burshane®

ANNUAL 2022 REPORT

CATERING TO
FUELING NEEDS

ANNUAL REPORT

CONTENTS


burshane
burshane
burshane
burshane

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 maintaining high standards of technical resources and safety standards. Further we aim at sustained profitability and value growth for our shareholders through strong financial foundation and loyal customers. We shall strive to provide better choices to our communities for improving quality of their life.

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.

BOARD OF DIRECTORS

- **Mr. Shaikh Abdus Sami**
  Chairman/Independent Director
- **Maj. Gen Rafi Ullah Khan (R)**
  Independent Director
- **Mr. Osman Malik**
  Director (NBP NOMINEE)
- **Mrs. Hamdia Fatin Niazi**
  Director
- **Mr. Asad Alam Niazi**
  CEO / Director
- **Mr. Saifee Zakiuddin**
  Director
- **Mr. Muhammad Khalid Dar**
  Director
- **Ms. Shahbano Hameed**
  Director (NIT NOMINEE)

MANAGEMENT

- **Mr. Asad Alam Niazi**
  Chief Executive Officer
- **Mr. Saifee Zakiuddin**
  Director Finance
- **Mr. Murtaza Saifuddin**
  Company Secretary
- **Mr.Irfan Javaid Warsi**
  General Manager - Commercial & Business Development and Human Resources (HR)
- **Mr. Khurram Kasbati**
  Chief Financial Officer
- **Mr. Amir Aziz**
  Head of Operations Distribution & HSSE
- **Mr. Asad Wasty**
  Head of Internal Audit

AUDITORS

- BDO Ebrahim & Co., Chartered Accountants

REGISTRAR & SHARE REGISTRATION OFFICE

- THK Associates (Pvt.) Limited

COMPANY INFORMATION

LEGAL ADVISORS

- Mohsin Tayeb Aly & Co.

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

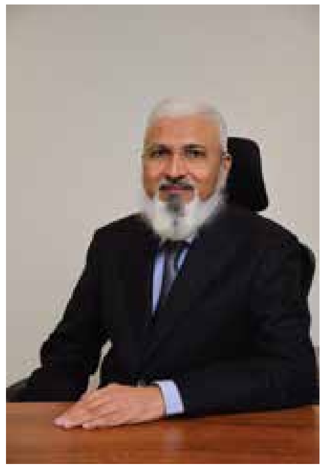
Suite 101, 1st Floor, Horizon Vista
Plot No. Commercial - 10, Block-4
Scheme No. 5, Clifton, Karachi - 75600
Tel: +92 21 35898356, 35309870 & 73
Fax: +92 21 3587 8353
www.burshane.com

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

MANAGEMENT

Mr. Asad Alam Niazi
Chief Executive Officer



Mr. Saifee Zakiuddin
Director Finance

Mr. Khurram Kasbati
Chief Financial Officer

Mr. Amir Aziz
Head of Operations Distribution & HSSE

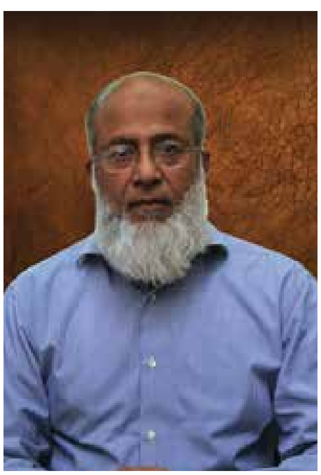
Mr. Asad Wasty
Head of Internal Audit

Mr. Murtaza Saifuddin
Company Secretary

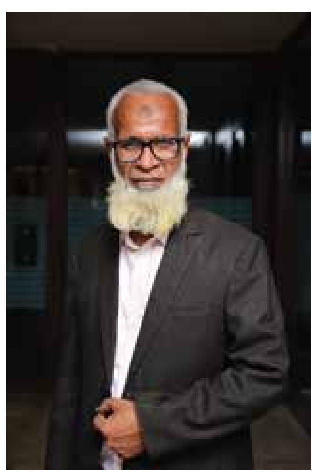
Mr.Shahid Abbas
Regional Sales Manager
(North)

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

Mr. Daniyal Mughal
Financial Controller



Mr. Syed Muhammad Wasi
Faisalabad Plant Manager



Mr. Muhammad Sajjad Ahmed
Karachi Plant Manager

Mr. Kashif Yousuf
Sales Account Manager

ENVIRONMENT FRIENDLY LPG

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

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

On behalf of the Board, I am pleased to present the Chairman's review report to the shareholders of Burshane LPG (Pakistan) Limited (the Company) for the year ended June 30, 2022.

In view of the current economic and environmental uncertainties, including unprecedented inflationary headwinds, the Company continued to deliver strong results and stands well-positioned to continue its existing growth momentum. I am confident that the Company will continue to meet the challenges, which shall, in turn drive shareholder returns and value. The Board, shall continue to oversee performance of the business closely, ensuring that the Company executes its strategy with financial discipline and with integrity.

Despite the numerous economic challenges experienced during the year, the Board is pleased with the progress the Company is making. The net turnover was recorded at Rs. 4,494.63 million, 73.45% higher recorded for the previous year ended June 30, 2021. Gross margin increased to Rs. 166.15 million from Rs. 33.49 million during the current year due to a combination of timely pricing actions, the Company was able to grow profit to Rs. 26.84 million from a loss of Rs. 119.75 million recorded in the year 2021.

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 which require further improvement. I am pleased to report that overall performance of the Board and CEO of the Company for the year ended June 30, 2022 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 sustain the Company's profitability achieved during 2022.

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. The Company expects favorable outcome of the matter 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 through 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: September 26, 2022

Shaikh Abdus Sami
Chairman

چیئرمین کا جائزہ

بورڈ کی جانب سے، مجھے 30 جون 2022 کو ختم ہونے والے سال کے لیے برشین ایل پی جی (پاکستان) لمیٹڈ (کمپنی) کے شیئر ہولڈرز کو چیئرمین کی جائزہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

موجودہ معاشی اور ماحولیاتی غیر یقینی صورتحال کے پیش نظر، بشمول بے مثال افراط زر کی سرگرمیوں کے پیش نظر، کمپنی نے مضبوط نتائج دینا جاری رکھے اور اپنی موجودہ ترقی کی رفتار کو جاری رکھنے کے لیے اچھی پوزیشن میں ہے۔ مجھے یقین ہے کہ کمپنی چیلنجوں کا مقابلہ کرنے کے لیے مضبوط پوزیشن میں ہے، جس کے نتیجے میں حصص یافتگان کی واپسی بڑھنی چاہیے۔ ہم اپنے تمام کاروباروں کی کارکردگی کی باریک بینی سے نگرانی کرتے رہیں گے اور اس بات کو یقینی بناتے ہوئے کہ کمپنی اپنی حکمت عملی کو مالی نظم و ضبط اور دیانتداری کے ساتھ انجام دے۔

سال کے دوران متعدد چیلنجوں کا سامنا کرنے کے باوجود کاروبار نے بڑی کامیابی حاصل کی ہے اور بورڈ کمپین کے موقابلے زیادہ 73.45٪ ریکارڈ کیا گیا۔ مجموعی مارجن موجودہ سال کے دوران 33.49 بڑھ کر 166.15 ملین دورج ہوا، بروقت قیمتوں کے تعین کے اقدامات کے امتزاج کی وجہ سے اور کمپنی 26.84 ملین روپے منافع میں اضافہ کرنے میں کامیاب رہی۔ جب کہ سال 2021 میں 119.75 ملین روپے کا نقصان ریکارڈ کیا گیا تھا۔

کارکردگی کی تشخیص

کوڈ آف کارپوریٹ گورننس (کوڈ) اور SECP کے رہنما اصولوں کے تحت ایک تشخیصی عمل 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 شانداریت

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 کر دے 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 کر لیا 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-

چیئرمین کا کردار

چیئرمین 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 تاکہ 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 مائیدار 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: 26 ستمبر 2022

شیخ عبدالسمیع

چیئرمین

DIRECTOR'S REPORT

The Directors of your Company are hereby presenting the financial information of the Company for the year ended June 30, 2022.

Financial Performance

During the year under review, the sales volume of the Company at 30,960 MTs, decreased by 1,376 MTs (4.25%) compared to the corresponding period of the previous year and net sales of the Company at Rs. 4,494.63 million increased by Rs. 1,903.33 million (73%) due to due to rising international crude oil prices and excess of LPG in the market compared to demand. The gross margins of the Company at Rs. 166.15 million (3.70% of sales value) was also increased by 156.67 million from last year comparative period due to increase in price and margins.

During the year, the Company has paid rent to Pakistan Refinery Limited (PRL) for the period from 2017 to 2020 amounting to Rs. 24 million. The amount has been expensed out during the current year. Other income for the year at Rs. 67.12 million was 78.19% higher than the last year because the Company has accepted a revised proposal of restructuring of loan form National Bank of Pakistan which resulted a gain on loan restructuring amounting to Rs. 37.76 million.

Administrative expenses decreased by Rs. 8.82 million (7.07%) compared to comparative period of previous year, mainly due to decrease in Litigation expenses pertaining to complaint lodged by Investigation and Intelligence (Inland Revenue) (I&I IR); however, distribution & marketing expenses have increased by Rs. 2.93 million mainly due to increase in freight charges.

Profit before tax of the Company at Rs. 26.65 million, is increased by Rs. 190.77 million from last year comparative period, mainly due to increase in gross margins compared to last year.

The Company's profit per share for the year under review is at Rs. 1.19 compared to loss per share of Rs. 5.33 per share in the preceding year.

Material Changes and Commitments

On January 06, 2022, the Company received a revised proposal for the restructuring of loan from NBP which has since been accepted and duly executed via offer letter No. NBP/ARG/ARW(S)/BLPL/2022/08. As per the aforementioned letter, the long-term loan and accrued mark-up on long-term loan are termed as Demand Finance-I and Demand Finance-II. The remaining outstanding loan of Rs 154 million has been restructured to running finance facility. In respect of Demand Finance - I, the Company has made a principal down payment of Rs. 25.44 million and the balance of Rs. 75 million to be re-paid in 20 quarterly installments starting from September 30, 2022 with a grace period of 1 year from the date of the drawdown. The facility carries mark-up at the rate of 3 months KIBOR + 2%, which will also be payable during the grace period. In respect of Demand Finance - II, the Company has made a principal down payment of Rs. 10.59 million and the balance of Rs. 95.29 million to be re-paid in 20 quarterly installments starting from September 30, 2022.

A complaint was filed by the Directorate of Investigation and Intelligence (Inland Revenue) (I & I – IR) on August 31, 2020, against the Company for alleged Tax evasion of approximately PKR 1.78 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 Company has lost the case and directed to defend the case in the court of Special Judge (Custom, Taxation and Anti-Smuggling) Karachi.

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 16, 2022, in which the additions made by the Deputy Commissioner Inland Revenue in the assessments made under section 122 through order dated June 14, 2022 has not been accepted by the learned Commissioner Inland Revenue (Appeals-II), Karachi who has been pleased to remand the matter back for both the years, as such no demand subsists for tax year 2018 and 2019.

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 among our stakeholders.

In the context of business growth, 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 of Burshane in a profitable manner; therefore, we are confident that we will show strong performance in the coming periods.

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.

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. 47. In addition, a statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 together with the Auditor's Review Report to Members thereon appears on Page No. 50, respectively.

Director's 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 COCG. 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 eight and their composition is as following:

- Male: 6
- Female: 2

Category	Name
Independent Director	Maj. Gen (R.) Rafiullah Khan (R) Mr. Shaikh Abdus Sami
Non-Executive Directors	Ms. Hamdia Fatin Niazi Ms. Shahbano Hameed Mr. Khalid Dar Mr. Osman Malik
Executive Directors	Mr. Asad Alam Niazi Mr. Saifee Zakiuddin

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

a) Audit Committee

Maj. Gen Rafiullah Khan (R)	Chairman
Mr. Shaikh Abdus Sami	Member
Ms. Hamdia Fatin Niazi	Member

b) Human Resource and Remuneration Committee

Maj. Gen Rafiullah Khan (R)	Chairman
Mr. Asad Alam Niazi	Member
Ms. Hamdia Fatin Niazi	Member
Mr. Saifee Zakiuddin	Member

During the year, five (05) meetings of the Board of Directors, five (05) meetings of the Audit Committee and one (01) meeting of the HR & remuneration committee were held. Attendance of each Director is shown separately on Page No. 200.

Pattern of shareholding

Information with respect to pattern of shareholding along with categories of shareholders as at June 30, 2022 as required under section 227 of the Companies Act, 2017, is given in this report on Page No. 201.

Financial Highlights:

	(Rs. in '000)
Following are the key numbers of the results for the year	
Net Sales	4,494,627
Gross Margins	166,150
Profit before Tax	26,653
Profit after Tax	26,839
Earnings per share	1.19

Dividend declared	Cash	NIL
	Bonus	NIL

The present Auditors M/s BDO Ebrahim 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, 2023, 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: September 26, 2022

مالیاتی جھلکیاں

سال کے نتائج کے اہم اعداد وشمار درج ذیل ہیں:

(Rs. in '000)	
خالص فروخت	4,494,627
خام منافع	160,150
خسارہ قبل از ٹیکس	26,653
خسارہ بعد از ٹیکس	26,839
فی حصص آمدن/ (خسارہ)	1.19

مصارف منافع درج ذیل ہیں:

منافع منقسمہ	نقد	کوئی نہیں
	بونس	کوئی نہیں

موجودہ آڈیٹرز میسرز BDO ابراہیم اینڈ کو، چارٹرڈ اکاؤنٹنٹس سبکدوش ہوجائیں 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 2023 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

اسدعالم نیازی
ڈائریکٹر/سی ای او

کراچی
مورخہ: 26 ستمبر 2022

قسم	نام
آزاد ڈائریکٹر	میجر جنرل (ریٹائرڈ) رفیع اللہ خان شیخ عبدالسمیع صاحب
نان ایگزیکٹو ڈائریکٹران	حمدیہ فاطن نیازی صاحبہ شاہ بانو حمید صاحبہ خالد ڈار صاحب عثمان ملک صاحب
ایگزیکٹو ڈائریکٹر	اسد عالم نیازی صاحب سیفی زکی الدین 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
حمدیہ فاطن نیازی صاحبہ	ممبر

b) انسانی وسائل ومعاوضہ کمیٹی

میجر جنرل رفیع اللہ خان (ریٹائرڈ)	چیئرمین
اسد اسلم نیازی صاحب	ممبر
حمدیہ فاطن نیازی صاحبہ	ممبر
سیفی زکی الدین صاحب	ممبر

سال کے دوران بورڈ آف ڈائریکٹرز کے چھ (5)، آڈٹ کمیٹی کے پانچ (5) اور HR ومعاوضہ کمیٹی کے دو (1) اجلاس ہوئے۔ ہر ڈائریکٹر کی حاضری کو صفحہ نمبر 200 پر علیحدہ دکھایا گیا ہے۔

حصص داری کی ساخت

کمپنیز ایکٹ 2017 کی دفعہ 227 کے تحت 30 جون 2022 کو حصص داری کی ساخت بمع حصص یافتگان کی اقسام سے متعلق معلومات رپورٹ کے صفحہ نمبر 201 پر دی گئی ہے۔

عدالت میں بھی ہائی کورٹ میں دائر کی گئی ہے۔ کمپنی کیس ہار چکی ہے اور سپریم کورٹ میں اپیل کرنے پر غور کر رہی ہے۔

کمپنی کو انکم ٹیکس آرڈیننس 2001 کے سیکشن 177 (1) کے تحت ٹیکس سال 2018 اور 2019 کے آڈٹ کے حوالے سے نوٹس موصول ہوئے تھے۔ کمپنی نے ایف بی آر کو مختلف خطوط کے ذریعے بروقت جواب دیا اور متعلقہ تفصیلات اور دستاویزات جمع کرائیں۔ کمپنی کو اسی ٹیکس سالوں کے لیے 16 اگست 2022 کو مزید نوٹس موصول ہوئے ہیں، جس میں ڈپٹی کمشنر ان لینڈ ریونیو کی جانب سے سیکشن 122 کے تحت 14 جون 2022 کے آرڈر کے ذریعے کیے گئے اسیسمنٹس میں کیے گئے اضافے کو ماہر کمشنر ان لینڈ نے قبول نہیں کیا ہے۔ ریونیو (اپیل - 11)، کراچی جس نے اس معاملے کو دونوں سالوں کے لیے ریمانڈ پر لے کر خوشی کا اظہار کیا ہے کیونکہ ٹیکس سال 2018 اور 2019 کے لیے اس طرح کی کوئی ڈیمانڈ برقرار نہیں ہے۔

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، لہذا ہم پراعتماد 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	6
خواتین	2

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹران کمپنی کے مالیاتی گوشوارے برائے مدت 30 جون 2022 کا ساتھ سالانہ رپورٹ پیش کر رہے ہیں۔

مالیاتی کارکردگی

زیر جائزہ مدت کے دوران کمپنی کی فروخت شدہ مقدار 33960 ملین ٹن رہی جو پچھلے سال کے مقابلہ 1376 ملین ٹن(4.25٪) کم ہے اور کمپنی خالص فروخت 4494.63 ملین جو(73٪)1903.33 میلین زیادہ ہے جس کی وجہ دنیا بھار مین خام تیل کی قیمت میں نمایا اضافہ اور ایل پی جی کی مانگ میں اضافہ ہے۔ کمپنی کا مجموعی مارجن 190.19 ملین(4.23٪ سیلز ویلیو) جو پچھلے سال کے 156.67 ملین مقبلہ زیادہ رہی جس کی وجہ قیمت اور مارجن میں اضافہ ہے۔

