rs. 3.91 million (2016: Rs. 0.76 million).

	Note	June 30, 2017	June 30, 2016
		----------(Rupees in '000)----------	
15.1.4 Provision for impairment:			
Opening balance		**14,821**	2,573
Charge for the year		**-**	12,248
Reversed during the year		**(8,606)**	-
Closing balance		**6,215**	14,821

16. CASH AND BANK BALANCES

	Note	June 30, 2017	June 30, 2016
Cash in hand		**30**	257
Cash at banks:			
saving accounts	16.1	**51,595**	50,161
current accounts		**60,299**	42,451
		111,894	92,612
		111,924	92,869

16.1 The profit rates on these saving accounts range from 1.95% to 3.85% per annum (2016: 3.75% to 4% per annum).

17. SHARE CAPITAL

17.1 Authorised capital

June 30, 2017	June 30, 2016		June 30, 2017	June 30, 2016
--------(Number of shares)--------			----------(Rupees in '000)----------	
90,000,000	90,000,000	Ordinary shares of Rs.10 each	**900,000**	900,000

17.2 Issued, subscribed and paid-up capital

June 30, 2017	June 30, 2016		June 30, 2017	June 30, 2016
--------(Number of shares)--------			----------(Rupees in '000)----------	
		Ordinary shares of Rs.10 each issued as:		
19,881,766	19,881,766	fully paid up in cash (note 17.3)	**198,817**	198,817
76,820	76,820	fully paid for consideration other than cash	**768**	768
2,530,304	2,530,304	fully paid bonus shares	**25,303**	25,303
22,488,890	22,488,890		**224,888**	224,888

17.3 As a result of the Scheme referred to in note 5, the authorised share capital of the Company enhanced to Rs.900 million divided into 90 million ordinary shares of Rs.10 each. Further, pursuant to the effects of amalgamation, the paid-up share capital of the Company reduced by 151,154 shares (note 5).

17.4 As more fully explained in note 5, the Company is in the process of completing legal formalities for cancellation of 151,154 shares and for issuance of new shares to the shareholders of HTPL (former Holding Company) in accordance with the Scheme. Post completion of legal formalities, Mr. Asad Alam Khan Niazi, Chief Executive, will hold 12,326,629 ordinary shares of the Company of Rs. 10 each.

	Note	June 30, 2017	June 30, 2016
		----------(Rupees in '000)----------	
18. RESERVES			
Capital reserve			
Reserve on amalgamation		**153,458**	153,458
Revenue reserves			
General reserve		**90,000**	90,000
Unappropriated profit		**56,422**	49,878
Actuarial loss on remeasurement of retirement and other service benefits		**(21,214)**	(10,842)
		125,208	129,036
		278,666	282,494
19. LONG-TERM LOAN			
Secured			
National Bank of Pakistan (NBP)	19.1	**254,439**	254,439
Current maturity of long-term loan		**(254,439)**	(168,278)
		-	86,161

19.1 As a result of the Scheme referred to in note 5, long-term finance obtained by HTPL has been transferred to the Company at the time of amalgamation. The loan was obtained as a demand finance facility under the agreement dated April 08, 2013 from NBP and is repayable in 9 semi-annual installments of Rs. 44.444 million latest by April 01, 2018 with a grace period of six months from the date of the drawdown. The loan carries 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, 2017, amount due but not paid by the Company was Rs. 168.26 million and during the year the Company has classified this liabilty as current due to breach of certain covenants. No payment was made by the Company in respect of the overdue amount subsequent to year-end.

	June 30, 2017	June 30, 2016
	----------(Rupees in '000)----------	
20. LIABILITIES UNDER FINANCE LEASE		
Opening balance	**9,944**	12,978
Principal repayment during the year	**(3,002)**	(3,034)
Present value of minimum lease payments	**6,942**	9,944
Current maturity of liabilties under finance lease	**(3,002)**	(3,002)
Closing balance	**3,940**	6,942

20.1 Represents finance lease entered into with a leasing company for vehicles. Total lease rentals due under lease agreement aggregated to Rs. 7.792 million (2016: Rs. 11.663 million) and are payable in equal monthly installments latest by March 2020. Taxes, charges, demands and levies, repair and maintenance are to be borne by the Company. Financing rates of 3 months KIBOR plus 3% (2016: 3 months KIBOR plus 3%) per annum have been used as discounting factor. The breakup of liabilities under finance lease is as follows:

	2017		2016	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
	--------------------------------(Rupees in '000)------------------------------			
Not later than 1 year	**3,567**	**3,002**	3,871	3,002
After one year but not more than five year	**4,225**	**3,940**	7,792	6,942
Total minimum lease payments	**7,792**	**6,942**	11,663	9,944
Finance charges allocated to future periods	**(850)**	**-**	(1,719)	-
Present value of minimum lease payments	**6,942**	**6,942**	9,944	9,944
Current maturity	**(3,002)**	**(3,002)**	(3,002)	(3,002)
	3,940	**3,940**	6,942	6,942

		June 30, 2017	June 30, 2016
21.	**DEFERRED TAXATION - net**	----------(Rupees in '000)---------	
	Taxable temporary differences		
	Accelerated tax depreciation and amortisation	**27,921**	29,461
	Deductible temporary differences		
	Liabilities under finance lease	**(2,083)**	(3,182)
	Minimum turnover tax	**(18,680)**	(19,528)
	Provisions	**(2,260)**	(5,165)
		(23,023)	(27,875)
		4,898	1,586

22. CYLINDER AND REGULATOR DEPOSITS

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

23. LOAN FROM A SUBSIDIARY COMPANY

Represents interest free loan obtained from Burshane Auto Gas (Private) Limited, a wholly owned subsidiary under an agreement dated 04 March 2016 and 07 November 2016. This loan is receivable on demand.

24. LOANS FROM DIRECTORS

During the year, the Company has fully repaid / settled the short-term interest free loans received from Mr. Asad Alam Khan Niazi (Chief Executive) and Mr. Shahriar D. Sethna (Non-executive Director) amounting to Rs. 13.798 million and Rs. 5.020 million respectively. These loans were received by HTPL and were transferred to the Company at the time of amalgamation. Further, these loans were sub-ordinated to the long-term loan.

		Note	June 30, 2017	June 30, 2016
25.	**TRADE AND OTHER PAYABLES**		----------(Rupees in '000)---------	
	Creditors		**56,177**	48,064
	Accrued liabilities		**10,649**	16,386
	Burshane (LPG) Pakistan Limited:			
	Gratuity Fund	37.1.1	**3,200**	1,607
	Pension Fund	37.1.1	**6,089**	4,339
	Provident Fund		**-**	5,172
	Workers' Profits Participation Fund	25.1	**2,718**	8,800
	Workers' Welfare Fund		**710**	51
	Withholding tax payable		**2,445**	670
	Sales tax payable		**-**	4,273
	Advances from distributors / customers		**17,470**	18,091
	Unclaimed / unpaid dividends	25.2	**36,273**	19,065
	Zakat payable		**60**	126
	Others		**4,496**	3,348
			140,287	129,992

25.1 Workers' Profit Participation Fund

	Note	June 30, 2017	June 30, 2016
Opening balance		**8,800**	8,120
Interest charged during the year	33	**-**	680
Allocation for the year	32	**2,718**	-
Amount paid during the year		**(8,800)**	-
Closing balance		**2,718**	8,800

Notes To The Unconsolidated Financial Statements
For the year ended June 30, 2017

25.2 Includes an amount of Rs. 33.672 million (2016: Rs. 16.863 million) payable to the beneficial owners of HTPL. As explained in note 5, HTPL was merged with the Company on February 20, 2015, however shares held by HTPL in the Company are in the process of being cancelled and new shares shall be issued by the Company in the name of beneficial owners of HTPL. The beneficial owners of HTPL have requested the Company to hold their dividend till such time that shares held by HTPL are cancelled and new shares are issued by the Company in their name.

26. CONTINGENCIES

Claims not acknowledged as debt by the Company as at June 30, 2017 amounted to Rs. 2.060 million (2016: Rs. 16.200 million).

	June 30, 2017	June 30, 2016
27. SALES - net	----------(Rupees in '000)---------	
Liquified petroleum gas (LPG)	**2,167,620**	2,385,817
Sales tax	**(342,425)**	(374,714)
	1,825,195	2,011,103
Low pressure regulators (LPR)	**1,929**	1,973
Sales tax	**(299)**	(306)
	1,630	1,667
	1,826,825	2,012,770

28. COST OF SALES

	Note	June 30, 2017	June 30, 2016
Opening stock		**32,348**	35,011
Purchases		**1,532,987**	1,782,580
		1,565,335	1,817,591
Closing stock	12	**(47,081)**	(32,348)
		1,518,254	1,785,243
Salaries, wages and other employee benefits	28.1	**25,909**	26,936
Cost of Low Pressure Regulators sold		**1,514**	1,290
Stores and spares consumed	28.2	**3,794**	5,328
Repairs and maintenance		**3,477**	5,507
Travelling, conveyance and vehicle maintenance		**1,363**	137
Rent, rates and electricity		**3,636**	4,760
Communication		**1,183**	827
Printing and stationery		**217**	320
Insurance		**-**	1,412
Depreciation	6.1.2	**4,773**	10,395
Amortisation	7.5	**49,233**	26,065
Security		**3,466**	3,094
Sundry expenses		**186**	128
		1,617,005	1,871,442

28.1 Include Rs. 0.703 million (2016: Rs. 0.692 million) in respect of retirement and other service benefits.

	Note	June 30, 2017	June 30, 2016
28.2 Stores and spares consumed:		----------(Rupees in '000)---------	
Opening balance		**3,924**	3,607
Purchases		**5,670**	5,645
		9,594	9,252
Closing balance	11	**(5,800)**	(3,924)
		3,794	5,328

		Note	June 30, 2017	June 30, 2016
29.	**ADMINISTRATIVE EXPENSES**		----------(Rupees in '000)---------	
	Salaries, wages and other employee benefits	29.1	**54,196**	43,910
	Repairs and maintenance		**2,150**	1,388
	Travelling, conveyance and vehicle maintenance		**6,603**	3,926
	Rent, rates and electricity		**4,166**	5,738
	Communication		**1,873**	1,988
	Printing and stationery		**1,230**	1,224
	Legal and professional charges		**6,658**	5,579
	Insurance		**2,417**	1,439
	Advertisement and publicity		**717**	579
	Depreciation	6.1.2	**8,021**	13,674
	Amortisation	7.5	**-**	544
	Security		**1,334**	1,137
	Donations		**1,271**	2,018
	Sundry expenses		**1,466**	3,251
			92,102	86,395

29.1 Include Rs. 3.982 million (2016: Rs. 5.068 million) in respect of retirement and other service benefits.

		Note	June 30, 2017	June 30, 2016
30.	**DISTRIBUTION AND MARKETING EXPENSES**		----------(Rupees in '000)---------	
	Salaries, wages and other employee benefits	30.1	**12,325**	14,242
	Repairs and maintenance		**260**	116
	Travelling, conveyance and vehicle maintenance		**1,521**	770
	Rent, rates and electricity		**311**	808
	Communication		**507**	556
	Printing and stationery		**119**	121
	Insurance		**-**	66
	Hospitality charges		**24,417**	26,020
	Freight and octroi		**2,087**	6,111
	Advertisement and publicity		**-**	249
	Commission		**7,914**	3,419
	Depreciation	6.1.2	**12,712**	12,295
	Security		**461**	398
	Sundry expenses		**118**	112
			62,752	65,283

30.1 Include Rs. 0.239 million (2016: Rs. 0.251 million) in respect of retirement and other service benefits.

		Note	June 30, 2017	June 30, 2016
31.	**OTHER INCOME**		----------(Rupees in '000)---------	
	Income from financial assets			
	Profit on saving accounts		**4,426**	4,606
	Income from non-financial assets			
	Rental income from storage tanks		**1,344**	1,439
	Liability for cylinder deposits written back	31.1	**21,235**	-
	Reversal of provision for impairment	15.1.4	**8,606**	-
	Recoveries against cylinder replacement		**2,631**	2,841
	Hospitality income		**10,640**	6,089
	Old liabilities written back		**-**	20,889
	Scrap sales		**-**	2
	Others		**930**	9,267
			45,386	40,527
			49,812	45,133

