A TRADITION OF TRUST

ANNUAL REPORT **2021**


LITRES

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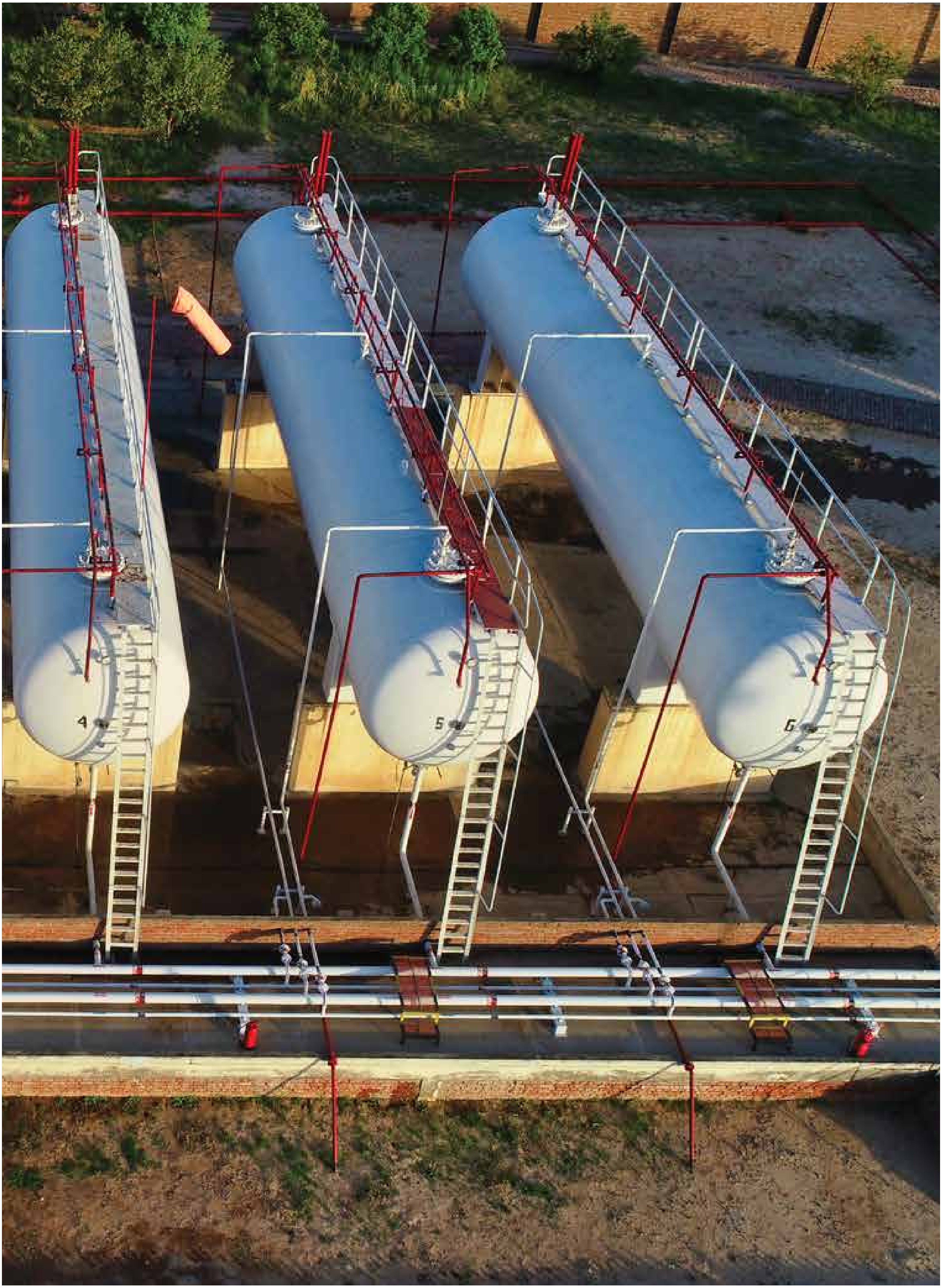

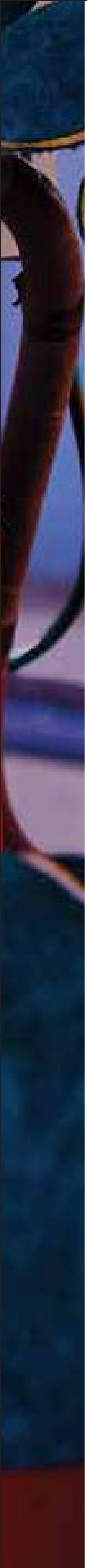
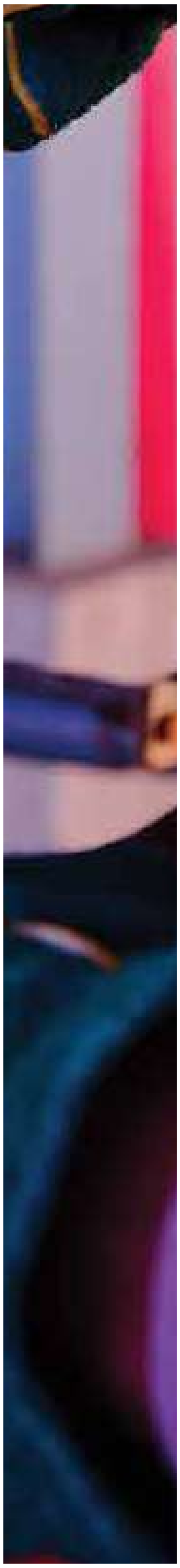


VISION

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

INCREDIBLE ENERGY

LPG Autogas is by far the most widely available environmentally friendly alternative fuel. Recent independent tests have also shown that LPG has the best environmental record compared with petrol and diesel. Driving an LPG vehicle is safe, easy and best of all, much cheaper than driving a petrol or diesel model. Engines running on LPG produce less harmful emissions compared to petrol or diesel, whlist making significent savings at the pumps.


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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Shaikh Abdus Sami
Chairman / Independent Director

Maj. Gen Rafi Ullah Khan (R)
Independent Director

Mr. Shahriar D.Sethna
Director

Mrs. Hamdia Fatin Niazi
Director

Mr. Darayus T. Sethna
Director

Mr. Asad Alam Khan
CEO / Director

Mr. Saifee Zakiuddin
Director

Mr. Muhammad Khalid Dar
Director

Ms. Shahbano Hameed
Director (NIT Nominee)

AUDITORS

BDO Ibrahim & Co., Chartered Accountants

Registrar & Share Registration Office

THK Associates (Pvt.) Limited

LEGAL ADVISORS

Mohsin Tayeb Aly & Co.

MANAGEMENT

Mr. Asad Alam Niazi
Chief Executive Officer

Mr. Muhammad Khalid Dar
Director Marketing & Sales

Mr. Murtaza Saifuddin
Financial Controller & Company Secretary

Mr.Irfan Javaid Warsi
General Manager - Commercial & Business Development and Human Resources (HR)

Mr. Saifee Zakiuddin
Director Finance

Mr. Khurram Kasbati
Chief Financial Officer

Mr. Amir Aziz
Head of Operations Distribution & HSSE

Mr. Asad Wasty
Head of Internal Audit

BANKERS

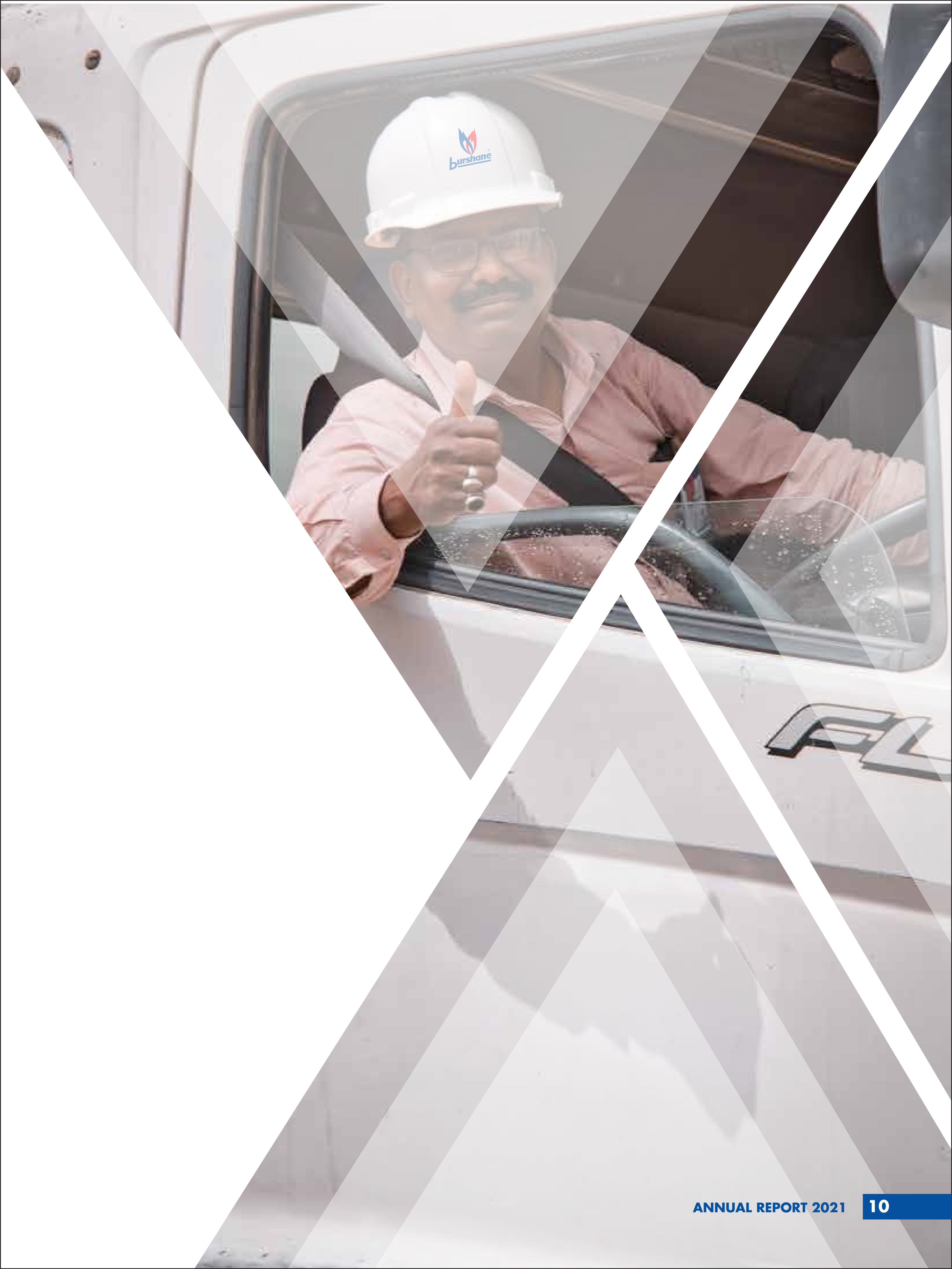
MCB Bank Limited
National Bank Of Pakistan
Habib Bank Limited
Standard Chartered Bank Pakistan Limited
Faysal Bank Limited
United Bank Limited
Summit Bank Limited
Bank Alfalah Limited
Meezan Bank Limited
Sindh Bank Limited
JS Bank Limited

REGISTERED 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
Fax : + 92 21 3587 8353
www.burshane.com

CONVENIENT & SAFE DOMESTIC USE

In both urban and rural areas, LPG is being widely used as an alternative source of Natural Gas or where there is no access to central gas pipeline. In domestic segment LPG is used mainly for cooking and heating purposes, for economic reasons, convenience over traditional fuels as well as to ensure Environment (HSSE). Burshane LPG (Pakistan) Limited is among the pioneers in LPG marketing and distribution in Pakistan. Company incorporated in 1966 and consistently developed and established its countrywide distribution network which is primarily focused to cater the needs of domestic users and deliver our best services to them. Burshane LPG has a very clear strategy to offer and deliver diffrentiated Customer Value Propositions to various segments of market, to increase customer satisfaction and retain its position as the premium LPG brand available in market. Company is committed on attracting more sutomers and enhancing the brand by providing products and sevices to creat customer loyalty and market share on a sustainable basis. Consistent focus on our CVP across the entire value chain has distinguished our brand among compititors in industry. Our core values of honesty, integrity and respect for people are at the heart of the way we manage our business.


burshane

MANAGEMENT

Mr. Asad Alam Niazi
Chief Executive Officer

Mr. Saifee Zakiuddin
Director Finance

Mr. Khurram Kasbati
Chief Financial Officer

Mr. Amir Aziz
Head of Operations
Distribution & HSSE

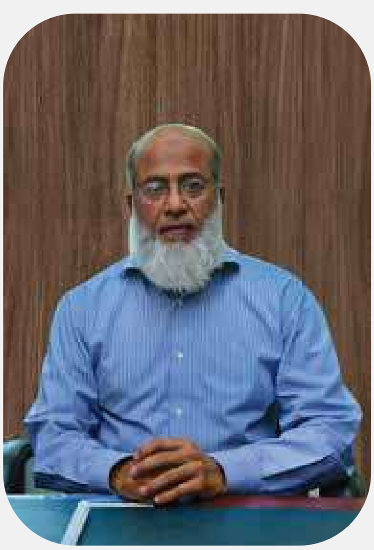
Mr. Asad Wasty
Head of Internal Audit

Mr. Murtaza Saifuddin
Financial Controller &
Company Secretary

Mr. Muhammad Khalid Dar
Director Marketing & Sales

Mr. Irfan Javed Warsi
GM Commercial & Business Development (HR)

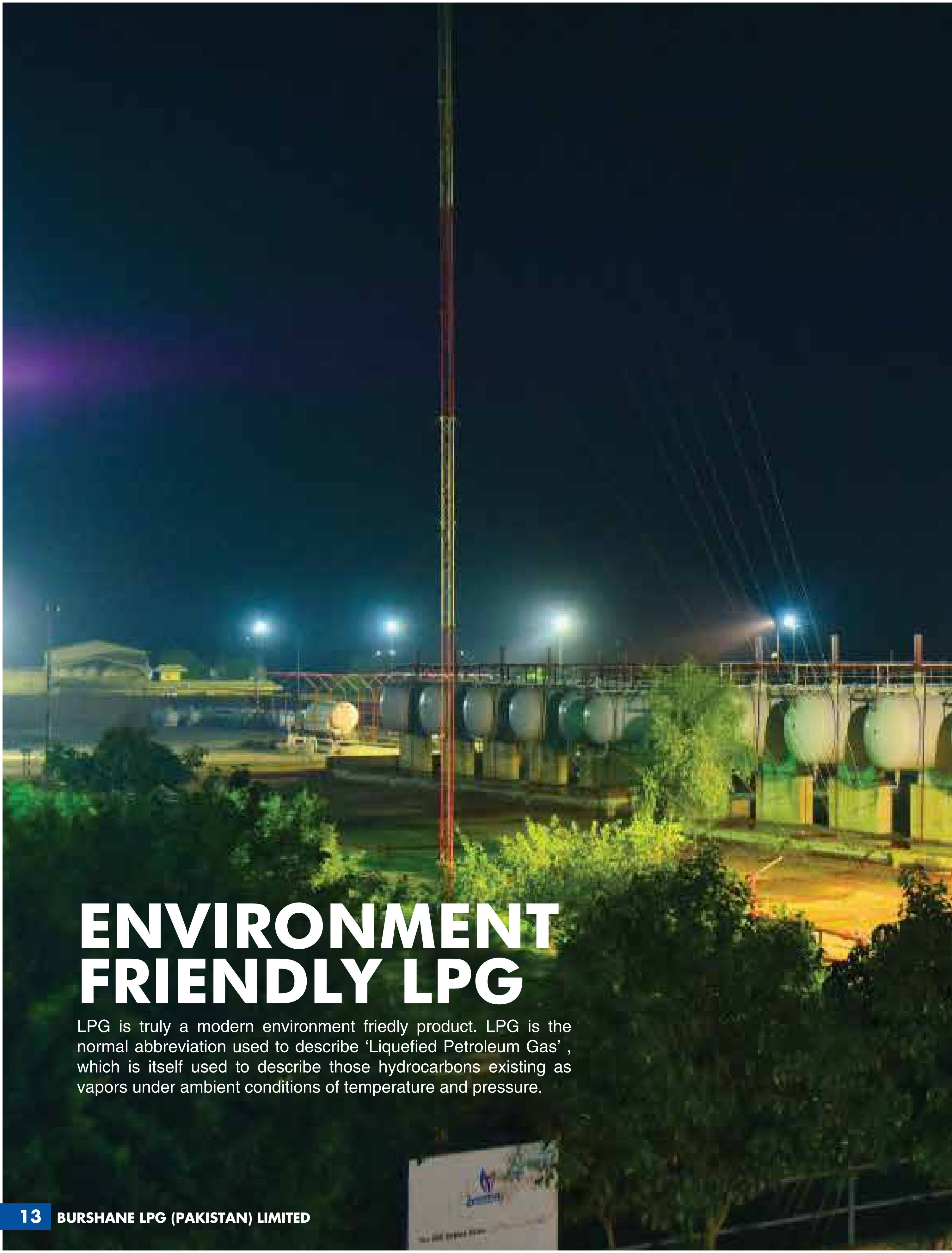
Mr. Shahid Abbas
Regional Sales Manager (North)



Mr. Syed Muhammad Wasi
Faisalabad Plant Manager

Ms. Roozbeh Baria
Regional Sales Manager (South)

Mr. Muhammad Sajjad Ahmed
Karachi Plant Manager



ENVIRONMENT FRIENDLY LPG

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

EFFICIENT ECO–FRIENDLY

LPG is a clean - burning fuel which cleans the environment by reducing air pollution. It has absolutely no lead content (safe vehicle fuel) - the perfect environment alternative - and is cheaper than gasoline. It contributes to a healthier working environment and has virtually no harmful exhaust emission. LPG is the fuel of the future. Apart from being environmentally friendly, in Pakistan it can significantly contribute to the economy by replacing Kerosene. It can also assist in reducing de-forestation in cases where wood is used as a source of energy, thus making the environment pollution free and healthier. De-forestation leads to serious environmental damage and disturbs the ecological balance causing erosion and landslides in these areas. Thus there is a need to increase the availability, as well as usage of LPG, as it can to some extent overcome the de-forestation problem of the country. Burshane LPG (Pakistan) Limited is actively playing its role by promoting the superior environment and convenient aspects of LPG.

CHAIRMAN'S REVIEW

I am hereby presenting this review report to the shareholders of Burshane LPG Pakistan Limited (the "Company") as required under Section 192 of the Companies Act, 2017.

In the year 2021, the COVID-19 continued to impact all sectors of the economy and LPG market also suffered due to oversupply and low demand, intermittent lockdowns and limited business activity. However, management steered the Company well to come out of the stress it faced due to the pandemic and tried to mitigate the effects of lockdown by deepening its relationship with the stakeholders and the off take increased from 31,465 MT to 32,924 MT during the current year. However, the supply glut in the market resulted in erratic price regime, lower margin and inventory losses, as well.

Sales team engaged with distributors and retailers to ensure that maximum level of sales is achieved evidenced by the fact during the year under review, the net turnover was recorded at PKR 2,591 million, 0.3% higher at PKR 2,582 million recorded for the previous year ended June 30, 2020. Gross margin reduced to PKR 33.489 million or only 1.3% vs previous year 5.2%, and a decline of PKR 100.327 million mainly because of negative margins in some of months due to oversupply and surge of relatively cheaper imports and the combined effect of COVID-19 related slowdown in business.

Performance evaluation:

As required, under the Code of Corporate Governance (the "Code") and in pursuance of SECP's guidelines, an evaluation process is carried out online internally to assess annual performance of the Board, members of the Board as well as performance of the Chief Executive Officer (CEO). A self-evaluation form is circulated to each of the members of the Board, requiring them to complete the questionnaires with their comments. Results are compiled by the Company Secretary and share subsequently in the next meeting of the Board with the intent to address areas of further improvement. I am pleased to report that overall performance of the Board and CEO of the Company for the year ended June 30, 2021 remained satisfactory.

Operational excellence

The Company continues to excel in its performance of Health, Safety, Security and Environment (HSSE) standards, 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 business principles and best practices are complied, adhered to and abided within the overall conduct of the business spectrum. Burshane has firmly embedded these attributes in its rules of engagement and standard operating procedures (SOPs) in all aspects of its operations and shall continuously strive to inculcate these principles amongst all stakeholders.

In the context of business growth, the management is fully aware of challenges faced and its obligations towards its stakeholders. It stands committed to develop long-term corporate plans to increase the shareholder value in the business. All possible options are being pursued to increase the market share of the Company and to enhance return on capital employed. Therefore, the management remains confident that, going forward, it will be able show stronger performance and turnaround the Company into a profitable venture.

It is pertinent to note, that the Company embarked upon an aggressive strategy to ensure that all governance and issues related to reputational risk are addressed appropriately. In this regard, outstanding banking matter, relating to long term loan was settled with NBP, amicably. Similarly, matter related to FBR, highlighted in the press last year, were taken head on with FBR authorities and is being addressed satisfactorily. Company expects favorable outcome in near future

Role of the Chairman

In my capacity as Chairman, I ensure that:

- Board receives adequate, accurate, clear, complete and reliable information in a timely manner for a thorough discussion and a meaningful oversight on all aspects of the business.
- Board is properly briefed on all significant matters.
- All key issues are discussed by the Board in a timely manner.
- Environment in board room remains conducive, allows constructive and open debates.
- Board plays a constructive role in devising strategies, policies and its implementation.
- Strategies and policies agreed by the Board are effectively implemented by the Chief Executive Officer and the management.
- Decisions taken by the Board are in the best interest of the Company and fairly reflect consensus of the Board members.
- Good corporate governance and procedures are in place.

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

Karachi
Dated: October 04, 2021

Shaikh Abdus Sami
Chairman

چیئر مین کا جائزہ

کمپنیز ایکٹ 2017 کی دفعہ 192 کے تحت میں برشین LPG پاکستان لمیٹڈ (کمپنی) کے حصص یافتگان کے لئے جائزہ رپورٹ پیش کر رہا ہوں۔

سال 2021 میں حد سے زیادہ رسد اور کم طلب، بار بار لاک ڈاؤن اور محدود کاروباری سرگرمیوں کے ساتھ COVID-19 نے مسلسل معیشت کے تمام شعبوں اور LPG مارکیٹ کو متاثر کیا۔ تاہم انتظامیہ نے کمپنی کو وباء کی وجہ سے پیدا ہونے والے دباؤ سے نکالنے میں اہم کردار ادا کیا اور متعلقین کے ساتھ گہرے تعلقات استوار کرتے ہوئے لاک ڈاؤن کے اثرات کو کم کرنے کی کوشش کی اور رواں سال کے دوران پیداوار 31,645 میٹرک ٹن سے بڑھ کر 32,924 میٹرک ٹن ہوگئی۔

جائزہ سال کے دوران سیلز ٹیم فروخت کو زیادہ سے زیادہ سطح پر لانے کے لئے ڈسٹری بیوٹرز اور خوردفروشوں کے ساتھ مصروف عمل رہی جس کی عکاسی خالص فروخت 2,591 ملین روپے سے ہوتی ہے، جو کہ گزشتہ سالہ مختتمہ 30 جون 2020 کی فروخت 2,582 ملین روپے کی بہ نسبت 0.3 فیصد زیادہ ہے۔ خام منافع کم ہو کر 33.489 ملین روپے رہا یا گزشتہ سال کے 5.2 فیصد کے مقابلے میں 1.3 فیصد رہا یعنی اس میں 100.327 ملین روپے کی کمی ہوئی جس کی بنیادی وجوہات میں حد سے زیادہ رسد اور نسبتاً سستی درآمدات میں اضافہ اور COVID-19 کے مجموعی اثرات کے نتیجے میں کاروباری سست روی کی وجہ سے کچھ مہینوں میں منفی حاشیہ تھا۔

کارکردگی کی تشخیص

کوڈ آف کارپوریٹ گورننس (کوڈ) اور SECP کے رہنما اصولوں کے تحت اندرونی طور پر بورڈ، بورڈ کے ممبران کے ساتھ ساتھ چیف ایگزیکٹو آفیسر (CEO) کی کارکردگی کی آن لائن سالانہ تشخیص کی گئی۔ ایک از خود تشخیصی فارم بورڈ کے ہر ممبر کو ترسیل کیا گیا جس کے تحت سوالنامہ کو اپنی آراء سے پُر کرنا ضروری تھا۔ نتائج کا تجزیہ کمپنی سیکریٹری نے کیا اور بورڈ کے اگلے اجلاس میں جن شعبوں میں مزید بہتری کی ضرورت تھی ان کے ازالہ کی نیت سے پیش کیا گیا۔ میں مسرت کے ساتھ مطلع کرتا ہوں کہ سال مختتمہ 30 جون 2021 میں کمپنی کے بورڈ اور CEO کی کارکردگی تسلی بخش رہی۔

کاروباری شاندار یت

کمپنی تسلسل کے ساتھ صحت، تحفظ، حفاظت اور ماحولیات (HSSE) معیارات سے متعلق اپنی شاندار کارکردگی جاری رکھے ہوئے ہے جس میں کوئی بھی وقت کسی کے زخمی ہونے یا جان لیوا نہیں رہا۔ انتظامیہ تسلسل کے ساتھ کاروباری افعال، مصنوعات اور خدمات میں ماحولیات پر پڑنے والے اثرات کو کم کرنے کے طریقوں کے لئے کوشاں ہے۔

ہمیں یقین ہے کہ کاروباری افق پر پائیدار ترقی صرف مجموعی طرز عمل میں کاروباری اصولوں اور بہترین طور طریقوں کی پاسداری، عملدرآمد اور پیروی سے ممکن ہے۔ برشین نے مضبوطی کے ساتھ ان اصولوں کو اپنے تمام کاروباری پہلوؤں میں ضابطہ مصروفیت اور معیاری ضابطہ کار (SOPs) کے ذریعے ڈھالا ہے اور تسلسل کے ساتھ تمام متعلقین کو ان اصولوں پر عمل کی تلقین کے لئے کوشاں رہے گی۔

کاروباری نمو کے تناظر میں انتظامیہ مکمل طور پر حائل چیلنجز اور مستفیدان کے لئے اپنی ذمہ داریوں سے آگاہ ہے۔ یہ حصص یافتگان کی کاروبار میں قدر میں اضافہ کے لئے طویل مدتی ادارتی منصوبوں کی ترویج کے لئے کوشاں ہے۔ کمپنی مارکیٹ میں اپنا حصہ بڑھانے اور لگائے گئے سرمائے سے منفعت میں اضافے کے لئے تمام ممکنہ آپشنز اختیار کر رہی ہے۔ لہذا انتظامیہ پُر اعتماد ہے کہ مستقبل میں مستحکم کارکردگی دکھانے کے قابل ہوگی اور کمپنی کو ایک منافع بخش کاروبار میں تبدیل کردے گی۔ اس بات کو نوٹ کرنا بھی ضروری ہے کہ کمپنی نے ہر قسم کے نظم وضبط اور ساکھ سے ملحقہ خطرات کے مناسب ازالہ کے لئے لئے ایک متحرکانہ حکمت عملی اختیار کی ہے۔ اس سلسلے میں بینک کے واجبات کے معاملات جن کا تعلق طویل مدتی قرضوں سے تھا انہیں باہمی طور پر NBP کے ساتھ حل کرلیا ہے۔ اسی طرح FBR کے ساتھ ملحقہ معاملات جنہیں گزشتہ سال پریس میں اجاگر کیا گیا تھا، ان پر FBR کے ساتھ براہِ راست رابطہ ہے اور تسلی بخش انداز میں انہیں حل کیا جا رہا ہے۔ کمپنی کو توقع ہے کہ مستقبل قریب میں سازگار نتائج آئیں گے۔

چیئر مین کا کردار

چیئر مین کی حیثیت سے میں درج یقینی بنانے کا ذمہ دار ہوں کہ:

- ☆ بورڈ کو تمام کاروباری پہلوؤں پر مکمل بحث اور ایک معنی خیز نگرانی کے لئے مناسب، بالکل درست، جامع اور با اعتماد معلومات بروقت انداز میں موصول ہوں۔
- ☆ بورڈ کو تمام اہم معاملات میں درست آگاہی ملے
- ☆ بورڈ تمام بنیادی اہم معاملات پر بروقت انداز میں بحث کرے
- ☆ بورڈ کے کمروں میں ماحول سازگار رہے تا کہ تعمیری اور کھلا مباحثہ ہو سکے۔
- ☆ بورڈ حکمت عملیوں کی تشکیل اور پالیسیوں اور ان کے نفاذ میں تعمیری کردار ادا کرے۔

آخر میں کمپنی کی پائیدار نمو کو یقینی بنانے اور برشین کو سرفہرست پسندیدہ برانڈ بنانے پر میں تمام ملازمین، متعلقین، ڈسٹری بیوٹرز اور گاہکوں کے مسلسل تعاون پر ان کا مشکور ہوں۔

کراچی

مورخہ: 4 اکتوبر 2021

شیخ عبدالسمیع

چیئر مین

DIRECTORS' REPORT

The Directors of your Company are hereby presenting the Annual Report together with the Company's Audited Financial Statements for the year ended June 30, 2021.

Financial Performance

During the year under review, the net turnover at PKR 2,591 million was marginally higher than the corresponding number of last year ended June 30, 2020 of PKR 2,582 million (0.34%). The quantity sold also increased by 1,459 MT (4.64%) and was 32,924 MT during the year under review. The principal reason for only marginally increase in sales revenue was because of excessive supply by LPG's importers in the market and lower demand during COVID -19 lockdown. During the year, your company purchased total LPG of 32,401 MT as compared to 31,098 MT purchased in previous year, which is 4.19% higher. Gross margin reduced to PKR 33.49 million and showed a decline of PKR 100.33 million, mainly because of negative margins during the months of September 2020, February and April 2021 during which due to excess supply of LPG in market and impact of various lockdowns due to COVID-19, the prices were drastically down which resulted in lower gross margins in accumulation. Generally, we saw the major impact of downward trend in the overall economic and social activity of the country in all fields of life due to COVID-19. However, our sales team engaged with our distributors and retailers as a challenge to ensure that maximum level of sales is possible.

Administrative expenses increased by PKR 13.18 million (11.82%) compared to previous year, mainly due to increase in legal expenses pertaining to complaint lodged by Investigation and Intelligence (Inland Revenue) (I&I IR) and general inflation; however, distribution & marketing expenses decreased by Rs.4.1M (5.88%) mainly due to decrease in hospitality charges due to lower LPG filling at third party Plants.

Company incurred a loss before tax of PKR 164.13 million as compared to loss before tax of PKR 70.56 million for the preceding year. Further due to decrease in turnover tax rate from 1.5% to 0.25% applied from Tax year 2017 onwards, tax charge of Rs.66M has been reversed for previous years.

Loss per share for the year PKR 5.33 as compared to loss per share of PKR 4.88 in the preceding year.

Material Changes and Commitments

Subsequent to the year end, on September 22, 2021, the Company has received a proposal for re-profiling of the long term loan from NBP vide the letter No. BP/ARG/ARW(S)/BLPL/September 20, 2021/770 which has been duly approved by the Board of directors. As per the aforementioned letter, the Company would make upfront payment of Rs 36 million representing 10% of the principal and accrued mark up, and the long-term loan and accrued mark-up. Out of the balance amount of long term loan, PKR 154 million shall be converted as short term working capital loan, carrying a markup of 3 months Kibor + 1.75% p.a, Balance amount of the long term loan of RKR 75 million shall be repayable in next six years including 12 months grace period, in 20 quarterly installments carrying a markup of 3 months Kibor + 2% p.a. and balance amount of accrued markup of PKR 95 million shall also be converted into loan long term loan repayable in six year including 12 months' grace period in quarterly installment carrying 0% interest.

A complaint was filed by the Directorate of Investigation and Intelligence (Inland Revenue) (I & I – IR) on 31st August 2020, against the Company for alleged Tax evasion of approximately Rs 1.7 billion, with Special Court for Customs, Taxation and (Anti-Smuggling). Based on this complaint the court passed 2 orders against the Company and some of its Directors. The orders were pertaining to freezing of Company's 9 bank accounts for 90 days and issuance of Non Bailable Arrest Warrants of its certain Directors. The Company immediately obtained Protective Bail from the High Court and subsequently from the Special Court which was later confirmed. The Company also filed a Constitutional Petition with High Court against the order of the Special Court for freezing of 9 bank accounts. All banks have removed the freeze on Company's accounts on expiry of 90 days.

Another Constitutional Petition challenging the Complaint filed by I & I - IR with the special Court under the Anti Money Laundering Act 2010, has also been filed with High Court. The High Court in its first interim order has restrained all the respondents, which include FBR, I & I DG, Director, the Complaining Deputy Director and the Special Court, from taking any further coercive action against the Company and its Directors.

The Company believes that the application filed by I & I – IR, is based on some personal Vendetta and that there is no substance in the Complaint. All the above cases are in progress with the respective courts and the Company is confident that the decisions in all these cases shall be in favor of the Company.

In continuation of above, on February 10, 2021 the Company had received notices under section 177(1) of Income Tax Ordinance, 2001 regarding audit for tax years 2018 and 2019. The Company has replied and submitted relevant details and documents timely through various letters to FBR. The Company has received further notices for same tax years on August 12, 2021. The Company is in process to respond to these notices.

The Company and some if its Directors have also filed a Suit for Damages in the High Court for recovery of Rs 1 billion for damages caused to the reputation of the Company and its Directors and for mental torture caused due to appearance of the Director of I & I - IR on Dunya TV News Show named "Dunya Kamran Khan ke Saath". This case is also under hearing with the High Court and we are confident the decision shall be in our favor.

Business Ethics

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

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

In the context of business growth, the Company has again made agreement with PRL for supply of LPG. Under the agreement, PRL would supply a volume of up to 10MT per day of LPG, depending upon their production.

We 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 in Business in a profitable manner; therefore, we are confident that we will show strong performance in the coming years.

Adherence to Best Practices of Corporate Governance:

A statement setting out the Company's compliance status on the best practices of corporate governance appears in the "Corporate Governance Section" on Page No. 33. In addition, a "Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019" together with the Auditors' Review Report to Members thereon appears on Page No. 47 and 50, respectively.

Directors' Remuneration policy:

Directors Fee is paid in line with Board approval and the Company has approved a formal policy in this regard in accordance with the Companies Act, 2017 and the CCG. The fee of the Non-Executive and Independent Directors for attending the Board and Committee meetings of the Company is determined by the Board from time to time.

Composition of Board:

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

- Male: 7
- Female: 2

Category	Name
Independent Director	Maj.Gen (R.) Rafiullah Khan (R) Mr. Sheikh Abdus Sami
Non-Executive Directors	Mr. Shahriar D. Sethna Ms. Hamdia Fatin Niazi Mr. Darayus T.Sethna Ms. Shahbano Hameed
Executive Directors	Mr. Asad Alam Niazi Mr. Saifee Zakiuddin Mr. Khalid Dar

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

a) Audit Committee

Maj.Gen Rafi ullah Khan (R)	-	Chairman
Mr. Shaikh Abdus Sami	-	Member
Ms. Hamdia Fatin Niazi	-	Member
Mr. Shahriar D.Sethna	-	Member
Mr. Darayaus T. Sethna	-	Member

b) Human Resource and Remuneration Committee

Maj. Gen Rafi ullah Khan (R)	-	Chairman
Mr. Darayus T. Sethna	-	Member
Mr. Asad Alam Niazi	-	Member
Ms. Hamdia Fatin Niazi	-	Member
Mr. Saifee Zakiuddin	-	Member

During the year, Six (6) meetings of the Board of Directors, five (5) meetings of the Audit Committee and two (2) meeting of the HR & remuneration committee were held. Attendance of each Director is shown separately on page # 197.