انتظامی اخراجات میں کمی رہی جو پچھلے سال کی تقابلی مدت کے مقابلے میں 8.82 ملین(7.07٪) رہی، جس کی بنیادی طور تفتیش اور انٹیلی جنس (ان لینڈ پر وجہ،(I& I IR) ریونیو) درج کرائی گئی شکایت سے متعلق قانونی چارہ جوئی کے اخراجات میں کمی ہے تاہم، تقسیم اور مارکیٹنگ کے اخراجات میں اضافہ ہوا ہے۔

کمپنی کا ٹیکس سے پہلے منافع 26.65 ملین، گزشتہ سال کے تقابلی مدت سے 190.77 ملین زیادہ رہا جو بنیادی طور پر گزشتہ سال کے مقابلے میں مجموعی مارجن میں اضافہ کی وجہ سے رہا۔

کمپنی کا زیر نظر سال کا فی حصص منافع 0.87 روپے فی شیئر نقصان جو پچھلے سال میں 5.33 فی شیئر تھا۔

مادی تبدیلیاں اور وعدے

06 جنوری 2022 کو کمپنی کو قرض کی تنظیم نو کے لیے ایک نظر ثانی شدہ تجویز موصول ہوئی جس کے بعد سے وہ قبول کر لی اور آفر لیٹر نمبر08 / 2022 / BLPL / ARW (S) / ARG / NBPکے ذریعے مناسب طریقے سے عمل میں لایا گیا۔

مذکورہ بالا خط کے مطابق، طویل مدتی قرض اور جمع شدہ مارک اپ کو طویل مدتی قرضے کو ڈیمانڈ فنانس ون اور ڈیمانڈ فنانس ٹو کہا جاتا ہے۔154 ملین روپے کے بقایا قرضے کو مالیاتی سہولت چلانے کے لیے دوبارہ ترتیب دیا گیا ہے۔ ڈیمانڈ فنانس ون کے سلسلے میں، کمپنی نے 25.44 ملین روپے کی 20 پرنسپل ڈاؤن پیمنٹ کی ہے اور بقایا روپے ملین۔30 ستمبر 2022 سے شروع ہونے والی

جس کی شرح KIBOR+2% میں ڈرا ڈاؤن کی تاریخ سے 1 سال کی رعایتی مدت ہوگی۔ یہ سہولت 3 ماہ سے مارک اپ رکھتی ہے، جو رعایتی مدت کے دوران بھی قابل ادائیگی ہوگی۔ ڈیمانڈ فنانس ٹو کے سلسلے میں کمپنی نے 10.59 ملین روپے کی پرنسپل ڈاؤن ادائیگی کی ہے اور بقایا 95.29 ملین 30 ستمبر 2022 سے شروع ہونے والی 20 سہ ماہی اقساط میں دوبارہ ادا کیے جائیں گے۔

ڈائریکٹوریٹ آف انویسٹی گیشن اینڈ انٹیلی جنس (ان لینڈ ریونیو)(I& I IR) کی طرف سے 31 اگست 2020 کو کمپنی کے خلاف تقریباً 1.78 بلین روپے کی ٹیکس چوری کے الزام میں کسٹمز، ٹیکسیشن کی خصوصی عدالت میں شکایت درج کروائی گئی۔ اور (انسداد سمگلنگ)۔ اس شکایت کی بنیاد پر عدالت نے کمپنی اور اس کے کچھ ڈائریکٹرز کے خلاف 2 احکامات جاری کیے۔ یہ احکامات کمپنی کے 9 بینک اکاؤنٹس کو 90 دنوں کے لیے منجمد کرنے اور اس کے بعض ڈائریکٹرز کے ناقابل ضمانت گرفتاری کے وارنٹ جاری کرنے سے متعلق تھے۔ کمپنی نے فوری طور پر ہائی کورٹ اور اس کے بعد خصوصی عدالت سے حفاظتی ضمانت حاصل کی جس کی بعد میں تصدیق ہوگئی۔ کمپنی نے 9 بینک اکاؤنٹس کو منجمد کرنے کے خصوصی عدالت کے حکم کے خلاف ہائی کورٹ میں ایک آئینی پٹیشن بھی دائر کی۔ تمام بینکوں نے 90 دن کی میعاد ختم ہونے پر کمپنی کے کھاتوں پر منجمد ہٹا دیا ہے۔

(I&I IR) کی طرف سے دائر کی گئی شکایت کو چیلنج کرنے والی ایک اور آئینی پٹیشن اینٹی منی لانڈرنگ ایکٹ 2010 کے تحت خصوصی


Burshane
Safety
First
1253699
Man Hours Without LTI

HEALTH, SAFETY, SECURITY & ENVIRONMENT HSSE

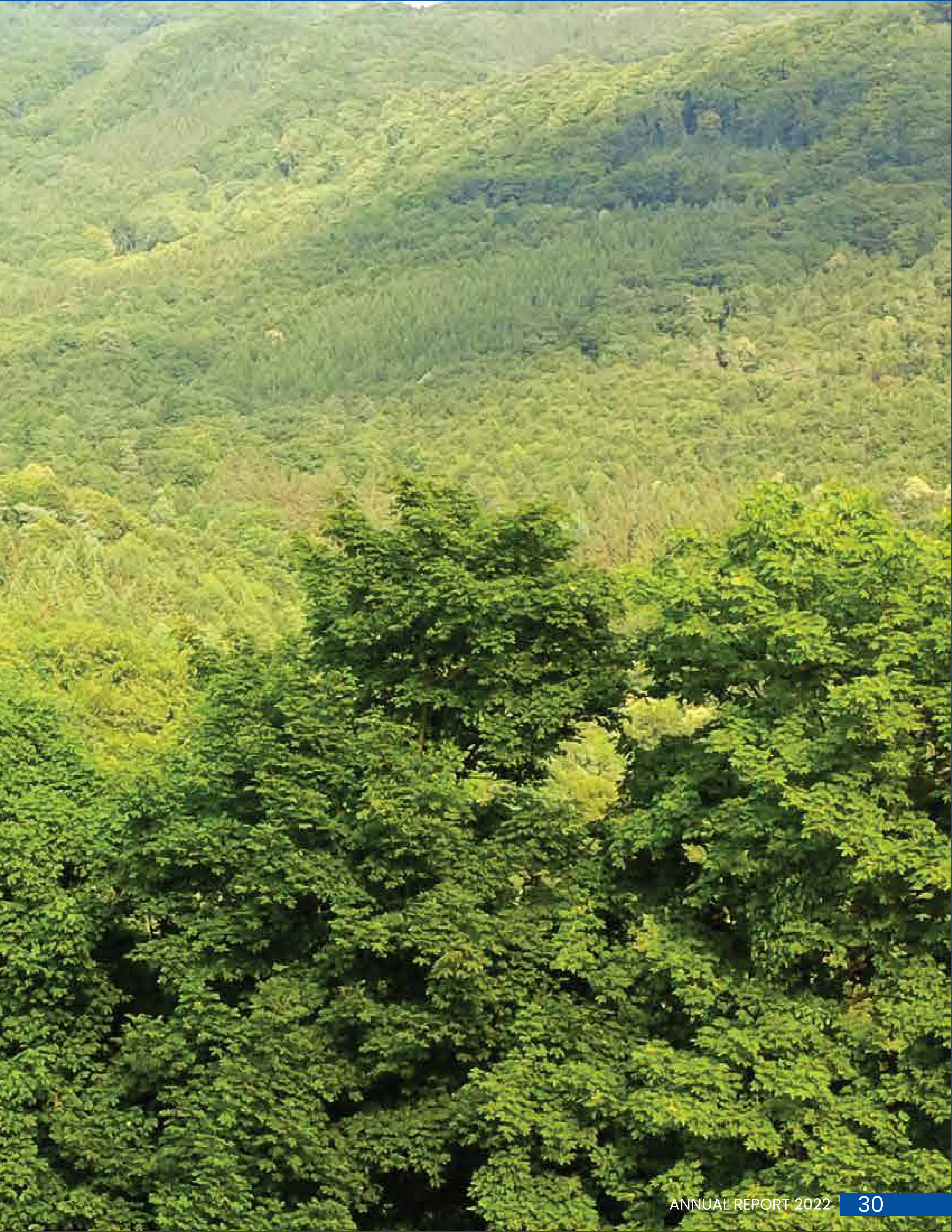
They ensure that all HSSE policies are properly observed by providing support and resources for actions taken to operate safely and to protect health, environment and to exert a positive influence on the HSSE management of contractors as they play a major role in achieving a high level of HSSE performance. 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.

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 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 except for the statutory requirement.

- Seven 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. 200.

Board of Directors:

The Directors as on June 30, 2022 are Mr. Asad Alam Niazi, Ms. Hamdia Fatin Niazi, Mr. Shaikh Abdus Sami, Ms. Shahbano Hameed, Mr. Saifee Zakiuddin, Mr. Muhammad Khalid Dar, Maj. Gen Rafiullah Khan (R) and Mr. Osman Malik.

Pattern of Shareholding:

The pattern of shareholding as of June 30, 2022 as required under section 227 of the Companies Act, 2017 is given on page no. 201.

Auditors:

The auditors M/s. 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

Mr. Asad Alam Niazi
Director and Cheif Executive Officer

Karachi
Dated: September 26, 2022

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 recognize five areas of responsibility.

To Shareholders

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

To Customers

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

To Those With Whom We Do Business

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

To Society

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

To Employees

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

Sustainable Development

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

Economics

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

Health, Safety, Security Environment

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

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

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

Communication and Engagement
Burshane LPG (Pakistan) Limited recognize that regular dialogue and engagement with its stakeholders is essential. Burshane LPG (Pakistan) Limited is committed to reporting of its performance by providing full relevant information to legitimately interested parties, subject to any overriding considerations of business confidentiality. In its interactions with employees, business partners and local communities, the company seek to listen and respond to them honestly and responsibly.

Political Activities
Company: Burshane LPG (Pakistan) Limited act in a socially responsible manner within the laws of the countries in which it operates in pursuit of its egitimate 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 Business Principles.

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

Compliance
Burshane LPG (Pakistan) Limited comply with all applicable laws and regulations of the country in which it operates. 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 behavior 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 behaviors, to contribute to the overall success of the Company.

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

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

NOTICE OF 56TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY given that the 56th Annual General Meeting (AGM) of Burshane LPG (Pakistan) Limited will be held on Friday , October 21, 2022 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 55th Annual General Meeting of the Company held on October 28, 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, 2022.

3. To appoint auditors of the Company for the financial year ending June 30, 2023 and to fix their remuneration. The Board of Directors of the Company has recommended the name of retiring auditors M/s. BDO Ebrahim & Co., Chartered Accountants, for their appointment as external auditors for the year ending June 30, 2023. The retiring auditors, being eligible, have offered themselves for re-appointment for the year ending June 30, 2023.

(Murtaza Saifuddin)
Company secretary

Karachi
Dated: September 26, 2022

Notes:

1. Book Closure:

The Share Transfer Books of the Company will remain closed from October 15 to October 21, 2022 (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 14, 2022 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:

1. 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;
2. 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;
3. 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;
4. Attest Copy of Valid CNIC / Passport and NTN;
5. His / her Folio No. / CDC Account No. / CDC sub-account No;
6. 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:

1. 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.
2. 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.
3. The instrument of proxy should be duly signed, stamped and witnessed by two persons with their names, address, CNIC numbers and signatures.
4. CDC account holders are also required to follow the guidelines as laid down in Circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan (SECP).

A. For Attending the Meeting:

1. 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.
2. Members registered on Central Depository Company (CDC) are also requested to bring their particulars, I.D. numbers and account numbers in CDS.
3. 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:

1. 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.
2. The Proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
3. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
4. The proxy shall produce his original CNIC or original passport at the time of the meeting. 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 Registar.

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 زیر 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 کر دی 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/مختیار نامہ 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 کر دی 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/مختیار نامہ 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 کر دیں۔

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 کر دیں۔

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 کر کے CNIC کی نقل کے ساتھ کمپنی کے رجسٹرار کو فراہم کر دیں۔

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 کر دیں۔

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۔

کرارسات:

1- کتابوں کی بندش

کمپنی کی شیئر ٹرانسفر بکس 15 اکتوبر 2022 سے 21 اکتوبر 2022 (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 14 اکتوبر 2022 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- 2012 (1)25 SRO 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 اقرارنامہ 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 (2)166 میں بیان کئے گئے معیار اہلیت پر پورا اترنا ہوگا-

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 کرسکتا 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 56واں سالانہ اجلاسِ عام

بذریعہ نوٹس ہذا اطلاع دی جاتی ہے کہ برشین ایل پی جی (پاکستان) لمیٹڈ کا 56 سالانہ اجلاس عام بروز 21 اکتوبر 2022 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- 55ویں سالانہ جنرل میٹنگ کا اجلاس کی کاروای مورخہ 28 اکتوبر 2022 کو کی جائے گی۔

2- 30 جون 2022 کو ختم ہونے والے سال کی ڈائریکٹرز کی رپورٹ اور اس پر آڈیٹرز کی رپورٹ کے ساتھ ساتھ آڈٹ شدہ مالیاتی بیانات کی وصولی، غور و خوص اور منظوری۔

3- 30 جون 2022 کو ختم ہونے والے مالی سال کے لیے کمپنی کے آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین کرنا۔ کمپنی کے بورڈ آف ڈائریکٹرز نے ریٹائر ہونے والے آڈیٹرز میسرز کا نام بی ڈی او ابراہیم اینڈ کمپنی ، چارٹرڈ اکاؤنٹنٹس، بیرونی آڈیٹرز کے طور پر، 30 جون 2022 کو ختم ہونے والے سال کے لیے تقرری کی سفارش کی ہے۔

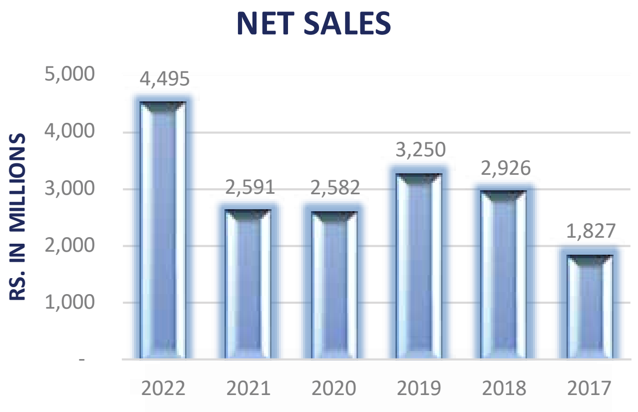
4- ریٹائر ہونے والے آڈیٹرز، اہل ہوتے ہوئے، 30 جون 2022 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے خود کو پیش کر رہے ہیں۔