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

	Note	June 30, 2017	June 30, 2016
32. OTHER EXPENSES		----------(Rupees in '000)---------	
Workers' Profits Participation Fund	25.1	**2,718**	-
Workers' Welfare Fund		**710**	148
Auditors' remuneration	32.1	**1,707**	1,297
Provision for impairment of other receivables	15.1.4	**-**	12,248
Directors' fees		**825**	1,038
Trade debts written off		**7,211**	-
Others		**5,814**	2,440
		18,985	17,171
32.1 Auditors' remuneration:			
Statutory audit		**850**	734
Half yearly review		**400**	260
Review of code of corporate governance		**150**	60
Out of pocket expenses		**307**	243
		1,707	1,297
33. FINANCE COSTS			
Mark-up on long-term loan		**30,857**	24,698
Finance charges on liabilities under finance lease		**879**	1,719
Interest on Workers' Profits Participation Fund	25.1	**-**	680
Bank charges		**3,426**	4,483
		35,162	31,580
34. TAXATION			
Current	34.1	**18,680**	20,324
Prior		**(394)**	(4,751)
Deferred		**3,312**	(21,990)
		21,598	(6,417)

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

35. EARNINGS / (LOSS) PER SHARE – basic and diluted	**2017**	**2016**
Profit / (loss) for the year (Rupees in '000)	**29,033**	(7,551)
Weighted average number of ordinary shares in issue (in '000)	**22,489**	22,489
Earnings / (loss) per share - basic and diluted	**Rs. 1.29**	Re. (0.34)

36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2017				2016			
	Chief Executive	Directors	Executives	Total	Chief Executive	Director	Executives	Total
	(Rupees in '000)							
Managerial remuneration	22,410	12,459	19,446	54,315	21,600	12,155	17,785	51,540
Bonus	2,340	1,216	3,811	7,367	-	-	-	-
Company's contribution to provident fund	952	365	872	2,189	918	356	756	2,030
Travelling and conveyance	-	194	321	515	-	135	441	576
Medical allowance	-	327	657	984	21	290	594	904
	25,702	14,561	25,107	65,370	22,539	12,936	19,576	55,050
Number of persons (including those who worked part of the year)	1	2	17	20	1	2	15	18

36.1 Fee amounting to Rs. 0.55 million (2016: Rs. 0.717 million) was paid to four non-executive directors for attending Board meetings during the year.

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

37. RETIREMENT AND OTHER SERVICE BENEFITS

37.1 Pension fund and gratuity fund - valuation results

The latest actuarial valuations of the defined benefit plans were carried out as at June 30, 2017, using the "Projected Unit Credit Method". The details of defined benefit plans are as follows:

		Pension Fund		Gratuity Fund	
		2017	2016	2017	2016
		(Rupees in '000)			
37.1.1 Balance sheet reconciliation:					
Fair value of plan assets	37.1.4	(96,825)	(98,365)	(12,554)	(11,204)
Present value of defined benefit obligations	37.1.3	102,914	102,704	15,754	12,811
Net liability at end of the year	37.1.2	6,089	4,339	3,200	1,607
37.1.2 Movement in net liability recognised:					
Opening balance		4,339	6,176	1,607	5,266
Charge for the year	37.1.5	1,766	2,290	188	936
Amounts paid to the Fund		(7,167)	(7,075)	-	(1,776)
Employee contribution to be paid to fund		184	239	-	-
Remeasurements recognised in other comprehensive income	37.1.7	6,967	2,709	3,405	(2,819)
Employer contribution to the fund		-	-	(2,000)	-
Closing balance		6,089	4,339	3,200	1,607
37.1.3 Movement in defined benefit obligations:					
Opening balance		102,704	97,531	12,811	15,294
Current service cost		1,311	1,269	520	928
Interest cost		8,921	9,164	1,153	1,405
Benefits paid		(7,167)	(7,075)	-	(1,776)
Remeasurements of obligations	37.1.7	(2,855)	1,815	1,270	(3,040)
Closing balance		102,914	102,704	15,754	12,811

		Pension Fund 2017	Pension Fund 2016	Gratuity Fund 2017	Gratuity Fund 2016
		------------------ (Rupees in '000) ------------------			
37.1.4 Movement in fair value of plan assets:					
Opening balance		**98,365**	91,355	**11,204**	10,028
Expected return on plan assets		**8,466**	8,143	**1,485**	1,397
Benefits paid on behalf of the Fund		**7,167**	7,075	**-**	1,776
Employees contributions		**(184)**	(239)	**2,000**	-
Benefits paid		**(7,167)**	(7,075)	**-**	(1,776)
Remeasurements of plan assets	37.1.7	**(9,822)**	(894)	**(2,135)**	(221)
Closing balance		**96,825**	98,365	**12,554**	11,204
37.1.5 Charge for the year:					
Current service cost		**1,311**	1,269	**520**	928
Net Interest cost		**455**	1,021	**(332)**	8
		1,766	2,290	**188**	936
37.1.6 Actual return on plan assets		**(1,356)**	7,249	**(650)**	1,176
37.1.7 Remeasurement recognised in Other Comprehensive Income:					
Remeasurement of obligation					
Loss / (gain) from change in financial assumptions		**-**	1,927	**-**	(1,696)
Experience (gain) / loss		**(2,855)**	(112)	**1,270**	(1,344)
		(2,855)	1,815	**1,270**	(3,040)
Remeasurement of plan assets					
Return on plan assets, excluding amounts included in interest expense / (income)		**-**	894	**2,135**	-
Loss / (gain) from change in financial assumptions		**9,822**	-	**-**	221
		9,822	894	**2,135**	221
		6,967	2,709	**3,405**	(2,819)

	Pension Fund 2017	Pension Fund 2016	Gratuity Fund 2017	Gratuity Fund 2016
	------------------ (Percentage) ------------------			
37.1.8 Principal actuarial assumptions used in the actuarial valuation:				
Financial assumptions				
Discount rate	**9.00%**	9.00%	**9.00%**	9.00%
Expected per annum rate of return on plan assets	**9.00%**	9.00%	**9.00%**	9.00%
Expected per annum rate of increase in salaries - long term	**7.00%**	7.00%	**7.00%**	7.00%
Expected per annum rate of increase in pension	**-**	-	**-**	-
Demographic assumptions				
Expected mortality rate	**Adjusted SLIC 2001-2005**	Adjusted SLIC 2001-2005	**Adjusted SLIC 2001-2005**	Adjusted SLIC 2001-2005
Expected withdrawal rate	**High**	High	**High**	High

	As at June 30, 2017 Pension Fund	Gratuity Fund
	-------- (Rupees in '000) --------	
37.1.9 Analysis of present value of defined benefit obligation:		
Vested benefits	**96,219**	15,679
Non-vested benefits	**6,695**	75
	102,914	15,754

37.1.10 Plan assets comprise of the following:

	Pension Fund				Gratuity Fund			
	2017		2016		2017		2016	
	Rupees in '000in	% in '000	Rupees in '000	% in '000	Rupees in '000	% in '000	Rupees in '000	%
Equity instruments	**6,846**	**7.07**	6,252	6.36	**2,970**	**23.66**	2,967	26.48
Debt instruments								
Defence Savings Certificates	**16,112**	**16.64**	14,783	15.03	**13,426**	**106.95**	12,319	109.95
Pakistan Investment Bonds	**60,596**	**62.58**	61,162	62.18	**-**	**-**	-	-
	76,708	**79.22**	75,945	77	**13,426**	**106.95**	12,319	109.95
Cash and cash equivalents	**8,971**	**9.27**	11,868	12.07	**458**	**3.65**	218	1.95
Others	**4,300**	**4.44**	4,300	4.37	**(4,300)**	**(34.25)**	(4,300)	(38.38)
	96,825		98,365		**12,554**		11,204	

37.1.11 As per IAS 19, the return on plan assets should be the same as the valuation discount rate. Therefore, the assumed return on plan assets is 9.00% per annum.

37.1.12 Historical information of staff retirement benefits:

	2017	2016	2015	2014	2013	2012
	-----	-----	-----(Rupees in '000)-----	-----	-----	-----
Gratuity Fund						
Present value of defined benefit obligation	**15,754**	12,811	15,294	16,392	26,406	30,212
Fair value of plan assets	**(12,554)**	(11,204)	(10,028)	(9,350)	(15,854)	(15,827)
Deficit	**3,200**	1,607	5,266	7,042	10,552	14,385
Pension Fund						
Present value of defined benefit obligation	**102,914**	102,704	97,531	93,748	127,719	125,980
Fair value of plan assets	**(96,825)**	(98,365)	(91,355)	(84,098)	(98,225)	(94,534)
(Deficit) / surplus	**6,089**	4,339	6,176	9,650	29,494	31,446

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

	As at June 30, 2017 Pension Fund	Gratuity Fund
	-------- (Rupees in '000) --------	
Discount rate + 1%	94,126	15,357
Discount rate - 1%	113,288	16,179
Long term salaries increase +1%	105,216	16,174
Long term salaries increase -1%	100,828	15,355
Withdrawal rates +1%	102,897	15,755
Withdrawal rates -1%	102,931	15,753

37.1.14 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.

37.2 Provident Fund

The following information is based upon the latest un-audited financial statements of the provident fund as at June 30, 2017 and June 30, 2016:

	Unaudited 2017 (Rupees in '000)	Unaudited 2016 (Rupees in '000)
Size of the fund - total assets	30,498	49,059
Fair value of investments	30,188	48,470
Cost of investments	31,378	31,378
Percentage of investments	98.98%	98.80%

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

	2017		2016	
	Rupees in '000	%	Rupees in '000	%
Bank deposits	**1,348**	**4.47**	2,117	4.37
Government securities	**28,840**	**95.53**	46,353	95.63
	30,188	**100.00**	48,470	100.00

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

38. TRANSACTIONS WITH RELATED PARTIES

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

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

Transactions with related parties

Nature of relationship	Nature of transactions	2017 (Rupees in '000)	2016 (Rupees in '000)
Former Holding Company			
H.A.K.S Trading (Private) Limited	Dividend	**16,836**	16,836
Subsidiary			
Burshane Auto Gas (Private) Limited	Loan obtained from subsidiary	**10,000**	40,000
Staff Retirement Benefit / Contribution Plans			
Burshane LPG (Pakistan) Limited:			
Gratuity Fund	Benefits paid	-	1,776
Pension Fund	Benefits paid	**7167**	7,075
Provident Fund	Company's contribution for the year	**2523**	2,394
Associated Companies / Other Related Parties			
Burshane Petroleum (Private) Limited (Formerly Darian International (Private) Limited)	Consideration against use of name "Burshane"	-	9,000

			(Rupees in '000)
Norinco International Thatta Power (Private) Limited	Advances given for expenses	**517**	140
	Expenses incurred for related party	**-**	7
	Advances recovered	**562**	-
ALSAA & AAK Commodities (Private) Limited	Advances given for expenses	**21**	15
	Advances recovered	**21**	-

38. TRANSACTIONS WITH RELATED PARTIES (continued)

Balances with related parties

Nature of relationship	Nature of balances	2017	2016 (Rupees in '000)
Former Holding Company			
H.A.K.S. Trading (Private) Limited	Dividend payable	**33,672**	16,836
Subsidiary			
Burshane Auto Gas (Private) Limited	Investment in subsidiary	**50,000**	50,000
	Loan payable to subsidiary	**50,000**	40,000
Staff Retirement Benefit / Contribution Plans			
Burshane LPG (Pakistan) Limited:			
Gratuity Fund	Payable to Staff Gratuity Fund	**3,200**	1,607
Pension Fund	Payable to Staff Pension Fund	**6,089**	4,339
Provident Fund	Receivable from Staff Provident Fund	**6,906**	5,172
Associated Companies / Other Related Parties			
Burshane Petroleum (Private) Limited (Formerly Darian International (Private) Limited)	Receivable against use of name "Burshane"	**9,000**	9,000
Norinco International Thatta Power (Private) Limited	Receivable against expenses	**81**	126
ALSAA & AAK Commodities (Private) Limited	Receivable against expenses	**13**	13