Pattern of Shareholding

Information with respect to pattern of shareholding along with categories of shareholders as at June 30, 2021 as required under section 227 of the Companies Act, 2017, is given in this report on page 198.

Financial Highlights:

	(Rs. in '000)
Following are the key numbers of the results for the year	2,591,297
Net Sales	33,489
Gross Margins	(164,128)
Loss before Tax	(119,754)
Loss after Tax	(5.33)
Earnings/(Loss) per Share	

Following is the appropriation:

Dividend declared	Cash	NIL
	Bonus	NIL

The present Auditors M/s BDO Ibrahim & Co., Chartered Accountants, retire and being eligible, have offered themselves for re-appointment. The Board of Directors endorse the recommendation of the Audit Committee for their reappointment as auditors of the Company for the financial year ending June 30, 2022, subject to shareholders' approval in the Annual General Meeting.

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

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

Saifee Zakiuddin
Director

Asad Alam Niazi
Director / CEO

Karachi
Dated: October 04, 2021

مالیاتی جھلکیاں

سال کے نتائج کے اہم اعدادوشمار درج ذیل ہیں:

خالص فروخت	2,591,297
خام منافع	33,489
خسارہ قبل از ٹیکس	(164,128)
خسارہ بعداز ٹیکس	(119,754)
فی حصص آمدن/ (خسارہ)	(5.33)

مصارف منافع درج ذیل ہیں:

منافع منقسمہ	نقد	کوئی نہیں
	بونس	کوئی نہیں

موجودہ آڈیٹرز میسرز BDO ابراہیم اینڈ کو، چارٹرڈ اکاؤنٹنٹس سبکدوش ہو جائیں گے اور اہلیت کے باعث انہوں نے اپنی دوبارہ تقرری کی سفارش کی ہے- بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر مالیاتی سال 30 جون 2022 کے لئے ان کی بطور آڈیٹرز دوبارہ تقرری کی توثیق کی ہے جس کی منظوری سالانہ اجلاس عام میں حصص یافتگان سے لی جائے گی-

سال کے دوران کمپنی کے بورڈ نے ہر ڈائریکٹر کی کارکردگی کی از خود تشخیص کی اور یقین دلایا ہے کہ اس تقاضے کی مکمل پاسداری کی گئی ہے-

بورڈ کی جانب سے ہم کمپنی کی پائیدار نمو اور برشین کو سرفہرست برانڈ بنانے میں اپنے تمام عملہ، کاروباری شراکت داروں، گاہکوں اور دیگر تمام مستفیدان کے مسلسل تعاون پر ان کے مشکور ہیں-

سیفی زکی الدین
ڈائریکٹر

اسد عالم نیازی
ڈائریکٹر/سی ای او

کراچی

مورخہ: 4 اکتوبر 2021

قسم	نام
آزاد ڈائریکٹر	میجر جنرل (ریٹائرڈ) رفیع اللہ خان شیخ عبدالسمیع صاحب
نان ایگزیکٹو ڈائریکٹران	شہر یار ڈی سیٹھا صاحب حمد یہ فاطن نیازی صاحبہ دریاس ٹی سیٹھنا صاحب شاہ بانو حمید صاحبہ
ایگزیکٹو ڈائریکٹر	اسد عالم نیازی صاحب سیفی زکی الدین صاحب خالد ڈار صاحب

مندرجہ ذیل کمیٹیوں نے قوانین کے تقاضوں اور بورڈ کی ہدایات کے مطابق کام کیا:

a) آڈٹ کمیٹی

میجر جنرل رفیع اللہ خان (ریٹائرڈ)	چیئرمین
شیخ عبدالسمیع صاحب	ممبر
حمد یہ فاطن نیازی صاحبہ	ممبر
شہر یار ڈی سیٹھنا صاحب	ممبر
دریاؤس ٹی سیٹھنا صاحب	ممبر

b) انسانی وسائل ومعاوضہ کمیٹی

میجر جنرل رفیع اللہ خان (ریٹائرڈ)	چیئرمین
دریاؤس ٹی سیٹھنا صاحب	ممبر
اسد اسلم نیازی صاحب	ممبر
حمد یہ فاطن نیازی صاحبہ	ممبر
سیفی زکی الدین صاحب	ممبر

سال کے دوران بورڈ آف ڈائریکٹرز کے چھ (6)، آڈٹ کمیٹی کے پانچ (5) اور HR ومعاوضہ کمیٹی کے دو (2) اجلاس ہوئے- ہر ڈائریکٹر کی حاضری کو صفحہ نمبر 197 پر علیحدہ دکھایا گیا ہے-

حصص داری کی ساخت

کمپنیز ایکٹ 2017 کی دفعہ 227 کے تحت 30 جون 2021 کو حصص داری کی ساخت بمع حصص یافتگان کی اقسام سے متعلق معلومات رپورٹ کے صفحہ نمبر 198 پر دی گئی ہے-

سے روک دیا۔

کمپنی کو یقین ہے کہ I&IR کی دائر کردہ درخواست کی بنیاد کچھ ذاتی رنجش ہے اور شکایت میں کوئی وزن نہیں ہے۔ تمام مقدمات متعلقہ عدالتوں میں چل رہے ہیں اور کمپنی پر اعتماد ہے کہ ان تمام مقدمات کے فیصلے کمپنی کے حق میں آئیں گے۔

مندرجہ بالا کے تسلسل میں 10 فروری 2021 کو کمپنی کو انکم ٹیکس آرڈیننس 2001 کی دفعہ (1)177 کے تحت سال 2018 اور 2019 سے متعلق نوٹس موصول ہوئے ہیں۔ کمپنی نے ان کا جواب دیا ہے اور تمام متعلقہ تفصیلات اور دستاویزات بروقت بذریعہ خطوط FBR کو فراہم کر دی ہیں۔ کمپنی کو 12 اگست 2021 کو انہی سالوں کے لئے مزید نوٹس موصول ہوئے ہیں۔ کمپنی میں ان نوٹس کا جواب دینے کا عمل جاری ہے۔

دنیا ٹی وی نیوز شو بنام ''دنیا کامران خان کے ساتھ'' میں ڈائریکٹر I&I - IR کی طرف سے کمپنی اور اس کے ڈائریکٹران کی نیک نامی و ساکھ کو نقصان اور ذہنی اذیت پہنچانے پر ہائی کورٹ میں 1.0 بلین روپے کی بازیابی کیلئے مقدمہ برائے نقصانِ ساکھ دائر کیا ہے۔ یہ مقدمہ ہائی کورٹ میں زیرِ سماعت ہے اور ہم پر اعتماد ہیں کہ اس کا فیصلہ ہمارے حق میں ہوگا۔

کاروباری اخلاقیات

ہمیں یقین ہے کہ پائیدار ترقی صرف اس وقت ممکن ہے کہ جب ہم کاروباری اصولوں کی پاسداری کریں۔ برشین نے مضبوطی سے انہیں کمپنی کے تمام افعال میں اختیار کیا ہے اور ہم تسلسل کے ساتھ اپنے مستفیدان کے مابین ان اصولوں کی تاکید کرتے ہیں۔

ہم نے ایک مرتبہ پھر صحت، تحفظ، حفاظت اور ماحولیات (HSSE) میں شاندار کارکردگی دکھائی ہے، جس میں کوئی بھی وقت بھی زخمی یا جان لیوا واقعہ میں نہیں گزرا۔ انتظامیہ نہ صرف از خود HSSE معیارات میں بہتری کے لئے کوشاں ہیں بلکہ صنعت میں بہتر طور طریق رائج کرنے میں قائدانہ حیثیت رکھتی ہے۔

کاروباری نمو کے تناظر میں کمپنی نے دوبارہ PRL کے ساتھ LPG کی فراہمی کا معاہدہ کیا ہے۔ اس معاہدہ کے تحت PRL 10 میٹرک ٹن یومیہ تک LPG کا حجم فراہم کرے گی جس کا انحصار ان کی پیداوار پر ہوگا۔

ہم آپ کو یقین دلاتے ہیں کہ کمپنی کی انتظامیہ مستفیدان کے لئے اپنی ذمہ داریوں سے آگاہ ہے اور کاروباری قدر بڑھانے کے لئے طویل مدتی ادارتی منصوبوں کی ترویج کے لئے پرعزم ہے۔ ہم مارکیٹ میں اپنا حصہ بڑھانے اور کاروبار میں لگائے گئے سرمائے سے مناسب منافع کمانے کے تمام آپشنز پر غور کر رہے ہیں، لہٰذا ہم پر اعتماد ہیں کہ آنے والے سالوں میں ہماری کارکردگی مزید مستحکم ہوگی۔

ادارتی نظم وضبط کے بہترین طور طریقوں کی پاسداری

ادارتی نظم وضبط کے بہترین طور طریقوں پر کمپنی کی پاسداری کی کارکردگی ''کارپوریٹ گورننس سیکشن'' کے صفحہ نمبر 33 پر دی گئی ہے۔ اس کے علاوہ ''لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی پاسداری کے بیان'' کے ساتھ آڈیٹرز کی جائزہ رپورٹ برائے ممبران بالترتیب صفحہ نمبر 47 اور 50 موجود ہے۔

ڈائریکٹران کے معاوضے کی پالیسی

ڈائریکٹران کی فیس کی ادائیگی بورڈ کی منظوری سے کی جاتی ہے اور کمپنی نے کمپنیز ایکٹ 2017 کے تحت اس سلسلے میں باضابطہ پالیسی منظور کی ہے۔ نان ایگزیکٹو اور آزاد ڈائریکٹران کی کمپنی کے بورڈ اور اس کے اجلاس میں حاضری کی فیس کا تعین بورڈ وقتاً فوقتاً کرتا ہے۔

بورڈ کی تشکیل بندی

ڈائریکٹران کی کل تعداد نو (9) ہے اور ان کی تشکیل بندی درج ذیل ہے:

مرد	7
خواتین	2

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹران کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے مختتمہ مدت 30 جون 2021 کے ساتھ سالانہ رپورٹ پیش کر رہیں ہے

مالیاتی کارکردگی

زیر جائزہ سال کے دوران خالص فروخت 2,591 ملین روپے رہی جو کہ گزشتہ سال 30 جون 2020 سے تھوڑی سی زیادہ (0.34 فیصد) ہے- فروخت شدہ مقدار میں 1,459 میٹرک ٹن کا اضافہ ہوا اور اس طرح زیر جائزہ سال کے دوران 32,924 میٹرک ٹن رہی- فروخت کی آمدنی میں معمولی اضافہ کی بنیادی وجہ LPG کے درآمد کنندگان کی مارکیٹ میں حد سے زیادہ سپلائی اور COVID-19 کے لاک ڈاؤن کی وجہ سے طلب میں کمی تھی- سال کے دوران آپ کی کمپنی نے کل 32,401 میٹرک ٹن LPG فروخت کی جبکہ گزشتہ سال 31,098 میٹرک ٹن کی تھی، جو کہ 4.19 فیصد زیادہ ہے- خام منافع کم میں 33.49 ملین روپے کمی ہوئی اور 100.33 ملین روپے رہا، جس کی بنیادی وجہ ستمبر 2020 ،فرری اور اپریل 2021 کے مہینوں میں منفی مارجن تھے جو کہ مارکیٹ میں حد سے زیادہ سپلائی اور COVID-19 کے مختلف لاک ڈاؤن کے اثرات کی وجہ سے تھا، جس کے نتیجے میں قیمتوں میں بڑے پیمانے پر کمی ہونے سے مجموعی طور پر خام منافع میں کمی ہوئی- COVID-19 کی وجہ سے مجموعی معاشی اور سماجی سرگرمیوں میں تنزلی کا رجحان دیکھا گیا- تاہم ہماری فروخت کی ٹیم اسے چیلنج سمجھ کر زیادہ سے زیادہ فروخت کی سطح کو ممکن بنانے کے لئے ہمارے ڈسٹری بیوٹرز اور خوردہ فروشوں کے ساتھ مصروف عمل رہی-

انتظامی اخراجات میں گزشتہ سال کی بہ نسبت 13.18 ملین روپے (11.82 فیصد) کا اضافہ ہوا جس کی بنیادی وجہ انویسٹی گیشن اینڈ انٹیلی جنس (انلینڈ ریوینیو) (I&I IR) کی دائرہ کردہ شکایت سے ملحقہ بلند قانونی اخراجات اور عمومی افراط زر تھا، تاہم تقسیمی اور مارکیٹنگ اخراجات میں 4.1 ملین (5.88 فیصد) کی کمی ہوئی جس کی بنیادی LPG فلنگ اور تیسرے فریقین کے پلانٹ پر مہمان نوازی کے کم اخراجات تھے-

کمپنی کا خسارہ قبل از ٹیکس 164.13 ملین روپے رہا جبکہ گزشتہ سال قبل از ٹیکس خسارہ 70.56 ملین روپے تھا- مزید برآں ٹرن اوور ٹیکس کے نرخ 1.5 فیصد سے کم ہو کر 0.25 فیصد ہونے کی وجہ سے ٹیکس سال 2017 سے آگے کے سالوں میں چارج کیا گیا 66 ملین روپے ٹیکس معکوس کر دیا گیا-

فی حصص خسارہ 5.33 روپے رہا جبکہ گزشتہ سال فی حصص خسارہ 4.88 روپے فی حصص تھا-

اہم تبدیلیاں اور وعدے

سال کے اختتام کے بعد 22 ستمبر 2021 کو کمپنی کی طویل مدتی قرضہ کی ری پروفائلنگ کے لئے NBP سے خط نمبر BP/ARG/ARW(S)/BLPL/September 20,2021/770 کے ذریعے ایک تجویز موصول ہوئی جسے باضابطہ طور پر بورڈ آف ڈائریکٹرز نے منظور کیا- مذکورہ بالا خط کے تحت کمپنی پیشگی 36 ملین روپے ادا کرے گی جس میں 10 فیصد بنیادی اور ادا طلب مارک اپ اور طویل مدتی قرضہ اور ادا طلب مارک اپ شامل ہوگا- طویل مدتی قرضہ کی بقایا رقم 154 ملین روپے کو قلیل مدتی رواں سرمایہ جاتی قرضہ میں تبدیل کر دیا جائے گا جس کا مارک اپ 3 ماہی Kibor+1.75 فیصد سالانہ ہے- طویل مدتی قرضے کی بقایا رقم 75 ملین روپے اگلے چھ سالوں میں ادا کی جائے گی جس میں 12 ماہ کی رعایتی مدت بھی شامل ہوگی جسے 20 قسطوں میں 3 ماہی Kibor+ 2 فیصد سالانہ مارک اپ پر ادا کرنا ہوگا اور 95 ملین روپے کی بقایا رقم کو طویل مدتی قرضہ میں تبدیل کر دیا جائے گا جو کہ چھ سال میں قابل واپسی ہوگا جس میں رعایتی مدت 12 ماہ ہوگی جو کہ سہ ماہی بنیاد پر ہوگا جس میں سود 0 فیصد ہوگا-

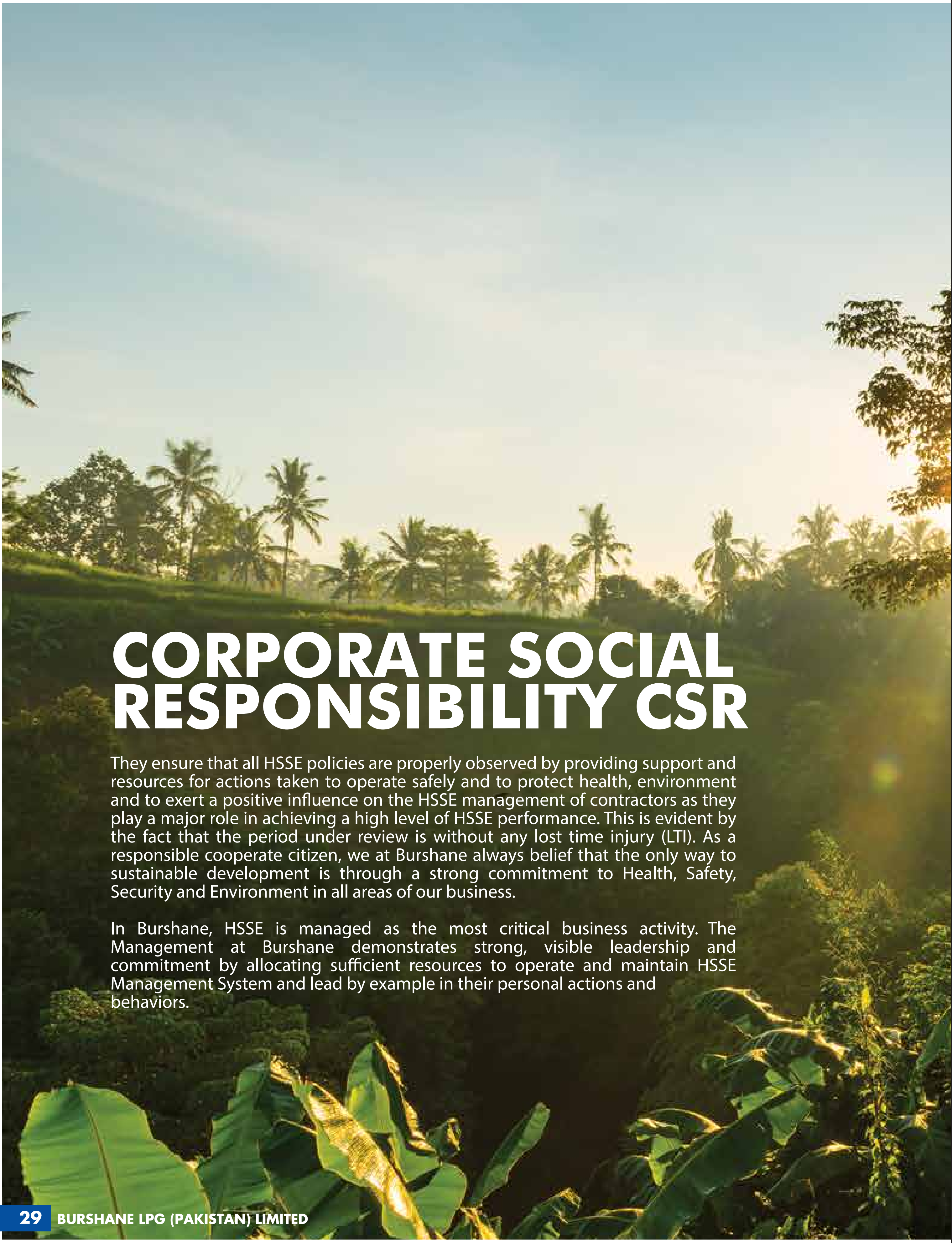
ایک شکایت ڈائریکٹوریٹ آف انویسٹی گیشن اینڈ انٹیلی جنس (انلینڈ ریونیو) (I&I - IR) نے 31 اگست 2020 کو کمپنی کے خلاف تقریباً 1.7 بلین روپے کی مبینہ ٹیکس چوری کی شکایت اسپیشل کورٹ آف کسٹمز، ٹیکسیشن اینڈ اینٹی اسمگلنگ میں دائر کی- شکایت کی بنیاد پر عدالت نے کمپنی اور اس کے کچھ ڈائریکٹران کے خلاف دو احکامات جاری کیے- احکامات کا تعلق کمپنی کے 9 بینک اکاؤنٹ کو 90 دن کے لئے انجماد اور مخصوص ڈائریکٹران کے خلاف نا قابل ضمانت گرفتاری کے پروانوں کا اجراء تھا- کمپنی نے فوری طور پر ہائی کورٹ سے حفاظتی ضمانتیں حاصل کیں اور بعد ازاں ان کی تصدیق خصوصی عدالت سے کروالی- کمپنی نے ہائی کورٹ میں 9 بینک اکاؤنٹ کے انجماد کے خلاف ایک آئینی پٹیشن بھی دائر کر دی- 90 دن ختم ہونے پر تمام بینکوں نے کمپنی کے اکاؤنٹ کے انجماد کو ختم کر دیا-

ایک اور آئینی پٹیشن اینٹی منی لانڈرنگ ایکٹ 2010 کے تحت I-IR کی دائر کردہ شکایت کے خلاف ہائی کورٹ میں داخل کی گئی- ہائی کورٹ نے اپنے پہلے عبوری حکم میں تمام جواب دہندگان بشمول FBR، I&IDG، ڈائریکٹر، شکایت کرنے والے ڈپٹی ڈائریکٹر اور اسپیشل کورٹ کو کمپنی اور اس کے ڈائریکٹران کے خلاف کوئی مزید نا موافق کارروائی کرنے

HEALTH, SAFETY, SECURITY & ENVIRONMENT HSSE

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

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



CORPORATE SOCIAL RESPONSIBILITY CSR

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.

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CORPORATE GOVERNANCE

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

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

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

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

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

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

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

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

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

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

- Four of the directors have completed the Director's Training course from SECP approved Director Training Institute. In accordance with the criteria specified in the Code, the remaining Directors' training certification within the time specified in the Code.

Board Meetings:

The number of Board and Committees' meetings held during the year and attendance by each Director is disclosed on page no. 177.

Board of Directors:

The Directors as on June 30, 2020 are Mr. Asad Alam Khan, Mr. Shahriar D. Sethna, Ms. Hamdia Fatin Niazi, Mr. Darayus T. Sethna, Mr. Shaikh Abdus Sami, Ms. Shahbano Hameed, Mr. Saifee Zakiuddin, Mr. Muhammad Khalid Dar and Maj. Gen Rafiullah Khan (R).

Pattern of Shareholding:

The pattern of shareholding as of June 30, 2021 as required under section 227 of the Companies Act, 2017 is given on page no. 198.

Auditors:

The auditors BDO Ebrahim & Co. 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: 04th October, 2021

Mr. Asad Alam Niazi
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

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.

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.

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 nvironmental 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.

STATEMENT OF GENERAL BUSINESS PRINCIPLES

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.

Political Activities
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.

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 fundamenta to how the company conduct its business and living by them is crucial to Its continued success.

NOTICE OF 55TH
ANNUAL GENERAL MEETING

NOTICE IS HEREBY given that the 55th Annual General Meeting (AGM) of Burshane LPG (Pakistan) Limited will be held on Thursday, October 28, 2021 at 11:00 A.M. at our Korangi Plant (KP1) adjacent to Pakistan Refinery Limited, Korangi Creek, Karachi and the transport facility will be arranged and depart on 10:15A.M. from our head office: Horizon vista, Block 4, Scheme no. 5, Clifton to transact the following business:

Ordinary Business:

1. To confirm minutes of the 54th Annual General Meeting of the Company held on May 07, 2021.

2. To receive, consider and adopt the Audited Financial Statements together with the Directors' Report and the Auditors' Report thereon for the year ended June 30, 2021.

3. To appoint auditors of the Company for the financial year ending 30 June 2022 and to fix their remuneration. The Board of Directors of the Company has recommended the name of retiring auditors M/s. BDO Ibrahim & Co., Chartered Accountants, for their appointment as external auditors for the year ending 30 June 2022. The retiring auditors, being eligible, have offered themselves for re-appointment for the year ending 30 June 2022.

Special Business:

1. To consider, and if thought fit, pass following resolutions, with or without modification as a special resolution for amendments in the Articles of Association of the Company:

   RESOLVED THAT the Articles of Association of the Company be and is hereby amended in following manner:

   Substitution of following new Article for the existing Article 85:
   "The qualification of a Director, in addition to being a Member, where required, shall be his holding shares of the nominal value of Rs 5,000/- at least in his own name, but a director representing a Member or Members holding shares of the nominal value of Rs.5,000/- or more shall require no such share qualification. A Director shall not be qualified as representing the interests of a Member or Members holding shares of requisite value unless he is appointed as such representative by the Member or Members concerned by notice in writing addressed to the Company specifying the shares of the requisite value appropriated for qualifying such Director. Shares thus appropriated for the qualifying a director shall not, while he continues to be such representative, be appropriated for qualifying any other Director."

   FURTHER RESOLVED THAT Chief Executive and / or Company Secretary of the Company be and is / are hereby authorized to fulfill all legal, corporate and procedural formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolution.

Extra-ordinary business:

1. To elect nine (9) Directors of the Company as fixed by the Board of Directors in their meeting held on October 04, 2021 in accordance with the Section 159(1) of the Companies Act, 2017 for a period of three years, commencing from October 28, 2021.

The names of retiring Directors are listed as under:

1. Mr. Asad Alam Niazi
2. Mr. Shahriar D Sethna
3. Mr. Rafiullah Khan
4. Mr. Saifee Zakiuddin
5. Ms. Shahbano Hameed
6. Mr. Khalid Dar
7. Mr. Shaikh Abdus Sami
8. Ms. Hamdia Fatin Niazi
9. Mr. Darayus T. Sethna

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

By Order of the Board

(Murtaza Saifuddin)

Karachi: October 07, 2021

Company Secretary

Notes:

1. Book Closure:

The Share Transfer Books of the Company will remain closed from October 22 to October 28, 2021 (both days inclusive). Transfers received in order by our Share Registrar, M/s. THK Associates (Pvt.) Limited, Plot No.C-32, Jami Commercial Street-2, D.H.A., Phase-VII, Karachi by the close of business on October 21, 2021 will be considered in time for the determination of any entitlement, as recommended by the Board of Directors, attending the meeting and vote at the meeting.

2. Election of Directors:

Any member who seeks to contest an election of Directors of the Company shall file with the Company at its Registered Office not later than fourteen (14) days before the date of the EOGM his/her intention to offer himself/herself for election of Directors in terms of section 159(3) of the Companies Act, 2017 together with:

i) Consent to act as director in Form – 28, duly completed and signed by the candidate, as required under section 167(1) of the Companies Act, 2017;
ii) Detailed profile along with office address for placement on to the Company's website seven days prior to the date of election in terms of SRO 25(1) 2012 of 16th January 2012;
iii) Signed declaration to the effect that he/she is aware of the duties and power of directors and compliant with the requirements and eligibility criteria under the Companies Act., 2017, Memorandum and Articles of Association of the Company, Rule Book of Pakistan Stock Exchange Limited and Code of Corporate Governance Regulations, 2017 and other relevant laws and regulations;
iv) Attest Copy of Valid CNIC / Passport and NTN;
v) His / her Folio No./CDC Account No./ CDC sub-account No;
vi) Any other document/ information he /she think necessary

3. Statement of Material Facts under Section 166(3) of the Companies Act, 2017 regarding Independent Directors:

Independent Directors will be elected through the process of election of directors in terms of Section 159 of the Companies Act, 2017 and they shall meet the criteria laid down under section 166(2) of the Companies Act, 2017.

4. Appointment of Proxies and Attending AGM:

i) A member entitled to attend and vote at the meeting may appoint another member as his/her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.
ii) A duly completed instrument of proxy to be valid must be deposited at the registered office not less than 48 hours before the time of the meeting. Attested copies of valid CNIC or the passport of the member and the Proxy shall be furnished with the Proxy Form.

iii) The instrument of proxy should be duly signed, stamped and witnessed by two persons with their names, address, CNIC numbers and signatures.

iv) CDC account holders are also required to follow the guidelines as laid down in Circular No.1 dated 26, January 2000 issued by the Securities and Exchange Commission of Pakistan (SECP).

A. For Attending the Meeting:

i) In case of individual, the account holder or sub-account holder and/or the person, whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

ii) Members registered on Central Depository Company (CDC) are also requested to bring their particulars, I.D. numbers and account numbers in CDS.

iii) In case of a corporate entity, the Board of Directors' resolution/Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

B. For Appointing Proxies:

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

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

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

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

v) Corporate entities shall submit the Board of Directors resolution/Power of Attorney with specimen signature along with proxy form.

5. Change in Members Addresses:

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

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

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

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

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

In order to receive dividend directly into their bank account, shareholders are requested to fill in Electronic Credit Mandate Form available on Company's website and send it duly signed along with a copy of CNIC to the Registrar of the Company, in case of physical shares.

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

8. **Circulation of Audited Financial Statements Through E-Mail and by CD/DVD/USB:**

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

9. **Unclaimed dividends & bonus shares:**

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

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

9- غیر دعویٰ شدہ منافع منقسمہ اور بونس حصص

حصص یافتگان جو کسی بھی وجہ سے اپنا منافع منقسمہ یا بونس حصص کا دعویٰ نہیں کر سکے ہیں انہیں مشورہ دیا جاتا ہے کہ ہمارے شیئر رجسٹرار THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ سے رابطہ کر کے اپنے غیر دعویٰ شدہ منافع منقسمہ یا زیرِ التواء حصص اگر کوئی ہوں، تو ان کو موصول/ ان کے بارے میں استفسار کر سکتے ہیں۔

برائے مہربانی نوٹ فرمائیں کہ کمپنیز ایکٹ 2017 کی دفعہ 244 کی پاسداری کرتے ہوئے مقررہ طریقہ کار کی تکمیل کے بعد تمام ایسے غیر دعویٰ شدہ منافع منقسمہ جو اپنی واجب ادائیگی کی تاریخ سے ادا نہ ہو پائے ہوں انہیں وفاقی حکومت کے پاس جمع کروا دیا جائے گا اور حصص کی صورت میں انہیں سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو ترسیل کر دیا جائے گا۔

A- اجلاس میں حاضری کے لئے

i- انفرادی فرد کی صورت میں کھاتے دار یا ذیلی کھاتے دار اور/ یا فرد جن کے حصص گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضابطوں کے مطابق اپ لوڈ کردی گئی ہیں، انہیں اجلاس میں حاضری کے وقت اپنا اصل قومی شناختی کارڈ یا اصل پاسپورٹ دکھانا ہوگا۔

ii) ممبران جو کہ سینٹرل ڈپازٹری کمپنی (CDS) میں رجسٹر ہوں ان سے درخواست ہے کہ اپنا CDS کے آئی ڈی نمبرز اور اکاؤنٹ نمبرز ہمراہ لائیں۔

ii- کارپوریٹ انٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختیارنامہ کے ساتھ نامزد فرد کے نمونہ دستخط اجلاس میں حاضری کے وقت پیش کئے جائیں گے (اگر پہلے پیش نہ کئے ہوں)

B- پراکسی کی تقرری کے لئے:

i) انفرادی فرد کی صورت میں کھاتے دار یا ذیلی کھاتے دار اور/ یا فرد جس کے حصص گروپ اکاؤنٹ کی صورت میں ہوں اور ان کی رجسٹریشن کی تفصیلات سی ڈی سی ضابطوں کے تحت اپ لوڈ کردی گئی ہوں وہ ضرورت کے تحت پراکسی فارم پیش کر سکتے ہیں۔

ii) پراکسی فارم پر دو گواہان کے دستخط ہونے چاہئیں جن کے نام، پتے اور CNIC نمبر فارم پر درج کئے جائیں گے۔

iii) پراکسی اور انتفاعی مالکان کی CNIC یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ساتھ پیش کی جائیں گی۔

iv) پراکسی اپنی اصل CNIC یا اصل پاسپورٹ اجلاس میں حاضری کے وقت دکھائے گا۔

v) کارپوریٹ انٹیٹیز کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختیارنامہ بمع نامزد فرد کے نمونہ دستخط کمپنی کے پراکسی فارم کے ساتھ پیش کئے جائیں گے۔ (اگر پہلے پیش نہ کئے ہوں)

5- ممبران کے پتے میں تبدیلی

ممبران سے درخواست ہے اپنے پتے میں کسی بھی تبدیلی سے فوری طور پر شیئر رجسٹرار میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو مطلع کردیں۔

6- CNIC/SNIC/NTN کی فراہمی (لازمی)

ممبران جنہوں نے ابھی تک اپنے درست CNIC کی مصدقہ نقل کے ساتھ فولیو نمبر فراہم نہیں کئے ہیں ان سے درخواست ہے کہ یہ دونوں براہِ راست کمپنی کے شیئر رجسٹرار کو فراہم کردیں۔

7- منافع منقسمہ کی ادائیگی بذریعہ برقی طریقہ کار (لازمی):

کمپنیز ایکٹ 2017 کی دفعہ 242 کی شقوں کے تحت لسٹڈ کمپنی کے لئے ضروری ہے کہ اپنے اہل حصص یافتگان کا نقد منافع منقسمہ بذریعہ برقی طریقہ کار براہِ راست ان کے مقررہ بینک اکاؤنٹ میں منتقل کرے۔

منافع منقسمہ اپنے بینک اکاؤنٹ میں براہِ راست موصول کرنے کے لئے طبعی حصص کی صورت میں حصص یافتگان سے گزارش ہے کہ کمپنی کی ویب سائٹ پر دستیاب الیکٹرانک کریڈٹ مینڈیٹ فارم بھریں اور اس پر باضابطہ دستخط کرکے CNIC کی نقل کے ساتھ کمپنی کے رجسٹرار کو فراہم کردیں۔

CDC میں حصص ہونے کی صورت میں الیکٹرانک کریڈٹ مینڈیٹ فارم لازمی طور پر حصص یافتگان کے بروکر/شریک کار/CDC اکاؤنٹ سروسز کو فراہم کردیں۔

8- سالانہ رپورٹ کی تقسیم بذریعہ ای میل اور CD/DVD/USB

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے SRO No.470(I)/2016 مورخہ 31 مئی 2016 کے ذریعہ کمپنی کو سالانہ آڈٹ شدہ مالیاتی گوشوارے، آڈیٹرز رپورٹ اور ڈائریکٹرز رپورٹ وغیرہ (سالانہ آڈٹ شدہ گوشواروں) کی اپنے حصص یافتگان کو سالانہ آڈٹ شدہ مالیاتی گوشواروں کی چھپی ہوئی کاغذی نقل کے بجائے CD/DVD/USB میں برقی شکل میں بھیجنے کی اجازت دی گئی ہے۔

صدر مجلس کی اجازت سے دیگر کسی امور کی انجام دہی

حسب الحکم بورڈ

(مرتضیٰ سیف الدین)

کمپنی سیکریٹری

کراچی: 07 اکتوبر 2021

گزارشات:

1- کتابوں کی بندش

کمپنی کی شیئر ٹرانسفر بکس 22 اکتوبر 2021 سے 28 اکتوبر 2021 (بشمول دونوں دن) بند رہیں گی۔ شیئر رجسٹرار میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پلاٹ نمبر C-32، جامی کمرشل اسٹریٹ-2، فیز VII ، کراچی کو 21 اکتوبر 2021 کو دفتری اوقات ختم ہونے سے قبل موصول ہونے والی منتقلیوں کو بورڈ کے سفارش کردہ استحقاق کے تعین، اجلاس میں حاضری اور ووٹ دینے کے لئے بروقت تصور کیا جائے گا۔