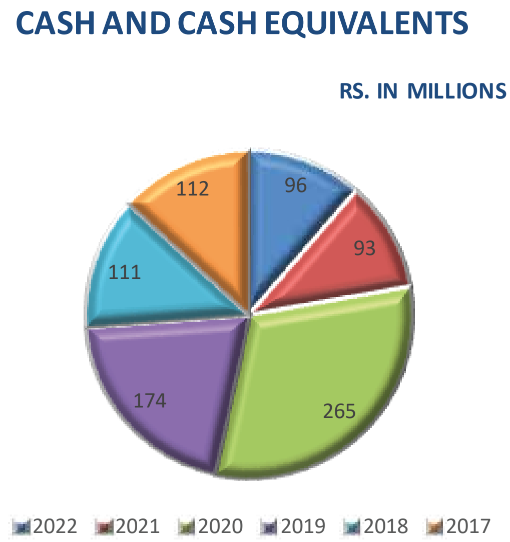
حسب الحکم بورڈ

(مرتضٰی سیف الدین)
کمپنی سیکریٹری

کراچی:
مورخہ: 26 ستمبر 2022

FINANCIAL HIGHLIGHTS





SIX YEARS SUMMARY

Six Years Summary	2022	2021	2020	2019	2018	2017 Restated
			Rupees in '000			
Trading Results						
Net turnover	4,494,627	2,591,297	2,582,454	3,249,870	2,926,076	1,826,825
Gross profit	166,150	33,489	133,816	215,355	232,513	209,820
Operating profit / (loss)	40,311	(137,139)	(26,008)	69,866	83,557	85,793
Earnings before interest, taxes,depreciation and amortisation	95,293	(43,951)	75,146	177,939	173,717	160,532
Earnings / (loss) after tax	26,839	(119,754)	(109,469)	25,857	19,596	29,033
Interim dividend	-	-	-	-	-	-
Final dividend	-	-	22,640	16,980	22,489	22,489
Earnings / (loss) before tax	26,653	(164,128)	(70,559)	64,974	53,581	50,631
Financial Position						
Share capital	224,888	224,888	224,888	224,888	224,888	224,888
Reserves and Retained Earnings	384,562	351,679	464,268	594,556	547,533	553,431
Property, plant and equipment and intangibles	1,103,518	1,086,882	1,155,978	1,120,320	1,195,638	1,221,019
Long-term/deferred liabilities	608,758	466,572	431,771	388,579	377,031	382,437
Inventory	44,925	19,134	43,901	75,422	95,341	50,755
Debtor	87,747	87,665	24,776	23,422	17,654	5,001
Creditor	112,827	108,026	138,743	91,342	179,374	104,014
Total Assets	1,696,427	1,664,543	1,749,450	1,731,847	1,750,238	1,643,693
Total current assets	539,735	524,134	420,223	437,872	402,295	301,658
Total current liabilities	478,217	621,404	628,523	523,824	600,786	482,937
Number of issued shares	22,489	22,489	22,489	22,489	22,489	22,489
Cash & Cash equuivalents	96,296	92,822	265,197	173,732	110,922	111,924
Investors Information						
Profitability Ratios						
Gross profit ratio	3.70%	1.29%	5.18%	6.63%	7.95%	11.49%
Profit / (loss) before tax to sales	0.59%	-6.33%	-2.73%	2.00%	1.83%	2.77%
Profit / (loss) after tax in percent of sales	0.60%	-4.62%	-4.24%	0.80%	0.67%	1.59%
EBITDA Margin to sales	2.12%	-1.70%	2.91%	5.48%	5.94%	8.79%
Return on equity/ capital employed	4.40%	-20.77%	-15.88%	3.16%	2.54%	3.73%
Activity / Turnover Ratios						
Inventory turnover ratio (in times)	135.14	81.16	41.04	35.54	36.87	36.63
Inventory turnover ratio (no. of days)	3	4	9	10	10	10
Debtor turnover ratio (in times)	51.25	46.09	107.16	158.24	258.32	222.77
Debtor turnover ratio(no.ofdays)	7	8	3	2	1	2
Creditor turnover ratio (in times)	39.20	20.73	21.28	22.42	19.01	13.82
Creditor turnover ratio (no. of days)	9	18	17	16	19	26
Operating cycle (no. of days)	1	(5)	(5)	(4)	(8)	(15)
Total assets turnover ratio (in times)	2.67	1.52	1.48	1.87	1.72	1.12
Total assets turnover ratio (in days)	136.47	240.44	246.02	195.54	211.68	325.08
Liquidity Ratios						
Current ratio	1.13	0.84	0.67	0.84	0.67	0.62
Quick/ acid test ratio	1.03	0.81	0.60	0.69	0.51	0.52
Cash to Current Liabilities	0.20	0.15	0.42	0.33	0.18	0.23
Investment/Market Ratios						
Earnings / (loss) per share	1.19	(5.33)	(4.87)	1.15	0.87	1.29
Break-up value per share	27.10	25.64	30.64	36.44	34.35	34.61
Cash Flows						
Net cash flows (used in) / from operating activities	(107,251)	(144,436)	153,889	99,849	68,580	187,794
Net cash used in investing activities	(45,839)	(20,224)	(48,003)	(29,067)	(61,494)	(151,638)
Net cash flows from / (used in) financing activities	5,503	(7,715)	(14,421)	(7,972)	(8,088)	(17,101)
Net (decrease) / increase in cash and cash equivalents	(147,587)	(172,375)	91,465	62,810	(1,002)	19,055

HORIZONTAL ANALYSIS OF FINANCIAL STATEMENTS

	2022	2021	2020	2019	2018	2017 Restated
Non-current assets	1,156,692	1,140,409	1,329,227	1,293,975	1,347,943	1,342,035
Current assets	539,735	524,134	420,223	437,872	402,295	301,658
Total assets	1,696,427	1,664,543	1,749,450	1,731,847	1,750,238	1,643,693
Equity	272,737	240,152	352,741	544,679	497,656	503,554
Surplus on revaluation of fixed assets	336,715	336,415	336,415	274,765	274,765	274,765
Non-current liabilities	608,758	466,572	431,771	388,579	377,031	382,437
Current Liabilities	478,217	621,404	628,523	523,824	600,786	482,937
Total equity and liabilities	1,696,427	1,664,543	1,749,450	1,731,847	1,750,238	1,643,693
Net sales	4,494,627	2,591,297	2,582,454	3,249,870	2,926,076	1,826,825
Cost of product sold	(4,328,477)	(2,557,808)	(2,448,638)	(3,034,515)	(2,693,563)	(1,617,005)
Gross profit	166,150	33,489	133,816	215,355	232,513	209,820
Administrative expenses	(115,922)	(124,738)	(111,555)	(106,575)	(108,690)	(92,102)
Distribution and marketing expenses	(68,977)	(66,446)	(70,600)	(68,780)	(64,224)	(62,752)
Other income	67,122	29,454	34,996	42,645	35,525	49,812
Other expenses	(8,062)	(8,898)	(12,665)	(12,779)	(11,567)	(18,985)
	(125,839)	(170,628)	(159,824)	(145,489)	(148,956)	(124,027)
Operating profit	40,311	(137,139)	(26,008)	69,866	83,557	85,793
Finance costs	(13,658)	(26,989)	(44,191)	(4,892)	(29,976)	(35,162)
Profit / (loss) before taxation	26,653	(164,128)	(70,199)	64,974	53,581	50,631

	2022	2021	2020	2019	2018	2017
	% increase / (decrease) over preceeding year					
Balance Sheet						
Non-current assets	1.43%	-14.21%	2.72%	-4.00%	0.44%	4.98%
Current assets	2.98%	24.73%	-4.03%	8.84%	33.36%	-9.12%
Total assets	1.92%	-4.85%	1.02%	-1.05%	6.48%	2.07%
Equity	13.57%	-31.92%	-35.24%	9.45%	-1.17%	-0.75%
Non-current liabilities	30.47%	8.06%	11.12%	3.06%	-1.41%	-17.53%
Current Liabilities	-23.04%	-1.13%	19.99%	-12.81%	24.40%	32.51%
Total equity and liabilities	1.92%	-4.85%	1.02%	-1.05%	6.48%	2.07%
Net sales	73.45%	0.34%	-20.54%	11.07%	60.17%	-9.24%
Cost of product sold	69.23%	4.46%	-19.31%	12.66%	66.58%	-13.60%
Gross profit	396.13%	-74.97%	-37.86%	-7.38%	10.82%	48.46%
Administrative expenses	-7.07%	11.82%	4.67%	-1.95%	18.01%	13.97%
Distribution and marketing expenses	3.81%	-5.88%	2.65%	7.09%	2.35%	-3.88%
Other operating income	127.89%	-15.84%	-17.94%	20.04%	-28.68%	10.37%
Other operating expenses	-9.37%	-29.74%	-0.89%	10.48%	-39.07%	-16.55%
Operating profit	-129.39%	427.30%	-137.23%	-16.39%	-2.61%	387.13%
Finance costs	-49.39%	-38.93%	803.33%	-83.68%	-14.75%	11.34%
Profit before taxation	116.24%	-133.80%	-208.04%	21.26%	5.83%	-462.48%

VERTICAL ANALYSIS OF FINANCIAL STATEMENTS

Balance Sheet	2022		2021		2020		2019		2018		2017	
	-Rupee 000-	%	-Rupee 000-	%	-Rupee 000-	%	-Rupee 000-	%	-Rupee 000-	%	-Rupee 000-	%
Non-current assets	1,156,692	68%	1,140,409	69%	1,329,227	80%	1,293,975	74%	1,347,943	78%	1,342,035	77%
Current assets	539,735	32%	524,134	31%	420,223	25%	437,872	26%	402,295	23%	301,658	17%
Total assets	1,696,427	100%	1,664,543	100%	1,749,450	100%	1,731,847	100%	1,750,238	100%	1,643,693	100%
Equity	272,737	16%	240,152	14%	352,741	20%	544,679	31%	497,656	28%	503,554	31%
Surplus on revaluation of fixed assets	336,715	20%	336,415	20%	336,415	19%	274,765	16%	274,765	16%	274,765	17%
Non-current liabilities	608,758	36%	466,572	28%	431,771	25%	388,579	22%	377,031	22%	382,437	23%
Current Liabilities	478,217	28%	621,404	37%	628,523	36%	523,824	30%	600,786	34%	482,937	29%
Total equity and liabilities	1,696,427	100%	1,664,543	100%	1,749,450	100%	1,731,847	100%	1,750,238	100%	1,643,693	100%
Net sales	4,494,627	100%	2,591,297	100%	2,582,454	100%	3,249,870	100%	2,926,076	100%	1,826,825	100%
Cost of product sold	(4,328,477)	-96%	(2,557,808)	-99%	(2,448,638)	-95%	(3,034,515)	-93%	(2,693,563)	-92%	(1,617,005)	-89%
Gross profit	166,150	4%	33,489	1%	133,816	5%	215,355	7%	232,513	8%	209,820	11%
Administrative expenses	(115,922)	-3%	(124,738)	-5%	(111,555)	-4%	(106,575)	-3%	(108,690)	-4%	(92,102)	-5%
Distribution and marketing expenses	(68,977)	-2%	(66,446)	-3%	(70,600)	-3%	(68,780)	-2%	(64,224)	-2%	(62,752)	-3%
Other operating income	67,122	1%	29,454	1%	34,996	1%	42,645	1%	35,525	1%	49,812	3%
Other operating expenses	(8,062)	0%	(8,898)	-0.3%	(12,665)	-0.5%	(12,779)	-0.4%	(11,567)	-0.4%	(18,985)	-1%
	(125,839)	-3%	(170,628)	-7%	(159,824)	-6%	(145,489)	-4%	(148,956)	-5%	(124,027)	-7%
Operating profit	40,311	1%	(137,139)	-5%	(26,008)	-1%	69,866	2%	83,557	3%	85,793	5%
Finance costs	(13,658)	-0.3%	(26,989)	-1.0%	(44,191)	-1.7%	(4,892)	-0.2%	(29,976)	-1%	(35,162)	-2%
Profit / (loss) before taxation	26,653	1%	(164,128)	-6%	(70,199)	-3%	64,974	2%	53,581	2%	50,631	3%

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

Burshane LPG (Pakistan) Limited
Year Ending **June 30, 2022**

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

1. The total number of directors are eight (08) as per the following:

a. Male - 6
b. Female - 2

2. The composition of board is as follows:

Category	Name
Independent Director	Maj. Gen (R.) Rafiullah Khan (R) Mr. Shaikh Abdus Sami
Non-Executive Directors	Ms. Hamdia Fatin Niazi Ms. Shahbano Hameed Mr. Khalid Dar Mr. Osman Malik
Executive Directors	Mr. Asad Alam Niazi Mr. Saifee Zakiuddin

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

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. 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;

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

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

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

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

9. Seven (7) directors are qualified under the directors training program and one (1) director will complete the training in next financial year. During the year, the board did not arrange training program for its directors, however in next financial year, the Board planned to arrange training program for its directors;

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 Rafiullah Khan (R)	Chairman
Mr. Shaikh Abdus Sami	Member
Ms. Hamdia Fatin Niazi	Member

b. Human Resource and Remuneration Committee

Maj. Gen Rafiullah Khan (R)	Chairman
Mr. Asad Alam Niazi	Member
Ms. Hamdia Fatin Niazi	Member
Mr. Saifee Zakiuddin	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	01 meeting was held during the year

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

18. We confirm that all requirements of the regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with except for the following non-compliance:

    a. As per regulation 6(1), each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors.

19. 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.	Majority of Non-executive directors in HR & Remuneration Committee.	Due to the appointment of one independent director on Board this requirement will meet by induction of that independent Director.	28(1)
2.	All the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it, by June 30, 2022.	Director training is in process and will complete the training in next financial year.	19(1)(iii)

Shaikh Abdus Sami
Chairman

Asad Alam Niazi
Director / CEO

Dated: September 13, 2022

Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
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, 2022 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, 2022.

Further, we highlight below instance of non-compliance with the requirements of the Code as reflected in the regulation reference where these are stated in the Statement of Compliance.

Mandatory (non-compliance)

S.no	Regulation Reference	Description
1	6(1)	During the year, the Board consist of total 8 members out of which only 2 are independent members. The Company has not provided any explanation to the SECP as to why the fraction of one-third is not rounded up as one.

KARACHI

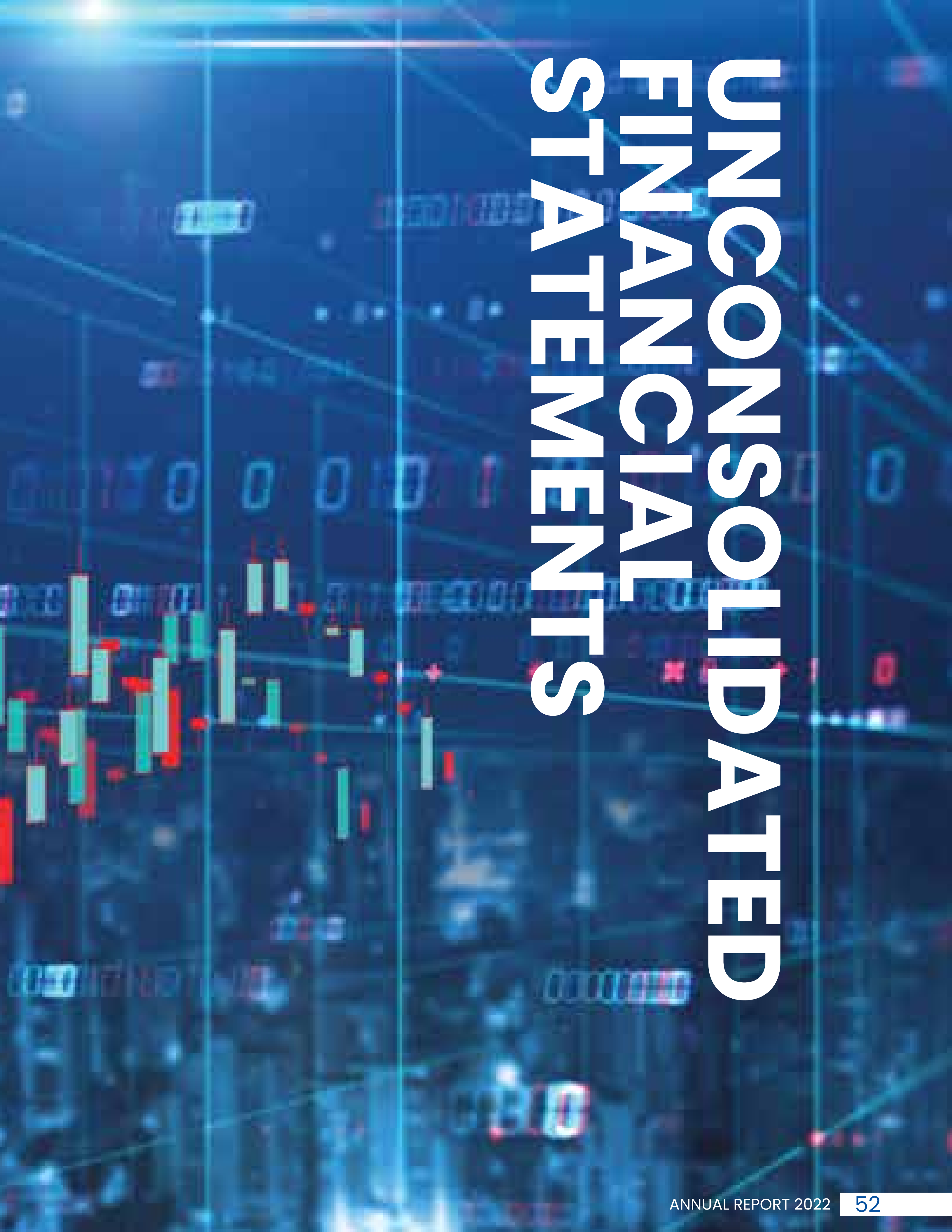
DATED: SEPTEMBER 26, 2022

UDIN: CR202210067stXjLOC2u

CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

UNCONSOLIDATED FINANCIAL STATEMENTS



Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

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, 2022, 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, 2022 and of the profit 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 33.1.2 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 33.1.6 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 end, FBR has remanded back matters for tax years 2018 and 2019 as no such demand subsists for both years. Note 33.1.6 provides details regarding the matter which is sub-judice.

3. Note 23.1 to the unconsolidated financial statements which provide details regarding restructuring of the financing facilities with National Bank of Pakistan.

BDO Ebrahim & Co. Chartered Accountants
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO

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 33 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; • Checked orders by relevant authority on previous lawsuits / cases appearing in the unconsolidated financial statements; • We followed the progress of each case and the Company's estimate of the cost to be incurred; • We obtained confirmations from legal advisors for current status on pending previous cases and any new case filed during the year; • Obtained legal advice on the above cases with the legal advisors to ensure that the outflow is possible and not probable; • We reviewed the key elements of the methodology employed by management in challenging reasonableness of the cost estimates; and • We also assessed the adequacy of the disclosures made in respect of contingencies in accordance with the financial reporting standards.

BDO Ebrahim & Co. Chartered Accountants
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

S. No	Key audit matters	How the matter was addressed in our audit
2.	Revenue	
	The Company's total revenue is amounting to Rs. 4,494.627 million, which is predominantly generated from sales of liquefied petroleum gas (LPG) and low-pressure regulators (LPR) revenue which reflect an increase of 73.45% from the previous year, representing a significant element of the financial statements as disclosed in note 34. Revenue is generated from trading and storing of Liquefied Petroleum Gas (LPG) throughout Pakistan and trading of Low Pressure Regulators (LPR). Revenue from contracts with customers is recognized when control of 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. As such, revenue recognition is not an area of significant risk for our audit but does require significant time and resource to audit due to its magnitude. The risk of material misstatement was considered significant due to high control risk on completeness and accuracy of revenue and high inherent risk of fraud on recognition of revenue. In view of the significance of revenue and high assessed risk of material misstatement revenue is considered as key audit matter.	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 delivery; • 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.	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.