39. CASH GENERATED FROM OPERATIONS

	Note	June 30, 2017	June 30, 2016
		--------- (Rupees in '000) ---------	
Profit / (loss) before taxation		**50,631**	(13,968)
Adjustments			
Depreciation	6.1.2	**25,506**	36,364
Amortisation	7.5	**49,233**	26,609
Provision for impairment of other receivable	15.1.4	**-**	12,248
Reversal of provision of other receivable	15.1.4	**(8,606)**	-
Provision for retirement and other service benefits		**4,923**	5,620
Finance costs	33	**35,162**	31,580
Unrealised loss / (gain) on short term investment		**-**	123
Trade debts written off	32	**7,211**	-
Profit on saving accounts	31	**(4,426)**	(4,606)
Liability for cylinder deposits written back	31	**(21,235)**	-
Others		**(205)**	-
Working capital changes	39.1	**55,787**	(72,769)
		193,981	21,201

Notes To The Unconsolidated Financial Statements
For the year ended June 30, 2017

		Note	June 30, 2017	June 30, 2016
39.1	**Working capital changes**		----------(Rupees in '000)---------	
	(Increase) / decrease in current assets:			
	Stores and spares		**(1,876)**	(317)
	Stock-in-trade		**(13,219)**	3,953
	Trade debts		**6,399**	6,181
	Loans and advances		**94,455**	(45,348)
	Deposits, prepayments and other receivables		**(24,888)**	(3,023)
			60,871	(38,554)
	(Decrease) / increase in current liabilities:			
	Trade and other payables		**(5,084)**	(34,215)
			55,787	(72,769)

40. FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

40.1 Financial assets as per balance sheet - at amortised cost

	Note	June 30, 2017	June 30, 2016
Long-term loans	9	**1,030**	11,750
Long-term deposits	10	**69,986**	76,874
Trade debts	13	**5,001**	11,400
Loans and advances	14	**75,209**	169,664
Deposits and other receivables		**41,968**	9,514
Cash and bank balances	16	**111,924**	92,869
		305,118	372,071

40.2 Financial liabilities as per balance sheet - at amortised cost

	Note	June 30, 2017	June 30, 2016
Long-term loan including current maturity of long-term loan	19	**254,439**	254,439
Liabilties under finance lease	20	**6,942**	9,944
Cylinder and regulator deposits	22	**373,599**	369,057
Loans from directors	24	**-**	18,818
Trade and other payables		**125,065**	104,954
Loan from a subsidiary company	23	**50,000**	40,000
Accrued mark-up on long-term loan		**35,209**	4,352
		845,254	801,564

41. FINANCIAL RISK MANAGEMENT

41.1 Financial risk factors

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

(a) Market risk

(i) Currency risk

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

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

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2017

(ii) Interest rate risk

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

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

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not materially exposed to other price risk as at June 30, 2017.

(b) Credit risk

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

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

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

	June 30, 2017	June 30, 2016
Long-term loans	**1,030**	11,750
Long-term deposits	**69,986**	76,874
Trade debts	**458**	3,814
Loans	**11,530**	25,798
Deposits and other receivables	**41,968**	9,514
Bank balances	**111,894**	92,612
	236,866	220,362

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 2017	Short term 2016	Long term 2017	Long term 2016
Bank Alfalah Limited	PACRA	**A1+**	A1+	AA+	AA
Habib Bank Limited	JCR-VIS	**A1+**	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	**A1+**	A-1+	**AAA**	AAA
Sindh Bank Limited	JCR-VIS	**A1+**	A-1+	**AAA**	AA
Summit Bank Limited	JCR-VIS	**A1**	A-1	**AAA**	A

(c) Liquidity risk

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

The Company's liquidity risk management implies maintaining sufficient cash and also involves projecting cash flows and considering the level of liquid assets necessary to meet these. As of June 30, 2017 the Company's current liabilities exceed its current assets by Rs. 181.3 million, but the Company based on its future plans is confident that it will have sufficient cash flows to meet its financial obligations in the foreseeable future.

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

	2017			2016		
	"Maturity upto one year"	"Maturity after one year"	Total	"Maturity upto one year	"Maturity after one year	Total
	---------- (Rupees in '000) ----------					
Financial liabilities						
Long-term loan including current maturity of long term loan	**254,439**	**-**	**254,439**	168,278	86,161	254,439
Liabilities under finance lease	**3,002**	**3,940**	**6,942**	3,002	6,942	9,944
Cylinder and regulator deposits	**-**	**373,599**	**373,599**	-	369,057	369,057
Loans from directors	**-**	**-**	**-**	18,818	-	18,818
Trade and other payables	**125,065**	**-**	**125,065**	104,954	-	104,954
Accrued mark-up on long-term loan	**35,209**	**-**	**35,209**	4,352	-	4,352
Loan from a subsidiary company	**50,000**	**-**	**50,000**	40,000	-	40,000
	467,715	**377,539**	**845,254**	339,404	462,160	801,564

41.2 Fair value

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

41.2.1 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	-

41.3 Capital risk management

The Company finances its operations through equity, borrowings and management of working capital with a view of maintaining an appropriate mix between various sources of finance to minimize risk. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. The Company monitors capital using a debt equity ratio as follows:

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2017

Amounts in PKR '000

	Note	June 30, 2017	June 30, 2016
		----------(Rupees in '000)---------	
Long-term loan	19	-	86,161
Liabilities under finance lease	20	6,942	9,944
Cylinder and regulator deposits		373,599	369,057
Loan from a subsidiary company		50,000	40,000
Loan from directors		-	18,818
Current maturity of long-term loan	19	254,439	168,278
Trade and other payables	25	140,287	129,992
Accrued mark up on long-term loan		35,209	4,352
Total debt		860,476	826,602
Cash and bank balances		(111,924)	(92,869)
Net debt		748,552	733,733
Share capital		224,888	224,888
Reserves		278,666	282,494
Total equity		503,554	507,382
Capital		1,252,106	1,241,115
Gearing ratio		59.78%	59.12%

42. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

42.1 Subsequent to the year end, the Board of Directors of the Company in their meeting held on September 19, 2017 have proposed a final cash dividend of Re. 1 per Share (2016: Re. 1) per share.

42.2 Under section 5A of the Income Tax Ordinance, 2001 (the Ordinance), every public company is obliged to pay tax at the rate 7.50% on its accounting profit before tax if it derives profit for a tax year but does not distribute at least 40% of its after tax profits within six months of the end of the tax year, through cash or bonus shares.

Based on the above fact, the Board of Directors of the Company has approved / paid interim cash dividend amounting to Rs. 22.489 million for the financial and tax year 2017 which exceeds the prescribed minimum dividend requirement as referred above. Accordingly, no further tax provision has been recorded under section 5A of the Ordinance.

43. CORRESPONDING FIGURES

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

	June 30, 2017	June 30, 2016
	(Quantity in metric ton)	
44. CAPACITY		
Installed annual filling capacity	37,500	37,500
Actual utilization	33,548	37,083

44.1 The shortfall is due to low demand during the year.

Notes To The Unconsolidated Financial Statements

For the year ended June 30, 2017

	June 30, 2017	June 30, 2016
45. NUMBER OF EMPLOYEES		
As at year end		
Permanent	**41**	31
Contractual	**9**	17
	50	48
Average during the year		
Permanent	**35**	26
Contractual	**15**	12
	50	38

46. GENERAL

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

47. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on September 19, 2017 by the Board of Directors of the Company.

Director

Chief Financial Officer

Chief Executive

Consolidated Financial Statements

For the year ended June 30, 2017

Burshane LPG (Pakistan) Limited

EY
Building a better working world

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

Tel: + 9221 3565 0007-11
Fax: + 9221 3568 1965
e.y.khi@pk.ey.com
ey.com/pk

Auditors' report on consolidated financial statements

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of **Burshane LPG (Pakistan) Limited** (the Holding Company) and its subsidiary company namely Burshane Auto Gas (Private) Limited (together referred to as Group) as at **30 June 2017** and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of the Holding Company and its subsidiary company. These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these 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 the Holding Company and its subsidiary company as at **30 June 2017** and the results of their operations for the year then ended.

EY Ford Rhodes

Chartered Accountants

Audit Engagement Partner: Arif Nazeer

Date: 19 September 2017

Place: Karachi

Consolidated Balance Sheet
As at June 30, 2017

Amounts in PKR '000

	Note	June 30, 2017	June 30, 2016
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	**758,226**	750,768
Intangible assets	7	**462,793**	389,026
Long-term loans	8	**1,030**	11,750
Long-term deposits	9	**69,986**	76,874
		1,292,035	1,228,418
CURRENT ASSETS			
Stores and spares	10	**5,800**	3,924
Stock-in-trade	11	**50,755**	37,536
Trade debts	12	**5,001**	11,400
Loans and advances	13	**75,209**	169,664
Deposits, prepayments and other receivables	14	**47,292**	13,843
Taxation - net		**5,012**	2,030
Cash and bank balances	15	**113,156**	103,872
		302,225	342,269
TOTAL ASSETS		**1,594,260**	1,570,687
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	16	**224,888**	224,888
Reserves	17	**278,983**	282,746
		503,871	507,634
Surplus on revaluation of fixed assets		**274,765**	274,765
NON-CURRENT LIABILITIES			
Long-term loan	18	**-**	86,161
Liabilities under finance lease	19	**3,940**	6,942
Deferred taxation - net	20	**4,898**	1,586
Cylinder and regulator deposits	21	**373,599**	369,057
		382,437	463,746
CURRENT LIABILITIES			
Loans from directors	22	**-**	18,818
Current maturity of long-term loan	18	**254,439**	168,278
Current maturity of liabilities under finance lease	19	**3,002**	3,002
Trade and other payables	23	**140,537**	130,092
Accrued mark-up on long-term loan		**35,209**	4,352
		433,187	324,542
CONTINGENCIES	24		
TOTAL EQUITY AND LIABILITIES		**1,594,260**	1,570,687

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

Director | Chief Financial Officer | Chief Executive

Consolidated Profit and Loss Account

For the year ended June 30, 2017

Amounts in PKR '000

	Note	June 30, 2017	June 30, 2016
Sales - net	25	**1,826,825**	2,012,770
Cost of sales	26	**(1,617,005)**	(1,871,442)
Gross profit		**209,820**	141,328
Administrative expenses	27	**(92,114)**	(86,728)
Distribution and marketing expenses	28	**(62,752)**	(65,283)
Other income	29	**50,074**	47,514
Other expenses	30	**(19,135)**	(17,221)
Operating profit		**85,893**	19,610
Finance costs	31	**(35,167)**	(31,786)
Profit / (loss) before taxation		**50,726**	(12,176)
Taxation	32	**(21,628)**	5,844
Profit / (loss) for the year		**29,098**	(6,332)
Earnings / (loss) per share - basic and diluted	33	**Rs. 1.29**	Rs. (0.28)

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

Director

Chief Financial Officer

Chief Executive

Consolidated Statement of Comprehensive Income

For the year ended June 30, 2017

Amounts in PKR '000

	Note	June 30, 2017	June 30, 2016
Profit / (loss) for the year		**29,098**	(6,332)
Other comprehensive income for the year			
Items that will not be reclassified subsequently to profit or loss:			
Acturial (loss) / gain on remeasurement of retirement and other service benefits		**(10,372)**	252
Total comprehensive income / (loss) for the year		**18,726**	(6,080)