2- ڈائریکٹران کے انتخابات

کوئی ممبر جو کہ کمپنی کے ڈائریکٹر کے لئے انتخاب لڑنا چاہتا ہو وہ کمپنیز ایکٹ 2017 کی دفعہ 159(3) کے تحت EOGM سے کم از کم 14 دن قبل ڈائریکٹر کے انتخاب کے لئے اپنے آپ کو پیش کرنے کے ارادہ کے ساتھ درج ذیل دستاویزات فراہم کرے:

i- کمپنیز ایکٹ 2017 کی دفعہ 167(1) کے تقاضوں کے تحت باضابطہ دستخط شدہ اور پُر شدہ فارم 28 پر امیدوار کی بحیثیت ڈائریکٹر کام کرنے پر رضامندی

ii- SRO 25(1) 2012 مورخہ 16 جنوری 2012 کے تحت انتخابات سے کم از کم 7 دن قبل تفصیلی تعارف بمع دفتری پتہ کی فراہمی جسے کمپنی کی ویب سائٹ پر اپ لوڈ کیا جائے گا۔

iii- دستخط شدہ اقرار نامہ کہ وہ ڈائریکٹران کے اختیارات اور فرائض سے آگاہ ہے اور کمپنیز ایکٹ 2017، کمپنی کے میمورینڈم اینڈ آرٹیکلز آف ایسوسی ایشن، رول بک آف پاکستان اسٹاک ایکسچینج لمیٹڈ اور کوڈ آف کارپوریٹ گورننس ریگولیشنز 2017 اور دیگر متعلقہ قوانین وضوابط کے تقاضوں کا پاسدار اور معیار اہلیت پر پورا اترتا ہے۔

v) اپنا فولیو نمبر/CDC اکاؤنٹ نمبر/CDC ذیلی اکاؤنٹ نمبر

vi) مزید کوئی دیگر دستاویز/معلومات جو کہ وہ ضروری سمجھتا/سمجھتی ہو

3- کمپنیز ایکٹ 2017 کی دفعہ (3)166 کے تحت آزاد ڈائریکٹران سے متعلق اہم حقائق پر بیان:

آزاد ڈائریکٹران کے انتخابات کمپنیز ایکٹ 2017 کی دفعہ 159 کی ڈائریکٹران کے انتخاب کی شقوں کے تحت ہونگے اور انہیں کمپنیز ایکٹ 2017 کی دفعہ 166(2) میں بیان کئے گئے معیار اہلیت پر پورا اترنا ہوگا۔

4- AGM میں حاضری اور پراکسی کی تقرری کے لئے

i) وہ ممبر جو کہ اجلاس میں حاضر ہونے، بولنے اور ووٹ دینے کا حقدار ہو وہ ضرورت کے تحت اجلاس میں حاضر ہونے، ووٹ دینے اور بولنے کے لئے کسی دیگر ممبر کو اپنا پراکسی مقرر کر سکتا ہے۔

ii) ایک باضابطہ پُر شدہ پراکسی فارم اجلاس کے وقت سے 48 گھنٹے قبل رجسٹرڈ آفس میں جمع کروادیا جائے۔ ممبر کے درست CNIC یا پاسپورٹ کی نقول پراکسی فارم کے ساتھ فراہم کی جائیں گی۔

iii) پراکسی فارم باضابطہ دستخط شدہ، مہر شدہ ہونا چاہئے اور اس پر دو گواہان کے نام، پتے، CNIC نمبر اور دستخط موجود ہوں۔

iv) CDC کے کھاتے داروں کے لئے سیکیورٹیز اینڈ ایکسچینج آف پاکستان (SECP) کے جاری کردہ سرکلر نمبر 1 مورخہ 26 جنوری 2000 میں دیئے گئے رہنما اصولوں پر عمل کرنا ہوگا۔

برشین ایل پی جی (پاکستان) لمیٹڈ

اطلاع برائے 55واں سالانہ اجلاسِ عام

بذریعہ نوٹس ہذا اطلاع دی جاتی ہے کہ برشین ایل پی جی (پاکستان) لمیٹڈ کا 55 سالانہ اجلاس عام بروز جمعرات 28 اکتوبر 2021 کو صبح 11:00 کمپنی کی کورنگی پلانٹ ملحقہ پاکستان ریفائنری لمیٹڈ، کورنگی کریک کراچی، (جس کے لئے کمپنی کی طرف سے ٹرانسپورٹ سہولت دی جائے گی جو کہ صبح 10:15 پر کمپنی کے ہیڈ آفیس ہوریزوں وسٹا بلاک 4 سے کلفٹن سے روانہ ہوگی) بمندرجہ ذیل امور کی انجام دہی کے لئے منعقد ہوگا:

عمومی امور

1- 54ویں سالانہ اجلاس عام منعقدہ 07 مئی 2021 کی روئیداد کی توثیق۔

2- 30 جون 2021 کو ختم شدہ سال کے کمپنی کے آڈٹ شدہ حسابات مع ان پر چیئرمین، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور وخوص اور منظوری-

3- سال 22-2021 کے لئے آڈیٹرز کی تقرری اور ان کے معاوضہ کا تعین- کمپنی کے بورڈ آف ڈائریکٹرز نے سبکدوش ہونے والے آڈیٹرز میسرز BDO ابراہیم اینڈ کو چارٹرڈ اکاؤنٹنٹس کی سال 30 جون 2022 کے لئے بطور آڈیٹرز تقرری کی سفارش کی ہے- سبکدوش ہونے والے آڈیٹرز نے اہلیت کے باعث سال 30 جون 2022 کے لئے اپنی دوبارہ تقرری کی پیشکش کی ہے-

خصوصی امور:

1- **کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ترمیم کے لئے خصوصی قرارداد پر غور اور اگر موزوں سمجھا گیا تو تبدیلی کے ساتھ یا تبدیلی کے بغیر اس کی منظوری:**

متفقہ طور پر منظور کیا جاتا ہے کہ کمپنی کے آرٹیکلز آف ایسوسی ایشن میں درج ذیل انداز میں ترمیم کی جائے:

موجودہ آرٹیکل 85 کی جگہ پر نئے آرٹیکل کی تبدیلی

''ڈائریکٹر کی اہلیت کے لئے اس کا ممبر ہونے کے علاوہ اس کی ملکیت میں اس کے نام پر کم از کم -/5,000 مالیت عمومی قدر کے حامل حصص ہوں لیکن ڈائریکٹر جو کہ ایسے ممبر یا ممبران کی نمائندگی کرتا ہو جن کی ملکیت میں -/5,000 یا اس سے زیادہ مالیت کے عمومی قدر کے حصص ہوں اس کے لئے حصص کی اہلیت ضروری نہیں- ایک ڈائریکٹر صرف اس لئے اہل نہیں ہوگا کہ وہ درکار قدر کے حصص کی ملکیت رکھنے والے ممبر یا ممبران کی مفادات کی نمائندگی کر رہا ہو سوائے اس کے وہ ممبران تحریری طور پر کمپنی میں اپنے حصص کی ملکیت بیان کریں- لہذا کسی ڈائریکٹر کے لئے یہ اہلیت ضروری نہ ہوگی جبکہ جس ممبر کی وہ نمائندگی کر رہا ہو، اس کے لئے ڈائریکٹر بشمول آزاد ڈائریکٹر کی اس اہلیت پر پورا اترنا ضروری نہ ہوگا-''

''مزید متفقہ طور پر کمپنی کے چیف ایگزیکٹو اور/ یا کمپنی سیکریٹری کو تمام قانونی، ادرتی اور طریقہ کار کے ضابطوں کو پورا کرنے اور تمام ضروری دستاویزات کو دائر کرنے کے لئے مجاز بنایا جاتا ہے جو کہ مذکورہ بالا قرارداد پر عملدرآمد کے مقاصد کے لئے ضروری یا ناگزیر ہوں-''

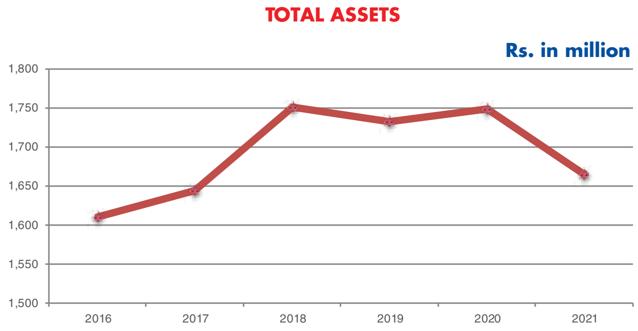
غیر معمولی امور

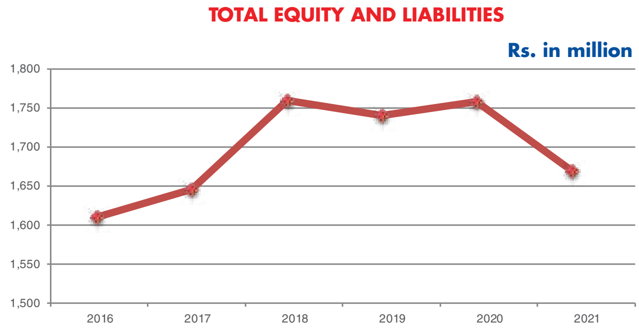
1- کمپنیز ایکٹ 2017 کی دفعہ (1)159 کے تحت بورڈ آف ڈائریکٹرز کے اجلاس منعقد 04 اکتوبر 2021 میں ڈائریکٹران کی طے کردہ تعداد نو (9) کی تین سالہ مدت کے لئے انتخاب جس کا آغاز 28 اکتوبر 2021 سے ہوگا-

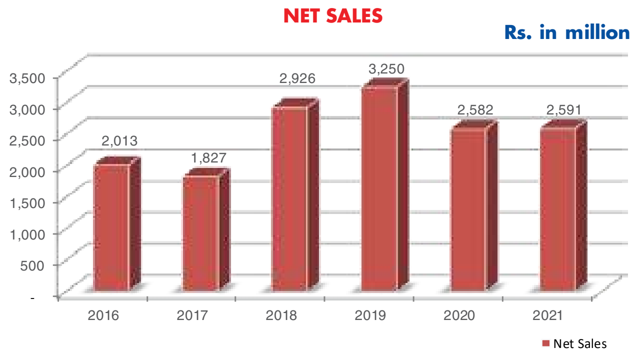
ڈائریکٹران کے نام درج ذیل ہیں:

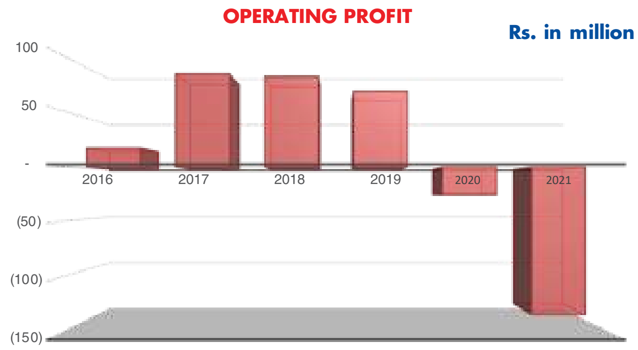
1- اسد عالم نیازی صاحب	2- شہریار ڈسیٹھنا صاحب	3- رفیع اللہ خان نیازی صاحب
4- سیفی زکی الدین صاحب	5- شاہ بانو حمید صاحبہ	6- خالد ڈار صاحب
7- شیخ عبدالسمیع صاحب	8- حمدیہ فاطن نیازی صاحبہ	9- دریاؤس سیٹھنا صاحب

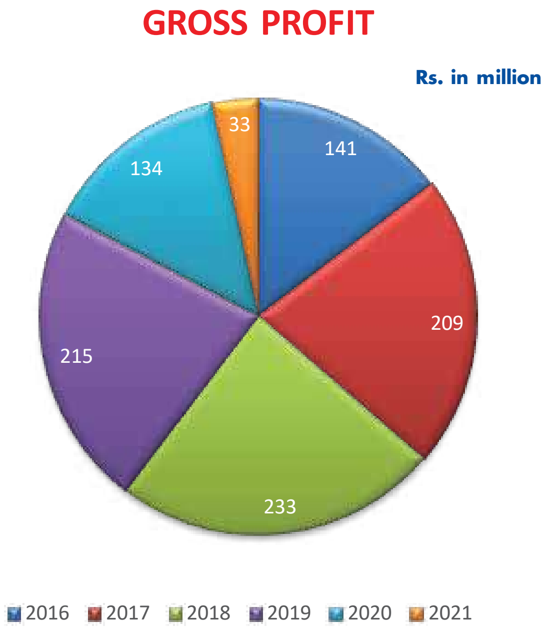
FINANCIAL HIGHLIGHTS

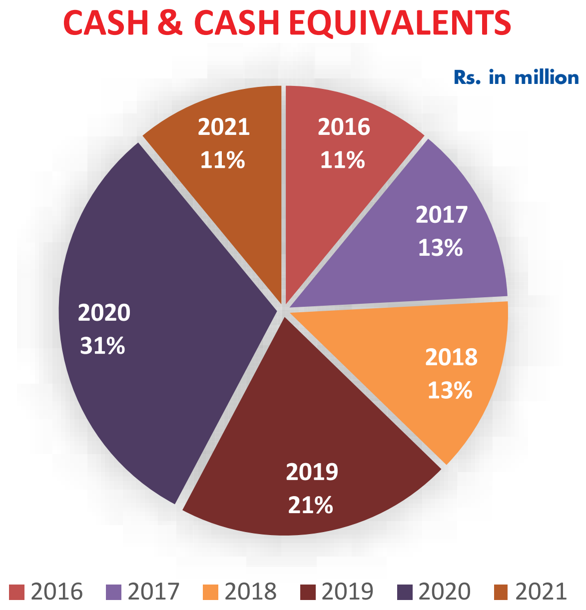












SIX YEARS SUMMARY

Six Years Summary	2021	2020	2019	2018	2017 Restated	2016
			Rupees in '000			
Trading Results						
Net turnover	2,591,297	2,582,454	3,249,870	2,926,076	1,826,825	2,012,770
Gross profit	33,489	133,816	215,355	232,513	209,820	141,328
Operating profit	(137,139)	(26,008)	69,866	83,557	85,793	17,612
Earnings before interest, taxes,depreciation and amortisation	(43,951)	75,146	177,939	173,717	160,532	105,748
Earnings after tax	(119,754)	(109,469)	25,857	19,596	29,033	(7,551)
Final dividend	-	22,640	16,980	22,489	22,489	22,929
Earnings / (loss) before tax	(70,559)	(70,199)	64,974	53,581	50,631	(13,968)
Financial Position						
Share capital	224,888	224,888	224,888	224,888	224,888	224,888
Reserves and Retained Earnings	351,679	464,268	594,556	547,533	553,431	557,259
Property, plant and equipment and intangibles	1,086,882	1,155,978	1,120,320	1,195,638	1,221,019	1,139,793
Long-term/deferred liabilities	466,572	431,771	388,579	377,031	382,437	463,746
Inventory	19,134	43,901	75,422	95,341	50,755	37,536
Debtor	87,665	24,776	23,422	17,654	5,001	11,400
Creditor	108,026	138,743	91,342	179,374	104,014	110,927
Total Assets	1,664,543	1,749,450	1,731,847	1,750,238	1,643,693	1,610,335
Total current assets	524,134	420,223	437,872	402,295	301,658	331,917
Total current liabilities	621,404	628,523	523,824	600,786	482,937	364,442
Number of issued shares	22,489	22,489	22,489	22,489	22,489	22,489
Cash & Cash equivalents	92,822	265,197	173,732	110,922	111,924	92,869
Investors Information						
Profitability Ratios						
Gross profit ratio	1.29%	5.18%	6.63%	7.95%	11.49%	7.02%
Profit / (loss) before tax to sales	-2.72%	-2.72%	2.00%	1.83%	2.77%	-0.69%
Profit / (loss) after tax in percent of sales	-4.62%	-4.24%	0.80%	0.67%	1.59%	-0.38%
EBITDA Margin to sales	-1.70%	2.91%	5.48%	5.94%	8.79%	5.25%
Return on equity/ capital employed	-20.77%	-15.88%	3.16%	2.54%	3.73%	-0.97%
Activity / Turnover Ratios						
Inventory turnover ratio (in times)	81.16	41.04	35.54	36.87	36.63	47.36
Inventory turnover ratio (no. of days)	4	9	10	10	10	8
Debtor turnover ratio (in times)	46.09	107.16	158.24	258.32	222.77	138.90
Debtor turnover ratio(no.ofdays)	8	3	2	1	2	3
Creditor turnover ratio (in times)	20.73	21.28	22.42	19.01	13.82	13.60
Creditor turnover ratio (no. of days)	18	17	16	19	26	27
Operating cycle (no. of days)	(5)	(5)	(4)	(8)	(15)	(16)
Total assets turnover ratio (in times)	1.52	1.48	1.87	1.72	1.12	1.24
Total assets turnover ratio (in days)	240.44	246.02	195.54	211.68	325.08	294.82
Liquidity Ratios						
Current ratio	0.84	0.67	0.84	0.67	0.62	0.91
Quick/ acid test ratio	0.81	0.60	0.69	0.51	0.52	0.81
Cash to Current Liabilities	0.15	0.42	0.33	0.18	0.23	0.25
Investment/Market Ratios						
Earnings / (loss) per share	(5.33)	(4.87)	1.15	0.87	1.29	(0.34)
Break-up value per share	25.64	30.64	36.44	34.35	34.61	34.78
Cash Flows						
Net cash flow from operating activities	(144,436)	153,889	99,849	68,580	187,794	(1,526)
Net cash flow from investing activities	(20,224)	(48,003)	(29,067)	(61,494)	(151,638)	(154,125)
Net cash flow from financing activities	(7,715)	(14,421)	(7,972)	(8,088)	(17,101)	13,749
Net (decrease) / increase in cash and cash equivalents	(172,375)	91,465	62,810	(1,002)	19,055	(141,902)

HORIZONTAL ANALYSIS
OF FINANCIAL STATEMENTS

	2021	2020	2019	2018	2017	2016
Balance Sheet					Restated	
Non-current assets	1,140,409	1,329,227	1,293,975	1,347,943	1,342,035	1,278,418
Current assets	524,134	420,223	437,872	402,295	301,658	331,917
Total assets	1,664,543	1,749,450	1,731,847	1,750,238	1,643,693	1,610,335
Equity	240,152	352,741	544,679	497,656	503,554	507,382
Surplus on revaluation of fixed assets	336,415	336,415	274,765	274,765	274,765	274,765
Non-current liabilities	466,572	431,771	388,579	377,031	382,437	463,746
Current Liabilities	621,404	628,523	523,824	600,786	482,937	364,442
Total equity and liabilities	1,664,543	1,749,450	1,731,847	1,750,238	1,643,693	1,610,335
Net sales	2,591,297	2,582,454	3,249,870	2,926,076	1,826,825	2,012,770
Cost of product sold	(2,557,808)	(2,448,638)	(3,034,515)	(2,693,563)	(1,617,005)	(1,871,442)
Gross profit	33,489	133,816	215,355	232,513	209,820	141,328
Administrative expenses	(124,738)	(111,555)	(106,575)	(108,690)	(92,102)	(80,816)
Distribution and marketing expenses	(66,446)	(70,600)	(68,780)	(64,224)	(62,752)	(65,283)
Other income	29,454	34,996	42,645	35,525	49,812	45,133
Other expenses	(8,898)	(12,665)	(12,779)	(11,567)	(18,985)	(22,750)
	(170,628)	(159,824)	(145,489)	(148,956)	(124,027)	(123,716)
Operating profit	(137,139)	(26,008)	69,866	83,557	85,793	17,612
Finance costs	(26,989)	(44,191)	(4,892)	(29,976)	(35,162)	(31,580)
Profit / (loss) before taxation	(164,128)	(70,199)	64,974	53,581	50,631	(13,968)

	2020	2019	2018	2017	2016	2015
	-------------% increase/ (decrease) over preceeding year--------					
Balance Sheet						
Non-current assets	-14.21%	2.72%	-4.00%	0.44%	4.98%	6.73%
Current assets	24.73%	-4.03%	8.84%	33.36%	-9.12%	-25.14%
Total assets	-4.85%	1.02%	-1.05%	6.48%	2.07%	-1.88%
Equity	-31.92%	-35.24%	9.45%	-1.17%	-0.75%	-5.62%
Non-current liabilities	8.06%	11.12%	3.06%	-1.41%	-17.53%	-13.96%
Current Liabilities	-1.13%	19.99%	-12.81%	24.40%	32.51%	25.76%
Total equity and liabilities	-4.85%	1.02%	-1.05%	6.48%	2.07%	-1.88%
Net sales	0.34%	-20.54%	11.07%	60.17%	-9.24%	-15.85%
Cost of product sold	4.46%	-19.31%	12.66%	66.58%	-13.60%	-9.32%
Gross profit	-74.97%	-37.86%	-7.38%	10.82%	48.46%	-56.91%
Administrative expenses	11.82%	4.67%	-1.95%	18.01%	13.97%	10.22%
Distribution and marketing expenses	-5.88%	2.65%	7.09%	2.35%	-3.88%	-27.54%
Other operating income	-15.84%	-17.94%	20.04%	-28.68%	10.37%	73.93%
Other operating expenses	-29.74%	-0.89%	10.48%	-39.07%	-16.55%	3.68%
Operating profit	-427.30%	-137.23%	-16.39%	-2.61%	387.13%	-89.55%
Finance costs	-38.93%	803.33%	-83.68%	-14.75%	11.34%	71.86%
Profit before taxation	-133.80%	-208.04%	21.26%	5.83%	-462.48%	-109.30%

VERTICAL ANALYSIS OF FINANCIAL STATEMENTS

	2021		2020		2019		2018		2017		2016	
	----Rupee 000----	%	----Rupee 000----	%	----Rupee 000----	%	----Rupee 000----	%	----Rupee 000----	%	----Rupee 000----	%
Balance Sheet												
Non-current assets	1,140,409	69%	1,329,227	80%	1,293,975	74%	1,347,943	78%	1,342,035	77%	1,278,418	78%
Current assets	524,134	31%	420,223	25%	437,872	26%	402,295	23%	301,658	17%	331,917	20%
Total assets	1,664,543	100%	1,749,450	100%	1,731,847	100%	1,750,238	100%	1,643,693	100%	1,610,335	100%
Equity	240,152	14%	352,741	21%	544,679	31%	497,656	29%	503,554	29%	507,382	31%
Surplus on revaluation of fixed assets	336,415	20%	336,415	20%	274,765	16%	274,765	16%	274,765	16%	274,765	17%
Non-current liabilities	466,572	28%	431,771	26%	388,579	22%	377,031	22%	382,437	22%	463,746	28%
Current Liabilities	621,404	37%	628,523	38%	523,824	30%	600,786	35%	482,937	28%	364,442	22%
Total equity and liabilities	1,664,543	100%	1,749,450	100%	1,731,847	100%	1,750,238	100%	1,643,693	100%	1,610,335	100%
Net sales	2,591,297	100%	2,582,454	100%	3,249,870	100%	2,926,076	100%	1,826,825	100%	2,012,770	100%
Cost of product sold	(2,557,808)	-99%	(2,448,638)	-94%	(3,034,515)	-118%	(2,693,563)	-83%	(1,617,005)	-55%	(1,871,442)	-102%
Gross profit	33,489	1%	133,816	5%	215,355	8%	232,513	7%	209,820	7%	141,328	8%
Administrative expenses	(124,738)	-5%	(111,555)	-4%	(106,575)	-4%	(108,690)	-3%	(92,102)	-3%	(80,816)	-4%
Distribution and marketing expenses	(66,446)	-3%	(70,600)	-3%	(68,780)	-3%	(64,224)	-2%	(62,752)	-2%	(65,283)	-4%
Other operating income	29,454	1%	34,996	1%	42,645	2%	35,525	1%	49,812	2%	45,133	2%
Other operating expenses	(8,898)	-0.3%	(12,665)	-0.5%	(12,779)	-0.5%	(11,567)	-0.4%	(18,985)	-1%	(22,750)	-1%
	(170,628)	-7%	(159,824)	-6%	(145,489)	-6%	(148,956)	-5%	(124,027)	-4%	(123,716)	-7%
Operating profit	(137,139)	-5%	(26,008)	-1%	69,866	3%	83,557	3%	85,793	3%	17,612	1%
Finance costs	(26,989)	-1.0%	(44,191)	-1.7%	(4,892)	-0.2%	(29,976)	-1%	(35,162)	-1%	(31,580)	-2%
Profit / (loss) before taxation	(164,128)	-6%	(70,199)	-3%	64,974	3%	53,581	2%	50,631	2%	(13,968)	-1%

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Burshane LPG (Pakistan) Limited
Year Ending **June 30, 2021**

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

1. The total number of directors are 9 as per the following:

a.	Male :	-	7
b.	Female :	-	2

2. The composition of board is as follows:

Category	Name
Independent Director	Maj.Gen Rafi ullah Khan (R) Mr. Shaikh Abdus Sami
Non-Executive Directors	Mr. Shahriar D. Sethna Ms. Hamdia Fatin Niazi Mr. Darayus T.Sethna Ms. Shahbano Hameed
Executive Directors	Mr. Asad Alam Niazi Mr. Saifee Zakiuddin Mr. Khalid Dar

1. The Directors have confirmed that none of them is serving as a director on more than Seven listed companies, including this company;

2. 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;

3. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

4. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ Shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;

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

9. Four of the Directors are qualified under the directors training program. During the year the board did not arrange training program for its directors;

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and Chief executive officer duly endorsed the financial statements before approval of the Board;

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

a) Audit Committee

Maj.Gen Rafi ullah Khan (R)	Chairman
Ms. Hamdia Fatin Niazi	Member
Mr. Shahriar D. Sethna	Member
Mr. Darayaus T. Sethna	Member
Mr. Shaikh Abdus Sami	Member

b) Human Resource and Remuneration Committee

Maj. Gen Rafi ullah Khan (R)	Chairman
Mr. Asad Alam Niazi	Member
Ms. Hamdia Fatin Niazi	Member
Mr. Saifee Zakiuddin	Member
Mr. Darayaus T. Sethna	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the Committee for compliance.

14. The frequency of meetings (quarterly/half yearly/yearly) of the Committees were as per following:

a) Audit Committee	05 Meetings were held during the year.
b) HR and Remuneration Committee	02 Meetings were held during the years

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

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

1. We confirm that all requirements of the regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with;

2. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non-mandatory requirements) are below:

S. No.	Requirement	Explanation	Reg. No.
1	All written notices and relevant material, including the agenda of the meeting shall be circulated at least seven days prior to the meeting, except in the case of emergency.	Two meetings of the Board on September 11, 2020 and October 07, 2020; were held at short notice as expressly desired by the Board due to various exigencies that are evident from the agendas and minutes of these meetings	11(2)
2	The chief executive officer of the company shall place significant issues for the information, consideration and decision, as the case may be, of the Board or its committees that include but are not limited to the following: Management letter issued by the external auditors.	Management Letter in respect of audit for the year ended June 30, 2020 has been presented in July 2021.	14(Vii)
3	The details of all related party transactions shall be placed periodically before the audit committee of the company and upon recommendations of the audit committee, the same shall be placed before the Board for review and approval.`	Transactions with Burshane Petroleum (Private) Limited (BPPL) were not placed at any audit committee meetings, however, the transactions with BPPL were approved by the Board on April 14, 2021 in BOD meeting.	15

Shaikh Abdus Sami
Chairman

Asad Alam Niazi
Director / CEO

Dated: October 04, 2021

BDO

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Pakistan

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BURSHANE LPG (PAKISTAN) LIMITED ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Burshane LPG (Pakistan) Limited** for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

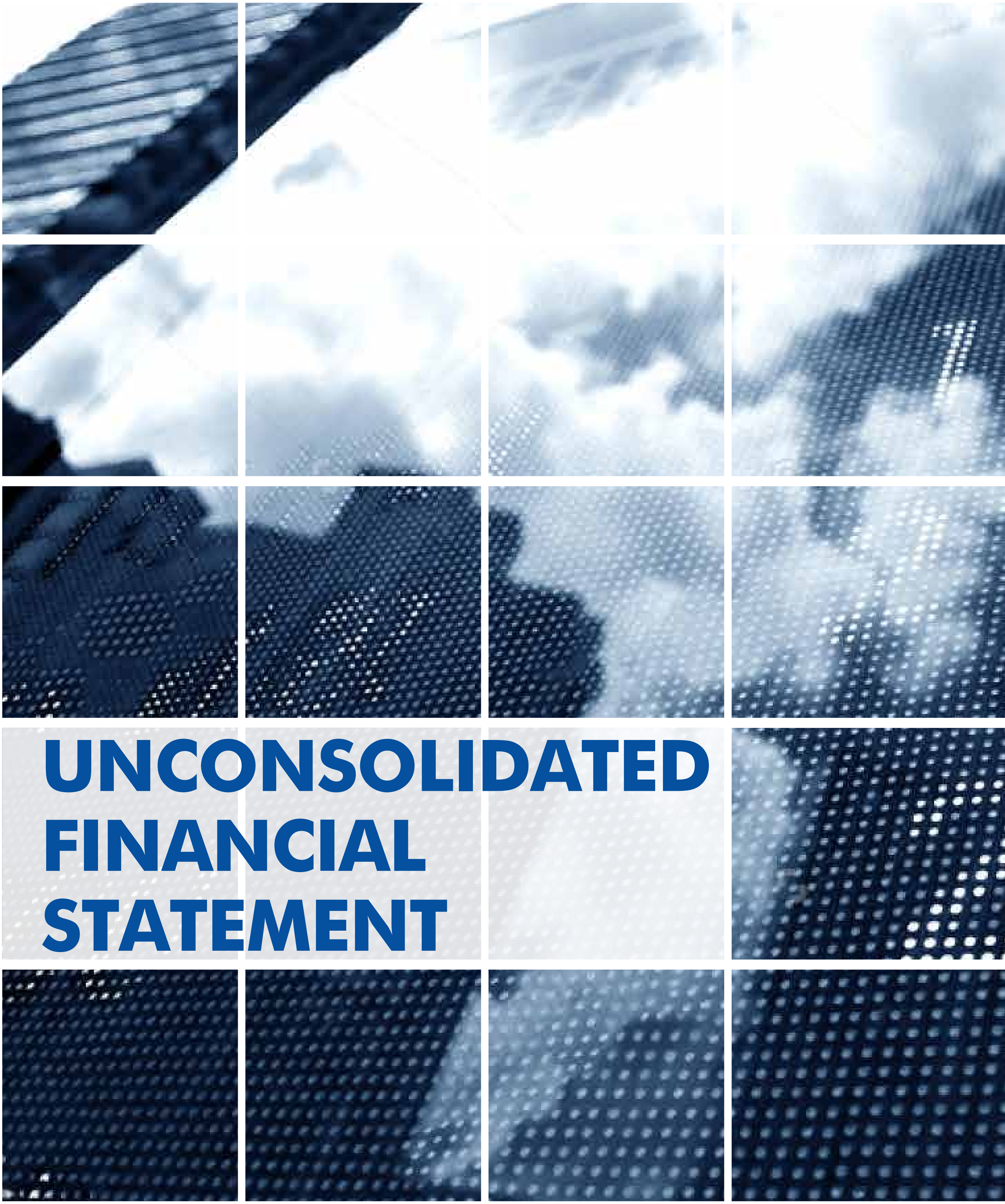
The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.

KARACHI

DATED: OCTOBER 4, 2021

CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer



UNCONSOLIDATED FINANCIAL STATEMENT

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURSHANE LPG (PAKISTAN) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Burshane LPG (Pakistan) Limited** (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2021, and the unconsolidated statement of profit or loss, unconsolidated statement of comprehensive income, the unconsolidated statement of cash flows, the unconsolidated statement of changes in equity for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, unconsolidated statement of comprehensive income, the unconsolidated statement of cash flows, the unconsolidated statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the loss and other comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for opinion

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

Emphasis of Matter

Without modifying our opinion, we draw attention to the following:

1. Note 32.1.6 to the unconsolidated financial statements which provide details regarding transactions with the Roots International Brands Private Limited (RIBS) and investigation order passed by Securities and Exchange Commission of Pakistan.

2. Note 32.1.7 to the unconsolidated financial statements which provide details regarding complaint filed by Directorate of Intelligence and Investigation, Inland Revenue, Karachi with the Court of Special Judge (Customs, Taxation and Anti-Smuggling), Karachi, (Trial Court) against the Company and its Directors alleging tax evasion. During the year and, subsequently, FBR has issued various notices for audit of the tax years 2018 and 2019. Note 32.1.7 provides details regarding the matter which is sub-judice.

3. Note 24.1 and 32.1.8 to the unconsolidated financial statements which provide details regarding reprofiling of the financing facilities with National Bank of Pakistan.

Key Audit Matters

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

Following are the key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	Contingencies	
	As disclosed in note 32 of the unconsolidated financial statements, the Company has contingencies and litigations in respect of legal, sales tax and income tax matters, which are pending adjudication with respective authorities at various legal forums available. Contingencies require management to make judgments and estimates in relation to the interpretation of relevant laws, rules and regulations, probability of outcome and financial impact, if any, for recognition, measurement and disclosure of any related provision or any other element of unconsolidated financial statements. Due to significance of amounts involved, inherent uncertainties with respect to the outcome of such matters and use of significant management judgments and estimates to assess the same including any related financial impacts, we considered contingencies and litigations in respect of legal, sales tax and income tax matters, a key audit matter.	We have undertaken a number of procedures to verify the contingencies and their consequential impact on the unconsolidated financial statements. This included, among others: • We obtained and reviewed the details of pending legal, sales tax and income tax matters and discussed the same with the management; • We followed the progress of each case and the Company's estimate of the cost to be incurred; • We reviewed the key elements of the methodology employed by management in challenging reasonableness of the cost estimates; • We considered the impact on future case costs from changes arising in the regulatory environment; • We obtained confirmations from legal advisors for current status on pending previous cases and any new case filed during the year; • Checked orders by relevant authority on previous lawsuits / cases appearing in the unconsolidated financial statements; and • Obtained legal advice on the above cases with the legal advisors to ensure that the outflow is possible and not probable.

BDO

S. No	Key audit matters	How the matter was addressed in our audit
		• We also assessed the adequacy of the disclosures made in respect of contingencies in accordance with the financial reporting standards.
2.	Revenue	
	As disclosed in note 33 of the unconsolidated financial statements, the Company reported revenue of Rs. 2,591.3 million from sale of liquefied petroleum and low-pressure regulators (LPR) revenue which reflect an increase of 0.34% from the previous year. We focused on revenue as a key audit area due to high volume of transactions.	We performed a range of audit procedures in relation to revenue including the following: • We considered the appropriateness of the Company's revenue recognition accounting policies; • We obtained understanding of the revenue related processes; • We perform test of details on revenue recognized during the year, on a sample basis, including review of order receipt, invoicing and dispatched; • We performed cut-off procedures on transactions occurring either immediately before or after the year end to assess the recording of revenue in correct accounting period; and • We also assessed the adequacy of the disclosures made in respect of revenue in accordance with the financial reporting standards.
3.	Impairment of goodwill	
	The goodwill arose upon the amalgamation with Holding company as disclosed in note 9.2.1. The Company's assessment of impairment of goodwill is a judgmental process which requires estimates concerning the forecast future cash flows associated with the goodwill held, the discount rates and the growth rate of revenue and costs to be applied in determining the value in use. There was no impairment in the current year (2020: Nil).	Our work involved the following: • We have assessed the design and implementation of the Company's controls relating to Management's impairment review of goodwill. • We have tested the accuracy of the underlying model to assess whether the processes are applied to the correct input data and the outputs are mapped accurately. • We challenged each of the key assumptions employed in the annual goodwill impairment test. This included reference to our internal valuation specialists' benchmarking of the weighted average cost of capital rate ('WACC')

S. No	Key audit matters	How the matter was addressed in our audit
		employed as the discount rate employed, including its methodology and constituent inputs and an assessment of the Company's historic forecasting accuracy. • We have tested management's sensitivity analysis in relation to the key inputs to the goodwill impairment test model, as well as performing our own sensitivity analysis which included changes to volume, margin, incentives and the discount rate applied. • We have reviewed the appropriateness of the disclosures provided in accordance with IAS 36 'Impairment of Assets'.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of cash flows and the unconsolidated statement of changes in equity together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Zulfikar Ali Causer.