BDO Ebrahim & Co. Chartered Accountants
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

S. No	Key audit matters	How the matter was addressed in our audit
	At the year end, the Company, for the purpose of impairment testing on goodwill, has calculated recoverable amount (value-in-use) of Cash Generating Unit amounting to Rs. 1,586.01 million. The carrying amount of net assets (including goodwill) as of the valuation date is Rs. 609.45 million. As a result, value-in-use exceeds the carrying amount of net assets (including goodwill) hence, no impairment in goodwill has been identified as a result of this review. In view of the estimates and judgements used by the management for the calculation of impairment of goodwill, it is therefore considered as key audit matter. 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 (2021: Nil).	• 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 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.

BDO Ebrahim & Co. Chartered Accountants
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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.

BDO Ebrahim & Co. Chartered Accountants
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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: SEPTEMBER 26, 2022

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

UDIN: AR202210067IpMzjEDHb

BDO Ebrahim & Co. Chartered Accountants
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30,2022

	Note	2022	2021
ASSETS		---(Rupees in '000) ---	
NON-CURRENT ASSETS			
Property, plant and equipment	8	834,143	807,389
Intangible assets	9	269,375	279,493
Long-term investment	10	50,000	50,000
Long-term loans	11	-	353
Long-term deposits		3,174	3,174
		1,156,692	1,140,409
CURRENT ASSETS			
Stores and spares	12	4,673	3,873
Stock-in-trade	13	44,925	19,134
Trade debts	14	87,747	87,665
Loans and advances	15	56,529	72,027
Deposits, prepayments and other receivables	16	124,908	141,652
Taxation - net	17	124,657	106,961
Cash and bank balances	18	96,296	92,822
		539,735	524,134
TOTAL ASSETS		1,696,427	1,664,543
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	19	900,000	900,000
Issued, subscribed and paid-up capital	20	224,888	224,888
Capital reserves			
Revaluation surplus of property	21	336,715	336,415
Other reserves	21	122,981	117,235
Revenue reserve	22	(75,132)	(101,971)
		609,452	576,567
NON-CURRENT LIABILITIES			
Long-term loan	23	114,345	-
Lease liabilities	24	18,871	9,942
Deferred taxation - net	25	9,345	18,368
Cylinder and regulator deposits	26	466,197	438,262
		608,758	466,572
CURRENT LIABILITIES			
Loan from a subsidiary company	27	50,000	50,000
Trade and other payables	28	112,827	108,026
Short-term loan	29	45,000	-
Short-term borrowings	30	151,061	-
Unclaimed dividends	31	83,050	83,198
Accrued mark-up	32	3,205	119,392
Current portion of long-term loan	23	23,770	254,439
Current portion of lease liabilities	24	9,304	6,349
		478,217	621,404
TOTAL EQUITY AND LIABILITIES		1,696,427	1,664,543
CONTINGENCIES AND COMMITMENTS	33		

The annexed notes from 1 to 55 form an integral part of these financial statements.

DIRECTOR | CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30,2022

	Note	2022	2021
		---(Rupees in '000) ---	
Sales - net	34	**4,494,627**	2,591,297
Cost of sales	35	**(4,328,477)**	(2,557,808)
Gross profit		**166,150**	33,489
Administrative expenses	36	**(115,922)**	(124,738)
Distribution and marketing expenses	37	**(68,977)**	(66,446)
Other income	38	**67,122**	29,454
Other expenses	39	**(8,062)**	(8,898)
		(125,839)	(170,628)
Operating profit / (loss)		**40,311**	(137,139)
Financial costs	40	**(13,658)**	(26,989)
Profit / (loss) before taxation		**26,653**	(164,128)
Taxation	41	**186**	44,374
Profit / (loss) for the year		**26,839**	(119,754)
		---(In Rupees) ---	
Earnings / (loss) per share - basic and diluted	42	**1.19**	(5.33)

The annexed notes from 1 to 55 form an integral part of these financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30,2022

	Note	2022	2021
		---(Rupees in '000) ---	
Profit / (loss) for the year		**26,839**	(119,754)
Other comprehensive income			
Items that will not be reclassified subsequently to statement of profit or loss:			
Surplus on revaluation of property	21.1.1	**300**	-
Actuarial gain on remeasurement of retirement and other service benefits	44.1.7	**8,215**	10,092
Less: deferred taxation thereon		**(2,469)**	(2,927)
		6,046	7,165
Total comprehensive income / (loss) for the year		**32,885**	(112,589)

The annexed notes from 1 to 55 form an integral part of these financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30,2022

		Capital reserves				Revenue Reserves			
	Issued, subscribed and paid-up capital	Reserve on amalgamation	Revaluation surplus of property	Actuarial loss on remeasurement of retirement and other service benefits	Sub total	General Reserve	Accumulated loss	Sub total	Total
	(Rupees in '000)								
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
Balance as at July 01, 2021	224,888	153,458	336,415	(36,223)	453,650	90,000	(191,971)	(101,971)	576,567
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	-	26,839	26,839	26,839
Other comprehensive income for the year - net of tax	-	-	300	5,746	6,046	-	-	-	6,046
	-	-	300	5,746	6,046	-	26,839	26,839	32,885
Balance as at June 30, 2022	224,888	153,458	336,715	(30,477)	459,696	90,000	(165,132)	(75,132)	609,452

The annexed notes from 1 to 55 form an integral part of these financial statements.

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

UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30,2022

	Note	2022	2021
		---(Rupees in '000) ---	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	46	(86,300)	(256,065)
Retirement and other service benefits paid		(12,730)	(8,660)
Taxes paid		(29,002)	(37,851)
Finance costs paid		(26,752)	(1,613)
Long-term loans - net		353	135
Long-term deposits - net		-	119,587
Cylinder and regulator deposits - net		47,180	40,031
Net cash flows used in operating activities		(107,251)	(144,436)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(74,717)	(25,724)
Proceeds from property, plant and equipment		28,878	5,500
Net cash used in investing activities		(45,839)	(20,224)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loan repaid		(25,443)	-
Short-term loan received		397,000	-
Short-term loan paid		(352,000)	-
Dividends paid		(148)	-
Payment of lease liabilities		(13,906)	(7,715)
Net cash flows generated from / (used in) financing activities		5,503	(7,715)
Net decrease in cash and cash equivalents		(147,587)	(172,375)
Cash and cash equivalents at beginning of the year		92,822	265,197
Cash and cash equivalents at end of the year		(54,765)	92,822
Cash and cash equivalents at end of the year comprise of:			
Cash and bank balances	18	96,296	92,822
Short-term borrowings	30	(151,061)	-
		(54,765)	92,822

The annexed notes from 1 to 55 form an integral part of these financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30,2022

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 being 100% owned subsidiary. 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') or 'Rs.', 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, 2022

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have material impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
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 16 'Leases' - Extended practical relief regarding Covid - 19 related rent consessions	April 01, 2021

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 material impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
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
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

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

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 replace 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.

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.

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.

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 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 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 represents 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 and short-term running finance. Running finances under mark-up arrangements are shown with short term borrowings in current liabilities on the statement of financial position.

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 lies 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 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 equity 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 IFRS 9's simplified approach and calculates ECL based on life-time ECL on its trade debt and contract assets, where as for other financial assets loss allowance is measured at 12 months ECL under general approach of measuring ECL. For trade debts, 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 estalished.

6 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENT

The preparation of financial statements in conformity with approved accounting and reporting standards as applicable in Pakistan 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 obligation. The present values of these obligations and the underlying assumptions are disclosed in note 44.

6.5 AMALGAMATION WITH HOLDING COMPANY

Effective February 20, 2015, the Company went through a scheme of amalgamation (the scheme) 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 (refer note 20).

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

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

		Note	2022 Rupees	2021 Rupees
			--- (Rupees in '000) ---	
8	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets	8.1	834,143	807,389
	Capital work-in-progress	8.2	-	-
			834,143	807,389

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30,2022

8.1 Operating fixed assets

The following is the statement of operating fixed assets:

Description	Owned Assets												Right of Use Asset			
	Leasehold land (note 8.1.8)	Freehold land (note 8.1.8)	Building on leasehold land	Plant and machinery	Cylinders and regulators (note 8.1.4)	Fire fighting equipment	Furniture, fittings, electrical and other	Vehicles	Office equipment	Computer and related accessories	Tanks, pipelines and fittings	sub total	Building	Vehicles	sub total	Total
	----- (Rupees in ' 000) ----															
Net carrying value basis year ended June 30, 2022																
Opening 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	1,928	13,453	807,389
Addition (at cost)	-	-	-	552	43,754	279	763	28,877	283	209	-	74,717	-	26,005	26,005	100,722
Revaluation surplus	-	300	-	-	-	-	-	-	-	-	-	300	-	-	-	300
Transfer in / (out)	-	-	-	-	-	-	-	768	-	-	-	768	-	(768)	(768)	-
Disposal (NBV)	-	-	-	-	-	-	-	(26,780)	(68)	(123)	-	(26,971)	(2,433)	-	(2,433)	(29,404)
Depreciation charged (refer note 8.1.3)	-	-	(2,953)	(1,632)	(28,075)	(101)	(1,518)	(1,123)	(178)	(341)	(2,462)	(38,383)	(5,184)	(1,297)	(6,481)	(44,864)
Closing net book value	569,288	16,800	15,397	9,488	174,964	359	4,043	2,645	808	350	10,225	804,367	3,908	25,868	29,776	834,143
Gross carrying value basis year ended June 30, 2022																
Cost / revalued amount	569,288	16,800	61,764	47,566	609,767	954	36,204	41,303	3,148	3,769	58,800	1,449,363	15,900	28,132	44,032	1,493,395
Accumulated depreciation	-	-	(46,367)	(38,078)	(434,803)	(595)	(32,161)	(38,658)	(2,340)	(3,419)	(48,575)	(644,996)	(11,992)	(2,264)	(14,256)	(659,252)
	569,288	16,800	15,397	9,488	174,964	359	4,043	2,645	808	350	10,225	804,367	3,908	25,868	29,776	834,143
Depreciation rate (% per annum)	-	-	5%	5%	10%	15%	10% to 15%	20% to 25%	15%	33.33%	10%		25%	25%		
Closing net book value 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	3,134	22,850	827,317
Addition (at cost)	-	-	-	314	23,946	-	890	-	324	250	-	25,724	-	-	-	25,724
Impact of lease modification	-	-	-	-	-	-	-	-	-	-	-	-	(1,632)	-	(1,632)	(1,632)
Disposal (NBV)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charged (refer note 8.1.3)	-	-	(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	1,928	13,453	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	4,340	28,713	1,709,253
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)	(901,864)
	569,288	-	18,350	10,568	159,285	181	4,798	903	771	605	12,687	793,936	11,525	1,928	13,453	807,389
Depreciation rate (% per annum)	-	-	5%	5%	10%	15%	10% to 15%	20% to 25%	15%	33.33%	10%		25%	25%		

8.1.1 The detail of operating fixed assets disposed off during the year having net book value exceeding Rs. 500,000 are as follows:

Description	Cost	Accumulated depreciation	Net book value	Sales proceeds	Gain on disposal	Mode of disposal	Particulars of buyers	Relationship with the purchaser
			----- (Rupees in ' 000) ----					
Honda Civic Reg # LEB-18A-9868	3,072	(2,304)	768	3,000	2,232	Bank	Mr. Khalid Dar	Ex-employee

8.1.2 As at June 30, 2022, property, plant and equipment having cost of Rs. 436.32 million (2021: Rs. 741.85 million) are fully depreciated.

	Note	2022	2021
		--- (Rupees in '000) ---	
8.1.3 The depreciation charge for the year has been allocated as follows:			
Cost of sales	35	8,666	10,718
Administrative expenses	36	8,123	9,092
Distribution and marketing expenses	37	28,075	24,210
		44,864	44,020

8.1.4 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 a large number of customers.

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

8.1.6 The Company's freehold land and leasehold land was revalued on February 15, 2022 by 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. 0.30 million and Rs. Nil respectively.

8.1.7 Had the revaluation not been carried out, the related figures of freehold land and leasehold land would have been Rs. 5.62 million (2021: Rs. 5.62 million) and Rs. 243.75 million (2021: Rs. 243.75 million), respectively.

8.1.8 The forced sales value as per the revaluation report as of February 15, 2022 and June 14, 2022 is as follows:

Class of asset	2022 (Rupees in '000)
Freehold land	16,800
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 land	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 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

8.2 CAPITAL WORK-IN-PROGRESS

	2022	2021
	---(Rupees in '000)---	
Balance as at July 01	-	-
Additions (at cost)	100,722	25,724
Transfer to property, plant and equipment	(100,722)	(25,724)
Balance as at June 30	-	-

9 INTANGIBLE ASSETS

	Cost				Accumulated Amortisation				Net Book Value	
	As at July 01, 2021	Additions	Disposals	As at June 30, 2022	As at July 01, 2021	Charge for the year (note 9.5)	Reversal	As at June 30, 2022	As at June 30, 2022	Rate of amortisation
	---------- (Rupees in '000) ----------									
Goodwill (note 9.2)	253,091	-	-	253,091	-	-	-	-	253,091	Nil
Computer software	4,272	-	-	4,272	4,024	88	-	4,112	160	20%
Rights under										
Supply contracts (notes 9.3)	50,150	-	-	50,150	32,596	10,030	-	42,626	7,524	20%
Trademarks (note 9.2 & 9.4)	8,600	-	-	8,600	-	-	-	-	8,600	Nil
2022	316,113	-	-	316,113	36,620	10,118	-	46,738	269,375	

	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 9.5)	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	

9.1 At June 30, 2022, intangible assets having cost of Rs. 3.84 million (2021: Rs. 3.84 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 (refer 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.

	2022	2021
	--- (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 2022 and June 2021. 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, 2022, 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 16.78% 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 32.18% debt and 67.82% 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 0.84 for the Company and an equity risk premium of 10.67%. 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 18.96%. The cost of debt net of tax is an average of 12.18%.

The recoverable amount of CGU amounting to Rs. 1,586.01 million as at June 30, 2022 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. 1,586.01 million. The carrying value of net assets (including goodwill) as of the valuation date is Rs. 609.45 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, 2022 and June 30, 2021 for impairment. Value-in-use of Rs. 779.80 million as at June 30, 2022 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 6% 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, 2022.

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 27.50% or more in sales volume growth would result in impairment of the CGU.

Discount rate assumptions

A rise in pre-tax discount rate by 16.20% 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 6% 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. 8.60 million as at June 30, 2022.

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 2018, 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 trademarks 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).

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30,2022

		Note	2022	2021
			--- (Rupees in '000) ---	
9.5	The amortisation for the year has been allocated as follows:			
	Cost of sales	35	10,030	49,080
	Administrative expenses	36	88	88
			10,118	49,168

10 LONG-TERM INVESTMENT

	Note	2022	2021
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 (2021: 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. 50.25 million (2021: Rs. 50.47 million). Investment in the subsidiary has been made in accordance with the provisions of the Section 199 of the Companies Act, 2017 and the rules promulgated for this purpose.

10.2 Burshane Trading (Private) Limited (BTPL) is also the subsidiary of Burshane (Pakistan) Limited which was incorporated on October 13, 2014 under the Companies Act, 2017. No share capital has been issued and no transactions were undertaken by BTPL during the year. At the reporting date BTPL is having 'inactive' status in the SECP records.

11 LONG-TERM LOANS

	Note	2022	2021
Secured - considered good			
Executives	11.2 & 11.3	368	787
Other employees		-	53
	11.4	368	840
Current portion shown under current assets			
Executives		(368)	(434)
Other employees		-	(53)
	15	(368)	(487)
		-	353

11.1 Reconciliation of carrying amount of loans:

Description	Executives	Other employees	Total 2022	Total 2021
	----- (Rupees in '000) ----			
Balance as at July 01	787	53	840	965
Disbursements	2,875	109	2,984	1,422
Repayment	(3,294)	(162)	(3,456)	(1,547)
Balance as at June 30	368	-	368	840

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. 3.36 million (2021: Rs. 1.35 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 unconsolidated financial statements.

	Note	2022	2021
		--- (Rupees in '000) ---	
12 STORES AND SPARES			
Stores		5,094	4,414
Spares parts		899	779
		5,993	5,193
Provision for obsolete items		(1,320)	(1,320)
		4,673	3,873
13 STOCK-IN-TRADE			
Liquefied Petroleum Gas (LPG)	13.1	44,370	18,429
Low Pressure Regulators (LPR)		555	705
		44,925	19,134

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30,2022

	Note	2022	2021
		--- (Rupees in '000) ---	

13.1 This includes stock amounting to Rs. 11.53 million (2021: Rs. 2.65 million) held with the following parties under hospitality arrangements:

	2022	2021
OPI Jamber Plant	36	22
Ravi Sahiwal	15	1,357
Sadiq Gas Company	2,634	403
Sindh Gas (Private) Limited	856	-
Blessing Gas (Private) Limited	1,729	163
Lite Gas Plant	850	-
Tez Gas (Private) Limited	525	570
Terra Energy (Private) Limited	78	13
Baba Fareed Gas	327	-
Bashir Gas	11	8
Faiq Gas	2,802	15
MNA	-	101
ZA Energy Plant	1,598	-
Hi Tech Plant	71	-
	11,532	2,652

13.2 At June 30, 2022, stock of LPG held on behalf of third parties amounted to Rs. Nil (2021: Rs. 2.57 million).

14 TRADE DEBTS

	Note	2022	2021
Unsecured - considered good			
Trade debtors		92,364	92,895
Allowance for expected credit losses	14.1	(4,617)	(5,230)
		87,747	87,665

14.1 Allowance for expected credit losses

	Note	2022	2021
Balance as at July 01		5,230	3,688
(Reversal) / allowance for the year	38 & 39	(613)	1,542
Balance as at June 30		4,617	5,230

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

	2022	2021
Upto 1 month	55,199	13,024
1 to 6 months	26,326	77,661
More than 6 months	10,839	2,210
	92,364	92,895

	Note	2022	2021
		--- (Rupees in '000) ---	
15 LOANS AND ADVANCES			
Loans - Secured - considered good			
Current portion of long-term loans	11	368	487
Advances to (Unsecured - considered good)			
Chief executives officer	15.1	-	4
Contractors and suppliers		56,161	71,536
		56,161	71,540
		56,529	72,027

15.1 The maximum aggregate amount due from Chief executive officer against advance from travelling at the end of any month was Rs. Nil (2021: Rs. 3.86 million).