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

Director	Chief Financial Officer	Chief Executive

Consolidated Statement of Cash Flows

For the year ended June 30, 2017

Amounts in PKR '000

	Note	June 30, 2017	June 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	37	**193,969**	20,718
Retirement and other service benefits paid		**(24,030)**	(8,851)
Finance costs paid		**(4,309)**	(33,279)
Taxes paid		**(21,299)**	(37,696)
Long-term loans - net		**10,720**	18,004
Long-term deposits - net		**6,888**	149
Cylinder and regulator deposits - net		**25,777**	38,641
Net cash generated from / (used in) operating activities		**187,716**	(2,314)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		**(33,064)**	(26,994)
Purchase of intangible assets		**(123,000)**	(135,000)
Redemption of short-term investment		**-**	2,992
Interest received		**4,733**	7,360
Net cash used in investing activities		**(151,331)**	(151,642)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**(5,281)**	(5,389)
Repayment of long-term loan		**-**	(9,500)
Repayment of loan from directors		**(18,818)**	(8,328)
Repayment of liabilities under finance lease		**(3,002)**	(3,034)
Net cash used in financing activities		**(27,101)**	(26,251)
Net increase / (decrease) in cash and cash equivalents		**9,284**	(180,207)
Cash and cash equivalents at beginning of the year		**103,872**	284,079
Cash and cash equivalents at end of the year		**113,156**	103,872

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

Director	Chief Financial Officer	Chief Executive

Consolidated Statement of Changes In Equity

For the year ended June 30, 2017

		Reserves					
		Capital		Revenue			
	Issued, subscribed & paid-up Capital	Reserve on amalga-mation	General reserve	Unappro-priated profit	Actuarial (loss) / gain on remeasurement of retirement and other service benefits	Total reserves	Total equity
	------------------------------------- (Rupees in '000)						--
Balance as at June 30, 2015	224,888	153,458	90,000	79,391	(11,094)	311,755	536,643
Loss for the year	-	-	-	(6,332)	-	(6,332)	(6,332)
Other comprehensive income for the year	-	-	-	-	252	252	252
Total comprehensive loss for the year	-	-	-	(6,332)	252	(6,080)	(6,080)
Interim dividend @ Re.1 per share	-	-	-	(22,929)	-	(22,929)	(22,929)
Balance as at June 30, 2016	**224,888**	**153,458**	**90,000**	**50,130**	**(10,842)**	**282,746**	**507,634**
	-	-	-	29,098	-	29,098	29,098
Other comprehensive income for the year	-	-	-	-	(10,372)	(10,372)	(10,372)
Total comprehensive income for the year	-	-	-	29,098	(10,372)	18,726	18,726
Interim dividend @ Re.1 per share	-	-	-	(22,489)	-	(22,489)	(22,489)
Balance as at June 30, 2017	**224,888**	**153,458**	**90,000**	**56,739**	**(21,214)**	**278,983**	**503,871**

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

Director

Chief Financial Officer

Chief Executive

Notes to the Consolidated Financial Statements
For the year ended June 30, 2017

1. LEGAL STATUS AND OPERATIONS OF THE GROUP

The Group consists of Burshane LPG (Pakistan) Limited (the Holding Company) and its subsidiary company i.e. Burhsane Auto Gas (Private) Limited (the Subsidiary Company) that have been consolidated in these financial statements.

1.1 Holding company

Burshane LPG (Pakistan) Limited (the Holding Company) is a limited liability company incorporated in Pakistan and is listed on the Pakistan Stock Exchange. The registered office of the 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 of Liquefied Petroleum Gas (LPG) throughout Pakistan and trading of Low Pressure Regulators (LPR).

The Holding Company was a subsidiary of H.A.K.S. Trading (Private) Limited (HTPL) - former 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 on February 20, 2015, as more fully explained in note 5.

1.2 As of the balance sheet date, the Holding Company holds 100% voting rights and control of Burshane Auto Gas (Private) Limited (note 1.2.1).

1.2.1 Burshane Auto Gas (Private) Limited (the Subsidiary Company) was incorporated on 26 September 2014 under the repealed Companies Ordinance, 1984. The Subsidiary Company is mainly engaged in opening and managing petrol pumps and Liquefied Petroleum Gas (LPG) outlets. The registered office of the Subsidiary Company is situated at Suit No.101, 1st Floor, Horizon Vista, Commercial - 10, Block 04, Clifton, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

During the year, the Companies Act, 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 17 of 2017 dated July 20, 2017 communicated its decision that the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, the Group's financial statements for the year ended June 30, 2017 have been prepared considering the requirements of the repealed Companies Ordinance, 1984 and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountants of Pakistan (ICAP), as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

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

2.3 Basis of consolidation

These consolidated financial statements comprise the financial statements of the Holding Company and its subsidiary company as at June 30, 2017, here-in-after referred to as 'the Group'.

2.3.1 Subsidiaries

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

power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)

exposure, or rights, to variable returns from its involvement with the investee.

the ability to use its power over the investee to affect its returns.

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

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

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

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

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

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

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

2.4 Functional and presentation currency

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

2.5 Standards, interpretations and amendments applicable to the financial statements

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year except as described below. The Group has adopted the following accounting standards and amendments which became effective for the current year:

IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements: Investment Entities: Applying the Consolidation Exception (Amendment)
IFRS 11 – Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment)
IAS 1 – Presentation of Financial Statements: Disclosure Initiative (Amendment)
IAS 16 – Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable of Depreciation and Amortization (Amendment) Method of Depreciation and Amortization (Amendment)
IAS 16 – Property, Plant and Equipment and IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)
IAS 27 – Separate Financial Statements: Equity Method in Separate 'Financial Statements (Amendment)

2.6 Annual improvements

IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal
IFRS 7 – Financial Instruments: Disclosures - Servicing contracts
IFRS 7 – Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements
IAS 19 – Employee Benefits - Discount rate: regional market issue
IAS 34 – Interim Financial Reporting - Disclosure of information elsewhere in the interim financial report

The adoption of the above accounting standards, amendments, improvements to accounting standards and interpretations did not have any material effect on these financial statements.

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

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

Standards or interpretations		Effective date (annual periods beginning on or after)
IFRS 2 –	Share Based Payments – Classification and Measurement of Share Based Payments Transactions (Amendments)	January 01, 2018
IFRS 10 –	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IAS 7 –	Statement of Cash Flows – Disclosure Initiative (Amendment)	January 01, 2017
IAS 12 –	Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2017
IFRS 4 –	Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 (Amendments)	January 01, 2018
IAS 40 –	Investment Property – Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22 –	Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 –	Uncertainty over Income Tax Treatments	January 01, 2019

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

In addition, the Companies Act, 2017 was enacted on 30 May 2017 and SECP vide its circular 17 of 2017 has clarified that the companies whose financial year closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017 applicable for financial year beginning on 1 July 2017 requires certain additional disclosures and Section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the Companies Act, 2017. This would require change in accounting policy relating to surplus on revaluation of fixed assets to bring it in line with the requirements of IAS 16 – Property, plant and equipment. The application of Companies Act 2017 is not likely to have financial impact on the Group's financial statements except extended disclosures.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan. The Group is currently evaluating the impact on the financial statements.

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
IFRS 17 –	Insurance Contracts	January 01, 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property, plant and equipment

3.1.1 Operating fixed assets

Owned

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

Depreciation is charged to profit and loss account using straight-line method whereby the cost of an asset is allocated over its estimated useful life at the rates given in note 6.1. Depreciation on additions is charged from the month in which the asset is available for use, while no depreciation is charged in the month in which the asset is disposed off. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each 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 and loss account as and when incurred.

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

Leased

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

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

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

3.1.2 Capital work-in-progress

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

3.2 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 repealed Companies Ordinance, 1984. The said section was amended through the repealed Companies (Amendment) Ordinance, 2002.

3.3 Intangible assets

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

i) Software

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

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

ii) Goodwill

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

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

iii) Trademarks

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

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

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

3.4 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 and loss account.

3.5 Financial instruments

3.5.1 Financial assets

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

(a) At fair value through profit or loss

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

(b) Loans and receivables

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

(c) Available-for-sale

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

(d) Held-to-maturity

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

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

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

3.5.2 Financial liabilities

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

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

3.5.3 Offsetting of financial assets and financial liabilities

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

3.6 Stores and spares

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

3.7 Stock-in-trade

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

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

3.8 Trade debts and other receivables

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

3.9 Cash and cash equivalents

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

3.10 Retirement and other service benefits

3.10.1 Defined benefit plans

The Holding Company operates:

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

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

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

3.10.2 Defined contribution plan

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

3.11 Loans and borrowings

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

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

3.12 Trade and other payables

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

3.13 Provisions

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

3.14 Taxation

3.14.1 Current

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

3.14.2 Deferred

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

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

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

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

3.15 Foreign currencies

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

3.16 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and is recognised on the following basis:

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

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

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

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

3.17 Borrowing costs

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

3.18 Dividend and appropriation to reserves

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

3.19 Earnings per share

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

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 Property, plant and equipment

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

4.2 Intangible assets

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

4.3 Taxation

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

4.4 Provision for retirement and other service benefits

The present value of these obligations depends on a number of factors that are determined on actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of these obligations. The present values of these obligations and the underlying assumptions are disclosed in note 35.

Notes to the Consolidated Financial Statements
For the year ended June 30, 2017

5. AMALGAMATION WITH HOLDING COMPANY

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

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

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

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

	Note	June 30, 2017	June 30, 2016
		----------(Rupees in '000)----------	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	**758,226**	750,668
Capital work-in-progress		**-**	100
		758,226	750,768

Notes to the Consolidated Financial Statements
For the year ended June 30, 2017

6.1 **Operating fixed assets**

	June 30, 2017							
	Cost / Revalued Amount*			Accumulated Depreciation			Net Book value	
	As at July 01, 2016	Additions	As at June 30, 2017	As at July 01, 2016	Charge for the year (note 6.1.2)	As at June 30, 2017	As at June 30, 2017	Rate of depreciation
	(Rupees in '000)							
Owned								
Freehold land*	15,000	-	15,000	-	-	-	15,000	Nil
Leasehold land*	509,138	-	509,138	-	-	-	509,138	Nil
Building on freehold land	5,580	-	5,580	4,055	127	4,182	1,398	5%
Building on leasehold land	77,714	-	77,714	47,155	2,211	49,366	28,348	5%
Plant and machinery	62,024	1,752	63,776	49,337	1,293	50,630	13,146	5%
Furniture, fittings, electrical and other equipments	79,729	503	80,232	68,641	1,599	70,240	9,992	10%-15%
Vehicles	58,561	-	58,561	57,308	441	57,749	812	20%-25%
Tanks, pipelines and fittings	96,021	-	96,021	61,197	699	61,896	34,125	10%
Fire fighting equipment	20,761	209	20,970	15,607	985	16,592	4,378	15%
Cylinders and regulators (note 6.1.3)	548,123	30,300	578,423	435,545	11,966	447,511	130,912	10%
Office equipment	4,715	-	4,715	4,075	85	4,160	555	15%
Computers and related accessories	16,861	300	17,161	16,372	165	16,537	624	33.33%
Leased								
Vehicles	23,738	-	23,738	8,005	5,935	13,940	9,798	25%
	1,517,965	33,064	1,551,029	767,297	25,506	792,803	758,226	

	June 30, 2016							
	Cost / Revalued Amount*			Accumulated Depreciation			Net Book value	
	As at July 01, 2015	Additions	As at June 30, 2016	As at July 01, 2015	Charge for the year (note 6.1.2)	As at June 30, 2016	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	-	-	-	509,138	Nil
Building on freehold land	5,580	-	5,580	3,875	180	4,055	1,525	5%
Building on leasehold land	77,714	-	77,714	44,878	2,277	47,155	30,559	5%
Plant and machinery	61,952	72	62,024	46,478	2,859	49,337	12,687	5%
Furniture, fittings, electrical and other equipments	77,961	1,768	79,729	62,852	5,789	68,641	11,088	10%-15%
Vehicles	57,165	1,396	58,561	55,132	2,176	57,308	1,253	20%-25%
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 (note 6.1.3)	524,884	23,239	548,123	422,094	13,451	435,545	112,578	10%
Office equipment	4,560	155	4,715	3,974	101	4,075	640	15%
Computers and related accessories	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	767,297	750,668	

6.1.1 As at June 30, 2017, property, plant and equipment having cost of Rs. 550.452 million (2016: Rs. 369.015 million) are fully depreciate.