KARACHI

DATED: 04 OCT 2021

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BURSHANE LPG (PAKISTAN) LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021	2020
		--------- (Rupees in '000) ---------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	807,389	827,317
Intangible assets	9	279,493	328,661
Long-term investment	10	50,000	50,000
Long-term loans	11	353	488
Long-term deposits	12	3,174	122,761
		1,140,409	1,329,227
CURRENT ASSETS			
Stores and spares	13	3,873	2,215
Stock-in-trade	14	19,134	43,901
Trade debts	15	87,665	24,776
Loans and advances	16	72,027	53,084
Deposits, prepayments and other receivables	17	141,652	21,755
Taxation - net	18	106,961	9,295
Cash and bank balances	19	92,822	265,197
		524,134	420,223
TOTAL ASSETS		1,664,543	1,749,450
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	20	900,000	900,000
Issued, subscribed and paid-up capital	21	224,888	224,888
Capital reserves			
Revaluation surplus of property	22	336,415	336,415
Other reserves	22	117,235	110,070
Revenue reserve	23	(101,971)	17,783
		576,567	689,156
NON-CURRENT LIABILITIES			
Long-term loan	24	-	-
Lease liabilities	25	9,942	17,511
Deferred taxation - net	26	18,368	-
Cylinder and regulator deposits	27	438,262	414,260
		466,572	431,771
CURRENT LIABILITIES			
Loan from a subsidiary company	28	50,000	50,000
Trade and other payables	29	108,026	138,743
Accrued mark-up on long-term loan	30	119,392	97,029
Unclaimed dividends	31	83,198	83,198
Current portion of long-term loan	24	254,439	254,439
Current portion of lease liabilities	25	6,349	5,114
		621,404	628,523
TOTAL EQUITY AND LIABILITIES		1,664,543	1,749,450
CONTINGENCIES AND COMMITMENTS	32		

The annexed notes from 1 to 54 form an integral part of these financial statements.

DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

BURSHANE LPG (PAKISTAN) LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		--------- (Rupees in '000) ---------	
Sales - net	33	2,591,297	2,582,454
Cost of sales	34	(2,557,808)	(2,448,638)
Gross profit		33,489	133,816
Administrative expenses	35	(124,738)	(111,555)
Distribution and marketing expenses	36	(66,446)	(70,600)
Other income	37	29,454	34,996
Other expenses	38	(8,898)	(12,665)
		(170,628)	(159,824)
Operating loss		(137,139)	(26,008)
Financial costs	39	(26,989)	(44,551)
Loss before taxation		(164,128)	(70,559)
Taxation	40	44,374	(39,270)
Loss for the year		(119,754)	(109,829)
		------------ (In Rupees) ------------	
Loss per share - basic and diluted	41	(5.33)	(4.88)

The annexed notes from 1 to 54 form an integral part of these financial statements.

DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

BURSHANE LPG (PAKISTAN) LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		--------- (Rupees in '000) ---------	
Loss for the year		(119,754)	(109,829)
Other comprehensive income			
Items that will not be reclassified subsequently to statement of profit or loss:			
Surplus on revaluation of property		-	61,650
Actuarial gain / (loss) on remeasurement of retirement and other service benefits		10,092	(59,463)
Less: Taxation thereon		(2,927)	-
		7,165	2,187
Total comprehensive loss for the year		(112,589)	(107,642)

The annexed notes from 1 to 54 form an integral part of these financial statements.

DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

BURSHANE LPG (PAKISTAN) LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021

		Capital reserves				Revenue Reserves			
	Issued, subscribed and paid-up capital	**Reserve on amalgamation**	**Revaluation surplus of property**	**Actuarial (loss) / gain on remeasurement of retirement and other service benefits**	**Sub total**	**General Reserve**	**Unappropriated profit / (Accumulated losses)**	**Sub total**	**Total**
	(Rupees in '000)								
Balance as at July 01, 2019	224,888	153,458	274,765	16,081	444,304	90,000	60,252	150,252	819,444
Total comprehensive loss for the year									
Loss for the year	-	-	-	-	-	-	(109,829)	(109,829)	(109,829)
Other comprehensive income for the year - net of tax	-	-	61,650	(59,469)	2,181	-	-	-	2,181
	-	-	61,650	(59,469)	2,181	-	(109,829)	(109,829)	(107,649)
Final dividend @ Re.1 per share	-	-	-	-	-	-	(22,640)	(22,640)	(22,640)
Balance as at June 30, 2020	224,888	153,458	336,415	(43,388)	446,485	90,000	(72,217)	17,783	689,156
Balance as at July 01, 2020	224,888	153,458	336,415	(43,388)	446,485	90,000	(72,217)	17,783	689,156
Total comprehensive loss for the year									
Loss for the year	-	-	-	-	-	-	(119,754)	(119,754)	(119,754)
Other comprehensive income for the year - net of tax	-	-	-	7,165	7,165	-	-	-	7,165
	-	-	-	7,165	7,165	-	(119,754)	(119,754)	(112,589)
Balance as at June 30, 2021	224,888	153,458	336,415	(36,223)	453,650	90,000	(191,971)	(101,971)	576,567

The annexed notes from 1 to 54 form an integral part of these financial statements.

DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

BURSHANE LPG (PAKISTAN) LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		--------- (Rupees in '000) ---------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	45	(256,065)	157,635
Retirement and other service benefits paid		(8,660)	(9,548)
Taxes paid		(37,851)	(34,464)
Finance costs paid		(1,613)	(3,673)
Long-term loans - net		135	406
Long-term deposits - net		119,587	-
Cylinder and regulator deposits - net		40,031	43,533
Net cash (used in) / generated from operating activities		(144,436)	153,889
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(25,724)	(49,260)
Purchase of intangible assets		-	(149)
Proceeds from disposal of operating fixed assets		5,500	1,406
Net cash used in investing activities		(20,224)	(48,003)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		-	(5,623)
Repayment of lease liabilities		(7,715)	(8,798)
Net cash used in financing activities		(7,715)	(14,421)
Net (decrease) / increase in cash and cash equivalents		(172,375)	91,465
Cash and cash equivalents at beginning of the year		265,197	173,732
Cash and cash equivalents at end of the year		92,822	265,197

The annexed notes from 1 to 54 form an integral part of these financial statements.

DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

BURSHANE LPG (PAKISTAN) LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND OPERATIONS

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

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

1.2 The Company was a subsidiary of H.A.K.S. Trading (Private) Limited (HTPL). The major shareholder of HTPL was Mr. Asad Alam Niazi, Chief Executive of the holding company with 74.19% of the ordinary shares while various other shareholders held 25.81% shares. However, consequent to the approval of the scheme of arrangement for amalgamation of HTPL and the Company by the High Court of Sindh (the Court), HTPL was amalgamated with the Company on February 20, 2015, as further explained in note 7.

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

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act , 2017; and
- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from the IFRS Standards, the provisions of and directives issued under the Act have been followed.

3.2 Basis of measurement

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

3.3 Separate financial statements

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

3.4 Functional and presentation currency

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

4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2021

The following standards, amendments and interpretations are effective for the year ended June 30, 2021. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update these pronouncements with regard to references to and quotes from the framework or to indicate where they refer to different version of the Conceptual Framework.	
Amendments to IFRS 3 'Business Combinations' - Definition of a business	January 01, 2020
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform	January 01, 2020
Amendments to IFRS 16 'Leases' - Covid - 19 related rent consessions	June 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material	January 01, 2020

Certain annual improvements have also been made to a number of IFRSs.

4.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Interest Rate Benchmarch Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IFRS 16 'Leases' - Extended practical relief regarding Covid - 19 related rent consessions	April 01, 2021
Amendments to IAS 1'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023

	Effective date (annual periods beginning on or after)
Amendments to IAS 1'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1	First Time Adoption of International Financial Reporting Standards; and
IFRS 17	Insurance Contracts.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Property, plant and equipment

5.1.1 Owned

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

Depreciation is charged to profit or loss using straight-line method whereby the cost of an asset is allocated over its estimated useful life at the rates given in note 8.1. Depreciation on additions is charged from the month in which the asset is available for use, while no depreciation is charged in the month in which the asset is disposed off. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

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

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

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

5.1.2 Right of use assets

The right-of-use asset is initially measured at the amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using straight line method from the date of commencement date to the earlier of the end of useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property, plant and equipment. In addition, the right of use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

5.1.3 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.

5.2 Intangible assets

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

a) 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.

b) Goodwill

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

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

c) Trademarks

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

Intangible assets, where applicable, are amortised from the month when such assets are available for use on straight line method whereby the cost of an intangible asset is allocated over its estimated useful life, at the rates given in note 9.

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

5.3 Investment in a subsidiary company

Investment in subsidiary is initially recognised and subsequently stated 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 statement of profit or loss in the period of disposal.

5.4 Stores and spares

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

5.5 Stock-in-trade

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

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost necessary to be incurred to make the sale.

5.6 Trade debts and other receivables

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method less provision for impairment, if any. A provision for impairment is established under expected credit loss approach. Trade debts and other receivables are written-off when considered irrecoverable.

5.7 Cash and cash equivalents

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

5.8 Retirement and other service benefits

5.8.1 Defined benefit plan

The Company operates:

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

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

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

5.8.2 Defined contribution plan

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

5.9 Lease liabilities

The lease liability is initially measured at the present value of the future lease payments over the lease term, discounted using the specific incremental borrowing rate. Subsequently lease liabilities are measured at amortized cost using the effective interest rate method.

It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

5.10 Loans and borrowings

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

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

5.11 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.

5.12 Provisions

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

5.13 Taxation

5.13.1 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.

5.13.2 Deferred

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

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

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

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

5.14 Foreign currencies

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

5.15 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.

5.16 Dividend and appropriation to reserves

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

5.17 Earnings per share

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

5.18 Financial instruments

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

i) Financial assets

Initial recognition and measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL).

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

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

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

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

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

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

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

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

Subsequent measurement

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

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

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

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

Derecognition

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

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

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

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

Impairment / expected credit losses on financial assets

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

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

The Company uses the standard's simplified approach and calculates ECL based on life-time ECL on its trade debt and contractual assets, where as for other financial assets loss allowance is measured at 12 months ECL under general approach of measuring ECL. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to such financial assets and the economic environment. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in future. The expected credit losses are recognised in the profit or loss.

ii) Financial liabilities

Financial liabilities are generally classified at initial recognition, as financial liabilities at amortized cost.

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

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

Loans and borrowings

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

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

Derecognition

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

iii) Offsetting of financial instruments

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

5.19 Revenue from contracts with customers

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

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

Sale of LPG and LPR

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

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

Others

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

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

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

6 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 these unconsolidated financial statements:

6.1 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.

6.2 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.

6.3 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.

6.4 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 43.

7 AMALGAMATION WITH HOLDING COMPANY

Effective February 20, 2015, the Company went through a scheme of amalgamation with its holding company consequent to the approval of the Scheme by the High Court of Sindh.

According to the Scheme, 0.31 ordinary 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, as per the swap ratio, will result in reduction of 151,154 shares of the Company. The Company is in the process of completing the legal formalities for issuance of new share certificates.

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, (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

	Fair value as of February 19, (Rupees in '000)
Represented by:	
Unappropriated loss	(73,677)
Revaluation surplus on property, plant and equipment	269,138
Reserve on amalgamation	151,946
	347,407

	Note	2021 Rupees	2020 Rupees
		--------- (Rupees in '000) ---------	

8 PROPERTY, PLANT AND EQUIPMENT

	Note	2021	2020
Operating fixed assets	8.1	807,389	827,317
Capital work-in-progress	8.2	-	-
		807,389	827,317

8.1 Operating fixed assets

The following is the statement of operating fixed assets:

Description	Owned Assets												Leased Assets	Right of Use Asset			Total
	Leasehold land (note 8.1.7)	Freehold land (note 8.1.7)	Building on leasehold land	Plant and machinery	Cylinders and regulators (note 8.1.3)	Fire fighting equipment	Furniture, fittings, electrical and other equipment	Vehicles	Office equipment	Computer and related accessories	Tanks, pipelines and fittings	sub total	Vehicles	Building	Vehicles	sub total	
	(Rupees in ' 000)																
Net carrying value basis																	
year ended June 30, 2021																	
Opening net book value	569,288	16,500	22,009	11,162	159,549	1,534	5,982	1,626	645	761	15,411	804,467	-	19,716	3,136	22,852	827,317
Addition (at cost)	-	-	-	314	23,946	-	890	-	324	250	-	25,724	-	-	-	-	25,724
Transfer in / (out)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impact of lease modification	-	-	-	-	-	-	-	-	-	-	-	-		(1,632)	-	(1,632)	(1,632)
Disposal (NBV)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charged (refer note 8.1.2)	-	-	(3,659)	(908)	(24,210)	(1,353)	(2,074)	(723)	(198)	(406)	(2,724)	(36,255)	-	(6,559)	(1,206)	(7,765)	(44,020)
Closing net book value	569,288	16,500	18,350	10,568	159,285	181	4,798	903	771	605	12,687	793,936	-	11,525	1,930	13,455	807,389
Gross carrying value basis																	
year ended June 30, 2021																	
Cost / revalued amount	569,288	16,500	83,294	61,618	678,953	20,105	81,320	57,308	4,917	17,872	89,365	1,680,540	-	24,373	4,342	28,715	1,709,255
Accumulated depreciation	-	-	(64,944)	(51,050)	(519,668)	(19,924)	(76,522)	(56,405)	(4,146)	(17,267)	(76,678)	(886,604)	-	(12,848)	(2,412)	(15,260)	(901,866)
Closing net book value	569,288	16,500	18,350	10,568	159,285	181	4,798	903	771	605	12,687	793,936	-	11,525	1,930	13,455	807,389
Depreciation rate (% per annum)	-	-	5%	5%	10%	15%	10% to 15%	20% to 25%	15%	33.33%	10%		-	25%	25%		
Net carrying value basis																	
year ended June 30, 2020																	
Opening net book value	509,138	15,000	25,131	12,759	136,150	2,597	7,207	78	402	501	18,501	727,464	4,626	-	-	-	732,090
Recognition on initial application of IFRS-16	-	-	-	-	-	-	-	-	-	-	-	-	(4,626)	26,005	4,428	30,433	25,807
Opening net book value - adjusted	509,138	15,000	25,131	12,759	136,150	2,597	7,207	78	402	501	18,501	727,464	-	26,005	4,428	30,433	757,897
Addition (at cost)	-	-	-	-	44,843	-	1,166	2,231	372	648	-	49,260	-	-	-	-	49,260
Revaluation surplus	60,150	1,500	-	-	-	-	-	-	-	-	-	61,650	-	-	-	-	61,650
Transfer in / (out)	-	-	-	-	-	-	-	86	-	-	-	86	-	-	(86)	(86)	-
Disposal (NBV)	-	-	-	-	(5)	-	(49)	-	-	-	-	(54)	-	-	-	-	(54)
Depreciation charged (refer note 8.1.2)	-	-	(3,122)	(1,597)	(21,439)	(1,063)	(2,342)	(769)	(129)	(388)	(3,090)	(33,941)	-	(6,288)	(1,206)	(7,495)	(41,436)
Closing net book value	569,288	16,500	22,009	11,162	159,549	1,534	5,982	1,626	645	761	15,411	804,467	-	19,716	3,136	22,852	827,317
Gross carrying value basis																	
year ended June 30, 2020																	
Cost / revalued amount	569,288	16,500	83,294	66,104	660,970	21,177	81,967	59,886	5,106	18,113	93,428	1,675,833	-	26,005	4,342	30,347	1,706,180
Accumulated depreciation	-	-	(61,285)	(54,942)	(501,421)	(19,643)	(75,985)	(58,260)	(4,461)	(17,352)	(78,017)	(871,368)	-	(6,288)	(1,206)	(7,495)	(878,863)
Closing net book value	569,288	16,500	22,009	11,162	159,549	1,534	5,982	1,626	645	761	15,411	804,467	-	19,716	3,136	22,852	827,317
	-	-	5%	5%	10%	15%	10% to 15%	20% to 25%	15%	33.33%	10%		-	25%	25%		

8.1.1 As at June 30, 2021, property, plant and equipment having cost of Rs. 741.85 million (2020: Rs. 711.21 million) are fully depreciated.

		Note	2021	2020
			-------- (Rupees in '000) --------	
8.1.2	The depreciation charge for the year has been allocated as follows:			
	Cost of sales	34	10,718	10,026
	Administrative expenses	35	9,092	8,802
	Distribution and marketing expenses	36	24,210	22,608
			44,020	41,436

8.1.3 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.

8.1.4 The Company possess leasehold lands of measuring 5.875 acres in Karachi. However, the legal title is on the name of H.A.K.S Trading (Private) Limited (HTPL), the former Holding Company (refer note 7).

8.1.5 The Company's freehold land and leasehold land was revalued on June 26, 2020 by M/s. Luckyhiya Associates (Private) Limited, an independent valuer, on the basis of their professional assessment of present market value for similar sized plots in the near vicinity of land. The revaluation has resulted in surplus for freehold and leasehold land amounting to Rs. 1.5 million and Rs. 60.149 million respectively.

8.1.6 Had the revaluation not been carried out, the related figures of freehold land and leasehold land would have been Rs. 5.62 million (2020: Rs. 5.62 million) and Rs. 243.75 million (2020: Rs. 243.75 million), respectively.

8.1.7 The forced sales value as per the revaluation report as of June 26, 2020 is as follows:

Class of asset	2021 (Rupees in '000)
Freehold land	16,500
Leasehold land	569,288

Particulars of immovable assets of the Company are as follows:

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

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

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

	2021	2020
	-------- (Rupees in '000) --------	
8.2 CAPITAL WORK-IN-PROGRESS		
Balance as at July 01	-	-
Additions (at cost)	25,724	49,260
Transfer to property, plant and equipment	(25,724)	(49,260)
Balance as at June 30	-	-

9 INTANGIBLE ASSETS

	Cost				Accumulated Amortisation				Net Book Value	
	As at July 01, 2020	Additions	Disposals	As at June 30, 2021	As at July 01, 2020	Charge for the year (note 9.6)	Reversal	As at June 30, 2021	As at June 30, 2021	Rate of amortisation
	---- (Rupees in '000) ----									
Goodwill (note 9.2)	253,091	-	-	253,091	-	-	-	-	253,091	Nil
Computer software	5,007	-	(735)	4,272	4,671	88	735	4,024	248	20%
Rights under										
Supply contracts (notes 9.3)	394,856	-	(344,706)	50,150	328,222	49,080	344,706	32,596	17,554	20% - 33%
Trademarks (note 9.2 & 9.4)	8,600	-	-	8,600	-	-	-	-	8,600	Nil
2021	661,554	-	(345,441)	316,113	332,893	49,168	345,441	36,620	279,493	

	Cost				Accumulated Amortisation				Net Book Value	
	As at July 01, 2019	Additions	Disposals	As at June 30, 2020	As at July 01, 2019	Charge for the year (note 9.6)	Reversal	As at June 30, 2020	As at June 30, 2020	Rate of amortisation
	---- (Rupees in '000) ----									
Goodwill (note 9.2)	253,091	-	-	253,091	-	-	-	-	253,091	Nil
Computer software	4,858	149	-	5,007	4,583	88	-	4,671	336	20%
Rights under										
Supply contracts (notes 9.3)	394,856	-	-	394,856	268,592	59,630	-	328,222	66,634	20% - 33%
Trademarks (note 9.2 & 9.4)	8,600	-	-	8,600	-	-	-	-	8,600	Nil
2020	661,405	149	-	661,554	273,175	59,718	-	332,893	328,661	

9.1 At June 30, 2021, intangible assets having cost of Rs. 3.84 million (2020: Rs. 101.28 million) are fully amortised.

9.2 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 7).

9.2.1 Impairment review of goodwill and trademarks:

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

	2021	2020
	(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 review in June 2021 and June 2020. The Company considers the relationship between its recoverable amount and its book value, among other factors, when reviewing for indicators of impairment. At June 30, 2021, the recoverable amount of the CGU was above the book value of its net assets, indicating no potential impairment of goodwill and impairment of the assets of the operating segment. The result of this impairment test depends to a large extent on Management's assessment of future cash inflows and the discount rate used, and is therefore subject to considerable uncertainty. The recoverable amount is the higher of the 'fair value less cost to sell' and the 'value-in-use'. The assumptions are assessed at each reporting date and adjusted when appropriate.

The Company uses a Discounted Cash Flow model (DCF) to determine the value in use. Cash flow projections for the first five years are based on budgeting and forecasting models endorsed by the Company's Management. After five years a terminal value calculation is applied. Within the DCF techniques the terminal value is determined by applying a perpetual growth rate to the perpetual free cash flows. With respect to the appropriateness of the future cash inflows used in the calculation management used budgets of five-year plan adopted by Management and approved by the Board of Directors, as well as by comparison with general and sector-specific market expectations.

The Company applied a discount rate of 15.64% to the forecasted free cash flow based on a WACC of the Company. The WACC is an average cost of capital consisting of two parts - cost of debt and cost of equity.

As the Company's capital consists of 31% debt and 69% equity. Calculating the cost of equity was done by applying the capital asset pricing model ("CAPM"). The assumptions applied in the CAPM included the following: a risk-free rate of 10% a beta of 0.87 for the Company and an equity risk premium of 11.02%. The risk-free rate was based on the yield of ten-year Pakistan Investment Bonds on the Date of Valuation as per the State Bank of Pakistan. Combining these assumptions yielded a cost of equity of 19.59%. The cost of debt net of tax is an average of 6.71%.

The recoverable amount of CGU amounting to Rs. 735.24 million as at June 30, 2021 has been determined based on a value-in-use. The Value in Use of the Company indicated by the Discounted Cash Flow (DCF)method approximates to Rs. 735.24 million. The carrying value of net assets (including goodwill) as of the valuation date is Rs. 576.57 million. As the Value in Use exceeds the carrying value of net assets (including goodwill), no impairment in goodwill has been identified as a result of this review.

The Company tested its trademark "Burshane" as at June 30, 2021 and June 30, 2020 for impairment. Value-in-use of Rs. 518.21 million as at June 30, 2021 of the trademarks has been calculated using Relief from Royalty Method. This method considers the royalties saved by owning the intellectual property rather than licensing it. It is commonly used in the valuation of similar assets and, from a valuation perspective, appears reasonable in this case.

Key assumptions used in value in use calculations:

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

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

Sales volume growth

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

Discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates.

The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The cost of debt is based on the interest-bearing borrowings the Company is obliged to service.

Market share during the forecast period

When using industry data for growth rates (as described 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. Cash flows beyond the five-year period are extrapolated using a 4% growth rate. It was concluded that the carrying amount did not exceed the value-in-use. As a result of this analysis, no impairment has been identified by the Company against the trademark with a carrying amount of Rs. 8.60 million as at June 30, 2021.

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

Sales volume growth

Value in use is sensitive to price and cost per ton of local and imported LPG and cost pass-through. The value in use was tested at various sales volume growth levels. A decline of 8% or more in sales volume growth would result in impairment of the CGU.

Discount rate assumptions

A rise in pre-tax discount rate to 3% 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. Cash flows beyond the five-year period are extrapolated using a 4% 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 trademark with a carrying amount of Rs. 8.6 million as at 30 June 2021.

Growth rate assumptions

Cashflow beyond the forecast period have been extrapolated using 4% growth based on that used by the management and long term real GDP growth forecast.

9.3 During the prior year, the Company participated in a tender offer by Oil & Gas Development Company Limited (OGDCL) in respect of purchase of LPG from Kunnar Pasaki Deep - Tando Allahyar Gas Field District Hyderabad. On successful submission of the highest signature bonus bid of Rs. 50.15 million, the Company has been allotted one lot of LPG of five metric tons per day for five years from the Kunnar Pasaki Deep - Tando Allahyar.

9.4 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 9.2).

	Note	2021	2020
		-------- (Rupees in '000) --------	
9.5 The amortisation for the year has been allocated as follows:			
Cost of sales	34	49,080	59,630
Administrative expenses	35	88	88
		49,168	59,718

10 LONG-TERM INVESTMENT

	Note	2021	2020
Investment in a subsidiary company - at cost			
Burshane Auto Gas (Private) Limited	10.1	50,000	50,000

10.1 This represents investment in Burshane Auto Gas (Private) Limited (BAL), a company incorporated in Pakistan. The Company owns 4,999,997 (2020: 4,999,997) ordinary shares of Rs. 10 each representing 99.99% of the share capital as at the reporting date.

At the reporting date, the subsidiary company has not yet started its business operations, however, the net assets of the subsidiary company at year end amounted to Rs. 50.47 million (2020: Rs. 50.59 million). Investment in the subsidiary has been made in accordance with the provisions of the Section 199 of the Act and the rules promulgated for this purpose.

	Note	2021	2020
		-------- (Rupees in '000) --------	
11 LONG-TERM LOANS			
Secured - considered good			
Executives	11.2 & 11.3	787	855
Other employees		53	110
	11.4	840	965
Current portion shown under current assets			
Executives		(434)	(367)
Other employees		(53)	(110)
	16	(487)	(477)
		353	488

11.1 Reconciliation of carrying amount of loans:

Description	Executives	Other employees	Total 2021	Total 2020
	-------------------------- (Rupees in '000) --------------------------			
Balance as at July 01	855	110	965	1,712
Disbursements	1,059	363	1,422	711
Repayment / adjustment	(1,127)	(420)	(1,547)	(1,458)
Balance as at June 30	787	53	840	965

11.2 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 are interest free. 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.

11.3 The maximum aggregate amount of loan due from executives at the end of any month during the year was Rs. 1.35 million (2020: Rs. 0.86 million).

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

	Note	2021	2020
		-------- (Rupees in '000) --------	

12 LONG-TERM DEPOSITS

	Note	2021	2020
Deposit against LPG supply	12.1	-	119,587
Others		3,174	3,174
		3,174	122,761

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

13 STORES AND SPARES

		2021	2020
Stores		4,414	3,005
Spares parts		779	530
		5,193	3,535
Provision for obsolete items		(1,320)	(1,320)
		3,873	2,215

14 STOCK-IN-TRADE

	Note	2021	2020
Liquefied Petroleum Gas (LPG)	14.1 & 14.2	18,429	42,516
Low Pressure Regulators (LPR)		705	1,385
		19,134	43,901

14.1 The reduction of stock-in-trade are included in cost of sales.

14.2 This includes stock amounting to Rs. 2.65 million (2020: Rs. 24.97 million) held with the following parties under hospitality arrangements:

	2021	2020
OPI Jamber Plant	22	76
Ravi Sahiwal	1,357	1,386
Sadiq Gas Company	403	9,298
Sindh Gas (Private) Limited	-	1,188
Blessing Gas (Private) Limited	163	1,641
Tez Gas (Private) Limited	570	446
Terra Energy (Private) Limited	13	496
Bashir Gas	8	8,937
Faiq Gas	15	1,501
MNA	101	-
	2,652	24,969

14.3 At June 30, 2021, stock of LPG held on behalf of third parties amounted to Rs. 2.57 million (2020: Rs. 0.19 million).

	Note	2021	2020
		-------- (Rupees in '000) --------	

15 TRADE DEBTS

	Note	2021	2020
Unsecured - considered good			
Trade debtors		92,895	28,464
Allowance for expected credit losses	15.1	(5,230)	(3,688)
		87,665	24,776

15.1 Allowance for expected credit losses

	Note	2021	2020
Balance as at July 01		3,688	3,070
Allowance for expected credit losses	38	1,542	618
Balance as at June 30		5,230	3,688

15.2 Ageing analysis of these trade debts as at the reporting date is as follows:

	2021	2020
Upto 1 month	13,024	14,229
1 to 6 months	77,661	6,605
More than 6 months	2,210	6,752
	92,895	27,586

16 LOANS AND ADVANCES

	Note	2021	2020
Loans - Secured - considered good			
Current portion of long-term loans	11	487	477
Advances to (Unsecured - considered good)			
Chief executives officer	16.1	4	3,864
Associated company	16.2	-	-
Contractors and suppliers		71,536	48,743
		71,540	52,607
		72,027	53,084

16.1 The maximum aggregate amount due from Chief executive officer against advance from travelling at the end of any month was Rs. 3.86 million (2020: Rs. 3.86 million).

16.2 Advances to associated company

	2021	2020
Balance as at July 01	-	-
Disbursements	-	63,400
Repayments	-	(63,400)
Balance as at June 30	-	-

16.2.1 During 2020, the Company made short term advances to Root International Brands (Private) Limited, an associated company, with no agreed terms (refer note 44.2). The maximum aggregate amount due at the end of any month was Rs. Nil (2020: Rs. 63.40 million).

		Note	2021	2020
			-------- (Rupees in '000) --------	
17	**DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**			
	Deposits	17.1	82,180	785
	Prepayments	17.2	17,740	1,513
	Other receivables	17.3	41,732	19,457
			141,652	21,755

17.1 This represents short term deposits in the normal course of business and does not carry any interest or mark-up.

17.2 This includes prepaid insurance premium of Rs. Nil (2020: Rs. 0.64 million) to Pak Qatar Takaful Company Limited.

17.3 Other receivables

	Note	2021	2020
OPI Gas (Private) Limited	17.4	3,642	3,642
Burshane LPG (Pakistan) Limited - Provident fund		-	15
Burshane LPG (Pakistan) Limited- Gratuity fund	43	1,098	1,350
Burshane Petroleum (Private) Limited	17.5	9,000	9,500
Sales tax receivable		17,706	-
Others	17.6 & 17.7	15,391	11,165
		46,837	25,672
Allowance for expected credit losses		(5,105)	(6,215)
		41,732	19,457

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

17.5 This represents amount receivable from Burshane Petroleum (Private) Limited (formerly Darian International (Private) Limited) amounting to Rs. 9 million (2020: Rs. 9.50 million), a related party, as consideration against use of the Company's name under an arrangement entered in the year 2019.

17.6 This includes receivable against cylinder deposits of Rs. 9.17 million (2020: Rs. 7.77 million).

17.7 This includes receivable from Burshane Auto Gas (Private) Limited, Burshane Petroleum (Private) Limited, AAK Commodities (Private) Limited and A&S Corporation (Private) Limited amounting to Rs. 0.01 million (2020: Rs. 0.01 million), Rs. Nil (2020: Rs. 0.25 million) and Rs. Nil (2020: Rs. 0.08 million) respectively.

17.7.1 The maximum aggregate amount outstanding from subsidiary company, associated companies and other related parties at any time of the year by reference to month end balances is as follows:

	Note	2021	2020
		-------- (Rupees in '000) --------	
Other related parties			
Burshane LPG (Pakistan) Limited Provident Fund		2,480	1,234
Burshane LPG (Pakistan) Limited Gratuity Fund		4,565	1,036
Subsidiary Company			
Burshane Autogas (Private) Limited		11	11
Associated companies			
Burshane Petroleum (Private) Limited		9,500	9,500
AAK Commodities (Private) Limited		250	250
A&S Corporation (Private) Limited		75	75
		16,881	12,106

17.7.2 The ageing analysis of receivable balances due from related parties / associated companies is as follows:

More than 6 months	-	731
More than 12 months	9,011	9,105
	9,011	9,836

18 TAXATION - NET

Advance tax	37,851	34,989
Provision for taxation	(6,546)	(39,262)
	31,305	(4,273)
Income tax refundable	75,656	13,568
	106,961	9,295

19 CASH AND BANK BALANCES

Cash in hand		200	174
Cash at banks			
saving accounts	19.1	59,662	61,078
current accounts		32,960	203,945
		92,622	265,023
		92,822	265,197

19.1 The profit rates on these saving accounts range from 2.76% to 5.50% per annum (2020: 3.05% to 11.3% per annum). These balances are held in accounts maintained under conventional banking.

20 AUTHORIZED SHARE CAPITAL

2021	2020		2021	2020
--------(Number of shares)--------			--------- (Rupees in '000) ---------	
90,000,000	90,000,000	Ordinary shares of Rs. 10/- each	900,000	900,000

21 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Number of ordinary shares of Rs. 10/- each 2021	2020			
19,881,766	19,881,766	Fully paid in cash (note 21.1)	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

21.1 As a result of the Scheme referred to in note 7, 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.

21.2 As further explained in note 7, the Company is in the process of completing legal formalities for cancellation of 151,154 shares and for issuance of new share certificates, which are appearing in the name of HTPL for the year ended June 30, 2021 (2020: same status) 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 [2021: 54.81% (2020: 54.81%)] ordinary shares of the Company of Rs. 10 each and other directors will held 4,358,000 [2021: 19.38% (2020: 19.38%)] ordinary shares of the Company of Rs. 10 each.

21.3 At June 30, 2021 the former Holding Company held 74.19% (2020: 74.19%), institutions held 14.06% (2020: 14.06%) and individuals and others held the balance of 11.75% (2020: 11.75%) Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.

22 CAPITAL RESERVES

Revaluation surplus of property	22.1	336,415	336,415
Other reserves			
Reserve on amalgamation		153,458	153,458
Actuarial loss on remeasurement of retirement and other service benefits		(36,223)	(43,388)
		117,235	110,070
		453,650	446,485

	Note	2021	2020
		-------- (Rupees in '000) --------	

22.1 Revaluation surplus of property

	Note	2021	2020
Balance as at July 01		336,415	274,765
Surplus recognised during the year	22.2	-	61,650
Balance as at June 30		336,415	336,415

22.2 Surplus recognized during the year on:

	2021	2020
Leasehold land	-	60,150
Freehold land	-	1,500
	-	61,650

22.3 The revaluation surplus on property is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

23 REVENUE RESERVE

	2021	2020
General reserve	90,000	90,000
Accumulated loss	(191,971)	(72,217)
	(101,971)	17,783

24 LONG-TERM LOAN

	Note	2021	2020
Secured			
National Bank of Pakistan (NBP)	24.1	254,439	254,439
Current maturity of long-term loan		(254,439)	(254,439)
		-	-

24.1 As a result of the Scheme referred to in note 7, long-term finance obtained, under conventional banking terms, by HTPL had been transferred to the Company at the time of amalgamation. The loan was obtained as a demand finance facility under the agreement dated April 08, 2013 from NBP and is repayable in 9 semi-annual installments of Rs. 44.444 million latest by April 01, 2018 with a grace period of six months from the date of the drawdown. The loan carried mark-up at rate of 6 months KIBOR plus 2.5% to 6% per annum. This loan is secured by way of mortgage on leasehold land and charge on the Company’s present and future current and fixed assets as well as personal guarantees of Directors of the Company, whereas NBP Brokerage Services also holds as custodian 16.685 million (2020:16.685 million) sponsors' shares of HTPL. Since 2016, the Company has not repaid any loan amount and in previous years, the Company negotiated several different reprofiling options with NBP (also refer note 32.1.8).