16 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2022	2021
Deposits	16.1	76,630	82,180
Prepayments		20,090	17,740
Other receivables	16.2	28,188	41,732
		124,908	141,652

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

16.2 Other receivables

	Note	2022	2021
OPI Gas (Private) Limited	16.3	3,642	3,642
Burshane LPG (Pakistan) Limited - Provident Fund		511	-
Burshane LPG (Pakistan) Limited - Pension Fund	44	3,133	-
Burshane LPG (Pakistan) Limited - Gratuity Fund	44	-	1,098
Burshane Petroleum (Private) Limited	16.4	9,000	9,000
Sales tax receivable		3,740	17,706
Others	16.5 & 16.6	13,267	15,391
		33,293	46,837
Allowance for expected credit losses		(5,105)	(5,105)
		28,188	41,732

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

16.4 This represents amount receivable from Burshane Petroleum (Private) Limited (formerly Darian International (Private) Limited) amounting to Rs. 9 million (2021: Rs. 9 million), a related party, as consideration against use of the Company's name under an arrangement entered in the year 2021.

16.5 This includes receivable against cylinder deposits of Rs. 7.63 million (2021: Rs. 9.17 million).

16.6 This includes receivable from Burshane Auto Gas (Private) Limited, amounting to Rs. 0.23 million (2021: Rs. 0.01 million).

16.6.1 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	2022	2021
		--- (Rupees in '000) ---	
Other related parties			
Burshane LPG (Pakistan) Limited Provident Fund		962	2,480
Burshane LPG (Pakistan) Limited Gratuity Fund		7,166	4,565
Subsidiary Company			
Burshane Autogas (Private) Limited		227	11
Associated companies			
Burshane Petroleum (Private) Limited		9,000	9,500
AAK Commodities (Private) Limited		-	250
A&S Corporation (Private) Limited		34	75
		17,389	16,881

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

	2022	2021
More than 6 months	-	-
More than 12 months	9,000	9,011
	9,000	9,011

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30,2022

	Note	2022	2021
		--- (Rupees in '000) ---	
17 TAXATION - NET			
Advance tax		29,002	37,851
Provision for taxation		(11,306)	(6,546)
		17,696	31,305
Income tax refundable		106,961	75,656
		124,657	106,961
18 CASH AND BANK BALANCES			
Cash in hand		24	200
Cash at banks			
saving accounts	18.1	21,842	59,662
current accounts		74,430	32,960
		96,272	92,622
		96,296	92,822

18.1 The profit rates on these saving accounts range from 2.80% to 12.25% per annum (2021: 2.76% to 5.50% per annum). These balances are held in accounts maintained under conventional banking.

19 AUTHORIZED SHARE CAPITAL

2022	2021		2022	2021
---(Number of shares)---			---(Number of shares)---	
90,000,000	90,000,000	Ordinary shares of Rs. 10/- each	900,000	900,000

20 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Number of ordinary shares of Rs. 10/- each 2022	2021			
19,881,766	19,881,766	Fully paid in cash (note 20.1)	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

20.1 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.

20.2 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, 2022 (2021: same status) to the shareholders of HTPL (former Holding Company) in accordance with the Scheme. Post completion of legal formalities, Chief Executive, will hold 12,326,629 [2022: 54.81% (2021: 54.81%)] ordinary shares of the Company of Rs. 10 each and other directors will held 4,358,000 [2022: 19.38% (2021: 19.38%)] ordinary shares of the Company of Rs. 10 each.

20.3 At June 30, 2022 the former Holding Company held 74.19% (2021: 74.19%), institutions held 14.06% (2021: 14.06%) and individuals and others held the balance of 11.75% (2021: 11.75%) voting rights, board selection, right of first refusal and block voting are in proportion to their

21 CAPITAL RESERVES

	Note	2022	2021
		--- (Rupees in '000) ---	
Revaluation surplus of property	21.1	336,715	336,415
Other reserves			
Reserve on amalgamation		153,458	153,458
Actuarial loss on remeasurement of retirement and other service benefits		(30,477)	(36,223)
		122,981	117,235
		459,696	453,650

21.1 Revaluation surplus of property

	Note	2022	2021
Balance as at July 01		336,415	336,415
Surplus recognised during the year	21.1.1	300	-
Balance as at June 30		336,715	336,415

21.1.1 Surplus recognised during the year

	2022	2021
Leasehold land	-	-
Freehold land	300	-
	300	-

21.1.2 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 REVENUE RESERVE

	2022	2021
General reserve	90,000	90,000
Accumulated loss	(165,135)	(191,971)
	(75,135)	(101,971)

23 LONG-TERM LOAN

	Note	2022	2021
Secured			
National Bank of Pakistan (NBP)	23.1	138,115	254,439
Current portion of long-term loan		(23,770)	(254,439)
		114,345	-

23.1 During 2015, long-term finance obtained, under conventional banking terms, by HTPL had been transferred to the Company at the time of amalgamation (the scheme). This loan was obtained as a demand finance facility under the agreement dated April 08, 2013 from NBP and was repayable in 9 semi-annual installments of Rs. 44.44 million latest by April 01, 2018 with a grace period of six months. The loan carried mark-up at rate of 6 months KIBOR plus 2.5% to 6% per annum. This loan was 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 guarantee of Chief Executive of the Company. In previous years, the Company negotiated several offer letters from NBP.

On September 20, 2021, the Company received a proposal via offer letter No. NBP/ARG/ARW(S)/BLPL/2021/770 supplemented by offer letter for the restructuring / rehabilitation scheme No. NBP/ARG/ARW(S)/BLPL/2022/08 dated January 06, 2022 and addendum to offer letter for the restructuring / rehabilitation scheme dated June 03, 2022 for the restructuring of loan from NBP which has since been accepted on June 08, 2022 by the Company's management.

However, the competent authority of NBP approved the acceptance of this offer by the Company and executed restructuring of long-term loan amounting to Rs. 254.44 million and its related accrued mark-up amounting to Rs. 119.39 million into three different facilities with effect from June 09, 2022, as mentioned below:

In respect Demand Finance-I (DF-I) facility:

- The part of long-term loan amounted to Rs. 100.44 million restructured as DF-I.
- Upfront payment of Rs. 25.44 million to be made immediately.
- Remaining balance of Rs. 75 million to be re-paid in 20 quarterly installments starting from September 30, 2022 with a grace period of 1 year.
- The facility carries mark-up at the rate of 3 month KIBOR + 2%, which will also be payable during the grace period.

In respect Demand Finance-II (DF-II) facility:

- Frozen accrued mark-up amounted to Rs. 119.39 million on long-term loan restructured as DF-II.
- The Company to pay an amount of Rs. 113.82 million towards frozen mark-up.
- Upfront payment of Rs. 18.52 million (including accrued mark-up amounting to Rs. 7.90 million for the period from January 01, 2022 to June 09, 2022) to be made immediately.
- Remaining amount of Rs. 95.29 million to be re-paid in 20 quarterly installments starting from September 30, 2022.
- The facility carries no mark-up.

In respect Running Finance facility:

- Another part of long term loan amounted to Rs. 154 million restructured as running finance.

- The facility carries mark-up of 3 month KIBOR + 1.75%.

The restructuring / rehabilitation scheme of Burshane LPG (Pakistan) Limited has resulted in a loan restructuring gain, on original long tem loan and accrued mark-up thereon, of Rs. 37.76 million on effective date of loan restructuring i.e. June 09, 2022 as described below:

Carrying amount of long term loan before restructuring	Note	Rupees in '000'
Long-term loan	23	254,439
Accrued mark-up	32	119,392
		373,831
Loan restructured:		
Long-term loan	23	138,115
Short-term borrowings (running finance)	30	154,000
		292,115
		81,716
Less: Upfront payment on account of long-term loan and frozen mark-up		43,960
Gain on loan restructuring	38	37,756

In addition, this restructuring arrangements are secured by way of the following;

- 1st charge on present and future current and fixed assets of the company of Rs. 750 million already registered at SECP;

- 1% registered mortgage of land and building of both project locations i.e. Karachi and Faisalabad mentioned in latest balance sheet, to be created as per the original offer letter by NBP for the restructuring / rehabilitation scheme No. NBP/ARG/ARW-S/BLPL/2021/770 dated September 20, 2021. However, as per the revised offer letter by NBP for the restructuring / rehabilitation scheme No. NBP/ARG/ARW-S/BLPL/2022/08 dated January 06, 2022, the existing collateral is replaced by 1% Registered mortgage and 99% equitable mortgage of Freehold Land (i.e Chak no. 245 Near Railway Station, Abbaspur, Faisalabad, forced sales value of the said location is Rs. 50 million dated December 02, 2021);

- 1% registered mortgage and balance by way of equitable mortgage on Company's owned following properties situated in Karachi by Rs. 660 million registered at SECP;

- residential / commercial land bearing No. 74 measuring 37 Ghuntas situated at Deh Okewari, Shahra-e-Faisal,Karachi valuation conducted by Luckyhiya Associates (Pvt). Ltd having market value of Rs. 89.63 million and forced sales value amounting to Rs. 71.71 million dated June 30, 2020;

- residential / commercial land bearing No. 47 measuring 2 Acre and 19 Ghuntas situated at Deh Okewari, Shahra-e-Faisal, Karachi valuation conducted by Luckyhiya Associates (Pvt). Ltd having market value of Rs. 239.83 million and forced sales value amounting to Rs. 191.86 million dated June 30, 2020;
- personal guarantee of CEO of the Company;
- undertaking for routing all sales through Company's account with NBP cash management system;
- assignment of long term deposits lying with various refineries (on best efforts);
- replacement of 16,834,434 shares of HAKS Trading (Pvt). Ltd (held by NBP) with shares of Burshane LPG (Pakistan) Limited to be completed in three months under the supervision / guidance of NBP legal division as a result of name change of the organization. Further, after the conversion of said shares, shares of Burshane LPG (Pakistan) Limited to be held with NBP.

There are certain other terms and conditions attached in the aforementioned letter dated September 20, 2021 in respect of restructuring / rehabilitation of loan which the Company have to comply with, some of which are mentioned below:

- Debt to EBITDA not to exceed 3 times.
- Debt Service Coverage Ratio not to fall below 1.5
- No new dividend to be paid / announced during rescheduling period or prior approval from NBP to be obtained
- NBP’s prior approval to be obtained for the payment of unclaimed dividend amount to the sponsoring directors.

24 LEASE LIABILITIES

	Note	2022	2021
		---(Rupees in '000) ---	
Balance as at July 01	24.1	16,291	22,625
Impact of lease modification		-	(1,632)
Addition		27,000	-
Disposal		(3,018)	-
Interest expense		2,218	3,013
		42,491	24,006
Payments made during the year		(14,316)	(7,715)
		28,175	16,291
Current portion of lease liabilities		(9,304)	(6,349)
Balance as at June 30		18,871	9,942

24.1 For determining, lease liabilities, the Company discounted lease payments using its incremental borrowing rate 17.01% per annum (2021: 17.01% per annum).

24.2 Represents finance lease entered into with a leasing company for vehicles. Total lease rentals due under lease agreement aggregated to Rs. 31.90 million (2021: Rs. 1.67 million) and are payable in equal monthly installments latest by May 2027. Taxes, charges, demands and levies, repair and maintenance are to be borne by the Company.

	Note	2022	2021
24.3 Maturity analysis-contractual cash flow		--- (Rupees in '000) ---	
Less than one year		9,304	6,349
One to five year		18,871	9,942
More than five year		-	-
Total lease liability		28,175	16,291

25 DEFERRED TAXATION - NET

	2022	2021
Taxable temporary differences		
Accelerated tax depreciation and amortisation	29,549	30,091
Post employment benefits	2,382	2,927
Surplus on revaluation of property	87	-
	32,018	33,018
Deductible temporary differences		
Lease liabilities	(8,171)	(4,724)
Minimum turnover tax	(11,300)	(6,546)
Provisions	(3,202)	(3,380)
	(22,673)	(14,650)
	9,345	18,368

26 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.

27 LOAN FROM A SUBSIDIARY COMPANY

27.1 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	2022	2021
		--- (Rupees in '000) ---	
28 TRADE AND OTHER PAYABLES			
Creditors		70,767	52,451
Accrued liabilities		5,324	6,115
Burshane LPG (Pakistan) Limited - Pension Fund		-	14,483
Advances from distributors / customers - unsecured		12,888	13,773
Workers' Profits Participation Fund		1,403	-
Workers' Welfare Fund		3,017	3,017
Withholding tax payable		1,262	218
Others		18,166	17,969
		112,827	108,026

29 SHORT-TERM LOAN

	Note	2022	2021
Related party - unsecured			
Burshane Petroleum (Private) Limited	29.1	45,000	-

29.1 The loan was obtained from Burshane Petroleum (Private) Limited amounting to Rs. 397 million for purchase of LPG. During the reporting period loan amounting to Rs. 352 million was repaid. It carries rate of return of KIBOR + 2% (2021: Nil).

30 SHORT-TERM BORROWINGS

The Company has arrangement for running finance facility under mark-up arrangement from NBP amounting to Rs. 154 million along with an import LC sight.

The rate of mark-up on running finance facility is 3 months KIBOR + 1.75% per annum. The arrangements are 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 guarantee of Chief Executive of the Company.

During the year, the Company has paid an amount of Rs. 2.94 million on restructured running finance (refer note 23.1).

	Note	2022	2021
		--- (Rupees in '000) ---	
31 UNCLAIMED DIVIDENDS			
Opening balance		83,198	83,198
Dividend paid during the year		(148)	-
Closing balance		83,050	83,198

31.1 These includes an amount of Rs. 79.97 million (2021: 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 ACCRUED MARK-UP

	Note	2022	2021
Mark-up accrued on:			
Short-term loan	32.1	1,038	-
Long-term loan		726	119,392
Short-term borrowings		1,441	-
		3,205	119,392

32.1 This represents accrued mark-up payable to Burshane Petroleum (Private) Limited.

33 CONTINGENCIES AND COMMITMENTS

33.1 Contingencie

33.1.1 Claims not acknowledged as debt by the Company as at June 30, 2022 amounted to Rs. 31.90 million (2021: Rs. 1.68 million).

33.1.2 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 was 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 be any material impact on the financial statements of any action taken up by SECP.

33.1.3 The Special Sales Tax Reference Application (STRA) has been filed by the Commissioner Inland Revenue, Zone-IV, Large Taxpayers Unit Karachi in the High Court of Sindh at Karachi on December 18, 2019. During the year ended June 30, 2018, tax authorities issued Order dated May 25, 2018 and charged sales tax under section 8B of Sales Tax Act, 1990, raising sales tax demand and imposing penalties aggregating to Rs. 133.11 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 July 03, 2018 vacated the whole principal amount of sales tax of Rs. 65.57 million and reduced the imposition of penalties from Rs. 67.54 million to Rs. 0.50 million 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. 1.34 million and maintained the amount of penalty Rs. 0.50 million. The Company has paid the reduced amount of default surcharge and penalty without pursuing the matter before the High Court.

33.1.4 The captioned Special Sales Tax Reference Application (STRA) is filed by the Commissioner Inland Revenue, Zone-IV, Large Taxpayers Unit Karachi in the High Court of Sindh at Karachi. On September 28, 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. 7.90 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 October 31, 2018 vacated the whole principal amount of sales tax of Rs. 7.67 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 August 28, 2019 reduced the substantial amount of default surcharge to Rs. 0.16 million and maintained the amount of penalty Rs. 0.23 million. The Company has paid the reduced amount of default surcharge and penalty without pursuing the matter further.

33.1.5 The Company has filed Special Federal Excise Duty (FED) Ref. Application before the Hon'ble High Court of Sindh against the Appellate order dated April 02, 2012 of the Appellate Tribunal IR. The tax authorities at Large Taxpayers Office established a demand towards 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.

33.1.6 A complaint was filed by the Directorate of Investigation and Intelligence (Inland Revenue) (I & I - IR) on August 31, 2020, against the Company for alleged Tax evasion of approximately Rs. 1.78 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 the 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 the 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 Company has lost the case upon the dismissal of Constitutional Petition No. D-5162 of 2020 by Hon'ble Court on June 20, 2022 and directed to defend the case in the court of Special Judge (Custom, Taxation and Anti-Smuggling) Karachi.

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 16, 2022, in which the additions made by the Deputy Commissioner Inland Revenue in the assessments made under section 122 through order dated June 14, 2022 has not been accepted by the learned Commissioner Inland Revenue (Appeals-II), Karachi who has been pleased to remand the matter back for both the years, as such no demand subsists for tax year 2018 and 2019.

The Director of Intelligence and 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.

33.1.7 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 Faisalabad. The landlords filed an ejectment petition against the Company and the Company has filed defending argument in the rent tribunal Faisalabad and case is under hearing stage.

33.1.8 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.

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.