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

	Note	June 30, 2017	June 30, 2016
		----------(Rupees in '000)----------	
Cost of products sold	26	**4,773**	10,395
Administrative expenses	27	**8,021**	13,674
Distribution and marketing expenses	28	**12,712**	12,295
		25,506	36,364

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

6.1.4 The Group's freehold land and leasehold land was revalued on 15 June 2015 by M/s. Consultancy Support and Services and Harvestor Services (Private) Limited, respectively. Had the revaluation not been carried out, the carrying value of freehold land and leasehold land would have been lower by Rs. 5.627 million (2016: Rs. 5.627 million) and Rs. 266.097 million (2016: Rs. 266.097 million), respectively.

7. INTANGIBLE ASSETS

	Cost			Accumulated Amortisation			Net Book Value	
	As at July 01, 2016	Additions	A at June 30, 2017	As at July 01, 2016	Charge for the year (note 7.5)	As at June 30, 2017	at June 30, 2017	Rate of amortisation
			---------- (Rupees in '000) ----------					
Goodwill (note 7.1)	**253,091**	**-**	**253,091**	**-**	**-**	**-**	**253,091**	**Nil**
Computer software	**4,569**	**-**	**4,569**	**4,569**	**-**	**4,569**	**-**	**20%**
Rights under supply contracts (notes 7.2 and 7.3)	**221,706**	**123,000**	**344,706**	**94,371**	**49,233**	**143,604**	**201,102**	**7.14%-33%**
Trademarks (note 7.1 & 7.4)	8,600	-	8,600	-	-	-	8,600	Nil
2017	**487,966**	**123,000**	**610,966**	**98,940**	**49,233**	**148,173**	**462,793**	

	Cost			Accumulated Amortisation			Net Book Value	
	As at July 01, 2015	Additions	A at June 30, 2016	As at July 01, 2015	Charge for the year (note 7.5)	As at June 30, 2016	As at June 30, 2016	Rate of amortisation
			---------- (Rupees in '000) ----------					
Goodwill (note 7.1)	253,091	-	253,091	-	-	-	253,091	Nil
Computer software	4,569	-	4,569	4,025	544	4,569	-	20%
Rights under supply contracts (notes 7.2 and 7.3)	86,706	135,000	221,706	68,306	26,065	94,371	127,335	7.14%-33%
Trademarks (note 7.1 & 7.4)	8,600	-	8,600	-	-	-	8,600	Nil
2016	352,966	135,000	487,966	72,331	26,609	98,940	389,026	

7.1 This represents excess of cost of acquisition over fair value of the identifiable assets and liabilities of the Holding Company at the time of acquisition by HTPL (note 5).

7.1.1 Impairment testing of goodwill and trademarks:

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

	June 30, 2017	June 30, 2016
	----------(Rupees in '000)----------	
Carrying amount of goodwill	**253,091**	253,091
Carrying amount of trademarks	**8,600**	8,600

The Holding Company performed its annual impairment test in June 2017 and June 2016. 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, 2017, 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.1,752.214 million as at June 30, 2017 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 Tax Amortisation Benefit (TAB) was appropriately calculated over a 10 year amortization period, using the statutory tax rates. The projected cash flows have been updated to reflect increase in demand for LPG, and consequent imports. The pre-tax discount rate applied to cash flow projections is 13.56% and cash flows beyond the five-year period are extrapolated using a 5.0% 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, 2017.

The Holding Company tested its trademark "Burshane" as at June 30, 2017 and June 30, 2016 for impairment. Value in Use of Rs. 376 million as at June 30, 2017 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:

Price and cost per ton
Discount rates
Market share during the forecast period
Royalty rate used for the forecast period
Growth rate used to extrapolate cash flows beyond the forecast period

Price and cost per ton

Value in use is sensitive to price and cost per ton of local and imported LPG and cost pass-through. Cost per ton has been assumed to increase in line with inflation and price per ton has been assumed to incorporate 100% inflation pass-through.

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 Holding Company's investors. The cost of debt is based on the interest-bearing borrowings the Holding Company is obliged to service.

Market share during the forecast period

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

Royalty rate used for the forecast period

The cash flows have been estimated using a royalty rate of 1.5% and have been discounted at the WACC. The royalty rate is based on that used by similar businesses.The TAB was appropriately calculated over a 10 year amortization period, using the statutory tax rates. Cash flows beyond the five-year period are extrapolated using a 5.0% 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, 2017.

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:

Price and cost per ton

Value in use is sensitive to price and cost per ton of local and imported LPG and cost pass-through. The value in use was tested at various levels of pass-through, and found it to be comfortably above the carrying value at thresholds above 78%.

Discount rate assumptions

A rise in pre-tax discount rate to 19.8% would result in the impairment of the CGU.

Market share during the forecast period assumptions

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

Royalty rate assumptions

The cash flows have been estimated using a royalty rate of 1.5%, and have been discounted at the WACC. The royalty rate is based on that used by similar businesses. The TAB was appropriately calculated over a 10 year amortization period, using the statutory tax rates. Cash flows beyond the five-year period are extrapolated using a 5.0% 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 2017.

Growth rate assumptions

Cashflow beyond the forecast period have been extrapolated using 5.0% growth based on that used by the management and long term real GDP growth forecast from Oxford Economics.

7.2 This includes Rs. 64.206 million representing consideration for beneficial rights of continuous supply of LPG under the supply contract between Sui Northern Gas Pipelines Limited (SNGPL) and Pak Arab Refinery Limited (PARCO) which was transferred to the Group as part of its acquisition of the LPG business of SNGPL in October 2001. The asset was recorded at its cost, which was bifurcated from the total cost of acquisition of Rs. 142 million, on the basis of a valuation carried out by an independent valuer. This cost has been amortised over a period of fourteen years, being the remaining period of the supply contract with PARCO at the acquisition date, ended in prior year. Further, on completion of term of the existing contract during the prior year, the Group 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 Group has agreed to pay a signature bonus of Rs. 248 million out of which Rs. 125 million was paid in prior year and Rs. 123 million was paid during the year.

7.3 During 2014, the Group 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 Group 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 Group is not a party, the LPG purchase agreement between the Group and GHPL has not yet been executed. The supply of LPG from Makori Gas Field is in accordance with the terms and conditions contained in the tender document and is for a temporary period of five years. Accordingly, Rs. 22.5 million, paid as signature bonus, being right to continuous supply of LPG, has been recognised as an intangible asset with a useful life of five years.

7.4 This represents consideration paid to OPI Gas (Private) Limited in 2011 for acquisition of rights and title to "Burshane" trademarks. These trade marks are considered to have an indefinite useful life, and therefore have not been amortised. Further, no impairment has been identified in this regard (note 7.1).

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

	Note	June 30, 2017	June 30, 2016
		----------(Rupees in '000)----------	
Cost of sales	26	**49,233**	26,065
Administrative expenses	27	**-**	544
		49,233	26,609

8. LONG-TERM LOANS

	Note	June 30, 2017	June 30, 2016
Unsecured, considered good			
Chief Executive	8.2, 8.4 & 8.6	**-**	8,500
Directors	8.3 & 8.4	**1,555**	3,832
Executives	8.4	**1,992**	2,482
Other employees	8.4	**509**	84
Supplier	8.5	**8,504**	22,650
	8.7	**12,560**	37,548
Current maturity of long-term loans:			
Chief Executive		**-**	(6,000)
Directors		**(1,892)**	(2,077)
Executives		**(974)**	(986)
Other employees		**(160)**	(85)
Supplier		**(8,504)**	(16,650)
		(11,530)	(25,798)
		1,030	11,750

8.1 Reconciliation of carrying amount of loans:

	2017						2016
	Chief Executive	Directors	Executives	Other employees	Supplier	Total	Total
	(Rupees in '000)						
Opening balance	8,500	3,832	2,482	84	22,650	37,548	48,979
Disbursements	-	-	827	564	-	1,391	7,351
Repayments / adjustments	(8,500)	(1,840)	(1,754)	(139)	(14,146)	(26,379)	(18,782)
Closing balance	-	1,992	1,555	509	8,504	12,560	37,548

8.2 During the year, Chief Executive has fully settled / paid the interest free loan granted by the Holding Company which was given as per its policy. This loan was approved by the Securities and Exchange Commission of Pakistan (SECP) vide their letter number EMD/233/642/02.1699 dated March 31, 2015.

8.3 Represents interest free loan granted by the Holding Company to Chief Financial Officer and Director Sales and Marketing during last year, amounting to Rs. 3 million and Rs. 1.85 million respectively, given as per its policy, repayable in 30 equal monthly installments.

8.4 These loans are granted to employees under the Holding Company's policies. Car and motor cycle loans are repayable over a maximum period of five years and two and a half years respectively. Housing loans are repayable in maximum 50 equal monthly installments and salary loans are repayable over a maximum period of three years. 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 (CE) / 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.

8.5 Represents unsecured interest free loan granted by the Holding Company on 01 July 2015 to a transporter repayable in 30 equal monthly installments.

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. 14.710 million (2016: Rs. 22.930 million).

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. Nil (2016: Rs. 4.650 million). Further interest free loans are not discounted to present value, since the impact is considered to be immaterial in the overall context of these consolidated financial statements.

9. LONG-TERM DEPOSITS

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

	Note	June 30, 2017	June 30, 2016
10. STORES AND SPARES		----------(Rupees in '000)----------	
Stores		**6,052**	3,146
Spare parts		**1,068**	2,098
		7,120	5,244
Provision for obsolete items		**(1,320)**	(1,320)
		5,800	3,924
11. STOCK-IN-TRADE			
Liquefied Petroleum Gas (LPG)	11.1	**47,081**	32,348
Low Pressure Regulators (LPR)		**3,674**	5,188
		50,755	37,536

11.1 Includes stock amounting to Rs. 7.092 million (2016: Rs. 3.168 million) held with the following parties under hospitality arrangements:

	June 30, 2017	June 30, 2016
	----------(Rupees in '000)----------	
Pakistan State Oil Company Limited	**-**	865
OPI Gas (Private) Limited	**-**	309
Sadiq Gas Company	**3,514**	1,945
Sindh Gas (Private) Limited	**-**	40
Blessing Gas (Private) Limited	**1,257**	-
Tez Gas (Private) Limited	**2,016**	-
Petroleum Gas (Private) Limited	**305**	-
Marshal Gas (Private) Limited	**-**	9
	7,092	3,168

11.2 As at June 30, 2017, stock of LPG held on behalf of third parties amounted to Rs. 2.968 million (2016: Rs. 2.281 million).

	Note	June 30, 2017	June 30, 2016
		----------(Rupees in '000)----------	
12v. TRADE DEBTS			
Unsecured, considered good	12.1	**5,001**	11,400

12.1 Includes trade debts aggregating to Rs. 4.543 million (2016: Rs. 7.586 million) which were past due but not impaired. These relate to various customers for which there is no or some history of default, however, no losses. Aging analysis of these trade debts as at 30 June is as follows:

	June 30, 2017	June 30, 2016
	----------(Rupees in '000)----------	
Upto 1 month	**1,484**	3,280
1 to 6 months	**596**	2,189
More than 6 months	**2,463**	2,117
	4,543	7,586

Notes to the Consolidated Financial Statements
For the year ended June 30, 2017

	Note	June 30, 2017	June 30, 2016
13. LOANS AND ADVANCES		----------(Rupees in '000)----------	
Loans - secured, considered good			
Current maturity of long-term loans	8	**11,530**	25,798
Advances - unsecured, considered good			
Executives	13.1	**1,713**	296
Contractors and suppliers		**61,966**	143,570
		63,679	143,866
		75,209	169,664

13.1 The maximum aggregate amount due from executives at the end of any month was Rs. 1.136 million (2016: Rs. 0.296 million).