Subsequent to the year end, on September 22, 2021, the Company has received a proposal for re-profiling of the long term loan from NBP vide the letter No. BP/ARG/ARW(S)/BLPL/ September 20, 2021/770 which has been duly approved by the Board of directors. As per the aforementioned letter, the Company would make upfront payment of Rs. 36 million representing 10% of the principal and accrued mark up, and the long-term loan and accrued mark-up. Out of the balance amount of long term loan, Rs. 154 million shall be converted as short term working capital loan, carrying a markup of 3 months KIBOR plus 1.75% per annum, balance amount of the long term loan of Rs. 75 million shall be repayable in next six years including 12 months grace period, in 20 quarterly installments carrying a markup of 3 months KIBOR plus 2% per annum and balance amount of accrued markup of Rs. 95 million shall also be converted into long term loan repayable in six year including 12 months' grace period in quarterly installment carrying 0% interest.. This reprofiling / restructuring includes conditions that the Company will not announce and pay new dividend and also will not pay any unclaimed dividend to sponsoring directors during rescheduling period without prior approval from NBP.

	Note	2021	2020
		-------- (Rupees in '000) --------	

25 LEASE LIABILITIES

	Note	2021	2020
Balance as at July 01	25.1	22,625	3,745
Recognition on initial application of IFRS-16		-	23,534
Impact of lease modification		(1,632)	-
Interest expense		3,013	4,144
		24,006	31,423
Payments made during the year		(7,715)	(8,798)
		16,291	22,625
Current portion shown under current liabilities		(6,349)	(5,114)
Balance as at June 30		9,942	17,511

25.1 When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate 17.01% per annum.

25.2 Represents finance lease entered into with a leasing company for vehicles. Total lease rentals due under lease agreement aggregated to Rs. 1.67 million (2020: Rs. 2.54 million) and are payable in equal monthly installments latest by September 2023. Taxes, charges, demands and levies, repair and maintenance are to be borne by the Company. Financing rates of 3 months KIBOR plus 3% (2020: 3 months KIBOR plus 3%) per annum have been used as discounting factor. The breakup of Lease Liability is shown above.

Maturity analysis-contractual cash flow	2021	2020
Less than one year	6,349	5,114
One to five year	9,942	17,511
More than five year	-	-
Total lease liability	16,291	22,625

	Note	2021	2020
		-------- (Rupees in '000) --------	
26 DEFERRED TAXATION - NET			
Taxable temporary differences			
Accelerated tax depreciation and amortisation		30,091	27,727
Post employment benefits		2,927	-
		33,018	27,727
Deductible temporary differences			
Lease liabilities		(4,724)	(6,561)
Minimum turnover tax		(6,546)	(58,533)
Provisions		(3,380)	(3,255)
		(14,650)	(68,349)
Deferred tax liability / (asset)	26.1	18,368	(40,622)

26.1 During the year ended June 30, 2020, deferred tax debits arised due to timing difference calculated at applicable tax rates was at reporting date amounting to Rs. 68.35 million out of which deferred tax debit amounting to Rs. 27.73 million has been recognized and remaining balance of Rs. 40.62 million debit remains unrecognized. Deferred tax asset had not been recognized because of uncertainty regarding future profitability.

27 CYLINDER AND REGULATOR DEPOSITS

This 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.

28 LOAN FROM A SUBSIDIARY COMPANY

28.1 This represents interest free loan granted to Burshane LPG (Pakistan) Limited (the Parent Company) by Burshane Autogas (Private) Limited under an agreement dated March 04, 2016 and November 07, 2016 should be read in conjunction with the afore-mentioned agreement.

Clause no. 4 is being amended and affective as follows:

It is mutually agreed that the entire amount of loan will be repaid within the next 12 months or any extended period, if so mutually agreed.

		Note	2021	2020
			-------- (Rupees in '000) --------	
29	**TRADE AND OTHER PAYABLES**			
	Creditors		52,451	72,225
	Accrued liabilities		6,115	7,295
	Burshane LPG (Pakistan) Limited - Pension Fund		14,483	31,915
	Advances from distributors / customers - unsecured		13,773	13,549
	Sales tax payable		-	3,308
	Workers' Welfare Fund		3,017	3,067
	Withholding tax payable		218	644
	Others		17,969	6,740
			108,026	138,743
30	**ACCRUED MARK-UP ON LONG-TERM LOAN**			
	Mark-up accrued on:			
	Long-term loans	24	119,392	97,029
31	**UNCLAIMED DIVIDENDS**			
	Balance as at July 01		83,198	66,181
	Dividend declared during the year		-	22,640
	Dividend paid during the year		-	(5,623)
	Balance as at June 30		83,198	83,198

31.1 These includes an amount of Rs. 79.97 million (2020: Rs. 79.97 million) payable to the beneficial owners of HTPL. As explained in note 7, 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.

32 CONTINGENCIES AND COMMITMENTS

32.1 Contingencies

32.1.1 Claims not acknowledged as debt by the Company as at June 30, 2021 amounted to Rs. 1.68 million (2020: Rs. 2.54 million).

32.1.2 The Company was contesting an appeal before Honorable Appellate Tribunal Inland Revenue in relation to sales tax demand of Rs. 13.73 million as modified by the order of Commissioner (Appeals). The aforesaid demand was raised in pursuance to sales tax audit for tax periods from July 2009 to June 2010. The Honorable Appellate Tribunal has remanded back to the Commissioner (Appeal) who has further remanded back to the assessing officer for re-assessment. The Department has not yet re-adjudicated the matter. Barred by time limitation, it appears that the department may not be able to re-adjudicate the matter now onwards.

32.1.3 On March 25, 2019, the Company received a show cause notice confronting under section 8B of Sales Tax Act, 1990, raising sales tax demand amounting to Rs. 37.28 million along with the levy of penalty for tax periods from August 2011 to May 2015. The Company responded to such notice vide the tax advisor's letter No. KST-AA-1091 dated April 8, 2019.

During 2019, the tax authorities issued Order dated July 24, 2019 confronting under 8B of the Sales Tax Act, 1990, raising sales tax demand of Rs. 37.28 million along with penalty and default surcharge for the period from August 2011 to May 2015. Against the Order, the Company has filed appeal before Commissioner Inland Revenue (Appeals-I), Large Taxpayers Unit, Karachi on August 22, 2019 who vide order dated November 18, 2019 vacated the whole principal amount of sales tax Rs. 37.28. However, the liability on account of default surcharge amounting to Rs. 3.17 million and penalty restricted at Rs. 0.5 million was maintained. The Order of the Commissioner Inland Revenue (Appeals-I), Large Taxpayers Unit, has been challenged before the Appellate Tribunal Inland Revenue, Karachi by Commissioner Inland Revenue, Zone IV, Large Taxpayers, Unit which is pending for hearing.

32.1.4 For the tax year 2016, a notice dated June 25, 2018 was issued to the Company to provide certain information / details for audit proceedings. The notice was duly complied.

Show cause notice dated June 13, 2019 was issued to amend assessment u/s 122(9) read with section 214C of the Income Tax Ordinance, 2001 which was duly responded on all the points. Subsequently, order dated August 29, 2019 passed by the DCIR raising null tax demand due to applicability of minimum tax.

The Company filed appeal to the Commissioner (Appeals) against the aforesaid order dated August 29, 2019. The said appeal was heard and order passed wherein the Commissioner (Appeals) has confirmed the certain additions made by the DCIR, whereas, he has annulled / deleted certain additions i.e. (rent, advertising expenses and financial charges - profit on debt) as such. Further, the Commissioner (Appeals) has also directed the Officer to allow credit of actual taxes paid of Rs. 23.45 million subject to due verification. Appeal effect under section 124 to be filed.

32.1.5 Monitoring of WHT was conducted by the DCIR by issuing a notice under section 176 dated March 28, 2018 which was duly responded. Thereafter, a show-cause notice dated February 13, 2019 was issued under section 161(1A) confronting on non-withholding of taxes on certain payments. Response was duly filed and accordingly order dated March 15, 2019 was passed under section 161 / 205 by the ACIR wherein the total tax demand of Rs. 2.05 million was raised which comprised the defaulted amount of Rs. 1.552 million; default surcharge of Rs. 0.49 million.

Against the Order, the Company filed an appeal before the Commissioner (Appeals-I) which was heard and appellate order passed dated May 15, 2019 wherein Commissioner (Appeals-I) remanded back the Order of DCIR with the directions to verify supporting documentary evidences in respect of expenses claimed to be furnished by appellant company within seven days time. Following the underlying directions of Commissioner (Appeals-I) the Company has filed the details of expenses / payments in question vide our letter no. KT-AA-3707 dated May 22, 2019 to the DCIR for onward proceedings.

32.1.6 An inspection order dated August 04, 2020 under Section 221 of Companies Act, 2017 was issued by SECP against complaint received by the Commission wherein it was alleged that the CEO and Director Finance of the Company are involved in financial irregularities of the Companies Act, 2017, which include advance made to Roots International Brands Private Limited (RIBS), an associate company, and that the bank account was being used for illegal activities by CEO and Company's Director Finance who appears to have concealed the existence of such financial transactions.

On the conclusion of inspection, a report has been issued on October 23, 2020 mentioning cognizance of offences under sections 204, 199(1), 199(2), 183(2), CEO and Director Finance of the Company, during the period July 1, 2018 to June 30, 2020 and suggested that they are liable with regard to all the above non-compliances as the Board of Directors did not discuss or approve transactions with RIBS until June 26, 2020 and the predecessor auditors are liable for proceedings to be initiated under section 249 read with section 253 of the Act as they failed to highlight lack of disclosure of transactions with RIBS in notes to the financial statements for year ended June 30, 2019 especially in related parties note as required under IAS 24. The Auditor also failed to highlight the unsecured interest free loans extended without any agreement to a related party i.e., RIBS before June 03, 2019.

The Company has provided the comments on findings to SECP, that the non-compliance was not intentional but was omission by mistake. The Company had advanced certain amount to RIBS, However, the Company has received all the monies back with mark up and therefore there is no financial loss to the company. The Board has subsequently ratified all these transactions with RIBS, and therefore to an extent the non-compliance has been addressed. It was merely an oversight of SECP compliance regulations. It has further been resolved in the Board that extra care shall be taken in future to ensure that non-compliance should not takes place.

No action has been taken up by SECP to date and management asserts, based on advise of Legal counsel that there would not any material impact on the financial statements of any action taken up by SECP.

32.1.7 On August 31, 2020, Directorate of Intelligence and Investigation, Inland Revenue, Karachi filed a Complaint with the Court of Special Judge (Customs, Taxation and Anti-Smuggling), Karachi, (Trial Court) against the Company and its Directors alleging tax evasion to the extent of Rs. 1.78 billion. On September 21, 2020, the Trial Court passed two orders in Case No 945/2020, one of which was issuance of arrest warrants for four Directors of the Company and in the second order authorized the Complainant to put freeze on Company's nine bank accounts for 90 days.

The Company filed a Constitutional Petition (CP-I) of No 4602 dated September 23, 2020, against the Trial Court's order of freezing the Company's nine bank accounts, which is still under hearing. In yet another CP, the Company obtained protective bail from the High Court followed by bail from the Trial Court which was confirmed subsequently on October 22, 2020. After the last hearing in December 2020, the case has been adjourned with date in office. The Company has also filed a Constitutional Petition (CP-II) No 5162 on October 19, 2020, challenging the Jurisdiction of the Complaint no. 945/2020 in the Court of Special Judge (Customs, Taxation and Anti-Smuggling). The CP-II was taken up on October 23, 2020 in which the High Court has asked the respondents to file their comments on this case but since its inception in October 2020, the Complainant and all other respondents have not yet filed any comment. In the very first hearing the High Court has restrained the respondents which includes the Trial Court, not to take any further coercive action against the Petitioners.

The Company's plea of challenging the jurisdiction is remarkably supported by the case laws hence, the respondents are not filing their comments in the High Court and are trying to continue prosecution in the Trial Court. However, in the last hearing, the High Court has warned the respondents that if they fail to file their comments, he would restrain the Trial Court to stop its proceedings on the case till disposition of our CP-II in the High Court.

In the hearing of February 20, 2021, the Trial Court, discussed in detail on jurisdiction of the case and the Complainant was unable to satisfy the Trial Court as to why this case should not be first transferred to Income Tax Department to assess the tax liability, as currently there is no default on part of the Company or there is no demand ascertained by the Income Tax Department on the Company and therefore no offence has been committed by the Company or its Directors and management. The Company has filed an application challenging Jurisdiction of the Special Court for Customs and Anti Smuggling, to deal this case. The Trial Court has given next date of hearing as September 27, 2021 in which the matter pertaining to Jurisdiction of the Court would be heard.

Directorate I & I (Inland Revenue) had already written to the Income Tax department, in November 2020, to take up the matter of tax evasion and the Income Tax department subsequently issued notices for the same for various years as stated in the below paragraph. This fact / action was not disclosed by Directorate I & I (Inland Revenue) either to the Trial Court, even at the time when the Court asked them as to why this case should not be dealt by the Income Tax department first, or the High Court and in that manner it is concealment on their part of a material fact. The Income Tax Department is auditing the books of the Company for the years 2018 and 2019 and so far no material audit observation has been pointed out by the Tax Department. Management asserts, based on advise of legal counsel that the case shall be ultimately decided in favor of the Company.

The Director of Intelligence & Investigation, Inland Revenue had appeared on TV in Kamran Khan's News show on September 23, 2020, and there he discussed the case in a manner whereby Company's reputation was damaged. He tried to conduct a media trial of the Company and its Directors. Additionally, the Director of Intelligence and Investigation, Inland Revenue also disclosed our tax and assets details, hence breached privacy and confidentiality laws. The Company has filed a law suit for damages against the Director General, the Director of South Region and the Deputy Director, (the Complainant) of the Directorate of I&I, Inland Revenue for a sum of Rs. 1 billion. The case is under hearing.

On February 10, 2021 the Company had received notices under section 177(1) of Income Tax Ordinance, 2001 regarding audit for tax years 2018 and 2019. The Company has replied and submitted relevant details and documents timely through various letters to FBR. The Company has received further notices for same tax years on August 12, 2021. The Company is in process to respond to these notices.

32.1.8 National Bank of Pakistan has filed Suit No. B-07 of 2021 on April 02, 2021 under section 9 of the Financial Institutions (Recovery of Finances) Ordinance, 2001 for recovery of Rs. 322.99 million along with liquidated damages, cost of funds, charges, costs till the realization of the whole amount by National Bank of Pakistan before the Hon'ble High Court of Sindh. Application for leave to defend under section 10 of the Financial Institutions (Recovery of Finances) Ordinance, 2001 has been filed. However, subsequent to the year end the Company has received a proposal for debt reprofiling/ restructuring from NBP which has also been accepted by management of the Company. Based on the reprofiling of the debt, subject case will be decreed and closed amicably.

32.1.9 The captioned Spl: STRA is filed by the Commissioner Inland Revenue, Zone-IV, Large Taxpayers Unit Karachi in the High Court of Sindh at Karachi. On 28 September 2018, tax authorities levied sales tax under section 8B of Sales Tax Act, 1990, raising sales tax demand along with the levy of penalty aggregating to Rs.7.898 million for tax periods from April 2018 to May 2018.

Against the Order, the Company filed appeal before Commissioner (Appeals–I), Karachi, who vide Order dated 31 October 2018 vacated the whole principal amount of sales tax of Rs.7.668 million. However, the liability on account of default surcharge and penalty was maintained.

The Order of the Commissioner (Appeal) was challenged before the Hon'ble Appellate Tribunal Inland Revenue, Karachi who vide Order dated 28 August 2019 reduced the substantial amount of default surcharge to Rs.0.156 million and maintained the amount of penalty Rs.0.230 million The Company has paid the reduced amount of default surcharge and penalty without pursuing the matter further.

32.1.10 The Spl: STRA has been filed by the Commissioner Inland Revenue, Zone-IV, Large Taxpayers Unit Karachi in the High Court of Sindh at Karachi. During the year ended 30 June 2018, tax authorities issued Order dated 25 May 2018 and charged sales tax under section 8B of Sales Tax Act, 1990, raising sales tax demand and imposing penalties aggregating to Rs.133.109 million and also default surcharge for tax periods from July 2014 to March 2018. Against the said Order, the Company filed appeal before Commissioner (Appeals–I), Karachi who vide Order dated 3rd July, 2018 vacated the whole principal amount of sales tax of Rs.65.570 million and reduced the imposition of penalties from Rs.67.538 million to Rs.500,000/- only. However, the liability on account of default surcharge was maintained.

The Order of the Commissioner (Appeal) was challenged before the Hon'ble Appellate Tribunal Inland Revenue, Karachi who vide Order dated August 28, 2019 reduced the substantial amount of default surcharge to Rs.1.336 million and maintained the amount of penalty Rs.0.500 million. The Company has paid the reduced amount of default surcharge and penalty without pursuing the matter before the High Court.

32.1.11 The Company has filed Spl. FED Ref. Application before the Hon'ble High Court of Sindh against the Appellate order dated 02.04.2012 of the Appellate Tribunal IR. The tax authorities at Large Taxpayers Office established a demand towards Federal Excise Duty (FED) on the payment of license fee paid/payable by the company in relation with the software / IT services acquired from the non-resident parent company under the tariff heading "franchise service" as per First Schedule to Federal Excise Act, 2005. At that time, Burshane LPG (Pakistan) Limited was a subsidiary of Shell Group, operating under the name of Shell LPG Pakistan Limited. The scope of services under the head 'franchise services' was not clear when the Federal Excise Act was promulgated in the year 2005 and then the jurisdictional issues also made the matter more complicated when the franchise services were subjected to Provincial sales tax by promulgation of Sindh Sales Tax on Services Act, 2011 effective July 01, 2011.

Software licensing does not fall under the service classification “franchise services” and this aspect has been settled at the Appellate Tribunal level in reported judgments, also. Hence, the Company has a strong arguable case to defend its position that the impugned demand of FED may not be warranted.

32.1.12 On July 31, 2015, the Company received a show cause notice under Punjab Rented Premises Act, 2009, by the landlords of the property measuring 51-Kanals-03-Marlas, or thereabouts bearing Square No. 94, Killa no. 1, 2, 3, 4, 5, 6 & 7, tehsil Faisalabad, Near Abbaspur railway station. The Company uses this land for LPG Storage and filing plant of Faislabad. The landlords filed an ejectment petition against the Company and the Company has filed defending argument in the rent tribunal Faislabad and case is under hearing stage.

	Note	2021	2020
		-------- (Rupees in '000) --------	
32.2 Commitments			
Post-dated cheques		1,677	2,541

33 SALES - NET

		2021	2020
Gross sales			
Liquefied petroleum gas (LPG)		3,049,414	3,080,941
Low pressure regulators (LPR)		1,102	929
		3,050,516	3,081,870
Sales return		(407)	-
Sales tax		(458,812)	(499,416)
		2,591,297	2,582,454

33.1 Revenue recognised from amounts included in advance from customers at the beginning of the year amounted to Rs. 10.54 million (2020: Rs. 13.13 million).

34 COST OF SALES

	Note	2021	2020
Salaries, wages and other employees benefits	34.1	29,643	31,069
Cost of low pressure regulators sold		681	574
Stores and spares consumed	34.3	1,863	2,732
Repairs and maintenance		7,074	2,220
Travelling, conveyance and vehicle maintenance		713	1,316
Depreciation	8.1.2	10,718	10,026
Amortisation	9.5	49,080	59,630
Rent, rates and utilities		12,613	10,124
Communication charges		936	1,129

	Note	2021	2020
		-------- (Rupees in '000) --------	
Printing and stationery		188	319
Legal and professional charges		408	467
Insurance		2,440	-
Signature bonus		37,360	-
Security		2,791	3,265
Sundry expenses		4,337	164
Manufacturing cost		160,845	123,035
Opening stock		42,516	73,463
Purchases	34.2	2,372,876	2,294,656
Closing stock	14	(18,429)	(42,516)
		2,396,963	2,325,603
		2,557,808	2,448,638

34.1 Salaries and other benefits include Rs. 0.69 million (2020: Rs. 0.79 million) in respect of retirement and other service benefits.

34.2 This include amount of Rs. 206.34 million (2020: 335.52 million) related to purchases of LPG from Byco Petroleum Pakistan Limited (BPPL) and amount of Rs.13.75 million (2020: 18.54 million) paid to ADEPT (Private) Limited (APL) for purchasing rights of LPG quota. On May 13, 2019, the Company has entered in to agreement with Byco Petroleum Pakistan Limited (BPPL) for purchase of LPG through an arrangement. On June 6, 2019, the Company entered into a joint venture agreement (the Agreement) with APL being engaged in oil and gas related business with a quota of 35 MT per day by BPPL. As per the Agreement, APL consented and assigned LPG quota to the Company for marketing and distribution of LPG including management of operations, maintaining of books of accounts and records under the Agreement. The Board discussed these arrangements and the Agreement and on September 19, 2019, the Board approved the Agreement.

As per the revised Agreement effective from August 16, 2020, APL is entitled to a fixed profit amounting to Rs. 4,500 (2020: Rs. 4,000) for each MT net of all taxes of LPG procured through BPPL while any other profit or loss from marketing and distribution of that LPG is accrued to the Company.

34.3 Stores and spares consumed

	Note	2021	2020
Opening stock		2,215	2,416
Purchases		3,520	2,531
		5,735	4,947
Closing stock	13	(3,873)	(2,215)
		1,863	2,732

	Note	2021	2020
		-------- (Rupees in '000) --------	

35 ADMINISTRATIVE EXPENSES

	Note	2021	2020
Salaries, wages and other employees benefits	35.1	69,968	61,124
Depreciation	8.1.2	9,092	8,802
Amortisation	9.5	88	88
Repairs and maintenance		1,013	2,479
Travelling, conveyance and vehicle maintenance		7,766	7,116
Rent, rates and utilities		1,852	6,514
Communication charges		2,615	2,384
Printing and stationery		1,103	1,727
Legal and professional charges		25,863	5,930
Insurance		2,376	3,124
Advertisement and publicity		565	7,248
Security		1,631	1,792
Donations		-	2,000
Sundry		806	1,227
		124,738	111,555

35.1 Salaries and other benefits include Rs. 6.70 million (2020: Rs. 0.23 million) in respect of retirement and other service benefits.

36 DISTRIBUTION AND MARKETING EXPENSES

	Note	2021	2020
Salaries, wages and other employees benefits	36.1	15,241	15,648
Depreciation	8.1.2	24,210	22,608
Repairs and maintenance		200	263
Travelling, conveyance and vehicle maintenance		635	550
Rent, rates and taxes		577	538
Communication charges		807	738
Printing and stationery		164	141
Insurance		155	-
Hospitality charges		19,181	24,572
Freight and octroi		4,107	4,718
Advertisement and publicity		148	41
Security		655	674
Sundry expenses		366	109
		66,446	70,600

36.1 Salaries and other benefits include Rs. 0.35 million (2020: Rs. 0.36 million) in respect of retirement and other service benefits.

	Note	2021	2020
		-------- (Rupees in '000) --------	
37 OTHER INCOME			
Income from financial assets			
Profit on saving accounts	37.1	2,268	10,183
Income from non-financial assets			
Rental income from storage tanks-cylinders		1,116	1,064
Gain on disposal of operating fixed assets		5,500	1,352
Liability for cylinder deposits and regulator deposits written back	37.2	16,029	15,675
Old liabilities written back		2,167	-
Recoveries against cylinder replacement		1,919	1,742
Hospitality income		455	147
Other income	37.3	-	4,833
		29,454	34,996

37.1 Represents profit on bank accounts under conventional banking relationship.

37.2 During the year, the Company carried out a 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.

37.3 This include interest income amounting to Rs. Nil (2020: Rs 4.83 million) on short term advance to Root International Brands (Private) Limited, an associate company, at the rate 7% per annum.

	Note	2021	2020
38 OTHER EXPENSES			
Directors' fees		4,800	3,250
Auditors' remuneration	38.1	2,556	2,913
Allowance for expected credit losses	15.1	1,542	618
Others	38.2	-	5,884
		8,898	12,665
38.1 Auditors' remuneration			
Statutory audit		1,200	1,200
Half yearly review		500	500
Other certification		290	320
Out of pocket expenses and others		566	695
Sales tax		-	198
		2,556	2,913

38.2 This includes expense of Rs. Nil (2020: Rs. 0.58 million) incurred on behalf of the subsidiary company.

		Note	2021	2020
			-------- (Rupees in '000) --------	
39	**FINANCIAL COSTS**			
	Mark-up / interest on:			
	Long-term loan		22,363	36,734
	Workers' Profits Participation Fund		-	360
	Lease liabilities		3,013	4,144
			25,376	41,238
	Bank charges and commission		1,613	3,313
			26,989	44,551
40	**TAXATION**			
	Current	18	6,546	39,262
	Prior year		(66,361)	8
	Deferred		15,441	-
			(44,374)	39,270

40.1 The numerical reconciliation between average tax rate and the applicable tax rate has not been presented during the year in these financial statements as the total tax liability of the Company during the year is covered under section 113 Minimum Tax of Income Tax Ordinance, 2001.

41 LOSS PER SHARE - BASIC AND DILUTED

	2021	2020
Loss for the year	(119,754)	(109,829)
Weighted average number of ordinary shares outstanding	22,489	22,489
Loss per share - basic and diluted	(5.33)	(4.88)

42 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remunerations, including all benefits to Chief Executive, Directors and Executives of the Company were as follows:

	2021				2020			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	(Rupees in '000)				(Rupees in '000)			
Managerial remuneration	27,324	15,222	20,682	63,228	27,324	15,222	18,120	60,666
Meeting fees	350	950	950	2,250	250	650	200	1,100
Bonus	2,277	1,268	1,758	5,303	2,277	1,268	1,510	5,055
Retirement benefits	1,161	-	694	1,855	1,161	-	678	1,839
Travelling and conveyance	-	67	70	137	-	65	38	103
Medical allowance	-	792	828	1,620	-	1,233	992	2,225
Mobile allowance	-	30	-	30	-	30	-	30
Total	31,112	18,329	24,982	74,423	31,012	18,468	21,538	71,018
Number of persons	1	2	10	13	1	2	9	12

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

42.2 Fee amounting to Rs. 2.40 million (2020: Rs. 0.95 million) was paid to four (2020: four) non-executive directors for attending Board meetings during the year.

43 RETIREMENT AND OTHER SERVICE BENEFITS

43.1 Pension fund and gratuity fund - valuation results:

The latest actuarial valuations of the defined benefit plans were carried out as at June 30, 2021, using the “Projected Unit Credit Method”. The details of defined benefit plans are as follows:

		Pension Fund		Gratuity Fund	
		2021	2020	2021	2020
		(Rupees in '000)			
43.1.1 Statement of financial position reconciliation:					
Fair value of plan assets	43.1.4	(102,407)	(87,424)	(17,807)	(19,620)
Present value of defined benefit obligations	43.1.3	117,083	119,339	19,586	18,270
Net liability / (asset) at end of the year	43.1.2	14,676	31,915	1,779	(1,350)
43.1.2 Movement in net liability / (asset) recognised:					
Balance as at July 01		31,915	(16,367)	(1,350)	(4,120)
Charge for the year		3,496	(2,018)	1,146	318
Amount paid to Fund		(8,660)	(8,013)	-	-
Employee contribution to be paid to fund		-	2,800	-	-
Remeasurements recognised in other comprehensive income	43.1.7	(12,075)	55,513	1,983	3,950
Benefit paid on behalf of the fund		-	-	-	(1,498)
Balance as at June 30		14,676	31,915	1,779	(1,350)

		Pension Fund		Gratuity Fund	
		2021	2020	2021	2020
		----------------- (Rupees in '000) -----------------			
43.1.3 Movement in defined benefit obligations:					
Balance as at July 01		119,339	77,031	18,270	13,311
Current service cost		1,188	725	1,261	1,012
Interest cost		9,679	10,368	1,396	1,790
Employee contributions		442	269	-	-
Benefits paid		(10,496)	(8,281)	(3,694)	(1,498)
Remeasurements of obligations	43.1.7	(3,069)	39,227	2,353	3,655
Balance as at June 30		117,083	119,339	19,586	18,270
43.1.4 Movement in fair value of plan assets:					
Balance as at July 01		87,424	93,399	19,620	17,431
Expected return on plan assets		7,372	13,110	1,511	2,484
Benefits paid on behalf of the Fund		8,660	8,013	-	1,498
Employees contributions		442	269	-	-
Benefits paid		(10,496)	(8,281)	(3,694)	(1,498)
Paid to Burshane LPG (Pakistan) Limited		-	(2,800)	-	-
Remeasurements of plan assets		9,005	(16,286)	370	(295)
Balance as at June 30		102,407	87,424	17,807	19,620
43.1.5 Charge for the year:					
Current service cost		1,188	725	1,261	1,012
Net Interest cost		2,307	(2,742)	(115)	(694)
		3,495	(2,017)	1,146	318
43.1.6 Actual return on plan assets		16,377	(3,176)	1,881	2,189
43.1.7 Remeasurement recognised in Other Comprehensive Income:					
Remeasurement of obligation					
Experience loss / (gain)		(3,069)	39,227	2,353	3,655
Remeasurement of plan assets					
Return on plan assets, excluding amounts included in interest expense / (income)		-	-	(370)	295
(Gain) / loss from change in financial assumptions		(9,005)	16,286	-	-
		(9,005)	16,286	(370)	295
		(12,074)	55,513	1,983	3,950

43.1.8 Principal actuarial assumptions used in the actuarial valuation:

Financial assumptions				
Discount rate	10.00%	8.50%	10.00%	8.50%
Expected per annum rate of return on plan assets	10.00%	8.50%	10.00%	8.50%
Expected per annum rate of increase in salaries - long term	8.00%	6.50%	8.00%	6.50%
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	Moderate	High	High

	AS AT JUNE 30, 2021	
	Pension Fund	Gratuity Fund
	(Rupees in '000)	

43.1.9 Analysis of present value of defined benefit obligation:

	Pension Fund	Gratuity Fund
Vested benefits	3,404	279
Non-vested benefits	113,679	19,307
	117,083	19,586

43.1.10 Plan assets comprise of the following:

	Pension Fund				Gratuity Fund			
	2021		2020		2021		2020	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Investments								
Mutual funds	55,458	54	49,678	57	14,964	84	13,785	70
Musharka Certificate	44,255	43	44,255	51	5,466	31	5,466	28
	99,713	97	93,933	107	20,430	115	19,251	98
Advances and other receivable	738	1	682	1	49	0	44	0
Liabilities	(193)	(0)	(8,152)	(9)	(2,877)	(16)	(73)	(0)
Cash and cash equivalents	2,149	2	960	1	204	1	398	2
	102,407		87,423		17,806		19,620	

43.1.11 Historical information of staff retirement benefits:

	2021	2020	2019	2018	2017	2016
	(Rupees in '000)					
Gratuity Fund						
Present value of defined benefit obligation	19,586	18,270	13,311	15,800	15,754	13,396
Fair value of plan assets	(17,807)	(19,620)	(17,431)	(25,236)	(12,554)	(12,089)
Deficit / (surplus)	1,779	(1,350)	(4,120)	(9,436)	3,200	1,307
Pension Fund						
Present value of defined benefit obligation	117,083	119,337	77,031	108,913	102,914	99,680
Fair value of plan assets	(102,407)	(87,424)	(93,399)	(75,828)	(96,825)	(94,229)
Deficit / (surplus)	14,676	31,913	(16,368)	33,085	6,089	5,451

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

	As at June 30, 2021	
	Pension Fund	Gratuity Fund
	-------- (Rupees in '000) --------	
Discount rate + 1%	109,512	18,707
Discount rate - 1%	125,687	20,534
Long term salaries increase +1%	118,408	20,510
Long term salaries increase -1%	115,831	18,713
Withdrawal rates +10%	116,712	19,621
Withdrawal rates -10%	117,469	19,548
1 Year Mortality age set back	117,176	19,594
1 Year Mortality age set forward	116,991	19,577

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

43.2 Provident Fund

The following information is based upon the latest audited financial statements of the provident fund as at June 30, 2021 and June 30, 2020:

	2021	2020
	--------- (Rupees in '000) ---------	
Size of the fund - total assets	13,629	19,462
Fair value of investments	13,767	16,767
Cost of investments	13,544	17,108
Percentage of investments	99.38%	86.15%

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

	2021		2020	
	Rupees in '000	%	Rupees in '000	%
Bank deposits	419	3	2,606	13
Government securities	-	-	12,056	62
Mutual funds	13,348	97	-	-
Certificate of Investment	-	-	4,710	24
	13,767		19,372	

44 TRANSACTIONS WITH RELATED PARTIES

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

44.2 Details of transactions during the year and balances at the reporting date with related parties, other than those which have been disclosed elsewhere in these unconsolidated financial statements, are as follows:

Transactions with related parties

Nature of relationship	Nature of transactions	2021	2020
		---(Rupees in '000)---	
Former Holding Company			
H.A.K.S Trading (Private) Limited	Dividend	-	16,836
Subsidiary Company			
Burshane Auto Gas (Private) Limited			
	Expenses incurred on behalf of subsidiary company	246	219
	Expense paid on behalf of subsidiary company	-	222
Burshane Trading (Private) Limited			
	Expenses incurred on behalf of subsidiary company	-	364
Staff retirement benefit / contribution plans			
Burshane LPG (Pakistan) Limited Gratuity Fund	Benefits paid	-	1,498
Burshane LPG (Pakistan) Limited Management Staff Pension Fund	Benefits paid	8,660	5,213
Burshane LPG (Pakistan) Limited Provident Fund	Contribution paid	2,765	2,772
Associated Companies			
Burshane Petroleum (Private) Limited			
[Formerly Darian International (Private) Limited]	Short term Loan - received *	90,000	75,000
	Short term Loan - paid *	90,000	75,000
	Interest expense on short term loan	452	-
	Interest paid on short term loan	452	-
	Received against expenses	500	-

Nature of relationship	Nature of transactions	2021	2020
		---(Rupees in '000)---	
AAK Commodities (Private) Limited			
[Formerly ALSAA & AAK Commodities (Private) Limited	Expense paid on behalf of associated company	-	145
	Amount received against expenses	250	-
A&S Corporation (Private) Limited	Expense paid on behalf of associated company	-	75
	Amount received against expenses	75	-
Roots International Brands (Private) Limited	Short term advances made	-	63,400
	Short term advances received	-	63,400
	Interest income on short term advances	-	4,833
	Interest received on short term advances	834	3,999
Key management personnel			
	Loan disbursed	1,060	390
	Amount received against loan	1,127	1,179
	Managerial remuneration	63,228	60,666
	Bonus	5,303	5,055
	Retirement benefits	1,855	1,839
	Utilities	30	30
	Advance against salary	760	1,407
	Travelling and conveyance	138	103
	Medical	1,620	2,225

* During the year, the Company obtained a loan amounting to Rs. 90 million at a markup of KIBOR plus 1% from Burshane Petroleum (Private) Limited, an associate company, with no agreed purpose and other terms. The loan was also repaid by cheque during the year.