The Company filed application dated March 25, 2021 for approval for revision of return under clause (ba) of subsection 6 of section 114 of Income Tax Ordinance, 2001, for charging minimum tax u/s 113 at the rate 0.2% instead of 1%. The commissioner audit vide his letter dated May 07, 2021 rejected the request of the Company for granting permission for revision of return. The Company has filed a petition in the Hon'ble High Court of Sindh with prayer to direct the Commissioner Inland Revenue to allow revision of return of income for the tax year 2016 and no adverse order has been passed.

	2022	2021
	--- (Rupees in '000) ---	

33.2 Commitments

	2022	2021
Post-dated cheques	31,900	1,677

34 SALES - NET

	2022	2021
Gross sales		
Liquefied petroleum gas (LPG)	5,189,987	3,049,414
Low pressure regulators (LPR)	968	1,102
	5,190,955	3,050,516
Sales return	(4,202)	(407)
Sales tax	(692,126)	(458,812)
	4,494,627	2,591,297

34.1 Revenue recognised from amounts included in advance from customers at the beginning of the year amounted to Rs. 13.14 million (2021: Rs. 10.54 million).

35 COST OF SALES

	Note	2022	2021
		--- (Rupees in '000) ---	
Salaries, wages and other employees benefits	35.1	29,191	29,643
Cost of low pressure regulators sold		2,192	681
Stores and spares consumed	35.3	789	1,863
Repairs and maintenance		7,777	7,074
Travelling, conveyance and vehicle maintenance		911	713
Depreciation	8.1.3	8,666	10,718
Amortisation	9.5	10,030	49,080
Rent, rates and utilities		39,026	12,613
Communication charges		980	936
Printing and stationery		502	188
Legal and professional charges		488	408
Insurance		2,784	2,440
Signature bonus		51,672	37,360
Security		3,786	2,791
Sundry expenses		2,782	4,337
Manufacturing cost		161,576	160,845
Opening stock		18,429	42,516
Purchases	35.2	4,192,842	2,372,876
Closing stock	13	(44,370)	(18,429)
		4,166,901	2,396,963
		4,328,477	2,557,808

35.1 Salaries and other benefits include Rs. 0.60 million (2021: Rs. 0.69 million) in respect of retirement and other service benefits.

35.2 This include amount of Rs. 176.42 million (2021: 206.34 million) related to purchases of LPG from Byco Petroleum Pakistan Limited (BPPL) and amount of Rs. 5.72 million (2021: 13.75 million) paid to ADEPT (Private) Limited (APL) for purchasing rights of LPG quota. On May 13, 2019, the Company 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

As per the revised agreement effective from August 16, 2020, APL is entitled to a fixed profit amounting to Rs. 4,500 (2021: Rs. 4,500) 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.

	Note	2022	2021
		--- (Rupees in '000) ---	

35.3 Stores and spares consumed

	Note	2022	2021
Opening stock		3,873	2,215
Purchases		1,589	3,520
		5,462	5,735
Closing stock	12	(4,673)	(3,873)
		789	1,863

36 ADMINISTRATIVE EXPENSES

	Note	2022	2021
Salaries, wages and other employees benefits	36.1	69,939	69,968
Depreciation	8.1.3	8,123	9,092
Amortisation	9.5	88	88
Repairs and maintenance		1,013	1,013
Travelling, conveyance and vehicle maintenance		7,794	7,766
Rent, rates and utilities		1,646	1,852
Communication charges		2,692	2,615
Printing and stationery		1,058	1,103
Legal and professional		19,998	25,863
Insurance		775	2,376
Advertisement and publicity		26	565
Security		1,949	1,631
Sundry		821	806
		115,922	124,738

36.1 Salaries and other benefits include Rs. 6.57 million (2021: Rs. 6.70 million) in respect of retirement and other service benefits.

37 DISTRIBUTION AND MARKETING EXPENSES

	Note	2022	2021
Salaries, wages and other employees benefits	37.1	13,405	15,241
Depreciation	8.1.3	28,075	24,210
Repairs and maintenance		251	200
Travelling, conveyance and vehicle maintenance		524	635
Rent, rates and taxes		947	577
Communication charges		655	807
Printing and stationery		136	164
Insurance		227	155
Hospitality charges		15,690	19,181
Freight and octroi		7,731	4,107
Advertisement and publicity		157	148
Security		744	655
Sundry expenses		435	366
		68,977	66,446

37.1 Salaries and other benefits include Rs. 0.35 million (2021: Rs. 0.35 million) in respect of retirement and other service benefits.

38 OTHER INCOME

	Note	2022	2021
		--- (Rupees in '000) ---	
Income from financial assets			
Profit on saving accounts	38.1	1,162	2,268
Income from non-financial assets			
Rental income from storage tanks-cylinders		1,076	1,116
Gain on disposal of property, plant and equipment		1,907	5,500
Liability for cylinder deposits and regulator deposits written back	38.2	19,245	16,029
Old liabilities written back		3,231	2,167
Reversal of expected credit losses	14.1	613	-
Recoveries against cylinder replacement		1,944	1,919
Hospitality income		188	455
Gain on restructuring of loan	23.1	37,756	-
		67,122	29,454

38.1 Represents profit on bank accounts under conventional banking relationship.

38.2 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.

39 OTHER EXPENSES

	Note	2022	2021
Workers' Profits Participation Fund		1,403	-
Directors' fees		4,400	4,800
Auditors' remuneration	39.1	2,259	2,556
Allowance for expected credit losses	14.1	-	1,542
		8,062	8,898

39.1 Auditors' remuneration

	2022	2021
Statutory audit	1,200	1,200
Half yearly review	500	500
Other certification	290	290
Out of pocket expenses and others	269	566
	2,259	2,556

	Note	2022	2021
40 FINANCIAL COSTS		--- (Rupees in '000) ---	
Mark-up / interest on:			
Short-term loan		7,433	-
Short-term borrowings		1,441	-
Long-term loan		726	22,363
Lease liabilities		2,218	3,013
		11,818	25,376
Bank charges and commission		1,840	1,613
		13,658	26,989

41 TAXATION

	Note	2022	2021
Current	17	11,300	6,546
Prior year		6	(66,361)
Deferred		(11,492)	15,441
		(186)	(44,374)

41.1 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 as it is a higher of Corporate rate tax and Alternate Corporate Tax.

	Note	2022	2021
		--- (Rupees in '000) ---	
42 EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED			
Profit / (loss) for the year		26,836	(119,754)
		--- (Number in '000) ---	
Weighted average number of ordinary shares outstanding		22,489	22,489
		--- (Rupees) ---	
Earnings / (loss) per share - basic and diluted		1.19	(5.33)

43 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

	2022				2021			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	(Rupees in '000)				(Rupees in '000)			
Managerial remuneration	27,324	12,027	22,224	61,575	27,324	15,222	20,682	63,228
Meeting fees	300	650	850	1,800	350	950	950	2,250
Bonus	2,277	880	1,740	4,897	2,277	1,268	1,758	5,303
Retirement benefits	1,161	-	760	1,921	1,161	-	694	1,855
Travelling and conveyance	1,001	122	103	1,226	-	67	70	137
Medical allowance	-	413	1,014	1,427	-	792	828	1,620
Mobile allowance	-	30	-	30	-	30	-	30
Total	32,063	14,122	26,691	72,876	31,112	18,329	24,982	74,423
Number of persons	1	2	10	13	1	2	10	13

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

43.2 Fee amounting to Rs. 1.30 million (2021: Rs. 2.40 million) was paid to five (2021: four) non-executive directors for attending Board meetings during the year.

44 RETIREMENT AND OTHER SERVICE BENEFITS

44.1 Pension fund and gratuity fund - valuation results:

The latest actuarial valuations of the defined benefit plans were carried out as at June 30, 2022, using the "Projected Unit Credit Method". The Company has terminated the gratuity and the purpose of the valuation is to fulfil the regulatory requirements. The assumptions and methodology used in the valuation are based on the provisions of International Accounting Standard 19 (IAS 19). The details of defined benefit plans are as follows:

	Note	Pension Fund 2022	Pension Fund 2021	Gratuity Fund 2022	Gratuity Fund 2021
		---- (Rupees in '000) ----			
44.1.1 Statement of financial position reconciliation:					
Fair value of plan assets	44.1.4	(108,807)	(102,407)	-	(17,807)
Present value of defined benefit obligations	44.1.3	106,215	117,083	-	19,586
Net (asset) / liability at end of the year	44.1.2	(2,592)	14,676	-	1,779
44.1.2 Movement in net liability / (asset) recognised:					
Balance as at July 01		14,676	31,915	1,779	(1,350)
Charge for the year		2,562	3,496	2,213	1,146
Contribution		(8,584)	(8,660)	(7,023)	-
Remeasurements of obligations	44.1.7	(11,246)	(12,075)	3,031	1,983
Balance as at June 30		(2,592)	14,676	-	1,779
44.1.3 Movement in defined benefit obligations:					
Balance as at July 01		117,083	119,339	19,586	18,270
Current service cost		1,537	1,188	1,515	1,261
Interest cost		11,201	9,679	1,959	1,396
Employee contributions		253	442	-	-
Benefits paid		(10,139)	(10,496)	(25,382)	(3,694)
Curtailment / settlement gain		-	-	520	-
Remeasurements of obligations	44.1.7	(13,720)	(3,069)	1,802	2,353
Balance as at June 30		106,215	117,083	-	19,586
44.1.4 Movement in fair value of plan assets:					
Balance as at July 01		102,407	87,424	17,807	19,620
Expected return on plan assets		10,176	7,372	1,781	1,511
Contribution		8,584	8,660	7,023	-
Employees contributions		253	442	-	-
Benefits paid		(10,139)	(10,496)	(25,382)	(3,694)
Remeasurements of plan assets		(2,474)	9,005	(1,229)	370
Balance as at June 30		108,807	102,407	-	17,807

	Note	Pension Fund 2022	Pension Fund 2021	Gratuity Fund 2022	Gratuity Fund 2021
44.1.5 Charge for the year:					
Current service cost		1,537	1,188	1,515	1,261
Net Interest cost		1,025	2,307	178	(115)
Curtailment / settlement gain		-	-	520	-
		2,562	3,495	2,213	1,146
44.1.6 Actual return on plan assets		7,702	16,377	552	1,881
44.1.7 Remeasurement recognised in Other Comprehensive Income:					
Remeasurement of obligation					
Experience (gain) / loss		(13,720)	(3,069)	1,802	2,353
Remeasurement of Plan Assests					
Experience loss /(gain)		2,474	(9,005)	1,229	(370)
		(11,246)	(12,074)	3,031	1,983
44.1.8 Principal actuarial assumptions used in the actuarial valuation:					
Financial assumptions					
Discount rate		13.25%	10.00%	13.25%	10.00%
Expected per annum rate of return on plan assets		13.25%	10.00%	13.25%	10.00%
Expected per annum rate of increase in salaries - long term		13.25%	8.00%	13.25%	8.00%
Demographic assumptions					
Expected mortality rate		SLIC 2001-2005	Adjusted SLIC 2001-2005	SLIC 2001-2005	Adjusted SLIC 2001-2005
Expected withdrawal rate		High	High	High	High

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30,2022

44.1.9 Analysis of present value of defined benefit obligation:

	AS AT JUNE 30, 2022 Pension Fund	Gratuity Fund
	------- (Rupees in '000)	------
Vested benefits	3,895	-
Non-vested benefits	102,320	-
	106,215	-

44.1.0 Plan assets comprise of the following:

	Pension Fund				Gratuity Fund			
	2022		2021		2022		2021	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Investments								
Mutual funds	74,064	68	55,458	54	-	0	14,964	84
Musharka Certificate	-	0	44,255	43	-	0	5,466	31
	74,064	68	99,713	97	-	0	20,430	115
Advances and other receivable	760	1	738	1	-	0	49	0
Liabilities	(793)	(1)	(193)	(0)	-	0	(2,877)	(16)
Cash and cash equivalents	34,524	32	2,149	2	-	0	204	1
	108,555		102,407		-		17,806	

44.1.11 Historical information of staff retirement benefits:

	2022	2021	2020	2019	2018	2017
		----(Rupees in '000)---				
Gratuity Fund						
Present value of defined Benefit obligation	-	19,586	18,270	13,311	15,800	15,754
Fair value of plan assets	-	(17,807)	(19,620)	(17,431)	(25,236)	(12,554)
Deficit / (surplus)	-	1,779	(1,350)	(4,120)	(9,436)	3,200
Pension Fund						
Present value of defined benefit obligation	106,215	117,083	119,337	77,031	108,913	102,914
Fair value of plan assets	(108,807)	(102,407)	(87,424)	(93,399)	(75,828)	(96,825)
(Surplus) / deficit	(2,592)	14,676	31,913	(16,368)	33,085	6,089

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

	AS AT JUNE 30, 2022 Pension Fund	Gratuity Fund
	------- (Rupees in '000)	------
Discount rate + 1%	99,215	-
Discount rate - 1%	114,171	-
Long term salaries increase +1%	108,332	-
Long term salaries increase -1%	104,215	-
Withdrawal rates +10%	105,909	-
Withdrawal rates -10%	106,535	-
1 Year Mortality age set back	106,317	-
1 Year Mortality age set forward	106,113	-

44.1.13 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.

44.2 Provident Fund

The following information is based upon the latest audited financial statements of the provident fund as at June 30, 2022 and June 30, 2021:

	2022	2021
	--- (Rupees in '000) ---	
Size of the fund - total assets	5,256	13,629
Fair value of investments	6,000	13,767
Cost of investments	5,155	13,544
Percentage of investments	98.08%	99.38%

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

	2022		2021	
	Rupees in '000	%	Rupees in '000	%
Bank deposits	625	10	419	3
Mutual funds	5,375	90	13,348	97
	6,000		13,767	

Investments out of the Staff Provident Fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30,2022

45 TRANSACTIONS WITH RELATED PARTIES

45.1 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.

45.2

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	2022	2021
		---(Rupees in '000)---	
Subsidiary Company			
Burshane Auto Gas (Private)	Expense paid on behalf of subsidiary company	405	246
	Amount received against expenses	189	-
Staff retirement benefit / contribution plans			
Burshane LPG (Pakistan) Limited Gratuity Fund	Benefits paid	4,146	-
Burshane LPG (Pakistan) Limited Management Staff Pension Fund	Benefits paid	8,584	8,660
Burshane LPG (Pakistan) Limited Provident Fund	Contribution paid	2,749	2,765
Associated Companies			
Burshane Petroleum (Private) Limited [Formerly Darian International (Private) Limited]	Short term Loan - received *	397,000	90,000
	Short term Loan - paid *	352,000	90,000
	Interest expense on short term loan	7,433	452
	Interest paid on short term loan	6,395	452
	Received against expenses	-	500
AAK Commodities (Private) Limited [Formerly ALSAA & AAK Commodities (Private) Limited]	Amount received against expenses	-	250
A&S Corporation (Private) Limited	Expense paid on behalf of associated company	34	-
	Amount received against expenses	34	75
Roots International Brands (Private)	Interest received on short term advances	-	834

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30,2022

Nature of relationship	Nature of transactions	2022	2021
		---(Rupees in '000)---	
Key management	Loan disbursed	2,875	1,060
	Amount received against loan	3,294	1,127
	Managerial remuneration	61,575	63,228
	Bonus	4,897	5,303
	Retirement benefits	1,921	1,855
	Utilities	30	30
	Advance against salary	-	760
	Travelling and conveyance	1,226	137
	Medical	1,427	1,620

* During the year, the Company obtained a loan amounting to Rs. 397 million at a markup of KIBOR plus 2% from Burshane Petroleum (Private) Limited, an associate company, with no agreed purpose and other terms. The loan amounting to Rs. 352 million was also repaid by cheque during the year.