	Note	June 30, 2017	June 30, 2016
14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		----------(Rupees in '000)----------	
Deposits		**647**	647
Prepayments		**5,319**	4,279
Other receivables	14.1	**41,326**	8,917
		47,292	13,843
14.1 Other receivables:			
OPI Gas (Private) Limited	14.1.1	**3,642**	3,642
Burshane LPG (Pakistan) Limited - Provident Fund		**6,906**	-
Burshane Petroleum (Private) Limited	14.1.2	**9,000**	9,000
Accrued interest		**118**	163
Sales tax receivable		**11,336**	-
Others	14.1.3	**16,539**	10,933
		47,541	23,738
Provision for impairment	14.1.4	**(6,215)**	(14,821)
		41,326	8,917

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

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

14.1.3 Includes receivable against hospitality arrangements of Rs. 5.05 million (2016: Rs. 3.57 million) and receivable against cylinder deposits of Rs. 3.91 million (2016: Rs. 0.76 million).

	June 30, 2017	June 30, 2016
14.1.4 Provision for impairment:	----------(Rupees in '000)----------	
Opening balance	**14,821**	2,573
Charge for the year	**-**	12,248
Reversed during the year	**(8,606)**	-
Closing balance	**6,215**	14,821

Notes to the Consolidated Financial Statements

For the year ended June 30, 2017

	Note	June 30, 2017	June 30, 2016
15. CASH AND BANK BALANCES			
Cash in hand		30	260
Cash at banks:			
saving accounts	15.1	52,734	61,068
current accounts		60,392	42,544
		113,126	103,612
		113,156	103,872

15.1 The profit rates on these saving accounts range from 1.95% to 5.9% per annum (2016: 3.75% to 4% per annum).

16. SHARE CAPITAL

16.1 Authorised capital

June 30, 2017	June 30, 2016		June 30, 2017	June 30, 2016
--------(Number of shares)--------			----------(Rupees in '000)----------	
90,000,000	90,000,000	Ordinary shares of Rs.10 each	900,000	900,000

16.2 Issued, subscribed and paid-up capital

June 30, 2017	June 30, 2016		June 30, 2017	June 30, 2016
--------(Number of shares)--------			----------(Rupees in '000)----------	
		Ordinary shares of Rs.10 each issued as:		
19,881,766	19,881,766	fully paid up in cash (note 16.3)	198,817	198,817
76,820	76,820	fully paid for consideration other than cash	768	768
2,530,304	2,530,304	fully paid bonus shares	25,303	25,303
22,488,890	22,488,890		224,888	224,888

16.3 As a result of the Scheme referred to in note 5, the authorised share capital of the Holding Company enhanced to Rs.900 million divided into 90 million ordinary shares of Rs.10 each. Further, pursuant to the effects of amalgamation, the paid-up share capital of the Holding Company reduced by 151,154 shares (note 5).

16.4 As more fully explained in note 5, the Holding Company is in the process of completing legal formalities for cancellation of 151,154 shares and for issuance of new shares to the shareholders of HTPL (former Holding 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.

	June 30, 2017	June 30, 2016
17. RESERVES	----------(Rupees in '000)----------	
Capital reserve		
Reserve on amalgamation	153,458	153,458
Revenue reserves		
General reserve	90,000	90,000
Unappropriated profit	56,739	50,130
Actuarial loss on remeasurement of retirement and other service benefits	(21,214)	(10,842)
	125,525	129,288
	278,983	282,746

Amounts in PKR '000

	Note	June 30, 2017	June 30, 2016
18. LONG-TERM LOAN			
Secured			
National Bank of Pakistan (NBP)	18.1	**254,439**	254,439
Current maturity of long-term loan		**(254,439)**	(168,278)
		-	86,161

18.1 As a result of the Scheme referred to in note 5, long-term finance obtained by HTPL has been transferred to the Holding Company at the time of amalgamation. The loan was obtained as a demand finance facility under the agreement dated April 08, 2013 from NBP and is repayable in 9 semi-annual installments of Rs. 44.444 million latest by April 01, 2018 with a grace period of six months from the date of the drawdown. The loan carries 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, 2017, amount due but not paid by the Holding Company was Rs. 168.26 million and during the year the Holding Company has classified this liabilty as current due to breach of certain covenants. No payment was made by the Holding Company in respect of the overdue amount subsequent to year-end.

	June 30, 2017	June 30, 2016
19. LIABILITIES UNDER FINANCE LEASE	----------(Rupees in '000)----------	
Opening balance	**9,944**	12,978
Principal repayment during the year	**(3,002)**	(3,034)
Present value of minimum lease payments	**6,942**	9,944
Current maturity of liabilties under finance lease	**(3,002)**	(3,002)
Closing balance	**3,940**	6,942

19.1 Represents finance lease entered into with a leasing company for vehicles. Total lease rentals due under lease agreement aggregated to Rs. 7.792 million (2016: Rs. 11.663 million) and are payable in equal monthly installments latest by March 2020. Taxes, charges, demands and levies, repair and maintenance are to be borne by the Holding Company. Financing rates of 3 months KIBOR plus 3% (2016: 3 months KIBOR plus 3%) per annum have been used as discounting factor. The breakup of liabilities under finance lease is as follows:

	2017		2016	
	Minimum lease payments	**Present value of minimum lease payments**	**Minimum lease payments**	**Present value of minimum lease payments**
	--------------------------------(Rupees in '000)------------------------------			
Not later than 1 year	**3,567**	**3,002**	3,871	3,002
After one year but not more than five year	**4,225**	**3,940**	7,792	6,942
Total minimum lease payments	**7,792**	**6,942**	11,663	9,944
Finance charges allocated to future periods	**(850)**	**-**	(1,719)	-
Present value of minimum lease payments	**6,942**	**6,942**	9,944	9,944
Current maturity	**(3,002)**	**(3,002)**	(3,002)	(3,002)
	3,940	**3,940**	6,942	6,942

		June 30, 2017	June 30, 2016
20.	**DEFERRED TAXATION - net**	----------(Rupees in '000)----------	
	Taxable temporary differences		
	Accelerated tax depreciation and amortisation	**27,921**	29,461
	Deductible temporary differences		
	Liabilities under finance lease	**(2,083)**	(3,182)
	Minimum turnover tax	**(18,680)**	(19,528)
	Provisions	**(2,260)**	(5,165)
		(23,023)	(27,875)
		4,898	1,586

21. CYLINDER AND REGULATOR DEPOSITS

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

22. LOANS FROM DIRECTORS

During the year, the Holding Company has fully repaid / settled the short-term interest free loans received from Mr. Asad Alam Khan Niazi (Chief Executive) and Mr. Shahriar D. Sethna (Non-executive Director) amounting to Rs. 13.798 million and Rs. 5.020 million respectively. These loans were received by HTPL and were transferred to the Holding Company at the time of amalgamation. Further, these loans were sub-ordinated to the long-term loan.

		Note	June 30, 2017	June 30, 2016
23.	**TRADE AND OTHER PAYABLES**			
	Creditors		**56,177**	48,064
	Accrued liabilities		**10,649**	16,386
	Burshane (LPG) Pakistan Limited:			
	Gratuity Fund	35.1.1	**3,200**	1,607
	Pension Fund	35.1.1	**6,089**	4,339
	Provident Fund		**-**	5,172
	Workers' Profits Participation Fund	23.1	**2,718**	8,800
	Workers' Welfare Fund		**710**	51
	Withholding tax payable		**2,445**	670
	Sales tax payable		**-**	4,273
	Advances from distributors / customers		**17,470**	18,091
	Unclaimed / unpaid dividends	23.2	**36,273**	19,065
	Zakat payable		**60**	126
	Others		**4,746**	3,448
			140,537	130,092

		Note	June 30, 2017	June 30, 2016
23.1	**Workers' Profit Participation Fund**			
	Opening balance		**8,800**	8,120
	Interest charged during the year	31	**-**	680
	Allocation for the year	30	**2,718**	-
	Amount paid during the year		**(8,800)**	-
	Closing balance		**2,718**	8,800

23.2 Includes an amount of Rs. 33.672 million (2016: Rs. 16.863 million) payable to the beneficial owners of HTPL. As explained in note 5, HTPL was merged with the Holding Company on February 20, 2015, however shares held by HTPL in the Holding Company are in the process of being cancelled and new shares shall be issued by the Holding Company in the name of beneficial owners of HTPL. The beneficial owners of HTPL have requested the Holding Company to hold their dividend till such time that shares held by HTPL are cancelled and new shares are issued by the Holding Company in their name.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2017

24. CONTINGENCIES

Claims not acknowledged as debt by the Group as at June 30, 2017 amounted to Rs. 2.060 million (2016: Rs. 16.200 million).

	Note	June 30, 2017	June 30, 2016
25. SALES - net		----------(Rupees in '000)----------	
Liquified petroleum gas (LPG)		**2,167,620**	2,385,817
Sales tax		**(342,425)**	(374,714)
		1,825,195	2,011,103
Low pressure regulators (LPR)		**1,929**	1,973
Sales tax		**(299)**	(306)
		1,630	1,667
		1,826,825	2,012,770
26. COST OF SALES			
Opening stock		**32,348**	35,011
Purchases		**1,532,987**	1,782,580
		1,565,335	1,817,591
Closing stock	11	**(47,081)**	(32,348)
		1,518,254	1,785,243
Salaries, wages and other employee benefits	26.1	**25,909**	26,936
Cost of Low Pressure Regulators sold		**1,514**	1,290
Stores and spares consumed	26.2	**3,794**	5,328
Repairs and maintenance		**3,477**	5,507
Travelling, conveyance and vehicle maintenance		**1,363**	137
Rent, rates and electricity		**3,636**	4,760
Communication		**1,183**	827
Printing and stationery		**217**	320
Insurance		**-**	1,412
Depreciation	6.1.2	**4,773**	10,395
Amortisation	7.5	**49,233**	26,065
Security		**3,466**	3,094
Sundry expenses		**186**	128
		1,617,005	1,871,442

26.1 Include Rs. 0.703 million (2016: Rs. 0.692 million) in respect of retirement and other service benefits.

	Note	June 30, 2017	June 30, 2016
26.2 Stores and spares consumed:			
Opening balance		**3,924**	3,607
Purchases		**5,670**	5,645
		9,594	9,252
Closing balance	10	**(5,800)**	(3,924)
		3,794	5,328

Notes to the Consolidated Financial Statements
For the year ended June 30, 2017

		Note	June 30, 2017	June 30, 2016
27.	**ADMINISTRATIVE EXPENSES**		----------(Rupees in '000)----------	
	Salaries, wages and other employee benefits	27.1	**54,196**	44,172
	Repairs and maintenance		**2,150**	1,388
	Travelling, conveyance and vehicle maintenance		**6,615**	3,997
	Rent, rates and electricity		**4,166**	5,738
	Communication		**1,873**	1,988
	Printing and stationery		**1,230**	1,224
	Legal and professional charges		**6,658**	5,579
	Insurance		**2,417**	1,439
	Advertisement and publicity		**717**	579
	Depreciation	6.1.2	**8,021**	13,674
	Amortisation	7.5	**-**	544
	Security		**1,334**	1,137
	Donations		**1,271**	2,018
	Sundry expenses		**1,466**	3,251
			92,114	86,728