Balances with related parties

		2021	2020
Former Holding Company			
H.A.K.S. Trading (Private) Limited	Dividend payable	79,971	79,971

Nature of relationship	Nature of transactions	2021	2020
		---(Rupees in '000)---	
Subsidiary			
Burshane Auto Gas (Private) Limited	Investment held in subsidiary	50,000	50,000
	Loan payable to subsidiary	50,000	50,000
	Receivable against expenses	11	11
Staff retirement benefit / contribution plans			
Burshane LPG (Pakistan) Limited Management Staff Pension Fund	Payable to staff pension fund	14,483	26,690
Burshane LPG (Pakistan) Limited Gratuity Fund	Receivable from staff gratuity fund	1,098	1,036
Burshane LPG (Pakistan) Limited Provident Fund	Receivable from staff provident fund	-	15

Nature of relationship	Nature of transactions	2021	2020
		---(Rupees in '000)---	
Associated Companies			
Burshane Petroleum (Private) Limited	Receivable against use of name "Burshane"	9,000	9,000
(Formerly Darian International (Private) Limited)	Receivable against expenses	-	500
ALSAA & AAK Commodities (Private) Limited	Receivable against expenses	-	250
A&S Corporation (Private) Limited	Receivable against expenses	-	75
Roots International Brands (Private) Limited	Receivable against interest income	-	834
Key management personnel			
Key management personnel	Long-term loans	787	855

44.3 Following are the related parties with whom the Company had entered in to transactions or has arrangement / agreement in place.

Name	Basis of Relation	% of shareholding in the company
H.A.K.S Trading (Private) Limited	Former Holding Company	Nil
Burshane Auto Gas (Private) Limited	Subsidiary company	99.99
Burshane Trading (Private) Limited	Subsidiary company	Nil
Roots International Brands (Private) Limited	Common directorship	Nil

Name	Basis of Relation	% of shareholding in the company
ALSAA & AAK Commodities (Private) Limited	Common directorship	Nil
A&S Corporation (Private) Limited	Common directorship	Nil
Burshane Petroleum (Private) Limited (Formerly Darian International (Private) Limited)	Common directorship	Nil
Burshane LPG (Pakistan) Limited Gratuity Fund	Staff Retirement Benefit Plan	Nil
Burshane LPG (Pakistan) Limited Management Staff Pension Fund	Staff Retirement Contribution Plan	Nil
Burshane LPG (Pakistan) Limited Provident Fund	Staff Retirement Contribution Plan	Nil

	Note	2021	2020
		--------- (Rupees in '000) ---------	

45 CASH GENERATED FROM OPERATIONS

	Note	2021	2020
Loss before taxation		(164,128)	(70,559)
Adjustment for non-cash and other items:			
Gain on disposal of property, plant and equipment	37	(5,500)	(1,352)
Financial charges	39	26,989	44,551
Depreciation	8.1.2	44,020	41,436
Amortisation	9.5	49,168	59,718
Provision for retirement and other service benefits		4,642	1,396
Allowance for expected credit losses	15.1	1,542	618
Liability for cylinder deposits written back	37	(16,029)	(15,675)
Others		-	(4,833)
		104,832	125,859
Profit before working capital changes		(59,296)	55,300
Working capital changes	45.1	(196,769)	102,335
		(256,065)	157,635

45.1 Working capital changes

	2021	2020
(Increase) / decrease in current assets:		
Stores and spares	(1,658)	200
Stock-in-trade	24,767	31,521
Trade debts	(64,431)	(1,972)
Loans and advances	(18,943)	6,531
Deposits, prepayments and other receivables	(121,247)	50,569
	(181,512)	86,849
(Decrease) / increase in current liabilities:		
Trade and other payables	(15,257)	15,486
	(196,769)	102,335

46 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as per statement of financial position

Amortized cost	2021	2020
Long-term loans including current portion	840	965
Long-term deposits	3,174	122,761
Trade debts	87,665	24,776
Loans and advances	487	477
Deposits and other receivables	122,814	18,892
Bank balances	92,622	265,023
	307,602	432,894

	2021	2020
	--------- (Rupees in '000) ---------	
Financial liabilities as per statement of financial position		
Amortized cost		
Long-term loan including current maturity of long-term loan	254,439	254,439
Trade and other payables	91,018	118,174
Loan from a subsidiary company	50,000	50,000
Accrued mark-up on long-term loan	119,392	97,029
	514,849	519,642

47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

47.1 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 shareholders. Risk management is carried out by the Company’s finance and treasury department under policies approved by the Board of Directors.

(a) Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

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 exposed to foreign currency risk.

ii) Interest rate risk

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

	2021	2020	2021	2020
	Effective rate (In percent)		Carrying amount --------- (Rupees in '000) ---------	
Financial liabilities				
Variable rate instruments				
Long-term loan	9.50%	9.74%	254,439	254,439

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. 2.54 million (2020: 1.88 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 at the reporting date.

(b) Credit risk

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

Credit risk of the Company arises from trade debts, loans, deposits and other receivables, deposits with banks and financial institutions. 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 amount of financial assets expose to credit risk is as follows:

	2021	2020
	--------- (Rupees in '000) ---------	
Long-term loans	840	965
Long-term deposits	3,174	122,761
Trade debts	87,665	24,776
Deposits and other receivables	122,814	18,892
Bank balances	92,622	265,023
	307,115	432,417

For trade debts, the credit risk exposure is net of allowance for expected credit losses as disclosed in note 15.1.

Long-term loans represent loans given to employees which are secured against the letter of guarantee and promissory notes or their respective provident fund balances as disclosed in note 11.2 and therefore, management expects no credit losses.

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

The credit quality of Company’s bank balances can be assessed with reference to external credit ratings as follows:

Name	**Rating agency**	**Rating**			
		Short term		**Long term**	
		2021	**2020**	**2021**	**2020**
Bank Alfalah Limited	PACRA	A1+	A1+	AA+	AA+
Habib Bank Limited	VIS	A1+	A1+	AAA	AAA
MCB Bank Limited	PACRA	A1	A1+	A	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	VIS	A1+	A1+	AAA	AAA
Sindh Bank Limited	VIS	A1	A1	A+	A+
JS Bank Limited	PACRA	A1+	A1+	AA-	AA-
Meezan Bank Limited	VIS	A1+	A1+	AAA	AA
Summit Bank Limited	VIS	Not rated	Not rated	Not rated	Not rated

c) Liquidity risk

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

The Company's liquidity risk management implies maintaining sufficient cash and also involves projecting cash flows and considering the level of liquid assets necessary to meet these. As of the reporting date, the Company's current liabilities exceed its current assets by Rs. 97.27 million (2020: Rs. Rs. 203.29 million), which is mainly due to classification of the long-term loan to current liabilities (note 24). However, the Company based on its future plans is confident that it will have sufficient cash flows to meet its financial obligations in the foreseeable future.

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

	2021			2020		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
	-------- Rupees in '000 -------					
Financial liabilities						
Long-term loan including current maturity of long term loan	254,439	-	254,439	254,439	-	254,439
Lease Liability	6,349	9,942	16,291	5,114	17,511	22,625
Cylinder and regulator deposits	-	438,262	438,262	-	414,260	414,260
Trade and other payables	91,018	-	91,018	118,174	-	118,174
Accrued mark-up on Long-term loan	119,392	-	119,392	97,029	-	97,029
Loan from a subsidiary company	50,000	-	50,000	50,000	-	50,000
	521,198	448,204	969,402	524,756	431,771	956,527

47.2 Fair value of hierarchy

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

The Company's freehold land and leasehold land are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent impairment losses, if any. The fair value measurement of the Company's free hold land and lease hold land as at June 26, 2020 was carried out by M/s. Luckyhiya Associate (Private) Limited (refer note 8.1.5).

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

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market date (unobservable inputs).

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

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

	Fair value measurement using			
	Quoted price in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)	Total
	-------- Rupees in '000 -------			
Assets measured at fair value				
Property, plant and equipment				
Freehold land	-	16,500	-	16,500
Leasehold land	-	569,288	-	569,288
2021	-	585,788	-	585,788
Assets measured at fair value				
Property, plant and equipment				
Freehold land	-	16,500	-	16,500
Leasehold land	-	569,288	-	569,288
2020	-	585,788	-	585,788

48 CAPITAL 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:

	2021	2020
	--------- (Rupees in '000) ---------	
Lease liability	16,291	22,625
Cylinder and regulator deposits	438,262	414,260
Loan from a subsidiary company	50,000	50,000

	2021	2020
	--------- (Rupees in '000) ---------	
Current maturity of long-term loan	254,439	254,439
Trade and other payables	108,026	138,743
Unclaimed dividends	83,198	83,198
Accrued mark up on long-term loan	119,392	97,029
Total debt	1,069,608	1,060,294
Cash and bank balances	(92,822)	(265,197)
Net debt	976,786	795,097
Share capital	224,888	224,888
Capital reserves	153,458	153,458
Revenue reserves	(101,971)	17,783
Actuarial (loss) / gain on remeasurement of retirement and other service benefits	(36,223)	(43,388)
Revaluation surplus on property	336,415	336,415
Total equity	576,567	689,156
Capital	1,553,353	1,484,253
Gearing ratio	62.88%	53.57%

49 IMPACT OF COVID-19 ON THE UNCONSOLIDATED FINANCIAL STATEMENTS

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the globe to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial position of the Company for the year ended June 30, 2021 due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Company has introduced a host of measures on both the financial and operational fronts by issuing certain circulars and notifications from time to time.

The management of the Company is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders. The management has evaluated and concluded that there is no material implication of COVID-19 on assets, liabilities, income and expenses of the Company that require particular disclosure in notes to the financial statements at the reporting date.

50 CORRESPONDING FIGURES

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

51 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorized for issue on ____________________ by the Board of Directors of the Company.

		2021	**2020**
		(Quantity in metric ton)	
52 CAPACITY			
Installed annual filling capacity		37,500	37,500
Actual utilization	52.1	32,924	31,465

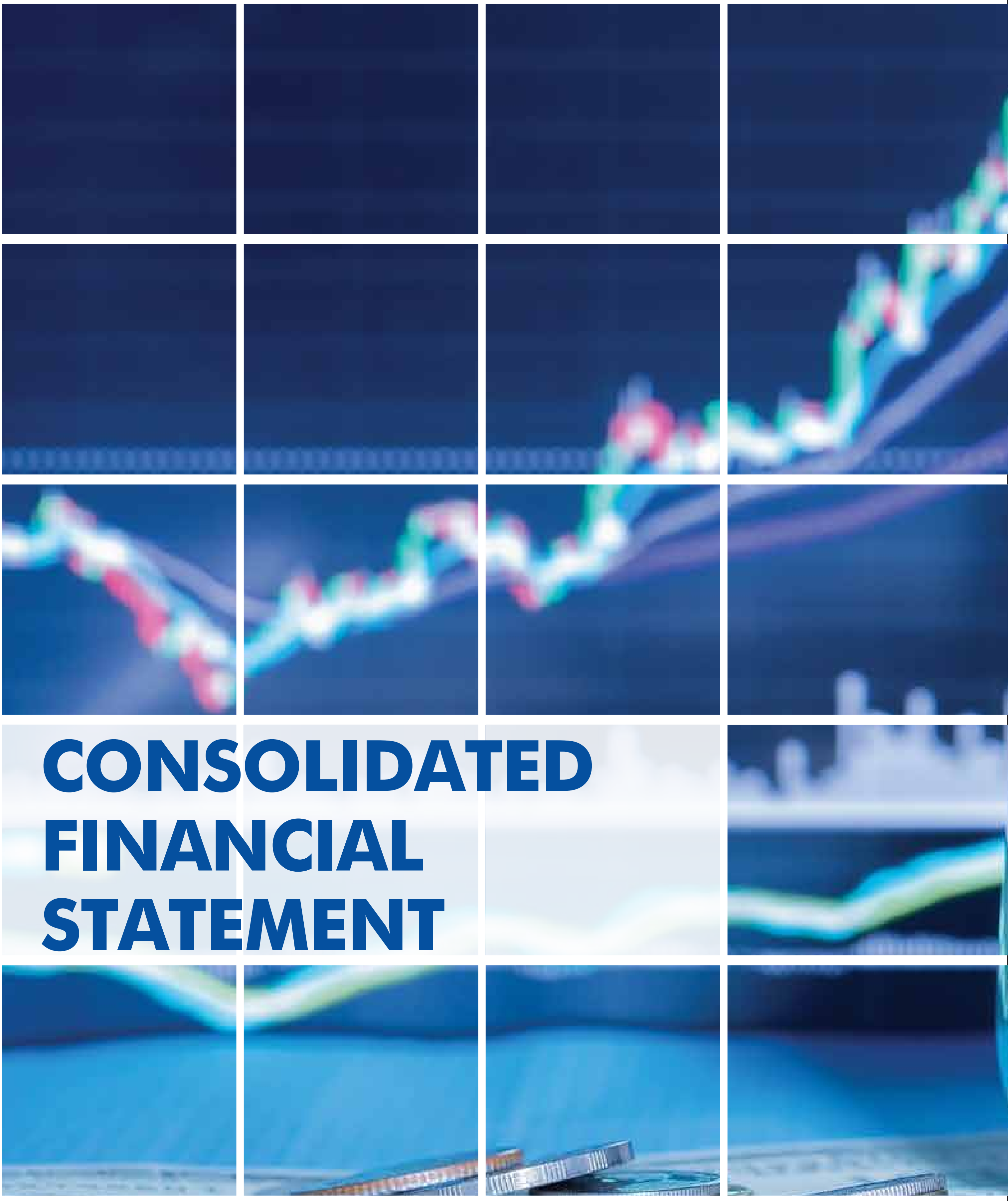
52.1 This include storage and filling capacity of hospitality locations utilization. The variations are due to change in market demand.

	2021	**2020**
	No. of employees	
53 NUMBER OF EMPLOYEES		
As at the reporting date	85	84
Average number of employees during the year	82	84

54 GENERAL

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

DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**



CONSOLIDATED FINANCIAL STATEMENT

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Sarwar Shaheed Road
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Pakistan

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURSHANE LPG (PAKISTAN) LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **Burshane LPG (Pakistan) Limited** (tł Group), which comprise the consolidated statement of financial position as at June 30, 2021, ar consolidated statement of profit or loss, consolidated statement of comprehensive income, tł consolidated statement of cash flows, the consolidated statement of changes in equity for the year the ended, and notes to the consolidated financial statements, including a summary of significant accountir policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financi: position of the Group as at June 30, 2021, and of its consolidated financial performance and i consolidated cash flows for the year then ended in accordance with the accounting and reporting standar as applicable in Pakistan.

Basis for Opinion

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

Emphasis of Matter

Without modifying our opinion, we draw attention to the following;

1. Note 29.1.6 to the consolidated financial statements which provide details regarding transaction with the Roots International Brands Private Limited (RIBS) and investigation order passed by Securitie and Exchange Commission of Pakistan.

2. Note 29.1.7 to the consolidated financial statements which provide details regarding complaint file by Directorate of Intelligence and Investigation, Inland Revenue, Karachi with the Court of Specia Judge (Customs, Taxation and Anti-Smuggling), Karachi, (Trial Court) against the Holding Compan and its Directors alleging tax evasion. During the year and, subsequently, FBR has issued variou notices for audit of the tax years 2018 and 2019. Note 29.1.7 provides details regarding the matte which is sub-judice.

3. Note 22.1 and 29.1.8 to the consolidated financial statements which provide details regardin reprofiling of the financing facilities with National Bank of Pakistan.

Key Audit Matters

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

Following are the Key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	Contingencies	
	As disclosed in note 29 of the consolidated financial statements, the Holding Company has contingencies and litigations in respect of legal, sales tax and income tax matters, which are pending adjudication with respective authorities at various legal forums available. Contingencies require management to make judgments and estimates in relation to the interpretation of relevant laws, rules and regulations, probability of outcome and financial impact, if any, for recognition, measurement and disclosure of any related provision or any other element of consolidated financial statements. Due to significance of amounts involved, inherent uncertainties with respect to the outcome of such matters and use of significant management judgments and estimates to assess the same including any related financial impacts, we considered contingencies and litigations in respect of legal, sales tax and income tax matters, a key audit matter.	We have undertaken a number of procedures to verify the contingencies and their consequential impact on the consolidated financial statements. This included, among others: • We obtained and reviewed the details of pending legal, sales tax and income tax matters and discussed the same with the management; • We followed the progress of each case and the Holding Company's estimate of the cost to be incurred; • We reviewed the key elements of the methodology employed by management in challenging reasonableness of the cost estimates; • We considered the impact on future case costs from changes arising in the regulatory environment; • We obtained confirmations from legal advisors for current status on pending previous cases and any new case filed during the year; • Checked orders by relevant authority on previous lawsuits / cases appearing in the consolidated financial statements; and • Obtained legal advice on the above cases with the legal advisors to ensure that the outflow is possible and not probable. • We also assessed the adequacy of the disclosures made in respect of contingencies in accordance with the financial reporting standards.

S. No	Key audit matters	How the matter was addressed in our audit
2.	Revenue	
	As disclosed in note 30 of the consolidated financial statements, the Holding Company reported revenue of Rs. 2,591.3 million from sale of liquefied petroleum and low-pressure regulators (LPR) revenue which reflect an increase of 0.34% from the previous year. We focused on revenue as a key audit area due to high volume of transactions.	We performed a range of audit procedures in relation to revenue including the following: • We considered the appropriateness of the Holding Company's revenue recognition accounting policies; • We obtained understanding of the revenue related processes; • We perform test of details on revenue recognized during the year, on a sample basis, including review of order receipt, invoicing and dispatched; • We performed cut-off procedures on transactions occurring either immediately before or after the year end to assess the recording of revenue in correct accounting period; and • We also assessed the adequacy of the disclosures made in respect of revenue in accordance with the financial reporting standards.
3.	Impairment of goodwill	
	The goodwill arose upon the amalgamation with Holding company as disclosed in note 9.2.1. The Holding Company's assessment of impairment of goodwill is a judgmental process which requires estimates concerning the forecast future cash flows associated with the goodwill There was no impairments in the current year (2020: Nil).	Our work involved the following: • We have assessed the design and implementation of the Holding Company's controls relating to Management's impairment review of goodwill. • We have tested the accuracy of the underlying model to assess whether the processes are applied to the correct input data and the outputs are mapped accurately.

S. No	Key audit matters	How the matter was addressed in our audit
		• We challenged each of the key assumptions employed in the annual goodwill impairment test. This included reference to our internal valuation specialists' benchmarking of the weighted average cost of capital rate ('WACC') employed as the discount rate employed, including its methodology and constituent inputs and an assessment of the Holding Company's historic forecasting accuracy. • We have tested management's sensitivity analysis in relation to the key inputs to the goodwill impairment test model, as well as performing our own sensitivity analysis which included changes to volume, margin, incentives and the discount rate applied. • We have reviewed the appropriateness of the disclosures provided in accordance with IAS 36 'Impairment of Assets'.

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

Management is responsible for the other information. The other information comprises the informatic included in the annual report but does not include the consolidated financial statements and our auditor report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do no express any form of assurance conclusion thereon.

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

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

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

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

Board of directors are responsible for overseeing the Group's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statement whether due to fraud or error, design and perform audit procedures responsive to those risks, an obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk not detecting a material misstatement resulting from fraud is higher than for one resulting from erro as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on th effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accountir estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting an based on the audit evidence obtained, whether a material uncertainty exists related to events conditions that may cast significant doubt on the Group's ability to continue as a going concern. If w conclude that a material uncertainty exists, we are required to draw attention in our auditor's repo to the related disclosures in the consolidated financial statements or, if such disclosures ar inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up t the date of our auditor's report. However, future events or conditions may cause the Group to ceas to continue as a going concern.

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

BDO

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities ‹ business activities within the Group to express an opinion on the consolidated financial statement We are responsible for the direction, supervision and performance of the group audit. We rema solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Zulfikar Ali Cause

KARACHI

DATED: 04 OCT 2021

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANT

BURSHANE LPG (PAKISTAN) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021	2020
		--------- (Rupees in '000) ---------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	807,389	827,317
Intangible assets	8	279,493	328,661
Long-term loans	9	353	488
Long-term deposits	10	3,174	122,761
		1,090,409	1,279,227
CURRENT ASSETS			
Stores and spares	11	3,873	2,215
Stock-in-trade	12	19,134	43,901
Trade debts	13	87,665	24,776
Loans and advances	14	72,027	53,084
Deposits, prepayments and other receivables	15	141,646	21,757
Taxation - net	16	106,990	8,627
Cash and bank balances	17	93,623	266,636
		524,958	420,996
TOTAL ASSETS		1,615,367	1,700,223
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
90,000,000 (2020: 90,000,000) ordinary shares of Rs. 10/-each	18	900,000	900,000
Issued, subscribed and paid-up capital	19	224,888	224,888
Capital reserves			
Revaluation surplus on property	21	336,415	336,415
Other reserves	20	117,241	110,076
Revenue reserve	20	(101,508)	18,371
		577,036	689,750
NON-CURRENT LIABILITIES			
Long-term loan	22	-	-
Lease liabilities	23	9,942	17,511
Deferred taxation - net	24	18,367	-
Cylinder and regulator deposits	25	438,262	414,260
		466,571	431,771
CURRENT LIABILITIES			
Trade and other payables	26	108,382	138,922
Accrued mark-up on long - term loan	27	119,392	97,029
Unclaimed dividends	28	83,198	83,198
Current portion of long - term loan	22	254,439	254,439
Current portion of lease liabilities	23	6,349	5,114
		571,760	578,702
TOTAL EQUITY AND LIABILITIES		1,615,367	1,700,223
CONTINGENCIES AND COMMITMENTS	29		

The annexed notes from 1 to 51 form an integral part of these financial statements.

DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

BURSHANE LPG (PAKISTAN) LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		--------- (Rupees in '000) ---------	
Sales - net	30	2,591,297	2,582,454
Cost of sales	31	(2,557,808)	(2,448,638)
Gross profit		33,489	133,816
Administrative expenses	32	(124,744)	(111,555)
Distribution and marketing expenses	33	(66,446)	(70,600)
Other income	34	29,513	35,281
Other expenses	35	(9,076)	(12,843)
		(170,753)	(159,717)
Operating loss		(137,264)	(25,901)
Financial costs	36	(26,989)	(44,559)
Loss before taxation		(164,253)	(70,460)
Taxation	37	44,374	(39,299)
Net loss for the year		(119,879)	(109,759)
		--------- (In Rupees) ---------	
Loss per share - basic and diluted	38	(5.33)	(4.88)

The annexed notes from 1 to 51 form an integral part of these financial statements.

DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

BURSHANE LPG (PAKISTAN) LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	--------- (Rupees in '000) ---------	
Net loss for the year	(119,879)	(109,759)
Other comprehensive income		
Items that will not be reclassified subsequently to statement of profit or loss:		
Surplus on revaluation of property	-	61,650
Actuarial gain / (loss) on remeasurement of retirement and other service benefits	10,092	(59,463)
Less: Taxation thereon	(2,927)	-
	7,165	2,187
Total comprehensive loss for the year	(112,714)	(107,572)

The annexed notes from 1 to 51 form an integral part of these financial statements.

DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

BURSHANE LPG (PAKISTAN) LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021

		Capital reserves				Revenue Reserves			
	Issued, subscribed and paid-up capital	Reserve on amalgamation	Revaluation surplus of property	Actuarial (loss) / gain on remeasurement of retirement and other service benefits	Sub total	General Reserve	Unappropriated profit / (Accumulated loss)	Sub total	Total
	(Rupees in '000)								
Balance as at July 01, 2019	224,888	153,458	274,765	16,081	444,304	90,000	60,770	150,770	819,962
Total comprehensive loss for the year									
Loss for the year	-	-	-	-	-	-	(109,759)	(109,759)	(109,759)
Other comprehensive income for the year - net of tax	-	-	61,650	(59,463)	2,187	-	-	-	2,187
	-	-	61,650	(59,463)	2,187	-	(109,759)	(109,759)	(107,573)
Final dividend @ Re.1 per share	-	-	-	-	-	-	(22,640)	(22,640)	(22,640)
Balance as at June 30, 2020	224,888	153,458	336,415	(43,382)	446,491	90,000	(71,629)	18,371	689,750
Total comprehensive loss for the year									
Loss for the year	-	-	-	-	-	-	(119,879)	(119,879)	(119,879)
Other comprehensive income for the year - net of tax	-	-	-	7,165	7,165	-	-	-	7,165
	-	-	-	7,165	7,165	-	(119,879)	(119,879)	(112,714)
Balance as at June 30, 2021	224,888	153,458	336,415	(36,217)	453,656	90,000	(191,508)	(101,508)	577,036

The annexed notes from 1 to 51 form an integral part of these financial statements.

DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

BURSHANE LPG (PAKISTAN) LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		--------- (Rupees in '000) ---------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	42	(256,005)	157,775
Retirement and other service benefits paid		(8,660)	(9,548)
Taxes paid		(38,549)	(34,502)
Finance cost paid		(1,613)	(3,673)
Long-term loans - net		135	406
Long-term deposits - net		119,587	-
Cylinder and regulator deposits - net		40,031	43,533
Net cash (used in) / generated from operating activities		(145,074)	153,991
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(25,724)	(49,260)
Purchase of intangible assets		-	(149)
Proceeds from disposal of operating fixed assets		5,500	1,406
Net cash used in investing activities		(20,224)	(48,003)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		-	(5,623)
Repayment of lease liabilities		(7,715)	(8,798)
Net cash used in financing activities		(7,715)	(14,421)
Net (decrease) / increase in cash and cash equivalents		(173,013)	91,567
Cash and cash equivalents at beginning of the year		266,636	175,069
Cash and cash equivalents at end of the year		93,623	266,636

The annexed notes from 1 to 51 form an integral part of these financial statements.

DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

BURSHANE LPG (PAKISTAN) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND OPERATIONS OF THE GROUP

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

1.1 The Holding Company

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

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

The Holding Company was a subsidiary of H.A.K.S. Trading (Private) Limited (HTPL). The major shareholder of HTPL was Mr. Asad Alam Niazi, Chief executive of the Holding Company, with 74.19% shareholding of the ordinary shares while various other shareholders held 25.81% shares. 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 6.

1.2 Subsidiary Companies

1.2.1 Burshane Auto Gas (Private) Limited (the Subsidiary Company) was incorporated on September 26, 2014 under the repealed Companies Ordinance, 1984, now Companies Act, 2017. The Subsidiary Company will mainly be engaged in opening and managing petrol pumps and Liquefied Petroleum Gas (LPG) outlets. The registered office of the Subsidiary Company is situated at Suit No.101, 1st Floor, Horizon Vista, Commercial - 10, Block 04, Clifton, Karachi. The Subsidiary Company has not commenced its operations and is in the start-up phase. the Holding Company holds 99.99% voting rights and is committed to provide financial support to the Subsidiary Company as and when required.

1.2.2 Burshane Trading (Private) Limited (BTPL) was incorporated on October 13, 2014 under the repealed Companies Ordinance, 1984, now Companies Act, 2017, for setting up trading operations particularly in coal and other energy related products. The registered office of BTPL is situated at Suite 101, 1st Floor, Horizon Vista, Plot No. Commercial Block-4, Scheme No. 5, Clifton, Karachi. No share capital has been issued and no transactions were undertaken by BTPL during the year.

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

Karachi:	**Purpose:**
Plot No. 70, Sector 7-D,Korangi Filling Plant-1, Adjacent to Pakistan Refinery Limited, Korangi Creek	LPG Storage & filling plant

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act , 2017; and

- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from the IFRS Standards, the provisions of and directives issued under the Act have been followed.

2.2 Basis of measurement

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

2.3 Basis of consolidation

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

2.3.1 Subsidiaries

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

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

The Holding Company meets all the above conditions and hence has power over the subsidiary.

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

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

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

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

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

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

2.4 Functional and presentation currency

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

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2021

The following standards, amendments and interpretations are effective for the year ended June 30, 2021. These standards, amendments and interpretations are either not relevant to the Holding Company's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update these pronouncements with regard to references to and quotes from the framework or to indicate where they refer to different version of the Conceptual Framework.	
Amendments to IFRS 3 'Business Combinations' - Definition of a business	January 01, 2020
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform	January 01, 2020

	Effective date (annual periods beginning on or after)
Amendments to IFRS 16 'Leases' - Covid - 19 related rent consessions	June 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material	January 01, 2020

Certain annual improvements have also been made to a number of IFRSs.

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Holding Company's operations or are not expected to have significant impact on the Holding Company's financial statements other than certain additional disclosures.

Interest Rate Benchmarch Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IFRS 16 'Leases' - Extended practical relief regarding Covid - 19 related rent consessions	April 01, 2021
Amendments to IAS 1'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023

	Effective date (annual periods beginning on or after)
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 First Time Adoption of International Financial Reporting Standards; and
IFRS 17 Insurance Contracts.

4 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.

4.1 Property, plant and equipment

4.1.1 Owned

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

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

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

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

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

4.1.2 Right of use assets

The right-of-use asset is initially measured at the amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using straight line method from the date of commencement date to the earlier of the end of useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

4.1.3 Capital work-in-progress

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

4.2 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.

a) 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.

b) Goodwill

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

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

c) Trademarks

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

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

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

4.3 Stores and spares

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

4.4 Stock-in-trade

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

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost necessary to be incurred to make the sale.

4.5 Trade debts and other receivables

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method less provision for expected credit losses, if any. Allowance for expected credit losses is based on lifetime ECLs that result from all possible default events over the expected life of the trade debts and other receivables. Trade debts and other receivables are written-off when considered irrecoverable.

4.6 Cash and cash equivalents

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

4.7 Employee retirement benefits

4.7.1 Defined benefit plan

The Group Company operates:

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

Both the above schemes are funded and contributions to them are made monthly on the basis of actuarial valuation and in line with the provisions of the Income Tax Ordinance, 2001.

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

4.7.2 Defined contribution plan

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

4.8 Lease liabilities

The lease liability is initially measured at the present value of the future lease payments over the lease term, discounted using the specific incremental borrowing rate. Subsequently lease liabilities are measured at amortized cost using the effective interest rate method.

It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

4.9 Loans and borrowings

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

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

4.10 Trade and other payables

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

4.11 Provisions

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

4.12 Taxation

4.12.1 Current

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

4.12.2 Deferred

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

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

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

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

4.13 Foreign currencies

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

4.14 Borrowing costs

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

4.15 Dividend and appropriation to reserves

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

4.16 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.

4.17 Financial instruments

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

i) Financial assets

Initial recognition and measurement

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

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

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

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

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

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

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

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

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

Subsequent measurement

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

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

- Financial assets at amortised cost - The Group subsequently measures financial assets at amortised cost using Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired;
- Debt instruments at FVOCI - The Group has not designated any financial asset at fair value through OCI with / without recycling of cumulative gains and losses; and upon derecognition.

Derecognition

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

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

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

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

Impairment / expected credit losses on financial assets

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

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

The Group uses the standard's simplified approach and calculates ECL based on life-time ECL on its trade debts and contractual assets, where as for other financial assets loss allowance is measured at 12 months ECL under general approach of measuring ECL. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The expected credit losses are recognised in profit or loss.

ii) Financial liabilities

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

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

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

Loans and borrowings

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

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

Derecognition

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

iii) Offsetting of financial instruments

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

4.18 Revenue from contracts with customers

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

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

Performance obligations

Information about the Holding Company performance obligations are summarised below:

Sale of LPG and LPR

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

Others

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

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

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

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

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

5.1 Property, plant and equipment

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

5.2 Intangible assets

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

5.3 **Taxation**

In making the estimates for current income taxes payable by the Group, the management considers the applicable laws and the decisions / 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.

5.4 **Provision for retirement and other service benefits**

The present value of these obligations depends on a number of factors that are determined on actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of these obligations. The present values of these obligations and the underlying assumptions are disclosed in note 40.

6 AMALGAMATION WITH HOLDING COMPANY

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

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

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

	Fair value as of February 19, 2015 (Rupees in '000)
Liabilities	
Long-term loan - secured	400,000
Deferred taxation	14,863
Trade and other payables	2,247
Short-term loans	30,646
Accrued mark-up on long-term loan	17,508
	465,264
Net assets	347,407
Represented by:	
Unappropriated loss	(73,677)
Revaluation surplus on property, plant and equipment	269,138
Reserve on amalgamation	151,946
	347,407

	Note	2021 Rupees	2020 Rupees
		--------- (Rupees in '000) ---------	

7 PROPERTY, PLANT AND EQUIPMENT

	Note	2021	2020
Operating fixed assets	7.1	807,389	827,317
Capital work-in-progress	7.2	-	-
		807,389	827,317

7.1 Operating fixed assets

The following is the statement of operating fixed assets:

Description	Owned Assets: Leasehold land (note 7.1.7)	Freehold land (note 7.1.7)	Building on leasehold land	Plant and machinery	Cylinders and regulators (note 7.1.3)	Fire fighting equipment	Furniture, fittings, electrical and other equipment	Vehicles	Office equipment	Computer and related accessories	Tanks, pipelines and fittings	sub total	Leased Assets: Vehicles	Right of Use Asset: Building	Vehicles	sub total	Total
	(Rupees in ' 000)																
Net carrying value basis																	
year ended June 30, 2021																	
Opening net book value	569,288	16,500	22,009	11,162	159,549	1,534	5,982	1,626	645	761	15,411	804,467	-	19,716	3,136	22,852	827,317
Addition (at cost)	-	-	-	314	23,946	-	890	-	324	250	-	25,724	-	-	-	-	25,724
Transfer in / (out)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impact of lease modification	-	-	-	-	-	-	-	-	-	-	-	-		(1,632)	-	(1,632)	(1,632)
Disposal (NBV)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charged (refer note 7.1.2)	-	-	(3,659)	(908)	(24,210)	(1,353)	(2,074)	(723)	(198)	(406)	(2,724)	(36,255)	-	(6,559)	(1,206)	(7,765)	(44,020)
Closing net book value	569,288	16,500	18,350	10,568	159,285	181	4,798	903	771	605	12,687	793,936	-	11,525	1,930	13,455	807,389
Gross carrying value basis																	
year ended June 30, 2021																	
Cost / revalued amount	569,288	16,500	83,294	61,618	678,953	20,105	81,320	57,308	4,917	17,872	89,365	1,680,540	-	24,373	4,342	28,715	1,709,255
Accumulated depreciation	-	-	(64,944)	(51,050)	(519,668)	(19,924)	(76,522)	(56,405)	(4,146)	(17,267)	(76,678)	(886,604)	-	(12,848)	(2,412)	(15,260)	(901,866)
Closing net book value	569,288	16,500	18,350	10,568	159,285	181	4,798	903	771	605	12,687	793,936	-	11,525	1,930	13,455	807,389
Depreciation rate																	
(% per annum)	-	-	5%	5%	10%	15%	10% to 15%	20% to 25%	15%	33.33%	10%		-	25%	25%		
Net carrying value basis																	
year ended June 30, 2020																	
Opening net book value	509,138	15,000	25,131	12,759	136,150	2,597	7,207	78	402	501	18,501	727,464	4,626	-	-	-	732,090
Recognition on initial application of IFRS-16	-	-	-	-	-	-	-	-	-	-	-	-	(4,626)	26,005	4,428	30,433	25,807
Opening net book value - adjusted	509,138	15,000	25,131	12,759	136,150	2,597	7,207	78	402	501	18,501	727,464	-	26,005	4,428	30,433	757,897
Addition (at cost)	-	-	-	-	44,843	-	1,166	2,231	372	648	-	49,260	-	-	-	-	49,260
Revaluation surplus	60,150	1,500	-	-	-	-	-	-	-	-	-	61,650	-	-	-	-	61,650
Transfer in / (out)	-	-	-	-	-	-	-	86	-	-	-	86	-	-	(86)	(86)	-
Disposal (NBV)	-	-	-	-	(5)	-	(49)	-	-	-	-	(54)	-	-	-	-	(54)
Depreciation charged (refer note 7.1.2)	-	-	(3,122)	(1,597)	(21,439)	(1,063)	(2,342)	(769)	(129)	(388)	(3,090)	(33,941)	-	(6,288)	(1,206)	(7,495)	(41,436)
Closing net book value	569,288	16,500	22,009	11,162	159,549	1,534	5,982	1,626	645	761	15,411	804,467	-	19,716	3,136	22,852	827,317
Gross carrying value basis																	
year ended June 30, 2020																	
Cost / revalued amount	569,288	16,500	83,294	66,104	660,970	21,177	81,967	59,886	5,106	18,113	93,428	1,675,833	-	26,005	4,342	30,347	1,706,180
Accumulated depreciation	-	-	(61,285)	(54,942)	(501,421)	(19,643)	(75,985)	(58,260)	(4,461)	(17,352)	(78,017)	(871,368)	-	(6,288)	(1,206)	(7,495)	(878,863)
Closing net book value	569,288	16,500	22,009	11,162	159,549	1,534	5,982	1,626	645	761	15,411	804,467	-	19,716	3,136	22,852	827,317
Depreciation rate																	
(% per annum)	-	-	5%	5%	10%	15%	10% to 15%	20% to 25%	15%	33.33%	10%		-	25%	25%		

7.1.1 As at June 30, 2021, property, plant and equipment having cost of Rs. 741.85 million (2020: Rs. 711.21 million) are fully depreciated.