Balances with related parties

		2022	2021
Former Holding Company			
H.A.K.S. Trading (Private) Limited	Dividend payable	79,971	79,971
Subsidiary			
Burshane Auto Gas (Private) Limited	Investment held insubsidiary	50,000	50,000
	Loan payable to subsidiary	50,000	50,000
	Receivable against expenses	227	11
Staff retirement benefit / contribution plans			
Burshane LPG (Pakistan) Limited Management Staff Pension Fund	Receivable / (payable) to staff pension fund	3,133	(14,483)
Burshane LPG (Pakistan) Limited Gratuity Fund	Receivable from staff gratuity fund	-	1,098
Burshane LPG (Pakistan) Limited Provident Fund	Receivable from staff provident fund	511	-
Associated Companies			
Burshane Petroleum (Private) Limited (Formerly Darian International (Private) Limited)	Receivable against use of name Burshane	9,000	9,000
	Short-term loan	45,000	-
	Markup payable	1,038	-
Key management personnel			
Key management personnel	Long-term loan	-	353
	Short-term loan	368	434

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30,2022

45.3 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
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
AAK Commodities (Private) Limited (Formerly ALSAA & AAK Commodities (Private) Limited)	Common directorship	Nil
A&S Corporation (Private) Limited	Common directorship	Nil
Norinco International Thatta Power (Private) Limited	Common directorship	Nil
Burshane Petroleum (Private) Limited (Formerly Darian International (Private) Limited)	Common directorship	Nil
AN Developers (Private) Limited	Common directorship	Nil
AN Energy (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

* No share capital has been issued since incorporation and no transactions were undertaken by Burshane Trading (Private) Limited during the year

46 CASH GENERATED FROM OPERATIONS

	Note	2022	2021
		---(Rupees in '000)---	
Profit / (loss) before taxation		26,653	(164,128)
Adjustment for non-cash and other items:			
Gain on disposal of property, plant and equipment	38	(1,907)	(5,500)
Financial charges	40	13,658	26,989
Depreciation	8.1.3	44,864	44,020
Amortisation	9.5	10,118	49,168
Provision for retirement and other service benefits		4,775	4,642
Restructuring of loan to short-term borrowings		(154,000)	-
Gain on loan restructuring		(37,756)	-
(Reversal) / allowance for the year	14.1	(613)	1,542
Liability for cylinder deposits written back	38	(19,245)	(16,029)
		(140,106)	104,832
Loss before working capital changes		(113,456)	(59,296)
Working capital changes	46.1	27,153	(196,769)
		(86,300)	(256,065)

46.1 Working capital changes

	2022	2021
Decrease / (increase) in current assets:		
Stores and spares	(800)	(1,658)
Stock-in-trade	(25,791)	24,767
Trade debts	531	(64,431)
Loans and advances	15,498	(18,943)
Deposits, prepayments and other receivables	18,431	(121,247)
	7,869	(181,512)
Increase / (decrease) in current liabilities:		
Trade and other payables	19,284	(15,257)
	27,153	(196,769)

47 FINANCIAL INSTRUMENTS BY CATEGORY

	2022	2021
	---(Rupees in '000)---	
Financial assets as per statement of financial position		
Amortized cost		
Long-term loans including current portion	368	840
Long-term deposits	3,174	3,174
Trade debts	87,747	87,665
Loans and advances	368	487
Deposits and other receivables	104,818	122,814
Bank balances	96,272	92,622
	292,747	307,602

	2022	2021
Financial liabilities as per statement of financial position		
Amortized cost		
Long-term loan including current maturity	138,115	254,439
Trade and other payables	94,257	91,018
Loan from a subsidiary company	50,000	50,000
Cylinder and regulator deposits	466,197	438,262
Accrued mark-up	3,205	119,392
	751,774	953,111

48 CHANGE IN LIABILITIES ARISING FROM FINANCIAL ACTIVITIES

Description	As at July 01, 2021	Restructuring of loan from NBP	Additions	Disposals	Others	Cashflows	As at June 30, 2022
	(Rupees in '000)						
Long-term loan	-	161,671	-	-	(21,883)	(25,443)	114,345
Current portion of long-term loan	254,439	(220,382)	-	-	(10,287)	-	23,770
Lease liabilities	9,942	-	27,000	-	(18,071)	-	18,871
Current portion of lease liabilities	6,349	-	-	(3,018)	20,289	(14,316)	9,304
Short-term loan	-	-	397,000	-	-	(352,000)	45,000
Short-term borrowings	-	154,000	-	-	-	(2,939)	151,061
Accrued mark-up	119,392	(95,289)	3,205	-	(5,586)	(18,517)	3,205
2022	390,122	-	427,205	(3,018)	(35,538)	(413,215)	365,556

Description	As at July 01, 2020	Restructuring of loan from NBP	Additions	Disposals	Others	Cashflows	As at June 30, 2021
	(Rupees in '000)						
Current portion of long-term loan	254,439	-	-	-	-	-	254,439
Lease liabilities	17,511	-	-	-	(7,569)	-	9,942
Current portion of lease liabilities	5,114	-	-	-	8,950	(7,715)	6,349
Accrued mark-up	97,029	-	22,363	-	-	-	119,392
2021	374,093	-	22,363	-	1,381	(7,715)	390,122

49 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

49.1 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 other 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 manages its interest rate risk by availing at fixed rate and borrowings by placing its excess funds in saving accounts in banks.

	2022	2021	2022	2021
	Effective rate		Carrying amount	
	-------- (In percent) --------		--------- (Rupees in '000) ---------	
Financial liabilities				
Variable rate instruments				
Long-term loan including current maturity	16.83%	9.50%	138,115	254,439
Short-term loan	15.83%	-	45,000	-
Short-term borrowings	16.58%	-	151,061	-
			334,176	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. 3.34 million (2021: 2.54 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:

	2022	2021
	---(Rupees in '000)---	
Long-term loans including current portion	368	840
Long-term deposits	3,174	3,174
Trade debts	87,747	87,665
Deposits and other receivables	104,818	122,814
Bank balances	96,272	92,622
	292,379	307,115

For trade debts, the credit risk exposure is net of allowance for expected credit losses as disclosed in note 14.1.

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	
		2022	2021	2022	2021
Bank Alfalah Limited	PACRA	A1+	A1+	AA+	AA+
Habib Bank Limited	VIS	A1+	A1+	AAA	AAA
MCB Bank Limited	PACRA	A1+	A1	AAA	A
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	AAA
Summit Bank Limited	VIS	Not rated	Not rated	Not rated	Not rated

c) Liquidity risk

Liquidity risk is that the risk the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Following are the contractual maturities of the Company's financial liabilities:

	2022			2021		
	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	23,770	114,345	138,115	254,439	-	254,439
Lease Liability	9,304	18,871	28,175	6,349	9,942	16,291
Cylinder and regulator deposits	-	466,197	466,197	-	438,262	438,262
Trade and other payables	94,257	-	94,257	91,018	-	91,018
Short-term loan	45,000	-	45,000	-	-	-
Short-term borrowings	151,061	-	151,061	-	-	-
Accrued mark-up	3,205	-	3,205	119,392	-	119,392
Loan from a subsidiary company	50,000	-	50,000	50,000	-	50,000
	376,597	599,413	976,010	521,198	448,204	969,402

49.2 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 freehold land at February 15, 2022 and leasehold land as at June 14, 2022 was carried out by M/s. K. G. Traders (Private) Limited and M/s. Luckyhiya Associate (Private) Limited (refer note 8.1.6).

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	-	16,800	-	16,800
Leasehold land	-	569,288	-	569,288
2022	-	586,088	-	586,088
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

50 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:

	2022	2021
	---(Rupees in '000)---	
Lease liability	28,175	16,291
Cylinder and regulator deposits	466,197	438,262
Loan from a subsidiary company	50,000	50,000
Short-term loan	45,000	-
Short-term borrowings	151,061	-
Long-term loan including current maturity	138,115	254,439
Trade and other payables	112,827	108,026
Unclaimed dividends	83,050	83,198
Accrued mark-up	3,205	119,392
Total debt	1,077,630	1,069,608
Cash and bank balances	(96,296)	(92,822)
Net debt	981,334	976,786
Share capital	224,888	224,888
Capital reserves	153,458	153,458
Revenue reserves	(75,132)	(101,971)
Actuarial loss on remeasurement of retirement and other service benefits	(30,477)	(36,223)
Revaluation surplus on property	336,715	336,415
Total equity	609,452	576,567
Capital	1,590,786	1,553,353
Gearing ratio	61.69%	62.88%

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30,2022

51 CORRESPONDING FIGURES

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

52 CAPACITY

		2022	2021
		(Quantity in metric ton)	
Installed annual filling capacity		37,500	37,500
Actual utilization	52.1	30,960	32,924

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

53 NUMBER OF EMPLOYEES

	2022	2021
As at the reporting date	76	85
Average number of employees during the year	77	82

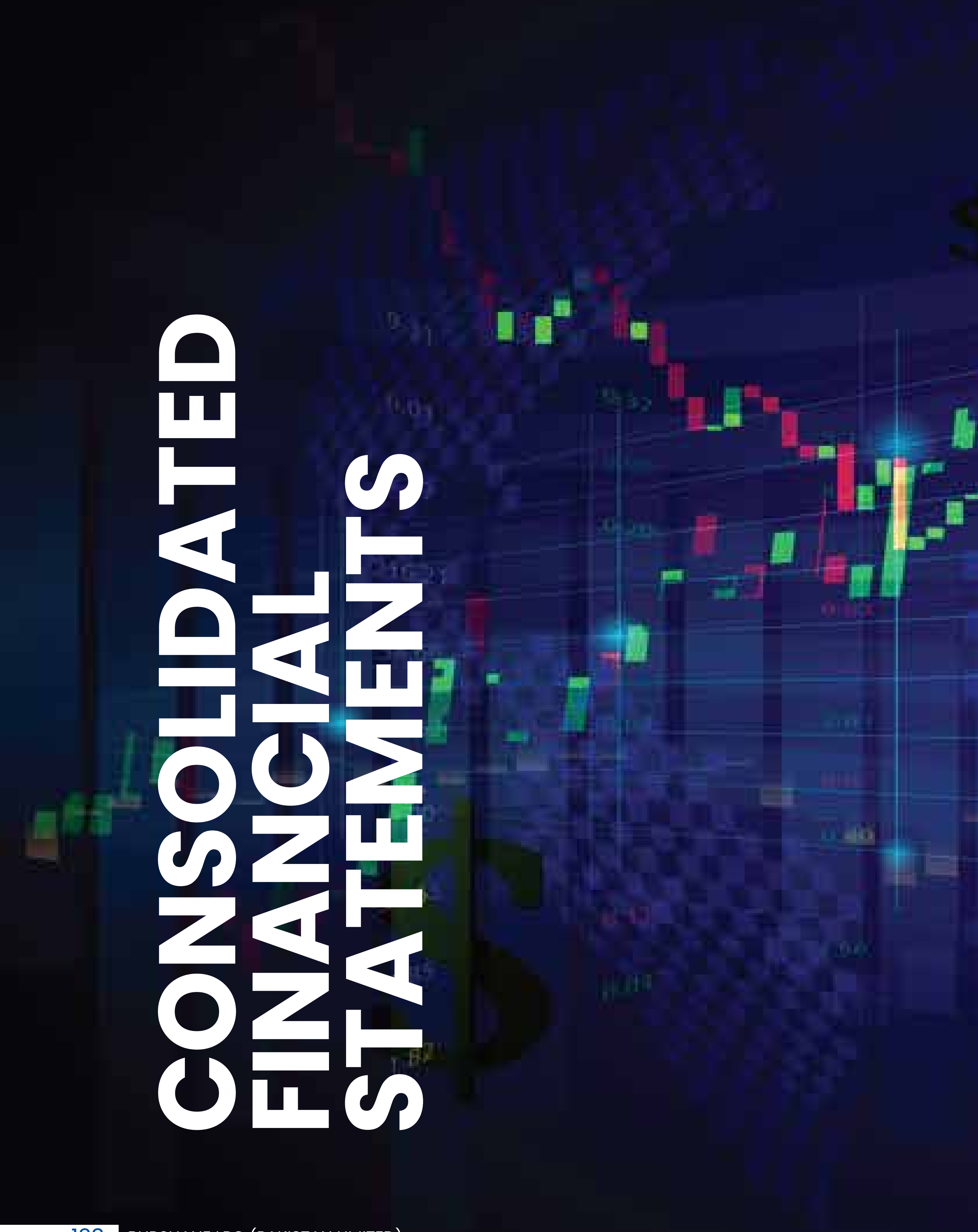
54 GENERAL

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

55 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorized for issue on September 26, 2022 by the Board of Directors of the Company.

DIRECTOR | CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER



CONSOLIDATED FINANCIAL STATEMENTS


4,293,900
1,962,340
247,650
388,040
27,750
60,300

BDO

Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
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** (the Group), which comprise the consolidated statement of financial position as at June 30, 2022, and consolidated statement of profit or loss, consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Emphasis of Matter

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

1. Note 30.1.2 to the consolidated 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 30.1.6 to the consolidated 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 Holding Company and its Directors alleging tax evasion. During the year end, FBR has remanded back matters for tax years 2018 and 2019 as no such demand subsists for both years. Note 30.1.6 provides details regarding the matter which is sub-judice.

3. Note 21.1 to the consolidated financial statements which provide details regarding restructuring 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO Ebrahim & Co. Chartered Accountants
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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 30 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; • Checked orders by relevant authority on previous lawsuits / cases appearing in the consolidated financial statements; • We followed the progress of each case and the Holding Company's estimate of the cost to be incurred; • We obtained confirmations from legal advisors for current status on pending previous cases and any new case filed during the year; • Obtained legal advice on the above cases with the legal advisors to ensure that the outflow is possible and not probable; • We reviewed the key elements of the methodology employed by management in challenging reasonableness of the cost estimates; • We also assessed the adequacy of the disclosures made in respect of contingencies in accordance with the financial reporting standards.

BDO Ebrahim & Co. Chartered Accountants
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

S. No	Key audit matters	How the matter was addressed in our audit
2.	**Revenue**	
	The Holding Company's total revenue is amounting to Rs. 4,494.63 million, which is predominantly generated from sales of liquefied petroleum gas (LPG) and low-pressure regulators (LPR) revenue which reflect an increase of 73.45% from the previous year, representing a significant element of the consolidated financial statements as disclosed in note 31. Revenue is generated from trading and storing of Liquefied Petroleum Gas (LPG) throughout Pakistan and trading of Low Pressure Regulators (LPR). Revenue from contracts with customers is recognized when control of goods is transferred to the customer at an amount that reflects the consideration to which the Holding Company expects to be entitled in exchange for those goods. The Holding 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. As such, revenue recognition is not an area of significant risk for our audit but does require significant time and resource to audit due to its magnitude. The risk of material misstatement was considered significant due to high control risk on completeness and accuracy of revenue and high inherent risk of fraud on recognition of revenue. In view of the significance of revenue and high assessed risk of material misstatement revenue is considered as key audit matter.	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.

BDO Ebrahim & Co. Chartered Accountants
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

S. No	Key audit matters	How the matter was addressed in our audit
3.	**Impairment of goodwill**	
	The goodwill arose upon the amalgamation with Holding Company as disclosed in note 8.2.1. 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 held, the discount rates and the growth rate of revenue and costs to be applied in determining the value in use. At the year end, the Holding Company, for the purpose of impairment testing on goodwill, has calculated recoverable amount (value-in-use) of Cash Generating Unit amounting to Rs. 1,586.01 million. The carrying amount of net assets (including goodwill) as of the valuation date is Rs. 609.70 million. As a result, value-in-use exceeds the carrying amount of net assets (including goodwill) hence, no impairment in goodwill has been identified as a result of this review. In view of the estimates and judgements used by the management for the calculation of impairment of goodwill, it is therefore considered as key audit matter. 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 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 (2021: 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. • 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 information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

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

BDO Ebrahim & Co. Chartered Accountants
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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 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 consolidated financial statements.

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

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

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

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

BDO Ebrahim & Co. Chartered Accountants
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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

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

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

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

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

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

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

KARACHI

DATED: SEPTEMBER 26, 2022

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

UDIN: AR202210067Rf8MOIqXz

BDO Ebrahim & Co. Chartered Accountants
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30,2022

	Note	2022	2021
		--- (Rupees in '000) ---	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	**834,143**	807,389
Intangible assets	8	**269,375**	279,493
Long-term loans	9	**-**	353
Long-term deposits		**3,174**	3,174
		1,106,692	1,090,409
CURRENT ASSETS			
Stores and spares	10	**4,673**	3,873
Stock-in-trade	11	**44,925**	19,134
Trade debts	12	**87,747**	87,665
Loans and advances	13	**56,529**	72,027
Deposits, prepayments and other receivables	14	**124,687**	141,646
Taxation - net	15	**124,696**	106,990
Cash and bank balances	16	**96,932**	93,623
		540,190	524,958
TOTAL ASSETS		**1,646,882**	1,615,367
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	17	**900,000**	900,000
Issued, subscribed and paid-up capital	18	**224,888**	224,888
Capital reserves			
Revaluation surplus of property	19	**336,715**	336,415
Other reserves	19	**122,987**	117,241
Revenue reserve	20	**(74,895)**	(101,508)
		609,692	577,036
NON-CURRENT LIABILITIES			
Long-term loan	21	**114,345**	-
Lease liabilities	22	**18,871**	9,942
Deferred taxation - net	23	**9,345**	18,367
Cylinder and regulator deposits	24	**466,197**	438,262
		608,758	466,571
CURRENT LIABILITIES			
Trade and other payables	25	**113,039**	108,382
Short-term loan	26	**45,000**	-
Short-term borrowings	27	**151,061**	-
Unclaimed dividends	28	**83,050**	83,198
Accrued mark-up	29	**3,205**	119,392
Current portion of long-term loan	21	**23,770**	254,439
Current portion of lease liabilities	22	**9,304**	6,349
		428,429	571,760
TOTAL EQUITY AND LIABILITIES		**1,646,882**	1,615,367
CONTINGENCIES AND COMMITMENTS	30		

The annexed notes from 1 to 52 form an integral part of these financial statements.

DIRECTOR | CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30,2022

	Note	2022	2021
		--- (Rupees in '000) ---	
Sales - net	31	**4,494,627**	2,591,297
Cost of sales	32	**(4,328,477)**	(2,557,808)
Gross profit		**166,150**	33,489
Administrative expenses	33	**(115,938)**	(124,744)
Distribution and marketing expenses	34	**(68,977)**	(66,446)
Other income	35	**67,157**	29,513
Other expenses	36	**(8,307)**	(9,076)
		(126,065)	(170,753)
Operating profit / (loss)		**40,085**	(137,264)
Financial costs	37	**(13,658)**	(26,989)
Profit / (loss) before taxation		**26,427**	(164,253)
Taxation	38	**186**	44,374
Profit / (loss) for the year		**26,613**	(119,879)
		--- (In Rupees) ---	
Earnings / (loss) per share - basic and diluted	39	**1.18**	(5.33)

The annexed notes from 1 to 52 form an integral part of these financial statements.