27.1 Include Rs. 3.982 million (2016: Rs. 5.068 million) in respect of retirement and other service benefits.

		Note	June 30, 2017	June 30, 2016
28.	**DISTRIBUTION AND MARKETING EXPENSES**		----------(Rupees in '000)----------	
	Salaries, wages and other employee benefits	28.1	**12,325**	14,242
	Repairs and maintenance		**260**	116
	Travelling, conveyance and vehicle maintenance		**1,521**	770
	Rent, rates and electricity		**311**	808
	Communication		**507**	556
	Printing and stationery		**119**	121
	Insurance		**-**	66
	Hospitality charges		**24,417**	26,020
	Freight and octroi		**2,087**	6,111
	Advertisement and publicity		**-**	249
	Commission		**7,914**	3,419
	Depreciation	6.1.2	**12,712**	12,295
	Security		**461**	398
	Sundry expenses		**118**	112
			62,752	65,283

28.1 Include Rs. 0.239 million (2016: Rs. 0.251 million) in respect of retirement and other service benefits.

			June 30, 2017	June 30, 2016
29.	**OTHER INCOME**		----------(Rupees in '000)----------	
	Income from financial assets			
	Profit on saving accounts		**4,688**	6,987
	Income from non-financial assets			
	Rental income from storage tanks		**1,344**	1,439
	Liability for cylinder deposits written back	29.1	**21,235**	-
	Reversal of provision for impairment	14.1.4	**8,606**	-
	Recoveries against cylinder replacement		**2,631**	2,841
	Hospitality income		**10,640**	6,089
	Old liabilities written back		**-**	20,889
	Scrap sales		**-**	2
	Others		**930**	9,267
			45,386	40,527
			50,074	47,514

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

	Note	June 30, 2017	June 30, 2016
		----------(Rupees in '000)----------	
30. OTHER EXPENSES			
Workers' Profits Participation Fund	23.1	**2,718**	-
Workers' Welfare Fund		**710**	148
Auditors' remuneration	30.1	**1,857**	1,347
Provision for impairment of other receivables	14.1.4	**-**	12,248
Directors' fees		**825**	1,038
Trade debts written off		**7,211**	-
Others		**5,814**	2,440
		19,135	17,221
30.1 Auditors' remuneration:			
Statutory audit		**1,000**	784
Half yearly review		**400**	260
Review of code of corporate governance		**150**	60
Out of pocket expenses		**307**	243
		1,857	1,347
31. FINANCE COSTS			
Mark-up on long-term loan		**30,857**	24,698
Finance charges on liabilities under finance lease		**879**	1,719
Interest on Workers' Profits Participation Fund	23.1	**-**	680
Bank charges		**3,431**	4,689
		35,167	31,786
32. TAXATION			
Current	32.1	**18,710**	20,897
Prior		**(394)**	(4,751)
Deferred		**3,312**	(21,990)
		21,628	(5,844)

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

33. EARNINGS / (LOSS) PER SHARE – basic and diluted	**2017**	**2016**
Profit / (loss) for the year (Rupees in '000)	**29,098**	(6,332)
Weighted average number of ordinary shares in issue (in '000)	**22,489**	22,489
Earnings / (loss) per share - basic and diluted	**Rs. 1.29**	Rs. (0.28)

34. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2017				2016			
	Chief Executive	Directors	Executives	Total	Chief Executive	Director	Executives	Total
	(Rupees in '000)							
Managerial remuneration	22,410	12,459	19,446	54,315	21,600	12,155	17,785	51,540
Bonus	2,340	1,216	3,811	7,367	-	-	-	-
Company's contribution to provident fund	952	365	872	2,189	918	356	756	2,030
Travelling and conveyance	-	194	321	515	-	135	441	576
Medical allowance	-	327	657	984	21	290	594	904
	25,702	14,561	25,107	65,370	22,539	12,936	19,576	55,050
Number of persons (including those who worked part of the year)	1	2	17	20	1	2	15	18

34.1 Fee amounting to Rs. 0.55 million (2016: Rs. 0.717 million) was paid to four non-executive directors for attending Board meetings during the year.

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

35. RETIREMENT AND OTHER SERVICE BENEFITS

35.1 Pension fund and gratuity fund - valuation results

The latest actuarial valuations of the defined benefit plans were carried out as at June 30, 2017, using the "Projected Unit Credit Method". The details of defined benefit plans are as follows:

	Note	Pension Fund 2017	Pension Fund 2016	Gratuity Fund 2017	Gratuity Fund 2016
		(Rupees in '000)			
35.1.1 Balance sheet reconciliation:					
Fair value of plan assets	35.1.4	(96,825)	(98,365)	(12,554)	(11,204)
Present value of defined benefit obligations	35.1.3	102,914	102,704	15,754	12,811
Net liability at end of the year	35.1.2	6,089	4,339	3,200	1,607
35.1.2 Movement in net liability recognised:					
Opening balance		4,339	6,176	1,607	5,266
Charge for the year	35.1.5	1,766	2,290	188	936
Amounts paid to the Fund		(7,167)	(7,075)	-	(1,776)
Employee contribution to be paid to fund		184	239	-	-
Remeasurements recognised in other comprehensive income	35.1.7	6,967	2,709	3,405	(2,819)
Employer contribution to the fund		-	-	(2,000)	-
Closing balance		6,089	4,339	3,200	1,607
35.1.3 Movement in defined benefit obligations:					
Opening balance		102,704	97,531	12,811	15,294
Current service cost		1,311	1,269	520	928
Interest cost		8,921	9,164	1,153	1,405
Benefits paid		(7,167)	(7,075)	-	(1,776)
Remeasurements of obligations	35.1.7	(2,855)	1,815	1,270	(3,040)
Closing balance		102,914	102,704	15,754	12,811

		Pension Fund		Gratuity Fund	
		2017	2016	2017	2016
35.1.4 Movement in fair value of plan assets:	Note	----------(Rupees in '000)----------			
Opening balance		**98,365**	91,355	**11,204**	10,028
Expected return on plan assets		**8,466**	8,143	**1,485**	1,397
Benefits paid on behalf of the Fund		**7,167**	7,075	**-**	1,776
Employees contributions		**(184)**	(239)	**2,000**	-
Benefits paid		**(7,167)**	(7,075)	**-**	(1,776)
Remeasurements of plan assets	35.1.7	**(9,822)**	(894)	**(2,135)**	(221)
Closing balance		**96,825**	98,365	**12,554**	11,204
35.1.5 Charge for the year:					
Current service cost		**1,311**	1,269	**520**	928
Net Interest cost		**455**	1,021	**(332)**	8
		1,766	2,290	**188**	936
35.1.6 Actual return on plan assets		**(1,356)**	7,249	**(650)**	1,176
35.1.7 Remeasurement recognised in Other Comprehensive Income:					
Remeasurement of obligation					
Loss / (gain) from change in financial assumptions		**-**	1,927	**-**	(1,696)
Experience (gain) / loss		**(2,855)**	(112)	**1,270**	(1,344)
		(2,855)	1,815	**1,270**	(3,040)
Remeasurement of plan assets					
Return on plan assets, excluding amounts included in interest expense / (income)		**-**	894	**2,135**	-
Loss / (gain) from change in financial assumptions		**9,822**	-	**-**	221
		9,822	894	**2,135**	221
		6,967	2,709	**3,405**	(2,819)

	Pension Fund		Gratuity Fund	
	2017	2016	2017	2016
	------------------ (Percentage) ------------------			
35.1.8 Principal actuarial assumptions used in the actuarial valuation:				
Financial assumptions				
Discount rate	**9.00%**	9.00%	**9.00%**	9.00%
Expected per annum rate of return on plan assets	**9.00%**	9.00%	**9.00%**	9.00%
Expected per annum rate of increase in salaries - long term	**7.00%**	7.00%	**7.00%**	7.00%
Expected per annum rate of increase in pension	**-**	-	**-**	-
Demographic assumptions				
Expected mortality rate	**Adjusted SLIC 2001-2005**	Adjusted SLIC 2001-2005	**Adjusted SLIC 2001-2005**	Adjusted SLIC 2001-2005
Expected withdrawal rate	**High**	High	**High**	High

	As at June 30, 2017 Pension Fund	Gratuity Fund
	-------- (Rupees in '000)	--------
35.1.9 Analysis of present value of defined benefit obligation:		
Vested benefits	96,219	15,679
Non-vested benefits	6,695	75
	102,914	15,754

35.1.10 Plan assets comprise of the following:

	Pension Fund				Gratuity Fund			
	2017		2016		2017		2016	
	Rupees in '000in	% in '000	Rupees in '000	% in '000	Rupees in '000	% in '000	Rupees in '000	%
Equity instruments	6,846	7.07	6,252	6.36	2,970	23.66	2,967	26.48
Debt instruments								
Defence Savings Certificates	16,112	16.64	14,783	15.03	13,426	106.95	12,319	109.95
Pakistan Investment Bonds	60,596	62.58	61,162	62.18	-	-	-	-
	76,708	79.22	75,945	77	13,426	106.95	12,319	109.95
Cash and cash equivalents	8,971	9.27	11,868	12.07	458	3.65	218	1.95
Others	4,300	4.44	4,300	4.37	(4,300)	(34.25)	(4,300)	(38.38)
	96,825		98,365		12,554		11,204	

35.1.11 As per IAS 19, the return on plan assets should be the same as the valuation discount rate. Therefore, the assumed return on plan assets is 9.00% per annum.

35.1.12 Historical information of staff retirement benefits:

	2017	2016	2015	2014	2013	2012
	----------	----------	----------	(Rupees in '000)	----------	----------
Gratuity Fund						
Present value of defined benefit obligation	15,754	12,811	15,294	16,392	26,406	30,212
Fair value of plan assets	(12,554)	(11,204)	(10,028)	(9,350)	(15,854)	(15,827)
Deficit	3,200	1,607	5,266	7,042	10,552	14,385
Pension Fund						
Present value of defined benefit obligation	102,914	102,704	97,531	93,748	127,719	125,980
Fair value of plan assets	(96,825)	(98,365)	(91,355)	(84,098)	(98,225)	(94,534)
(Deficit) / surplus	6,089	4,339	6,176	9,650	29,494	31,446

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

	As at June 30, 2017 Pension Fund	Gratuity Fund
	-------- (Rupees in '000)	--------
Discount rate + 1%	94,126	15,357
Discount rate - 1%	113,288	16,179
Long term salaries increase +1%	105,216	16,174
Long term salaries increase -1%	100,828	15,355
Withdrawal rates +1%	102,897	15,755
Withdrawal rates -1%	102,931	15,753

35.1.14 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.