		Note	2021	2020
			--------- (Rupees in '000) ---------	
7.1.2	The depreciation charge for the year has been allocated as follows:			
	Cost of sales	31	10,718	10,026
	Administrative expenses	32	9,092	8,802
	Distribution and marketing expenses	33	24,210	22,608
			44,020	41,436

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

7.1.4 The Holding Company possess leasehold lands of measuring 5.875 acres in Karachi. However, the legal title is on the name of H.A.K.S Trading (Private) Limited (HTPL), the former Holding Company.

7.1.5 The Holding Company's freehold land and leasehold land was revalued on June 26, 2020 by M/s. Luckyhiya Associates (Private) Limited, an independent valuer, on the basis of their professional assessment of present market value for similar sized plots in the near vicinity of land. The revaluation has resulted in surplus for freehold and leasehold land amounting to Rs. 1.5 million and Rs. 60.149 million respectively.

7.1.6 Had the revaluation not been carried out, the related figures of freehold land and leasehold land would have been Rs. 5.62 million (2020: Rs. 5.62 million) and Rs. 243.75 million (2020: Rs. 243.75 million), respectively.

7.1.7 The forced sales value as per the revaluation report as of June 26, 2020 is as follows:

Class of asset	2021 (Rupees in '000)
Freehold	16,500
Leasehold land	569,288

Particulars of immovable assets of the Company are as follows:

Particulars	Usage of property		Covered Area (Square feet)
Freehold land	For future business expansion	Chak No. 245, Near Railway Station, Abbaspur, Faisalabad	104,544
Leasehold	For future business expansion	Commercial - cum- Residential Land Deh Okewari, Shahrah - e - Faisal Survey # 47	107,811

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

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

7.2 CAPITAL WORK-IN-PROGRESS

	2021	2020
	--------- (Rupees in '000) ---------	
Balance as at July 01	-	-
Additions (at cost)	25,724	49,260
Transfer to property, plant and equipment	(25,724)	(49,260)
Balance as at June 30	-	-

8 INTANGIBLE ASSETS

	Cost				Accumulated Amortisation				Net Book Value	
	As at July 01, 2020	Additions	Disposals	As at June 30, 2021	As at July 01, 2020	Charge for the year (note 9.6)	Reversal	As at June 30, 2021	As at June 30, 2021	Rate of amortisation
	---------- (Rupees in '000) ----------									
Goodwill (note 8.2)	253,091	-	-	253,091	-	-	-	-	253,091	Nil
Computer software	5,007	-	(735)	4,272	4,671	88	735	4,024	248	20%
Rights under										
Supply contracts (notes 8.3)	394,856	-	(344,706)	50,150	328,222	49,080	344,706	32,596	17,554	20% - 33%
Trademarks (note 8.2 & 8.4)	8,600	-	-	8,600	-	-	-	-	8,600	Nil
2021	661,554	-	(345,441)	316,113	332,893	49,168	345,441	36,620	279,493	

	Cost				Accumulated Amortisation				Net Book Value	
	As at July 01, 2019	Additions	Disposals	As at June 30, 2020	As at July 01, 2019	Charge for the year (note 9.6)	Reversal	As at June 30, 2020	As at June 30, 2020	Rate of amortisation
	---------- (Rupees in '000) ----------									
Goodwill (note 8.2)	253,091	-	-	253,091	-	-	-	-	253,091	Nil
Computer software	4,858	149	-	5,007	4,583	88	-	4,671	336	20%
Rights under										
Supply contracts (notes 8.3)	394,856	-	-	394,856	268,592	59,630	-	328,222	66,634	20% - 33%
Trademarks (note 8.2 & 8.4)	8,600	-	-	8,600	-	-	-	-	8,600	Nil
2020	661,405	149	-	661,554	273,175	59,718	-	332,893	328,661	

8.1 As at June 30, 2021, intangible having cost of Rs. 3.84 million (2020: Rs. 101.28 million) are fully amortised.

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

8.2.1 Impairment review of goodwill and trademarks:

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

	2021	2020
	--------- (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 review in June 2021 and June 2020. The Holding Company considers the relationship between its recoverable amount and its book value, among other factors, when reviewing for indicators of impairment. At June 30, 2021, the recoverable amount of the CGU was above the book value of its net assets, indicating no potential impairment of goodwill and impairment of the assets of the operating segment. The result of this impairment test depends to a large extent on Management's assessment of future cash inflows and the discount rate used, and is therefore subject to considerable uncertainty. The recoverable amount is the higher of the 'fair value less cost to sell' and the 'value-in-use'. The assumptions are assessed at each reporting date and adjusted when appropriate.

The Holding Company uses a Discounted Cash Flow model (DCF) to determine the value in use. Cash flow projections for the first five years are based on budgeting and forecasting models endorsed by the Holding Company's Management. After five years a terminal value calculation is applied. Within the DCF techniques the terminal value is determined by applying a perpetual growth rate to the perpetual free cash flows. With respect to the appropriateness of the future cash inflows used in the calculation management used budgets of five-year plan adopted by Management and approved by the Board of Directors, as well as by comparison with general and sector-specific market expectations.

The Holding Company applied a discount rate of 15.64% to the forecasted free cash flow based on a WACC of the Holding Company. The WACC is an average cost of capital consisting of two parts - cost of debt and cost of equity.

As the Holding Company's capital consists of 31% debt and 69% equity. Calculating the cost of equity was done by applying the capital asset pricing model ("CAPM"). The assumptions applied in the CAPM included the following: a risk-free rate of 10% a beta of 0.87 for the Holding Company and an equity risk premium of 11.02%. The risk-free rate was based on the yield of ten-year Pakistan Investment Bonds on the Date of Valuation as per the State Bank of Pakistan. Combining these assumptions yielded a cost of equity of 19.59%. The cost of debt net of tax is an average of 6.71%.

The recoverable amount of CGU amounting to Rs. 735.24 million as at June 30, 2021 has been determined based on a value-in-use. The Value in Use of the Holding Company indicated by the Discounted Cash Flow (DCF)method approximates to Rs. 735.24 million. The carrying value of net assets (including goodwill) as of the valuation date is Rs. 576.57 million. As the Value in Use exceeds the carrying value of net assets (including goodwill), no impairment in goodwill has been identified as a result of this review.

The Holding Company tested its trademark "Burshane" as at June 30, 2021 and June 30, 2020 for impairment. Value-in-use of Rs. 518.21 million as at June 30, 2021 of the trademarks has been calculated using Relief from Royalty Method. This method considers the royalties saved by owning the intellectual property rather than licensing it. It is commonly used in the valuation of similar assets and, from a valuation perspective, appears reasonable in this case.

Key assumptions used in value in use calculations:

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

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

Sales volume growth

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

Discount rates

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

Market share during the forecast period

When using industry data for growth rates (as described 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. Cash flows beyond the five-year period are extrapolated using a 4% growth rate. It was concluded that the carrying amount 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. 8.60 million as at June 30, 2021.

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

Sales volume growth

Value in use is sensitive to price and cost per ton of local and imported LPG and cost pass-through. The value in use was tested at various sales volume growth levels. A decline of 8% or more in sales volume growth would result in impairment of the CGU.

Discount rate assumptions

A rise in pre-tax discount rate to 3% 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. Cash flows beyond the five-year period are extrapolated using a 4% 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 the trademark with a carrying amount of Rs. 8.60 million as at June 30, 2021.

Growth rate assumptions

Cashflow beyond the forecast period have been extrapolated using 4% growth based on that used by the management and long term real GDP growth forecast.

8.3 During the prior year, the Company participated in a tender offer by Oil & Gas Development Company Limited (OGDCL) in respect of purchase of LPG from Kunnar Pasaki Deep - Tando Allahyar Gas Field District Hyderabad. On successful submission of the highest signature bonus bid of Rs. 50.15 million, the Holding Company has been allotted one lot of LPG of five metric tons per day for five years from the Kunnar Pasaki Deep - Tando Allahyar.

8.4 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 8.2).

	Note	2021	2020
		--------- (Rupees in '000) ---------	
8.5 The amortisation for the year has been allocated as follows:			
Cost of sales	31	49,080	59,630
Administrative expenses	32	88	88
		49,168	59,718

9 LONG-TERM LOANS

	Note	2021	2020
Secured - considered good			
Executives	11.2 & 11.3	787	855
Other employees		53	110
	11.4	840	965
Current portion shown under current assets			
Executives		(434)	(367)
Other employees		(53)	(110)
		(487)	(477)
		353	488

9.1 Reconciliation of carrying amount of loans:

Description	Executives	Other employees	Total 2021	Total 2020
	---- (Rupees in '000) ----			
Balance as at July 01	855	110	965	1,712
Disbursements	1,059	363	1,422	711
Repayment / adjustment	(1,127)	(420)	(1,547)	(1,458)
Balance as at June 30	787	53	840	965

9.2 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 are interest free. 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.

9.3 The maximum aggregate amount of loan due from executives at the end of any month during the year was Rs. 1.35 million (2020: Rs. 0.86 million).

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

	Note	2021	2020
		--------- (Rupees in '000) ---------	
10 LONG-TERM DEPOSITS			
Deposit against LPG supply	10.1	-	119,587
Others		3,174	3,174
		3,174	122,761

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

		2021	2020
11 STORES AND SPARES			
Stores		4,414	3,005
Spares parts		779	530
		5,193	3,535
Provision for obsolete items		(1,320)	(1,320)
		3,873	2,215
12 STOCK-IN-TRADE			
Liquefied Petroleum Gas (LPG)	12.1 & 12.2	18,429	42,516
Low Pressure Regulators (LPR)		705	1,385
		19,134	43,901

12.1 The reduction of stock-in-trade are included in cost of sales.

12.2 It includes stock amounting to Rs. 2.65 million (2020: Rs. 24.97 million) held with the following parties under hospitality arrangements:

	2021	2020
OPI Jamber Plant	22	76
Ravi Sahiwal	1,357	1,386
Sadiq Gas Company	403	9,298
Sindh Gas (Private) Limited	-	1,188
Blessing Gas (Private) Limited	163	1,641
Tez Gas (Private) Limited	570	446
Terra Energy (Private) Limited	13	496
Bashir Gas	8	8,937
Faiq Gas	15	1,501
MNA	101	-
	2,652	24,969

12.3 As at June 30, 2021, stock of LPG held on behalf of third parties amounted to Rs. 2.57 million (2020: Rs. 0.19 million).

		Note	2021	2020
			--------- (Rupees in '000)	---------
13	**TRADE DEBTS**			
	Unsecured - considered good			
	Trade debtors		92,895	28,464
	Allowance for expected credit losses	13.1	(5,230)	(3,688)
			87,665	24,776
13.1	**Allowance for expected credit losses**			
	Balance as at July 01		3,688	3,070
	Allowance for expected credit losses	35	1,542	618
	Balance as at June 30		5,230	3,688

13.2 Ageing analysis of these trade debts as at the reporting date is as follows:

		Note	2021	2020
	Upto 1 month		13,024	14,229
	1 to 6 months		77,661	6,605
	More than 6 months		2,210	6,752
			92,895	27,586
14	**LOANS AND ADVANCES**			
	Loans - Secured - considered good			
	Current portion of long-term loans	9	487	477
	Advances to (Unsecured - considered good)			
	Chief executives officer	14.1	4	3,864
	Associated company	14.2	-	-
	Contractors and suppliers		71,536	48,743
			71,540	52,607
			72,027	53,084

14.1 The maximum aggregate amount due from Chief executive officer against advance from travelling at the end of any month was Rs. 3.86 million (2020: Rs. 3.86 million).

14.2 Advances to associated company

	2021	2020
Balance as at July 01	-	-
Disbursements	-	63,400
Repayments	-	(63,400)
Balance as at June 30	-	-

14.2.1 The Holding Company made short term advances to Root International Brands (Private) Limited, an associated company, with no agreed terms (Refer note 29.1.6). The maximum aggregate amount due at the end of any month was Rs. Nil (2020: Rs. 63.40 million).

15 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2021	2020
		--------- (Rupees in '000)	---------
Deposits	15.1	82,180	785
Prepayments	15.2	17,740	1,513
Other receivables	15.3	41,726	19,459
		141,646	21,757

15.1 This represents short term deposits in the normal course of business and does not carry any interest or mark-up.

15.2 This includes prepaid insurance premium of Rs. Nil (2020: Rs. 0.64 million) to Pak Qatar Takaful Company Limited.

15.3 Other receivables

	Note	2021	2020
OPI Gas (Private) Limited	15.4	3,642	3,642
Burshane LPG (Pakistan) Limited - Provident fund		-	15
Burshane LPG (Pakistan) Limited- Gratuity fund	40	1,098	1,350
Burshane Petroleum (Private) Limited	15.5	9,000	9,500
Accrued interest		3	7
Sales tax receivable		17,706	-
Others	15.6 & 15.7	15,382	11,160
		46,831	25,674
Allowance for expected credit losses		(5,105)	(6,215)
		41,726	19,459

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

15.5 This represents amount receivable from Burshane Petroleum (Private) Limited (formerly Darian International (Private) Limited) amounting to Rs. 9 million (2020: Rs. 9.50 million), a related party, as consideration against use of the Holding Company's name under an arrangement entered in the year 2019.

15.6 This includes receivable against cylinder deposits of Rs. 9.17 million (2020: Rs. 7.77 million).

15.7 This includes receivable from AAK Commodities (Private) Limited and A&S Corporation (Private) Limited amounting to Rs. Nil (2020: Rs. 0.25 million) and Rs. Nil (2020: Rs. 0.08 million) respectively.

15.7.1 The maximum aggregate amount outstanding from subsidiary company, associated companies and other related parties at any time of the year by reference to month end balances is as follows:

	Note	2021	2020
		--------- (Rupees in '000) ---------	
Other related parties			
Burshane LPG (Pakistan) Limited Provident Fund		2,480	1,234
Burshane LPG (Pakistan) Limited Gratuity Fund		4,565	1,350
Associated companies			
Burshane Petroleum (Private) Limited		9,500	9,500
AAK Commodities (Private) Limited		250	250
A&S Corporation (Private) Limited		75	75
		16,870	12,409

15.7.2 The ageing analysis of receivable balances due from related parties / associated companies is as follows:

More than 6 months	-	731
More than 12 months	9,000	9,105
	9,000	9,836

16 TAXATION - NET

Advance tax	37,881	34,989
Provision for taxation	(6,547)	(39,930)
	31,334	(4,941)
Income tax refundable	75,656	13,568
	106,990	8,627

17 CASH AND BANK BALANCES

	Note		
Cash in hand		200	174
Cash at banks			
saving accounts	17.1	60,370	62,423
current accounts		33,053	204,039
		93,423	266,462
		93,623	266,636

17.1 The profit rates on these saving accounts range from 2.76% to 5.50% per annum (2020: 3.05% to 11.30% per annum). These balances are held in accounts maintained under conventional banking.

18 AUTHORIZED SHARE CAPITAL

2021	2020		2021	2020
--------(Number of shares)--------			--------- (Rupees in '000) ---------	
90,000,000	90,000,000	Ordinary shares of Rs. 10/- each	900,000	900,000

19 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Number of ordinary shares of Rs. 10/- each			2021	2020
2021	2020		--------- (Rupees in '000) ---------	
		Ordinary shares of Rs. 10/-each		
19,881,766	19,881,766	Fully paid in cash (note 19.1)	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

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

19.2 As further explained in note 6, the Holding Company is in the process of completing legal formalities for cancellation of 151,154 shares and for issuance of new share certificates, which are appearing in the name of HTPL for the year ended June 30, 2021 (2020: same status) 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 [2021: 54.81% (2020: 54.81%)] ordinary shares of the Holding Company of Rs. 10 each and other directors will held 4,358,000 [2021: 19.38% (2020: 19.38%)] ordinary shares of the holding Company of Rs. 10 each.

19.3 As at June 30, 2021 the former Holding Company held 74.19% (2020: 74.19%), institutions held 14.06% (2020: 14.06%) and individuals and others held the balance of 11.75% (2020: 11.75%) Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.

	Note	2021	2020
		--------- (Rupees in '000) ---------	

20 RESERVES

	Note	2021	2020
Capital reserve			
Revaluation surplus on property	21	336,415	336,415
Reserve on amalgamation		153,458	153,458
Actuarial loss on remeasurement of retirement and other service benefits		(36,217)	(43,382)
		117,241	110,076
Revenue reserves			
General reserve		90,000	90,000
Accumulated loss		(191,508)	(71,629)
		(101,508)	18,371
		352,148	464,862

21 REVALUATION SURPLUS ON PROPERTY

	Note	2021	2020
Gross surplus			
Balance as at July 01		336,415	274,765
Surplus recognised during the year	21.1	-	61,650
Balance as at June 30		336,415	336,415

21.1 Surplus recognized during the year on:

	2021	2020
Leasehold land	-	60,150
Freehold land	-	1,500
	-	61,650

21.2 The revaluation surplus on property is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

22 LONG-TERM LOAN

	Note	2021	2020
Secured			
National Bank of Pakistan (NBP)	22.1	254,439	254,439
Current maturity of long-term loan		(254,439)	(254,439)
		-	-

22.1 As a result of the Scheme referred to in note 6, long-term finance obtained, under conventional banking terms, by HTPL had been transferred to the Holding Company at the time of amalgamation. The loan was obtained as a demand finance facility under the agreement dated April 08, 2013 from NBP and is repayable in 9 semi-annual installments of Rs. 44.444 million latest by April 01, 2018 with a grace period of six months from the date of the drawdown. The loan carried mark-up at rate of 6 months KIBOR plus 2.5% to 6% per annum. This loan is secured by way of mortgage on leasehold land and charge on the Holding Company's present and future current and fixed assets as well as personal guarantees of Directors of the Company, whereas NBP Brokerage Services also holds as custodian 16.685 million (2020:16.685 million) sponsors' shares of HTPL. Since 2016, the Holding Company has not repaid any loan amount and in previous years, the Company negotiated several different reprofiling options with NBP (also refer note 29.1.8).

Subsequent to the year end, on September 22, 2021, the Holding Company has received a proposal for re-profiling of the long term loan from NBP vide the letter No. BP/ARG/ARW(S)/BLPL/September 20, 2021/770 which has been duly approved by the Board of directors. As per the aforementioned letter, the Holding Company would make upfront payment of Rs. 36 million representing 10% of the principal and accrued mark up, and the long-term loan and accrued mark-up. Out of the balance amount of long term loan, Rs. 154 million shall be converted as short term working capital loan, carrying a markup of 3 months KIBOR plus 1.75% per annum, balance amount of the long term loan of Rs. 75 million shall be repayable in next six years including 12 months grace period, in 20 quarterly installments carrying a markup of 3 months KIBOR plus 2% per annum. and balance amount of accrued markup of Rs. 95 million shall also be converted into long term loan repayable in six year including 12 months' grace period in quarterly installment carrying 0% interest.. This reprofiling / restructuring includes conditions that the Holding Company will not announce and pay new dividend and also will not pay any unclaimed dividend to sponsoring directors during rescheduling period without prior approval from NBP.

23 LEASE LIABILITIES

	Note	2021	2020
		--------- (Rupees in '000) ---------	
Balance as at July 01	23.1	22,625	3,745
Recognition on initial application of IFRS-16	4.1	-	23,534
Impact of lease modification		(1,632)	-
Interest expense		3,013	4,144
		24,006	31,423
Payments during the year		(7,715)	(8,798)
		16,291	22,625
Current portion shown under current liabilities		(6,349)	(5,114)
Balance as at June 30		9,942	17,511

23.1 When measuring lease liabilities, the Holding Company discounted lease payments using its incremental borrowing rate 17.01% per annum.

23.2 Represents finance lease entered into with a leasing company for vehicles. Total lease rentals due under lease agreement aggregated to Rs. 1.67 million (2020: Rs. 2.54 million) and are payable in equal monthly installments latest by September 2023. Taxes, charges, demands and levies, repair and maintenance are to be borne by the Holding Company. Financing rates of 3 months KIBOR plus 3% (2020: 3 months KIBOR plus 3%) per annum have been used as discounting factor. The breakup of Lease Liability is shown above.

	Note	2021	2020
		--------- (Rupees in '000)	---------
Maturity analysis-contractual cash flow			
Less than one year		6,349	5,114
One to five year		9,942	17,511
More than five year		-	-
Total lease liability		16,291	22,625

24 DEFERRED TAXATION - NET

	Note	2021	2020
Taxable temporary differences			
Accelerated tax depreciation and amortisation		30,091	27,727
Post employment benefits		2,927	-
		33,018	27,727
Deductible temporary differences			
Lease liabilities		(4,724)	(6,561)
Minimum turnover tax		(6,547)	(58,533)
Provisions		(3,380)	(3,255)
		(14,651)	(68,349)
Deferred tax liability / (asset)	24.1	18,367	(40,622)

24.1 During the year ended June 30, 2020, deferred tax debits arised due to timing difference calculated at applicable tax rates was at reporting date amounting to Rs. 68.35 million out of which deferred tax debit amounting to Rs. 27.73 million has been recognized and remaining balance of Rs. 40.62 million debit remains unrecognized. Deferred tax asset had not been recognized because of uncertainty regarding future profitability.

25 CYLINDER AND REGULATOR DEPOSITS

This 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.

	Note	2021	2020
		--------- (Rupees in '000) ---------	

26 TRADE AND OTHER PAYABLES

	Note	2021	2020
Creditors		52,451	72,225
Accrued liabilities		6,471	7,473
Burshane (LPG) Pakistan Limited - Pension Fund	40	14,483	31,915
Advances from distributors / customers - unsecured		13,773	13,549
Sales tax payable		-	3,308
Workers' Welfare Fund		3,017	3,067
Withholding tax payable		218	644
Others		17,969	6,741
		108,382	138,922

27 ACCRUED MARK-UP ON LONG - TERM LOAN

	Note	2021	2020
Mark-up accrued on :			
Long-term loans	22	119,392	97,029

28 UNCLAIMED DIVIDENDS

	2021	2020
Balance as at July 01	83,198	66,181
Dividend declared during the year	-	22,640
Dividend paid during the year	-	(5,623)
Balance as at June 30	83,198	83,198

28.1 These includes an amount of Rs. 79.97 million (2020: Rs. 79.97 million) payable to the beneficial owners of HTPL. As explained in note 6, HTPL was merged with the Holding Company on February 20, 2015, however, shares held by HTPL in the Holding Company are in the process of being cancelled and new shares shall be issued by the Holding Company in the name of beneficial owners of HTPL. The beneficial owners of HTPL have requested the Holding Company to hold their dividend till such time that shares held by HTPL are cancelled and new shares are issued by the Holding Company in their name.

29 CONTINGENCIES AND COMMITMENTS

29.1 Contingencies

29.1.1 Claims not acknowledged as debt by the Holding Company as at June 30, 2021 amounted to Rs. 1.68 million (2020: Rs. 2.54 million).

29.1.2 The Holding Company was contesting an appeal before Honorable Appellate Tribunal Inland Revenue in relation to sales tax demand of Rs. 13.73 million as modified by the order of Commissioner (Appeals). The aforesaid demand was raised in pursuance to sales tax audit for tax periods from July 2009 to June 2010. The Honorable Appellate Tribunal has remanded back to the Commissioner (Appeal) who has further remanded back to the assessing officer for re-assessment. The Department has not yet re-adjudicated the matter. Barred by time limitation, it appears that the department may not be able to re-adjudicate the matter now onwards.

29.1.3 On March 25, 2019, the Holding Company received a show cause notice confronting under section 8B of Sales Tax Act, 1990, raising sales tax demand amounting to Rs. 37.28 million along with the levy of penalty for tax periods from August 2011 to May 2015. The Holding Company responded to such notice vide the tax advisor's letter No. KST-AA-1091 dated April 8, 2019.

During 2019, the tax authorities issued Order dated July 24, 2019 confronting under 8B of the Sales Tax Act, 1990, raising sales tax demand of Rs. 37.28 million along with penalty and default surcharge for the period from August 2011 to May 2015. Against the Order, the Holding Company has filed appeal before Commissioner Inland Revenue (Appeals-I), Large Taxpayers Unit, Karachi on August 22, 2019 who vide order dated November 18, 2019 vacated the whole principal amount of sales tax Rs. 37.28. However, the liability on account of default surcharge amounting to Rs. 3.17 million and penalty restricted at Rs. 0.5 million was maintained. The Order of the Commissioner Inland Revenue (Appeals-I), Large Taxpayers Unit, has been challenged before the Appellate Tribunal Inland Revenue, Karachi by Commissioner Inland Revenue, Zone IV, Large Taxpayers, Unit which is pending for hearing.

29.1.4 For the tax year 2016, a notice dated June 25, 2018 was issued to the Holding Company to provide certain information / details for audit proceedings. The notice was duly complied.

Show cause notice dated June 13, 2019 was issued to amend assessment u/s 122(9) read with section 214C of the Income Tax Ordinance, 2001 which was duly responded on all the points. Subsequently, order dated August 29, 2019 passed by the DCIR raising null tax demand due to applicability of minimum tax.

The Holding Company filed appeal to the Commissioner (Appeals) against the aforesaid order dated August 29, 2019. The said appeal was heard and order passed wherein the Commissioner (Appeals) has confirmed the certain additions made by the DCIR, whereas, he has annulled / deleted certain additions i.e. (rent, advertising expenses and financial charges - profit on debt) as such. Further, the Commissioner (Appeals) has also directed the Officer to allow credit of actual taxes paid of Rs. 23.45 million subject to due verification. Appeal effect under section 124 to be filed.

29.1.5 Monitoring of WHT was conducted by the DCIR by issuing a notice under section 176 dated March 28, 2018 which was duly responded. Thereafter, a show-cause notice dated February 13, 2019 was issued under section 161(1A) confronting on non-withholding of taxes on certain payments. Response was duly filed and accordingly order dated March 15, 2019 was passed under section 161 / 205 by the ACIR wherein the total tax demand of Rs. 2.05 million was raised which comprised the defaulted amount of Rs. 1.552 million; default surcharge of Rs. 0.49 million.

Against the Order, the Holding Company filed an appeal before the Commissioner (Appeals-I) which was heard and appellate order passed dated May 15, 2019 wherein Commissioner (Appeals-I) remanded back the Order of DCIR with the directions to verify supporting documentary evidences in respect of expenses claimed to be furnished by appellant company within seven days time. Following the underlying directions of Commissioner (Appeals-I) the Company has filed the details of expenses / payments in question vide our letter no. KT-AA-3707 dated May 22, 2019 to the DCIR for onward proceedings.

29.1.6 An inspection order dated August 04, 2020 under Section 221 of Companies Act, 2017 was issued by SECP against complaint received by the Commission wherein it was alleged that the CEO and Director Finance of the Holding Company are involved in financial irregularities of the Companies Act, 2017, which include advance made to Roots International Brands Private Limited (RIBS), an associate company, and that the bank account was being used for illegal activities by CEO and the Holding Company's Director Finance who appears to have concealed the existence of such financial transactions.

On the conclusion of inspection, a report has been issued on October 23, 2020 mentioning cognizance of offences under sections 204, 199(1), 199(2), 183(2), CEO and Director Finance of the Holding Company, during the period July 1, 2018 to June 30, 2020 and suggested that they are liable with regard to all the above non-compliances as the Board of Directors did not discuss or approve transactions with RIBS until June 26, 2020 and the predecessor auditors are liable for proceedings to be initiated under section 249 read with section 253 of the Act as they failed to highlight lack of disclosure of transactions with RIBS in notes to the financial statements for year ended June 30, 2019 especially in related parties note as required under IAS 24. The Auditor also failed to highlight the unsecured interest free loans extended without any agreement to related party i.e., RIBS before June 03, 2019.

The Holding Company has provided the comments on findings to SECP, that the non-compliance was not intentional but was omission by mistake. The Company had advanced certain amount to RIBS, However, the Holding Company has received all the monies back with mark up and therefore there is no financial loss to the company. The Board has subsequently ratified all these transactions with RIBS, and therefore to an extent the non-compliance has been addressed. It was merely an oversight of SECP compliance regulations. It has further been resolved in the Board that extra care shall be taken in future to ensure that non-compliance should not takes place. No action has been taken up by SECP to date and management asserts, based on advise of Legal counsel that there would not any material impact on the financial statements of any action taken up by SECP.

29.1.7 On August 31, 2020, Directorate of Intelligence and Investigation, Inland Revenue, Karachi filed a Complaint with the Court of Special Judge (Customs, Taxation and Anti-Smuggling), Karachi, (Trial Court) against the Holding Company and its Directors alleging tax evasion to the extent of Rs. 1.78 billion. On September 21, 2020, the Trial Court passed two orders in Case No 945/2020, one of which was issuance of arrest warrants for four Directors of the Holding Company and in the second order authorized the Complainant to put freeze on the Holding Company's nine bank accounts for 90 days.

The Holding Company filed a Constitutional Petition (CP-I) of No 4602 dated September 23, 2020, against the Trial Court's order of freezing the Holding Company's nine bank accounts, which is still under hearing. In yet another CP, the Holding Company obtained protective bail from the High Court followed by bail from the Trial Court which was confirmed subsequently on October 22, 2020. After the last hearing in December 2020, the case has been adjourned with date in office. The Holding Company has also filed a Constitutional Petition (CP-II) No 5162 on October 19, 2020, challenging the Jurisdiction of the Complaint no. 945/2020 in the Court of Special Judge (Customs, Taxation and Anti-Smuggling). The CP-II was taken up on October 23, 2020 in which the High Court has asked the respondents to file their comments on this case but since its inception in October 2020, the Complainant and all other respondents have not yet filed any comment. In the very first hearing the High Court has restrained the respondents which includes the Trial Court, not to take any further coercive action against the Petitioners.

The Holding Company's plea of challenging the jurisdiction is remarkably supported by the case laws hence, the respondents are not filing their comments in the High Court and are trying to continue prosecution in the Trial Court. However, in the last hearing, the High Court has warned the respondents that if they fail to file their comments, he would restrain the Trial Court to stop its proceedings on the case till disposition of our CP-II in the High Court.

In the hearing of February 20, 2021, the Trial Court, discussed in detail on jurisdiction of the case and the Complainant was unable to satisfy the Trial Court as to why this case should not be first transferred to Income Tax Department to assess the tax liability, as currently there is no default on part of the Holding Company or there is no demand ascertained by the Income Tax Department on the Holding Company and therefore no offence has been committed by the Holding Company or its Directors and management. The Holding Company has filed an application challenging Jurisdiction of the Special Court for Customs and Anti Smuggling, to deal this case. The Trial Court has given next date of hearing as September 27, 2021 in which the matter pertaining to Jurisdiction of the Court would be heard. Directorate I & I (Inland Revenue) had already written to the Income Tax department, in November 2020, to take up the matter of tax evasion and the Income Tax department subsequently issued notices for the same for various years as stated in the below paragraph. This fact / action was not disclosed by Directorate I & I (Inland Revenue) either to the Trial Court, even at the time when the Court asked them as to why this case should not be dealt by the Income Tax department first, or the High Court and in that manner it is concealment on their part of a material fact. The Income Tax Department is auditing the books of the Holding Company for the years 2018 and 2019 and so far no material audit observation has been pointed out by the Tax Department.

Management asserts, based on advise of Legal counsel that the case shall be ultimately decided in favor of the Holding Company.

The Director of Intelligence & Investigation, Inland Revenue had appeared on TV in Kamran Khan's News show on September 23, 2020, and there he discussed the case in a manner whereby the Holding Company's reputation was damaged. He tried to conduct a media trial of the Holding Company and its Directors. Additionally, the Director of Intelligence and Investigation, Inland Revenue also disclosed our tax and assets details, hence breached privacy and confidentiality laws. The Company has filed a law suit for damages against the Director General, the Director of South Region and the Deputy Director, (the Complainant) of the Directorate of I&I, Inland Revenue for a sum of Rs. 1 billion. The case is under hearing.

On February 10, 2021 the Holding Company had received notices under section 177(1) of Income Tax Ordinance, 2001 regarding for audit of tax years 2018 and 2019. The Holding Company has replied and submitted relevant details and documents timely through various letters to FBR. The Holding Company has received further notices for same tax years on August 12, 2021. The Holding Company is in process to respond to these notices.

29.1.8 National Bank of Pakistan has filed Suit No. B-07 of 2021 on April 02, 2021 under section 9 of the Financial Institutions (Recovery of Finances) Ordinance, 2001 for recovery of Rs. 322.99 million along with liquidated damages, cost of funds, charges, costs till the realization of the whole amount by National Bank of Pakistan before the Hon'ble High Court of Sindh. Application for leave to defend under section 10 of the Financial Institutions (Recovery of Finances) Ordinance, 2001 has been filed. However, subsequent to the year end the Holding Company has received a proposal for debt reprofiling/ restructuring from NBP which has also been accepted by management of the Holding Company. Based on the reprofiling of the debt, subject case will be decreed and closed amicabily.

29.1.9 The captioned Spl: STRA is filed by the Commissioner Inland Revenue, Zone-IV, Large Taxpayers Unit Karachi in the High Court of Sindh at Karachi. On 28 September 2018, tax authorities levied sales tax under section 8B of Sales Tax Act, 1990, raising sales tax demand along with the levy of penalty aggregating to Rs.7.898 million for tax periods from April 2018 to May 2018. Against the Order, the Holding Company filed appeal before Commissioner (Appeals–I), Karachi, who vide Order dated 31 October 2018 vacated the whole principal amount of sales tax of Rs.7.668 million. However, the liability on account of default surcharge and penalty was maintained.