35.2 Provident Fund

The following information is based upon the latest un-audited financial statements of the provident fund as at June 30, 2017 and June 30, 2016:

	Unaudited 2017	Unaudited 2016
	(Rupees in '000)	(Rupees in '000)
Size of the fund - total assets	30,498	49,059
Fair value of investments	30,188	48,470
Cost of investments	31,378	31,378
Percentage of investments	98.98%	98.80%

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

	2017		2016	
	Rupees in '000	%	Rupees in '000	%
Bank deposits	**1,348**	**4.47**	2,117	4.37
Government securities	**28,840**	**95.53**	46,353	95.63
	30,188	**100.00**	48,470	100.00

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

36. TRANSACTIONS WITH RELATED PARTIES

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

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

Transactions with related parties

Nature of relationship	Nature of transactions	2017 (Rupees in '000)	2016 (Rupees in '000)
Former Holding Company			
H.A.K.S Trading (Private) Limited	Dividend	**16,836**	16,836
Staff Retirement Benefit / Contribution Plans			
Burshane LPG (Pakistan) Limited:			
Gratuity Fund	Benefits paid	**-**	1,776
Pension Fund	Benefits paid	**7167**	7,075
Provident Fund	Company's contribution for the year	**2523**	2,394
Associated Companies / 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	**517**	140
	Expenses incurred for related party	**-**	7
	Advances recovered	**562**	-
ALSAA & AAK Commodities (Private) Limited	Advances given for expenses	**21**	15
	Advances recovered	**21**	-

36. TRANSACTIONS WITH RELATED PARTIES (continued)

Balances with related parties

Nature of relationship	Nature of balances	2017	2016
		----(Rupees in '000)----	
Former Holding Company			
H.A.K.S. Trading (Private) Limited	Dividend payable	**33,672**	16,836
Staff Retirement Benefit / Contribution Plans			
Burshane LPG (Pakistan) Limited:			
Gratuity Fund	Payable to Staff Gratuity Fund	**3,200**	1,607
Pension Fund	Payable to Staff Pension Fund	**6,089**	4,339
Provident Fund	Receivable from Staff Provident Fund	**6,906**	5,172
Associated Companies / Other Related Parties			
Burshane Petroleum (Private) Limited (Formerly Darian International (Private) Limited)	Receivable against use of name "Burshane"	**9,000**	9,000
Norinco International Thatta Power (Private) Limited	Receivable against expenses	**81**	126
ALSAA & AAK Commodities (Private) Limited	Receivable against expenses	**13**	13

	Note	June 30, 2017	June 30, 2016
37. CASH GENERATED FROM OPERATIONS			
Profit / (loss) before taxation		**50,726**	(12,176)
Adjustments			
Depreciation	6.1.2	**25,506**	36,364
Amortisation	7.5	**49,233**	26,609
Provision for impairment of other receivable	14.1.4	**-**	12,248
Reversal of provision of other receivable	14.1.4	**(8,606)**	-
Provision for retirement and other service benefits		**4,923**	5,620
Finance costs	31	**35,167**	31,786
Unrealised loss / (gain) on short term investment		**-**	123
Trade debts written off	30	**7,211**	-
Profit on saving accounts	29	**(4,688)**	(6,987)
Liability for cylinder deposits written back	29	**(21,235)**	-
Others		**(205)**	-
Working capital changes	37.1	**55,937**	(72,869)
		193,969	20,718

37.1 Working capital changes

(Increase) / decrease in current assets:			
Stores and spares		**(1,876)**	(317)
Stock-in-trade		**(13,219)**	3,953
Trade debts		**6,399**	6,181
Loans and advances		**94,455**	(45,348)
Deposits, prepayments and other receivables		**(24,888)**	(3,123)
		60,871	(38,654)
(Decrease) / increase in current liabilities:			
Trade and other payables		**(4,934)**	(34,215)
		55,937	72,869

	Note	June 30, 2017	June 30, 2016
38. FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY		----------(Rupees in '000)----------	
38.1 Financial assets as per balance sheet - at amortised cost			
Long-term loans	8	**1,030**	11,750
Long-term deposits	9	**69,986**	76,874
Trade debts	12	**5,001**	11,400
Loans and advances	13	**75,209**	169,664
Deposits and other receivables		**41,973**	9,564
Cash and bank balances	15	**113,156**	92,869
		306,355	372,121
38.2 Financial liabilities as per balance sheet - at amortised cost			
Long-term loan including current maturity of long-term loan	18	**254,439**	254,439
Liabilties under finance lease	19	**6,942**	9,944
Cylinder and regulator deposits	21	**373,599**	369,057
Loans from directors	22	**-**	18,818
Trade and other payables		**125,315**	105,054
Accrued mark-up on long-term loan		**35,209**	4,352
		795,504	761,664

39. FINANCIAL RISK MANAGEMENT

39.1 Financial risk factors

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

(a) Market risk

(i) Currency risk

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

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

(ii) Interest rate risk

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

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

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is not materially exposed to other price risk as at June 30, 2017.

(b) Credit risk

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

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

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

	Note	**June 30, 2017**	June 30, 2016
		----------(Rupees in '000)----------	
Long-term loans		**1,030**	11,750
Long-term deposits		**69,986**	76,874
Trade debts		**458**	3,814
Loans		**11,530**	25,798
Deposits and other receivables		**41,973**	9,564
Bank balances		**113,126**	92,612
		238,103	220,412

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:

	Rating	Rating			
Name	**Agency**	**Short term**		**Long term**	
		2017	**2016**	**2017**	**2016**
Bank Alfalah Limited	PACRA	A1+	A1+	AA+	AA
Habib Bank Limited	JCR-VIS	A1+	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	A1+	A-1+	AAA	AAA
Sindh Bank Limited	JCR-VIS	A1+	A-1+	AAA	AA
Summit Bank Limited	JCR-VIS	A1	A-1	AAA	A

(c) Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities.
The Group's liquidity risk management implies maintaining sufficient cash and also involves projecting cash flows and considering the level of liquid assets necessary to meet these. As of June 30, 2017 the Group's current liabilities exceed its current assets by Rs. 130.9 million, but the Group based on its future plans is confident that it will have sufficient cash flows to meet its financial obligations in the foreseeable future.

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

	2017			2016		
	"Maturity upto one year"	"Maturity after one year"	Total	"Maturity upto one year"	"Maturity after one year"	Total
	---------- (Rupees in '000) ----------					
Financial liabilities						
Long-term loan including current maturity of long term loan	254,439	-	254,439	168,278	86,161	254,439
Liabilities under finance lease	3,002	3,940	6,942	3,002	6,942	9,944
Cylinder and regulator deposits	-	373,599	373,599	-	369,057	369,057
Loans from directors	-	-	-	18,818	-	18,818
Trade and other payables	125,315	-	125,315	105,054	-	105,054
Accrued mark-up on long-term loan	35,209	-	35,209	4,352	-	4,352
	417,965	377,539	795,504	299,504	462,160	761,664

39.2 Fair value

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

39.2.1 Fair value of hierarchy

The following table provides the fair value measurement hierarchy of Group'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	-

39.3 Capital risk management

The Group finances its operations through equity, borrowings and management of working capital with a view of maintaining an appropriate mix between various sources of finance to minimize risk. The primary objective of the Group’s capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. The Group monitors capital using a debt equity ratio as follows:

	Note	June 30, 2017	June 30, 2016
		----------(Rupees in '000)----------	
Long-term loan	18	-	86,161
Liabilities under finance lease	20	6,942	9,944
Cylinder and regulator deposits		373,599	369,057
Loan from directors	-	18,818	
Current maturity of long-term loan	18	254,439	168,278
Trade and other payables	23	140,537	130,092
Accrued mark up on long-term loan		35,209	4,352
Total debt		810,726	786,702
Cash and bank balances		(113,156)	(103,872)
Net debt		697,570	682,830
Share capital		224,888	224,888
Reserves		278,983	282,746
Total equity		503,871	507,634
Capital		1,201,441	1,190,464
Gearing ratio		58.06%	57.36%

40. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

40.1 Subsequent to the year end, the Board of Directors of the Holding Company in their meeting held on September 19, 2017 have proposed a final cash dividend of Re.1 per share (2016: Re. 1) per share.

40.2 Under section 5A of the Income Tax Ordinance, 2001 (the Ordinance), every public company is obliged to pay tax at the rate 7.50% on its accounting profit before tax if it derives profit for a tax year but does not distribute at least 40% of its after tax profits within six months of the end of the tax year, through cash or bonus shares.

Based on the above fact, the Board of Directors of the Holding Company has approved / paid interim cash dividend amounting to Rs. 22.489 million for the financial and tax year 2017 which exceeds the prescribed minimum dividend requirement as referred above. Accordingly, no further tax provision has been recorded under section 5A of the Ordinance.

41. CORRESPONDING FIGURES

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

	June 30, 2017	June 30, 2016
	(Quantity in metric ton)	
42. CAPACITY		
Installed annual filling capacity	**37,500**	37,500
Actual utilization	**33,548**	37,083

42.1 The shortfall is due to low demand during the year.

	Note	**June 30, 2017**	June 30, 2016
43. NUMBER OF EMPLOYEES			
As at year end			
Permanent		**41**	31
Contractual		**13**	21
		54	52
Average during the year			
Permanent		**35**	26
Contractual		**15**	12
		50	38

44. GENERAL

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

45. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on September 19, 2017 by the Board of Directors of the Holding Company.

Director | Chief Financial Officer | Chief Executive

Attendance at Board & Audit Committe Meetings

For the year ended June 30, 2017

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

Pattern of Shareholding
For the year ended June 30, 2017

No. Shareholders	Having Shares		Shares Held	Percentage
	From	To		
657	1	100	13,573	0.0600 %
301	101	500	112,898	0.4987 %
202	501	1,000	191,296	0.8449 %
275	1,001	5,000	704,157	3.1102 %
50	5,001	10,000	375,955	1.6606 %
10	10,001	15,000	127,100	0.5614 %
4	15,001	20,000	69,322	0.3062 %
5	20,001	25,000	112,352	0.4963 %
3	25,001	30,000	84,700	0.3741 %
1	35,001	40,000	39,000	0.1723 %
1	45,001	50,000	48,702	0.2151 %
1	50,001	55,000	52000	0.2297 %
1	60,001	65,000	60,500	0.2672 %
1	65,001	70,000	70,000	0.3092 %
1	70,001	75,000	71,058	0.3139 %
1	140,001	145,000	140,248	0.6195 %
1	380,001	285,000	380,569	1.6810 %
1	1,335,001	1,340,000	1,336,033	5.9012 %
1	1,815,001	1,820,000	1,816,238	8.0222 %
1	16,830,001	16,835,000	16,834,343	74.3565%
1518	Company Total		22640044	100.0000

Pattern of Shareholding

For the year ended June 30, 2017

Categories of Shareholders	Number of Folio	Balance Share	Percentage
ASSOCIATED COMPANIES			
· H.A.K.S. TRADING (PVT.) LIMITED	2	16,684,629	74.1905%
NIT & ICP			
· NATIONAL BANK OF PAKISTAN, TRUSTEE DEPARTMENT	1	9,489	0.0422%
· CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,336,033	5.9409%
BANKS, DFI & NBFI			
· NATIONAL BANK OF PAKISTAN	2	1,817,099	8.0800%
· THE BANK OF PUNJAB, TREASURY DIVISION.	1	70,000	0.3113%
MODARABAS & MUTUAL FUNDS			
· B.R.R. GUARDIAN MODARABA	1	2,000	0.0089%
GENERAL PUBLIC			
· Local	1467	2,257,002	10.0361%
· FORGEIN	28	46,610	0.2073%
OTHERS	15	266,028	1.1829%
Company Total	**1518**	**22,488,890**	**100.0000%**

Shareholders holding five percent or more voting rights

H.A.K.S. TRADING (PVT.) LIMITED	2	16,684,629	74.1905%
NATIONAL BANK OF PAKISTAN	3	1,826,588	8.1222%
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,336,033	5.9409%

E-Dividend Mandate Letter

To: Date: ___________________

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

Dear Sir,

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

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

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

Yours truly,

____

Signature of Shareholder
(Please affix company stamp in case of corporate entity)

Notes:

1. Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly into your bank account.

2. This letter must be sent to shareholder’s participant/CDC Investor Account Services which maintains his/her CDC account for incorporation of bank account details for direct credit of cash dividend declared by the Company from time to time.

Form of Proxy

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

I / We ________________________ of ______________________ being a member of Burshane LPG (Pakistan) Limited and holder of ordinary shares as per Share Register Folio No.__________________ and / or CDC Participant I.D. No __________________ and Sub Account No. _____________________ hereby appoint Mr./Mrs./Miss _________________________________of_________________________________or falling him _________________________ of ______________________ as my proxy to attend and act for me, and on my behalf, at the Annual General Meeting of the Company to be held on Monday, October 30, 2017, at 12:30 p.m. at Beach Luxury Hotel, M.T Khan Road, Karachi and any adjournment thereof.

Dated this _____________ day of _____________ , 2017.

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)

Name. _____________________________________
C.N.I.C./ Passport Number. __________________
Sub Account No. ____________________________
C.N.I.C./ Passport Number. __________________

____
(Signature of Witness 2)

Folio No. __________________________________
Participant I.D. No. _________________________
Sub Account No. ____________________________
C.N.I.C./ Passport Number. __________________

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