The Order of the Commissioner (Appeal) was challenged before the Hon'ble Appellate Tribunal Inland Revenue, Karachi who vide Order dated 28 August 2019 reduced the substantial amount of default surcharge to Rs.0.156 million and maintained the amount of penalty Rs.0.230 million The Holding Company has paid the reduced amount of default surcharge and penalty without pursuing the matter further.

29.1.10 The Spl: STRA has been filed by the Commissioner Inland Revenue, Zone-IV, Large Taxpayers Unit Karachi in the High Court of Sindh at Karachi. During the year ended 30 June 2018, tax authorities issued Order dated 25 May 2018 and charged sales tax under section 8B of Sales Tax Act, 1990, raising sales tax demand and imposing penalties aggregating to Rs.133.109 million and also default surcharge for tax periods from July 2014 to March 2018. Against the said Order, the Holding Company filed appeal before Commissioner (Appeals–I), Karachi who vide Order dated 3rd July, 2018 vacated the whole principal amount of sales tax of Rs.65.570 million and reduced the imposition of penalties from Rs.67.538 million to Rs.500,000/- only. However, the liability on account of default surcharge was maintained.

The Order of the Commissioner (Appeal) was challenged before the Hon'ble Appellate Tribunal Inland Revenue, Karachi who vide Order dated August 28, 2019 reduced the substantial amount of default surcharge to Rs.1.336 million and maintained the amount of penalty Rs.0.500 million. The Holding Company has paid the reduced amount of default surcharge and penalty without pursuing the matter before the High Court.

29.1.11 The Holding Company has filed Spl. FED Ref. Application before the Hon'ble High Court of Sindh against the Appellate order dated 02.04.2012 of the Appellate Tribunal IR. The tax authorities at Large Taxpayers Office established a demand towards Federal Excise Duty (FED) on the payment of license fee paid/payable by the Holding Company in relation with the software / IT services acquired from the non-resident parent company under the tariff heading "franchise service" as per First Schedule to Federal Excise Act, 2005. At that time, Burshane LPG (Pakistan) Limited was a subsidiary of Shell Group, operating under the name of Shell LPG Pakistan Limited. The scope of services under the head 'franchise services' was not clear when the Federal Excise Act was promulgated in the year 2005 and then the jurisdictional issues also made the matter more complicated when the franchise services were subjected to Provincial sales tax by promulgation of Sindh Sales Tax on Services Act, 2011 effective July 01, 2011.

Software licensing does not fall under the service classification "franchise services" and this aspect has been settled at the Appellate Tribunal level in reported judgments, also. Hence, the Holding Company has a strong arguable case to defend its position that the impugned demand of FED may not be warranted.

29.1.12 On July 31, 2015, the Holding Company received a show cause notice under Punjab Rented Premises Act, 2009, by the landlords of the property measuring 51-Kanals-03-Marlas, or thereabouts bearing Square No. 94, Killa no. 1, 2, 3, 4, 5, 6 & 7, tehsil Faisalabad, Near Abbaspur railway station. The Holding Company uses this land for LPG Storage and filing plant of Faislabad. The landlords filed an ejectment petition against the Holding Company and the Holding Company has filed defending argument in the rent tribunal Faislabad and case is under hearing stage.

		Note	2021	2020
			--------- (Rupees in '000) ---------	
29.2	**Commitments**			
	Post-dated cheques		1,677	2,541
30	**SALES - NET**			
	Gross sales			
	Liquefied petroleum gas (LPG)		3,049,414	3,080,941
	Low pressure regulators (LPR)		1,102	929
			3,050,516	3,081,870
	Sales return		(407)	-
	Sales tax		(458,812)	(499,416)
			2,591,297	2,582,454

30.1 Revenue recognised from amounts included in advance from customers at the beginning of the year amounted to Rs. 10.54 million (2020: Rs. 13.13 million).

		Note	2021	2020
31	**COST OF SALES**			
	Salaries, wages and other employees benefits	31.1	29,643	31,069
	Cost of low pressure regulators sold		681	574
	Stores and spares consumed	31.3	1,863	2,732
	Repairs and maintenance		7,074	2,220
	Travelling, conveyance and vehicle maintenance		713	1,316
	Depreciation	7.1.2	10,718	10,026
	Amortisation	8.5	49,080	59,630
	Rent, rates and utilities		12,613	10,124
	Communication charges		936	1,129
	Printing and stationery		188	319
	Legal and professional charges		408	467
	Insurance		2,440	-
	Signature bonus		37,360	-
	Security		2,791	3,265
	Sundry expenses		4,337	164
	Manufacturing cost		160,845	123,035
	Opening stock		42,516	73,463
	Purchases	34.2	2,372,876	2,294,656
	Closing stock	12	(18,429)	(42,516)
			2,396,963	2,325,603
			2,557,808	2,448,638

31.1 Salaries and other benefits include Rs. 0.69 million (2020: Rs. 0.79 million) in respect of retirement and other service benefits.

31.2 This include amount of Rs. 206.34 million (2020: 335.52 million) related to purchases of LPG from Byco Petroleum Pakistan Limited (BPPL) and amount of Rs.13.75 million (2020: 18.54 million) paid to ADEPT (Private) Limited (APL) for purchasing rights of LPG quota. On May 13, 2019, the Holding Company has entered in to agreement with Byco Petroleum Pakistan Limited (BPPL) for purchase of LPG through an arrangement. On June 6, 2019, the Holding Company entered into a joint venture agreement (the Agreement) with APL being engaged in oil and gas related business with a quota of 35 MT per day by BPPL. As per the Agreement, APL consented and assigned LPG quota to the Holding Company for marketing and distribution of LPG including management of operations, maintaining of books of accounts and records under the Agreement. The Board discussed these arrangements and the Agreements and on September 19, 2019, the Board approved the agreement.

As per the revised Agreement effective from August 16, 2020, APL is entitled to a fixed profit amounting to Rs. 4,500 (2020: Rs. 4,000) for each MT net of all taxes of LPG procured through BPPL while any other profit or loss from marketing and distribution of that LPG is accrued to the Holding Company.

	Note	2021	2020
		--------- (Rupees in '000)	---------
31.3 Stores and spares consumed			
Opening stock		2,215	2,416
Purchases		3,520	2,531
		5,735	4,947
Closing stock	11	(3,873)	(2,215)
		1,863	2,732

32 ADMINISTRATIVE EXPENSES

	Note	2021	2020
Salaries, wages and other employees benefits	32.1	69,968	61,124
Depreciation	7.1.2	9,092	8,802
Amortisation	8.5	88	88
Repairs and maintenance		1,013	2,479
Travelling, conveyance and vehicle maintenance		7,766	7,116
Rent, rates and utilities		1,852	6,514
Communication charges		2,615	2,384
Printing and stationery		1,103	1,727
Legal and professional charges		25,863	5,930
Insurance		2,376	3,124
Advertisement and publicity		571	7,248
Security		1,631	1,792
Donations		-	2,000
Sundry expenses		806	1,227
		124,744	111,555

32.1 Salaries and other benefits include Rs. 6.70 million (2020: Rs. 0.23 million) in respect of retirement and other service benefits.

	Note	2021	2020
		--------- (Rupees in '000) ---------	

33 DISTRIBUTION AND MARKETING EXPENSES

	Note	2021	2020
Salaries, wages and other employees benefits	33.1	15,241	15,648
Depreciation	7.1.2	24,210	22,608
Repairs and maintenance		200	263
Travelling, conveyance and vehicle maintenance		635	550
Rent, rates and taxes		577	538
Communication charges		807	738
Printing and stationery		164	141
Insurance		155	-
Hospitality charges		19,181	24,572
Freight and octroi		4,107	4,718
Advertisement and publicity		148	41
Security		655	674
Sundry expenses		366	109
		66,446	70,600

33.1 Salaries and other benefits include Rs. 0.35 million (2020: Rs. 0.36 million) in respect of retirement and other service benefits.

34 OTHER INCOME

	Note	2021	2020
Income from financial assets			
Profit on saving accounts	34.1	2,327	10,318
Income from non-financial assets			
Rental income from storage tanks-cylinders		1,116	1,064
Gain on disposal of operating fixed assets		5,500	1,352
Liability for cylinder deposits and regulator deposits written back	34.2	16,029	15,675
Old liabilities written back		2,167	-
Recoveries against cylinder replacement		1,919	1,742
Hospitality income		455	147
Other income	34.3	-	4,983
		29,513	35,281

34.1 Represents profit on bank accounts under conventional banking relationship.

34.2 During the year, the Holding Company carried out a 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.

34.3 This include interest income amounting to Rs. Nil (2020: Rs 4.83 million) on short term advance to Root International Brands (Private) Limited, an associated company, at the rate 7% per annum.

	Note	2021	2020
		--------- (Rupees in '000) ---------	
35 OTHER EXPENSES			
Directors' fees		4,800	3,250
Auditors' remuneration	35.1	2,734	3,091
Allowance for expected credit losses		1,542	618
Others		-	5,884
		9,076	12,843
35.1 Auditors' remuneration			
Statutory audit		1,378	1,378
Half yearly review		500	504
Other certification		290	320
Out of pocket expenses and others		566	691
Sales tax		-	198
		2,734	3,091
36 FINANCIAL COSTS			
Mark-up / interest on:			
Long-term loan		22,363	36,734
Workers' Profits Participation Fund		-	360
Lease liabilities		3,013	4,144
		25,376	41,238
Bank charges and commission		1,613	3,321
		26,989	44,559
37 TAXATION			
Current	16	6,547	39,291
Prior year		(66,361)	8
Deferred		15,440	-
		(44,374)	39,299

37.1 The numerical reconciliation between average tax rate and the applicable tax rate has not been presented during the year in these financial statements as the total tax liability of the Holding Company during the year is covered under section 113 Minimum Tax of Income Tax Ordinance, 2001.

	Note	2021	2020
		--------- (Rupees in '000) ---------	

38 LOSS PER SHARE - BASIC AND DILUTED

	2021	2020
Loss for the year	(119,879)	(109,759)
Weighted average number of ordinary shares outstanding	22,489	22,489
Loss per share - basic and diluted	(5.33)	(4.88)

39 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remunerations, including all benefits to Chief Executive, Directors and Executives of the Holding Company were as follows:

	2021				2020			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	(Rupees in '000)				(Rupees in '000)			
Managerial remuneration	27,324	15,222	20,682	63,228	27,324	15,222	18,120	60,666
Meeting fees	350	950	950	2,250	250	650	200	1,100
Bonus	2,277	1,268	1,758	5,303	2,277	1,268	1,510	5,055
Retirement benefits	1,161	-	694	1,855	1,161	-	678	1,839
Travelling and conveyance	-	67	70	137	-	65	38	103
Medical allowance	-	792	828	1,620	-	1,233	992	2,225
Mobile allowance	-	30	-	30	-	30	-	30
Total	31,112	18,329	24,982	74,423	31,012	18,468	21,538	71,018
Number of persons	1	2	10	13	1	2	9	12

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

39.2 Fee amounting to Rs. 2.40 million (2020: Rs. 0.95 million) was paid to four (2020: four) non-executive directors for attending Board meetings during the year.

40 RETIREMENT AND OTHER SERVICE BENEFITS

40.1 Pension fund and gratuity fund - valuation results:

The latest actuarial valuations of the defined benefit plans were carried out as at June 30, 2021, using the "Projected Unit Credit Method". The details of defined benefit plans are as follows:

	Note	Pension Fund 2021	Pension Fund 2020	Gratuity Fund 2021	Gratuity Fund 2020
		----------------- (Rupees in '000)			-----------------

40.1.1 Statement of financial position reconciliation:

	Note	Pension Fund 2021	Pension Fund 2020	Gratuity Fund 2021	Gratuity Fund 2020
Fair value of plan assets	40.1.4	(102,407)	(87,424)	(17,807)	(19,620)
Present value of defined benefit obligations	40.1.3	117,082	119,338	19,586	18,270
Net liability / (asset) at end of the year	40.1.2	14,675	31,915	1,779	(1,350)

40.1.2 Movement in net liability / (asset) recognised:

	Note	Pension Fund 2021	Pension Fund 2020	Gratuity Fund 2021	Gratuity Fund 2020
Balance as at July 01		31,915	(16,367)	(1,350)	(4,120)
Charge for the year		3,496	(2,018)	1,146	318
Amount paid to Fund		(8,660)	(8,013)	-	-
Employee contribution to be paid to fund		-	2,800	-	-
Remeasurements recognised in other comprehensive income	40.1.7	(12,074)	55,513	1,983	3,950
Benefit paid on behalf of the fund		-	-	-	(1,498)
Balance as at June 30		14,676	31,915	1,779	(1,350)

40.1.3 Movement in defined benefit obligations:

	Note	Pension Fund 2021	Pension Fund 2020	Gratuity Fund 2021	Gratuity Fund 2020
Balance as at July 01		119,338	77,031	18,270	13,311
Current service cost		1,188	724	1,261	1,012
Interest cost		9,679	10,368	1,396	1,790
Employee contributions		442	269	-	-
Benefits paid		(10,496)	(8,281)	(3,694)	(1,498)
Remeasurements of obligations	40.1.7	(3,069)	39,227	2,353	3,655
Balance as at June 30		117,082	119,338	19,586	18,270

40.1.4 Movement in fair value of plan assets:

	Note	Pension Fund 2021	Pension Fund 2020	Gratuity Fund 2021	Gratuity Fund 2020
Balance as at July 01		87,424	93,399	19,620	17,431
Expected return on plan assets		7,372	13,110	1,511	2,484
Benefits paid on behalf of the Fund		8,660	8,013	-	1,498
Employees contributions		442	269	-	-
Benefits paid		(10,496)	(8,281)	(3,694)	(1,498)
Paid to Burshane LPG (Pakistan) Limited		-	(2,800)	-	-
Remeasurements of plan assets		9,005	(16,286)	370	(295)
Balance as at June 30		102,407	87,424	17,807	19,620

40.1.5 Charge for the year:

	Note	Pension Fund 2021	Pension Fund 2020	Gratuity Fund 2021	Gratuity Fund 2020
Current service cost		1,188	724	1,261	1,012
Net Interest		2,307	(2,742)	(115)	(694)
		3,495	(2,018)	1,146	318

		Pension Fund		Gratuity Fund	
		2021	2020	2021	2020
		------------------ (Rupees in '000) ------------------			
40.1.6	**Actual return on plan assets**	16,377	(3,176)	1,881	2,189
40.1.7	**Remeasurement recognised in Other Comprehensive Income:**				
	Remeasurement of obligation				
	Experience loss / (gain)	(3,069)	39,227	2,353	3,655
	Remeasurement of plan assets				
	Return on plan assets, excluding amounts included in interest expense / (income)	-	-	(370)	295
	(Gain) / loss from change in financial assumptions	(9,005)	16,286	-	-
		(9,005)	16,286	(370)	295
		(12,074)	55,513	1,983	3,950

40.1.8 Principal actuarial assumptions used in the actuarial valuation:

	2021	2020	2021	2020
Financial assumptions				
Discount rate	10.00%	8.50%	10.00%	8.50%
Expected per annum rate of return on plan assets	10.00%	8.50%	10.00%	8.50%
Expected per annum rate of increase in salaries - long term	8.00%	6.50%	8.00%	6.50%
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	Moderate	High	High

	AS AT JUNE 30, 2021	
	Pension Fund	Gratuity Fund
	-------- (Rupees in '000) --------	

40.1.9 Analysis of present value of defined benefit obligation:

	Pension Fund	Gratuity Fund
Vested benefits	3,404	279
Non-vested benefits	113,679	19,307
	117,083	19,586

40.1.10 Plan assets comprise of the following:

	Pension Fund				Gratuity Fund			
	2021		2020		2021		2020	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Investments								
Mutual funds	55,458	54	49,678	57	14,964	84	13,785	70
Musharka Certificate	44,255	43	44,255	51	5,466	31	5,466	28
	99,713	97	93,933	107	20,430	115	19,251	98
Advances and other receivable	738	1	682	1	49	0	44	0
Liabilities	(193)	(0)	(8,152)	(9)	(2,877)	(16)	(73)	(0)
Cash and cash equivalents	2,149	2	960	1	204	1	398	2
	102,407		87,423		17,806		19,620	

40.1.11 Historical information of staff retirement benefits:

	2021	2020	2019	2018	2017	2016
	(Rupees in '000)					
Gratuity Fund						
Present value of defined benefit obligation	19,586	18,270	13,311	15,800	15,754	13,396
Fair value of plan assets	(17,807)	(19,620)	(17,431)	(25,236)	(12,554)	(12,089)
Deficit / (surplus)	1,779	(1,350)	(4,120)	(9,436)	3,200	1,307
Pension Fund						
Present value of defined benefit obligation	117,083	119,338	77,031	108,913	102,914	99,680
Fair value of plan assets	(102,407)	(87,424)	(93,399)	(75,828)	(96,825)	(94,229)
Deficit / (surplus)	14,676	31,914	(16,368)	33,085	6,089	5,451

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

	AS AT JUNE 30, 2021	
	Pension Fund	Gratuity Fund
	-------- (Rupees in '000) --------	
Discount rate + 1%	109,512	18,707
Discount rate - 1%	125,687	20,534
Long term salaries increase +1%	118,408	20,510
Long term salaries increase -1%	115,831	18,713
Withdrawal rates +10%	116,712	19,621
Withdrawal rates -10%	117,469	19,548
1 Year Mortality age set back	117,176	19,594
1 Year Mortality age set forward	116,991	19,577

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

40.2 Provident Fund

The following information is based upon the latest audited financial statements of the provident fund as at June 30, 2021 and June 30, 2020:

	2021	2020
	--------- (Rupees in '000) ---------	
Size of the fund - total assets	13,629	19,462
Fair value of investments	13,767	16,767
Cost of investments	13,544	17,108
Percentage of investments	99.38%	86.15%

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

	2021		2020	
	Rupees in '000	%	Rupees in '000	%
Bank deposits	419	3	2,606	13
Government securities	-	-	12,056	62
Mutual funds	13,348	97	-	-
Certificate of Investment	-	-	4,710	24
	13,767		19,372	

41 TRANSACTIONS WITH RELATED PARTIES

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

41.2 Details of transactions and balances 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	2021	2020
		---(Rupees in '000)---	
Former Holding Company			
H.A.K.S Trading (Private) Limited	Dividend	-	16,836
Subsidiary Company			
Burshane Trading (Private) Limited	Expenses incurred on behalf of subsidiary company	-	364
Staff retirement benefit / contribution plans			
Burshane LPG (Pakistan) Limited Gratuity Fund	Benefits paid	-	1,498
Burshane LPG (Pakistan) Limited Management Staff Pension Fund	Benefits paid	8,660	5,213
Burshane LPG (Pakistan) Limited Provident Fund	Contribution paid	2,765	2,772
Associated Companies			
Burshane Petroleum (Private) Limited [Formerly Darian International (Private) Limited]	Short term Loan - received *	90,000	75,000
	Short term Loan - paid *	90,000	75,000
	Interest expense on short term loan	452	
	Interest paid on short term loan	452	
	Received against expenses	500	
AAK Commodities (Private) Limited [Formerly ALSAA & AAK Commodities (Private) Limited	Expense paid on behalf of associated company	-	145
	Amount received against expenses	250	-

Nature of relationship	Nature of transactions	2021	2020
		---(Rupees in '000)---	
A&S Corporation (Private) Limited	Expense paid on behalf of associated company	-	75
	Amount received against expenses	75	-
Roots International Brands (Private) Limited	Short term advances made	-	63,400
	Short term advances received	-	63,400
	Interest income on short term advances	-	4,833
	Interest received on short term advances	834	3,999
Key management personnel			
	Loan disbursed	1,060	390
	Amount received against loan	1,127	1,179
	Managerial remuneration	63,228	60,666
	Bonus	5,303	5,055
	Retirement benefits	1,855	1,839
	Utilities	30	30
	Advance against salary	760	1,407
	Travelling and conveyance	138	103
	Medical	1,620	2,225

* During the year, the Holding Company obtained a loan amounting to Rs. 90 million at a markup of KIBOR plus 1% from Burshane Petroleum (Private) Limited, an associate company, with no agreed purpose and other terms. The loan was also repaid by cheque during the year.

Balances with related parties

Former Holding Company			
H.A.K.S. Trading (Private) Limited	Dividend payable	-	79,971
Staff retirement benefit / contribution plans			
Burshane LPG (Pakistan) Limited Management Staff Pension Fund	Payable to staff pension fund	14,483	26,690
Burshane LPG (Pakistan) Limited Gratuity Fund	Receivable from staff gratuity fund	1,098	1,036
Burshane LPG (Pakistan) Limited Provident Fund	Receivable from staff provident fund	-	15

Nature of relationship	Nature of transactions	2021	2020
		---(Rupees in '000)---	
Associated Companies			
Burshane Petroleum (Private) Limited	Receivable against use of name "Burshane"	9,000	9,000
(Formerly Darian International (Private) Limited)	Receivable against expenses	-	500
ALSAA & AAK Commodities (Private) Limited	Receivable against expenses	-	250
A&S Corporation (Private) Limited	Receivable against expenses	-	75
Roots International Brands (Private) Limited	Receivable against interest income	-	834
Key management personnel			
Key management personnel	Long-term loans	787	855

41.3 Following are the related parties with whom the Holding Company had entered in to transactions or has arrangement / agreement in place.

Name	Basis of Relation	% of shareholding in the company
H.A.K.S Trading (Private) Limited	Former Holding Company	Nil
Burshane Trading (Private) Limited	Subsidiary company	Nil
Roots International Brands (Private) Limited	Common directorship	Nil
ALSAA & AAK Commodities (Private) Limited	Common directorship	Nil
A&S Corporation (Private) Limited	Common directorship	Nil
Burshane Petroleum (Private) Limited (Formerly Darian International (Private) Limited)	Common directorship	Nil
Burshane LPG (Pakistan) Limited Gratuity Fund	Staff Retirement Benefit Plan	Nil
Burshane LPG (Pakistan) Limited Management Staff Pension Fund	Staff Retirement Contribution Plan	Nil
Burshane LPG (Pakistan) Limited Provident Fund	Staff Retirement Contribution Plan	Nil

	Note	2021	2020
		--------- (Rupees in '000) ---------	

42 CASH GENERATED FROM OPERATIONS

	Note	2021	2020
Loss before taxation		(164,253)	(70,361)
Adjustment for non-cash items and other items:			
Gain on disposal of property, plant and equipment	34	(5,500)	(1,352)
Financial charges	36	26,989	44,559
Depreciation	7.1.2	44,020	41,436
Amortisation	8.5	49,168	59,718
Provision for retirement and other service benefits		4,642	1,396
Allowance for expected credit losses	13.1	1,542	618
Liability for cylinder deposits written back	34	(16,029)	(15,675)
Others		-	(5,088)
		104,832	125,612
Profit before working capital changes		(59,421)	55,251
Working capital changes	42.1	(196,584)	102,524
		(256,005)	157,775

42.1 Working capital changes

	2021	2020
(Increase) / decrease in current assets:		
Stores and spares	(1,658)	200
Stock-in-trade	24,767	31,521
Trade debts	(64,431)	(1,972)
Loans and advances	(18,943)	6,531
Deposits, prepayments and other receivables	(121,239)	50,569
	(181,504)	86,849
(Decrease) / increase in current liabilities:		
Trade and other payables	(15,080)	15,675
	(196,584)	102,524

43 FINANCIAL INSTRUMENTS BY CATEGORY

	2021	2020
Financial assets as per statement of financial position		
Amortized cost		
Long-term loans including current portion	840	965
Long-term deposits	3,174	122,761
Trade debts	87,665	24,776
Loans and advances	487	477
Deposits and other receivables	122,808	18,894
Bank balances	93,423	266,462
	308,397	434,335

	2021	2020
	--------- (Rupees in '000) ---------	
Financial liabilities as per statement of financial position		
Amortized cost		
Long-term loan including current maturity of long-term loan	254,439	254,439
Lease liabilities	16,291	22,625
Cylinder and regulator deposits	438,262	414,260
Trade and other payables	91,374	118,174
Accrued mark-up on long-term loan	119,392	97,029
	919,758	906,527

44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

44.1 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. 2.54 million (2020: 1.88 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, 2021.

(b) Credit risk

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

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

The Group monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets expose to credit risk is as follows:

	2021	2020
	--------- (Rupees in '000)	---------
Long-term loans	840	965
Long-term deposits	3,174	122,761
Trade debts	87,665	24,776
Deposits and other receivables	122,808	18,894
Bank balances	93,423	266,462
	307,910	433,858

For trade debts, the credit risk exposure is net of allowance for expected credit losses as disclosed in note 13.1.

Long-term loans represent loans given to employees which are secured against the letter of guarantee and promissory notes or their respective provident fund balances as disclosed in note 9.2 and therefore, management expects no credit losses.

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

The credit quality of Group's bank balances can be assessed with reference to external credit ratings as follows:

Name	Rating agency	Rating			
		Short term		Long term	
		2021	2020	2021	2020
Bank Alfalah Limited	PACRA	A1+	A1+	AA+	AA+
Habib Bank Limited	VIS	A1+	A1+	AAA	AAA
MCB Bank Limited	PACRA	A1	A1+	A	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	VIS	A1+	A1+	AAA	AAA
Sindh Bank Limited	VIS	A1	A1	A+	A+
JS Bank Limited	PACRA	A1+	A1+	AA-	AA-
Meezan Bank Limited	VIS	A1+	A1+	AAA	AA
Summit Bank Limited	VIS	Not rated	Not rated	Not rated	Not rated

c) Liquidity risk

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

The Group's liquidity risk management implies maintaining sufficient cash and also involves projecting cash flows and considering the level of liquid assets necessary to meet these. As of the reporting date, the Group's current liabilities exceed its current assets by Rs. 46.80 million (2020: Rs. Rs. 203.29 million), which is mainly due to classification of the long-term loan to current liabilities (note 22). However, the Group based on its future plans is confident that it will have sufficient cash flows to meet its financial obligations in the foreseeable future.

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

	2021			2020		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
	-------- Rupees in '000 -------					
Financial liabilities						
Long-term loan including current maturity of long term loan	254,439	-	254,439	254,439	-	254,439
Lease Liability	6,349	9,942	16,291	5,114	17,511	22,625
Cylinder and regulator deposits	-	438,262	438,262	-	414,260	414,260
Trade and other payables	91,374	-	91,374	118,174	-	118,174
Unclaimed dividends	83,198	-	83,198	83,198	-	83,198
Accrued mark-up on Long-term loan	119,392	-	119,392	97,029	-	97,029
	554,752	448,204	1,002,956	557,954	431,771	989,725

44.2 Fair value of hierarchy

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

The Group's freehold land and leasehold land are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent impairment losses, if any. The fair value measurement of the Group's free hold land and lease hold land as at June 26, 2020 was carried out by M/s. Luckyhiya Associate (Private) Limited (note 7.1.5).

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

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market date (unobservable inputs).

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

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

	Fair value measurement using			
	Quoted price in active markets (level 1)	**Significant observable inputs (level 2)**	**Significant unobservable inputs (level 3)**	**Total**
	-------- Rupees in '000 -------			
Assets measured at fair value				
Property, plant and equipment				
Freehold land	-	16,500	-	16,500
Leasehold land	-	569,288	-	569,288
2021	-	585,788	-	585,788
Assets measured at fair value				
Property, plant and equipment				
Freehold land	-	16,500	-	16,500
Leasehold land	-	569,288	-	569,288
2020	-	585,788	-	585,788

45 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:

	2021	2020
	--------- (Rupees in '000) ---------	
Lease Liability	16,291	22,625
Cylinder and regulator deposits	438,262	414,260
Current maturity of long-term loan	254,439	254,439
Trade and other payables	108,382	138,922
Unclaimed dividends	83,198	83,198
Accrued mark up on long-term loan	119,392	97,029
Total debt	1,019,964	1,010,473
Cash and bank balances	(93,623)	(266,636)
Net debt	926,341	743,837
Share capital	224,888	224,888
Capital reserves	153,458	153,458
Revenue reserves	(101,508)	18,371
Actuarial (loss) / gain on remeasurement of retirement and other service benefits	(36,217)	(43,382)
Revaluation surplus on property	336,415	336,415
Total equity	577,036	689,750
Capital	1,503,377	1,433,587
Gearing ratio	61.62%	51.89%

46 IMPACT OF COVID-19 ON THE CONSOLIDATED FINANCIAL STATEMENTS

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Group for the year ended June 30, 2021 due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Group, government across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

The management of the Group is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders. The management has evaluated and concluded that there is no material implication of COVID-19 on assets, liabilities, income and expenses of the Group that require special disclosure in the notes to the financial statements.

47 CORRESPONDING FIGURES

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

48 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorized for issue on ____________________ by the Board of Directors of the Group.

		2021	**2020**
		(Quantity in metric ton)	
49 CAPACITY			
Installed annual filling capacity		37,500	37,500
Actual utilization	49.1	32,924	31,465

49.1 This include storage and filling capacity of hospitality locations utilization. The variations are due to change in market demand.

	2021	**2020**
	No. of employees	
50 NUMBER OF EMPLOYEES		
As at the reporting date	85	84
Average number of employees during the year	82	84

51 GENERAL

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

DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

ATTENDANCED AT BOARD & COMMITTEES MEETINGS

Name	Board			Audit Committee			Human Resource and Remuneration Committee		
	Member	Meeting	Attendence	Member	Meeting	Attendence	Member	Meeting	Attendence
Mr. Asad Alam Niazi	◆	6	5				◆	2	1
Mr. Shahriar D. Sethna	◆	6	1	◆	5	2			
Mr. Saifee Zakiuddin	◆	6	5				◆	2	2
Mr. Khalid Dar	◆	6	5						
Mr. Shaikh Abdus Sami	◆	6	5	◆	5	5			
Mr. Maj. G. (R) Rafiullah Khan	◆	6	5	◆	5	5	◆	2	2
Mr. Darayus T Sethna	◆	6	1	◆	5	1	◆	2	0
Ms. Hamdia Fatin Niazi	◆	6	5	◆	5	5	◆	2	2
Ms. Shahbano Hameed	◆	6	5						

PATTERN OF SHAREHOLDING

FOR THE YEAR ENDED JUNE 30,2021

NO. OF SHAREHOLDERS	From	To	SHARES HELD	PERCENTAGE
517	1	100	10856	0.0480
245	101	500	94002	0.4152
139	501	1000	127073	0.5613
252	1001	5000	644359	2.8461
36	5001	10000	281553	1.2436
15	10001	15000	186700	0.8246
5	15001	20000	90822	0.4012
4	20001	25000	86552	0.3823
3	25001	30000	84200	0.3719
2	30001	35000	64500	0.2849
1	40001	45000	42500	0.1877
1	45001	50000	48702	0.2151
1	50001	55000	52736	0.2329
2	70001	75000	142558	0.6297
1	80001	85000	84500	0.3732
1	90001	95000	91000	0.4019
1	140001	145000	140248	0.6195
1	380001	385000	380569	1.6810
1	1335001	1340000	1336033	5.9012
1	1815001	1820000	1816238	8.0222
1	16830001	16835000	16834343	74.3565
1230				100.0000

Categories of Shareholders	Number of Folio	Balance Share	Percentage
ASSOCIATED COMPANIES			
H.A.K.S. TRADING (PVT.) LIMITED	2	16,684,629	74.19%
NIT & ICP			
NATIONAL BANK OF PAKISTAN, TRUSTEE DEPARTMENT	1	9,489	0.04%
BANKS, DFI & NBFI			
NATIONAL BANK OF PAKISTAN	2	1,817,099	8.08%
MODARABAS & MUTUAL FUNDS			
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,336,033	5.94%
GENERAL PUBLIC			
LOCAL	1187	2,416,212	10.74%
FORGEIN	28	44,020	0.20%
OTHERS	9	181,408	0.81%
Company Total	**1230**	**22,488,890**	**100.00%**

Shareholders holding five percent or more voting rights

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

E-DIVIDEND MANDATE LETTER

To: Date: ____________________

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

Dear Sir,

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

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

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

Yours truly,

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

Notes:

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

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

FORM OF PROXY

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

I / We ______________________ of ________________ being a member of Burshane LPG (Pakistan) Limited and holder of ordinary shares as per Share Register Folio No.______________ and / or CDC Participant I.D. No _____________ and Sub Account No. ___________________ hereby appoint Mr./Mrs./Miss ____________________________of_____________________________or falling him ________________________ of _________________ as my proxy to attend and act for me, and on my behalf, at the **Annual General Meeting** of the Company to be held at our Korangi Plant (KP1) adjacent to Pakistan Refinery Limited, Korangi Creek, Karachi on the ________________, **at** __________ _________ and any adjournment thereof.

Dated this ______ day of ____________ 2021.

____
(Specimen Signature of Proxy)

Folio No. __________
Participant I.D. No. _____________
Sub Account No. _______________
C.N.I.C./ Passport Number:
____

Revenue Stamp
Rs. 10/=

____
(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:
____
Address: __________________________
____
____

____
(Signature of Witness 2)
Name: ___________________
C.N.I.C./ Passport Number:
____
Address: __________________________
____
____

پراکسی فارم

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

میں/ہم ______________________________ برشین ایل پی جی (پاکستان) لمیٹڈ کے ممبر کی حیثیت سے ________________________
شیئر رجسٹرار فولیو نمبر ______________________ اور/یا سی ڈی سی پارٹی سپنٹ آئی ڈی نمبر __________________________ اور سب اکاؤنٹ
نمبر ___________________ عمومی شیئرز کی تحویل رکھتا ہوں۔ ____________________ میں/ہم یہاں ___________________________
کو جمعرات، کمپنی کی کورنگی پلانٹ ملحقہ پاکستان ریفائنری لمیٹڈ، کورنگی کریک کراچی ہونے والے سالانہ اجلاس میں اپنی/ہماری غیر موجودگی میں شرکت اور ووٹ دینے کے لیے اپنا/ہمارا پراکسی مقرر کرتا/کرتی ہوں۔

بتاریخ، ________________ 2021

10 روپے والا
ریونیو اسٹامپ

____

(پراکسی کے دستخط کا نمونہ)

فولیو نمبر ____________________________

پارٹی سپنٹ آئی ڈی نمبر ____________________________

سب اکاؤنٹ نمبر ____________________________

سی این آئی سی/پاسپورٹ نمبر ____________________________

____

شیئر ہولڈر کے دستخط

فولیو نمبر ____________________________

پارٹی سپنٹ آئی ڈی نمبر ____________________________

سب اکاؤنٹ نمبر ____________________________

سی این آئی سی/پاسپورٹ نمبر ____________________________

____

گواہ نمبر 1 کے دستخط

نام: ____________________________

سی این آئی سی/پاسپورٹ نمبر ____________________________

سی این آئی سی/پاسپورٹ نمبر ____________________________

____

____

گواہ نمبر 2 کے دستخط

نام: ____________________________

سی این آئی سی/پاسپورٹ نمبر ____________________________

سی این آئی سی/پاسپورٹ نمبر ____________________________

____

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