.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30,2022

	2022	2021
	--- (Rupees in '000) ---	
Profit / (loss) for the year	**26,613**	(119,879)
Other comprehensive income		
Items that will not be reclassified subsequently to statement of profit or loss:		
Surplus on revaluation of property	300	-
Actuarial gain on remeasurement of retirement and other service benefits	8,215	10,092
Less: deferred taxation thereon	(2,469)	(2,927)
	6,046	7,165
Total comprehensive income / (loss) for the year	32,659	(112,714)

The annexed notes from 1 to 52 form an integral part of these financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30,2022

	Issued, subscribed and paid-up capital	Capital reserves				Revenue Reserves			Total
		Reserve on amalgamation	Revaluation surplus of property	Actuarial loss on remeasurement of retirement and other service benefits	Sub total	General Reserve	Accumulated loss	Sub total	
	(Rupees in '000)								
Balance as at July 01, 2020	224,888	153,458	336,415	(43,388)	446,485	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)
Balance as at July 01, 2021	224,888	153,458	336,415	(36,217)	453,656	90,000	(191,508)	(101,508)	(577,036)
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	-	26,613	26,613	26,613
Other comprehensive income for the year - net of tax	-	-	300	5,746	6,046	-	-	-	6,046
	-	-	300	5,746	6,046	-	26,613	26,613	32,659
Balance as at June 30, 2022	224,888	153,458	336,715	(30,471)	459,702	90,000	(164,895)	(74,895)	609,695

The annexed notes from 1 to 55 form an integral part of these financial statements.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30,2022

	Note	2022	2021
		--- (Rupees in '000) ---	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	43	(86,454)	(256,005)
Retirement and other service benefits paid		(12,730)	(8,660)
Taxes paid		(29,012)	(38,549)
Finance costs paid		(26,752)	(1,613)
Long-term loans - net		353	135
Long-term deposits - net		-	119,587
Cylinder and regulator deposits - net		47,180	40,031
Net cash flows used in operating activities		(107,415)	(145,074)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(74,717)	(25,724)
Proceeds from property, plant and equipment		28,878	5,500
Net cash used in investing activities		(45,839)	(20,224)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loan repaid		(25,443)	-
Short-term loan received		397,000	-
Short-term loan paid		(352,000)	-
Dividends paid		(148)	-
Repayment of lease liabilities		(13,907)	(7,715)
Net cash flows generated from / (used in) financing activities		5,502	(7,715)
Net decrease in cash and cash equivalents		(147,752)	(173,013)
Cash and cash equivalents at beginning of the year		93,623	266,636
Cash and cash equivalents at end of the year		(54,129)	93,623
Cash and cash equivalents at end of the year comprise of:			
Cash and bank balances	16	96,932	93,623
Short-term borrowings	27	(151,061)	-
		(54,129)	93,623

The annexed notes from 1 to 52 form an integral part of these financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

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 Holding Company are as under:

Location:	Purpose:
Plot No. 70, Sector 7-D, Korangi Filling Plant-1, Adjacent to Pakistan Refinery Limited, Korangi Creek, Karachi	LPG Storage & filling plant
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 ('Rupees) or 'Rs', 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, 2022

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Holding Company's operations or are not expected to have material impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
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 16 'Leases' - Extended practical relief regarding Covid - 19 related rent consessions	April 01, 2021

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 material impact on the Holding Company's financial statements other than certain additional disclosures.

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
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

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

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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.

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.

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.

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 represents 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 and short-term running finance. Running finances under mark-up arrangements are shown with short term borrowings in current liabilities on the statement of financial position.

4.7 Retirement and other service 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 lies 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 liabilit

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 equity 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 IFRS 9'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. For trade debts, 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 and reporting standards as applicable in Pakistan 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 41.

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 (refer note 18).

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

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

7 PROPERTY, PLANT AND EQUIPMENT

	Note	2022 Rupees	2021 Rupees
		--- (Rupees in '000) ---	
Operating fixed assets	7.1	834,143	807,389
Capital work-in-progress	7.2	-	-
		834,143	807,389

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30,2022

7.1 Operating fixed assets

The following is the statement of operating fixed assets:

Description	Owned Assets												Right of Use Asset			Total
	Leasehold land (note 7.1.8)	Freehold land (note 7.1.8)	Building on leasehold land	Plant and machinery	Cylinders and regulators (note 7.1.4)	Fire fighting equipment	Furniture, fittings, electrical and other	Vehicles	Office equipment	Computer and related accessories	Tanks, pipelines and fittings	sub total	Building	Vehicles	sub total	
	----- (Rupees in '000) ----															
Net carrying value basis year ended June 30, 2022																
Opening net book value	569,288	16,500	18,350	10,568	159,285	181	4,798	903	771	605	12,687	793,331	11,525	1,928	13,453	806,784
Addition (at cost)	-	-	-	552	43,754	279	763	28,877	283	209	-	74,717	-	26,005	26,005	100,722
Revaluation surplus	-	300	-	-	-	-	-	-	-	-	-	300	-	-	-	300
Transfer in / (out)	-	-	-	-	-	-	-	768	-	-	-	768	-	(768)	(768)	-
Disposal (NBV)	-	-	-	-	-	-	-	(26,780)	(68)	(123)	-	(26,971)	(2,433)	-	(2,433)	(29,404)
Depreciation charged (refer note 7.1.3)	-	-	(2,953)	(1,632)	(28,075)	(101)	(1,518)	(1,123)	(178)	(341)	(2,462)	(38,383)	(5,184)	(1,297)	(6,481)	(44,864)
Closing net book value	569,288	16,800	15,397	9,488	174,964	359	4,043	2,645	808	350	10,225	804,367	3,908	25,868	29,776	834,143
Gross carrying value basis year ended June 30, 2022																
Cost / revalued amount	569,288	16,800	61,764	47,566	609,767	954	36,204	41,303	3,148	3,769	58,800	1,449,363	15,900	28,132	44,032	1,493,395
Accumulated depreciation	-	-	(46,367)	(38,078)	(434,803)	(595)	(32,161)	(38,658)	(2,340)	(3,419)	(48,575)	(644,996)	(11,992)	(2,264)	(14,256)	(659,252)
	569,288	16,800	15,397	9,488	174,964	359	4,043	2,645	808	350	10,225	804,367	3,908	25,868	29,776	834,143
Depreciation rate (% per annum)	-	-	5%	5%	10%	15%	10% to 15%	20% to 25%	15%	33.33%	10%		25%	25%		
Closing net book value 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	3,134	22,850	827,317
Addition (at cost)	-	-	-	314	23,946	-	890	-	324	250	-	25,724	-	-	-	25,724
Impact of lease modification	-	-	-	-	-	-	-	-	-	-	-	-	(1,632)	-	(1,632)	(1,632)
Disposal (NBV)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charged (refer note 7.1.3)	-	-	(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	1,928	13,453	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	4,340	28,713	1,709,253
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)	(901,864)
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	1,928	13,453	807,389
Depreciation rate (% per annum)	-	-	5%	5%	10%	15%	10% to 15%	20% to 25%	15%	33.33%	10%		25%	25%		

7.1.1 The detail of operating fixed assets disposed off during the year having net book value exceeding Rs. 500,000 are as follows:

Description	Cost	Accumulated depreciation	Net book value	Sales proceeds	Gain on disposal	Mode of disposal	Particulars of buyers	Relationship with the purchaser
			----- (Rupees in '000) ----					
Honda Civic Reg # LEB-18A-9868	3,072	(2,304)	768	3,000	2,232	Bank	Mr. Khalid Dar	Ex-employee

7.1.2 As at June 30, 2022, property, plant and equipment having cost of Rs. 436.32 million (2021: Rs. 741.85 million) are fully depreciated.

	Note	2022	2021
		--- (Rupees in '000) ---	

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

	Note	2022	2021
Cost of sales	35	8,666	10,718
Administrative expenses	36	8,123	9,092
Distribution and marketing expenses	37	28,075	24,210
		44,864	44,020

7.1.4 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 a large number of customers.

7.1.5 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.

7.1.6 The Holding Company's freehold land and leasehold land was revalued on February 15, 2022 by M/s. K. G. Traders (Private) Limited and on June 14, 2022 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. 0.30 million and Rs. Nil respectively.

7.1.7 Had the revaluation not been carried out, the related figures of freehold land and leasehold land would have been Rs. 5.62 million (2021: Rs. 5.62 million) and Rs. 243.75 million (2021: Rs. 243.75 million), respectively.

7.1.8 The forced sales value as per the revaluation report as of February 15, 2022 and June 14, 2022 is as follows:

Class of asset	2022 (Rupees in '000)
Freehold land	16,800
Leasehold land	569,288

Particulars of immovable assets of the Holding 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 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

7.2 CAPITAL WORK-IN-PROGRESS

	2022	2021
	--- (Rupees in '000) ---	
Balance as at July 01	-	-
Additions (at cost)	100,722	100,722
Transfer to property, plant and equipment	(100,722)	(100,722)
Balance as at June 30	-	-

8 INTANGIBLE ASSETS

	Cost				Accumulated Amortisation				Net Book Value	
	As at July 01, 2021	Additions	Disposals	As at June 30, 2022	As at July 01, 2021	Charge for the year (note 9.6)	Reversal	As at June 30, 2022	As at June 30, 2022	Rate of amortisation
	(Rupees in '000)									
Goodwill (note 9.2)	253,091	-	-	253,091	-	-	-	-	253,091	Nil
Computer software	4,272	-	-	4,272	4,024	88	-	4,112	160	20%
Rights under Supply contracts (notes 9.3)	50,150	-	-	50,150	32,596	10,030	-	42,626	7,524	20%
Trademarks (note 9.2 & 9.4)	8,600	-	-	8,600	-	-	-	-	8,600	Nil
2022	316,113	-	-	316,113	36,620	10,118	-	46,738	269,375	

	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	

8.1 At June 30, 2022, intangible assets having cost of Rs. 3.84 million (2021: Rs. 3.84 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 (refer 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.

	2022	2021
	--- (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 2022 and June 2021. 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, 2022, 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 16.78% 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 Holding Company's capital consists of 32.18% debt and 67.82% 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 0.84 for the Holding Company and an equity risk premium of 10.67%. 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 18.96%. The cost of debt net of tax is an average of 12.18%.

The recoverable amount of CGU amounting to Rs. 1,586.01 million as at June 30, 2022 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. 1,586.01 million. The carrying value of net assets (including goodwill) as of the valuation date is Rs. 609.70 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, 2022 and June 30, 2021 for impairment. Value-in-use of Rs. 779.70 million as at June 30, 2022 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 6% 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, 2022.

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 27.50% or more in sales volume growth would result in impairment of the CGU.

Discount rate assumptions

A rise in pre-tax discount rate by 16.20% would result in the impairment of the CGU.

Market share during the forecast period assumptions

Management expects the Group 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 6% 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 trademark with a carrying amount of Rs. 8.60 million as at 30 June 2022.

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 2018, the Holding Company participated in a tender offer by Oil & Gas Development Company Limited (OGDCL) in respect of purchase of LPG from Kunnar Pasaki Deep - Tando Allahyar Gas Field District Hyderabad. On successful submission of the highest signature bonus bid of Rs. 50.15 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	2022	2021
		--- (Rupees in '000) ---	
8.5 The amortisation for the year has been allocated as follows:			
Cost of sales	32	10,030	49,080
Administrative expenses	33	88	88
		10,118	49,168

9 LONG-TERM LOANS

	Note	2022	2021
Secured - considered good			
Executives	9.2 & 9.3	368	787
Other employees		-	53
	9.4	368	840
Current portion shown under current assets			
Executives		(368)	(434)
Other employees		-	(53)
	13	(368)	(487)
		-	353

9.1 Reconciliation of carrying amount of loans:

Description	Executives	Other employees	Total 2022	Total 2021
	--- (Rupees in '000) ---			
Balance as at July 01	787	53	840	965
Disbursements	2,875	109	2,984	1,422
Repayment	(3,294)	(162)	(3,456)	(1,547)
Balance as at June 30	368	-	368	840

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. 3.36 million (2021: Rs. 1.35 million).

9.4 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 consolidated financial statements.

10 STORES AND SPARES

	Note	2022	2021
		--- (Rupees in '000) ---	
Stores		5,094	4,414
Spares parts		899	779
		5,993	5,193
Provision for obsolete items		(1,320)	(1,320)
		4,673	3,873

	Note	2022	2021
		--- (Rupees in '000) ---	
11 STOCK-IN-TRADE			
Liquefied Petroleum Gas (LPG)	11.1	44,370	18,429
Low Pressure Regulators (LPR)		555	705
		44,925	19,134

11.1 This includes stock amounting to Rs. 11.53 million (2021: Rs. 2.65 million) held with the following parties under hospitality arrangements:

	2022	2021
OPI Jamber Plant	36	22
Ravi Sahiwal	15	1,357
Sadiq Gas Company	2,634	403
Sindh Gas (Private) Limited	856	-
Blessing Gas (Private) Limited	1,729	163
Lite Gas Plant	850	-
Tez Gas (Private) Limited	525	570
Terra Energy (Private) Limited	78	13
Baba Fareed Gas	327	-
Bashir Gas	11	8
Faiq Gas	2,802	15
MNA	-	101
ZA Energy Plant	1,598	-
Hi Tech Plant	71	-
	11,532	2,652

11.2 At June 30, 2022, stock of LPG held on behalf of third parties amounted to Rs. Nil (2021: Rs. 2.57 million).

	Note	2022	2021
12 TRADE DEBTS			
Unsecured - considered good			
Trade debtors		92,364	92,895
Allowance for expected credit losses	12.1	(4,617)	(5,230)
		87,747	87,665

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30,2022

	Note	2022	2021
		--- (Rupees in '000) ---	

12.1 Allowance for expected credit losses

	Note	2022	2021
Balance as at July 01		5,230	3,688
(Reversal) / allowance for the year	36	(613)	1,542
Balance as at June 30		4,617	5,230

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

	2022	2021
Upto 1 month	55,199	13,024
1 to 6 months	26,326	77,661
More than 6 months	10,839	2,210
	92,364	92,895

13 LOANS AND ADVANCES

	Note	2022	2021
Loans - Secured - considered good			
Current portion of long-term loans	9	368	487
Advances to (Unsecured - considered good)			
Chief executives officer	13.1	-	4
Contractors and suppliers		56,161	71,536
		56,161	71,540
		56,529	72,027

13.1 The maximum aggregate amount due from Chief executive officer against advance from travelling at the end of any month was Rs. Nil (2021: Rs. 3.86 million)

14 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2022	2021
Deposits	14.1	76,630	82,180
Prepayments		20,090	17,740
Other receivables	14.2	27,967	41,726
		124,687	141,646

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

14.2 Other receivables

	Note	2022	2021
		--- (Rupees in '000) ---	
OPI Gas (Private) Limited	14.3	**3,642**	3,642
Burshane LPG (Pakistan) Limited - Provident Fund		**511**	-
Burshane LPG (Pakistan) Limited - Pension Fund		**3,133**	-
Burshane LPG (Pakistan) Limited - Gratuity Fund	41	**-**	1,098
Burshane Petroleum (Private) Limited	14.4	**9,000**	9,000
Accrued interest		**6**	3
Sales tax receivable		**3,740**	17,706
Others	14.5	**13,040**	15,382
		33,072	46,831
Allowance for expected credit losses		**(5,105)**	(5,105)
		27,967	41,726

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

14.4 This represents amount receivable from Burshane Petroleum (Private) Limited (formerly Darian International (Private) Limited) amounting to Rs. 9 million (2021: Rs. 9 million), a related party, as consideration against use of the Holding Company's name under an arrangement entered in the year 2021.

14.5 This includes receivable against cylinder deposits of Rs. 7.63 million (2021: Rs. 9.17 million).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30,2022

	Note	2022	2021
		--- (Rupees in '000) ---	
Other related parties			
Burshane LPG (Pakistan) Limited Provident Fund		962	2,480
Burshane LPG (Pakistan) Limited Gratuity Fund		7,166	4,565
Associated Companies			
Burshane Petroleum (Private) Limited		9,000	9,500
AAK Commodities (Private) Limited		-	250
A&S Corporation (Private) Limited		34	75
		17,162	16,870

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

More than 6 months	-	-
More than 12 months	9,000	9,011
	9,000	9,011

15 TAXATION - NET

	29,012	37,881
Advance tax	(11,306)	(6,547)
Provision for taxation	17,706	31,334
	106,990	75,656
Income tax refundable	124,696	106,990

16 CASH AND BANK BALANCES

	Note	2022	2021
Cash in hand		24	200
Cash at banks			
saving accounts	16.1	20,407	60,370
current accounts		76,501	33,053
		96,908	93,423
		96,932	93,623

16.1 The profit rates on these saving accounts range from 2.80% to 12.25% per annum (2021: 2.76% to 5.50% per annum). These balances are held in accounts maintained under conventional banking.

17 AUTHORIZED SHARE CAPITAL

2022	2021		2022	2021
---(Number of shares)---			---(Number of shares)---	
90,000,000	90,000,000	Ordinary shares of Rs. 10/- each	**900,000**	900,000

18 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Number of ordinary shares of Rs. 10/- each				
2022	2021			
19,881,766	19,881,766	Fully paid in cash (note 20.1)	**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

18.1 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.

18.2 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, 2022 (2021: same status) to the shareholders of HTPL (former Holding Company) in accordance with the Scheme. Post completion of legal formalities, Chief Executive, will hold 12,326,629 [2022: 54.81% (2021: 54.81%)] ordinary shares of the Holding Company of Rs. 10 each and other directors will held 4,358,000 [2022: 19.38% (2021: 19.38%)] ordinary shares of the Holding Company of Rs. 10 each.

18.3 At June 30, 2022 the former Holding Company held 74.19% (2021: 74.19%), institutions held 14.06% (2021: 14.06%) and individuals and others held the balance of 11.75% (2021: 11.75%) voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30,2022

	Note	2022	2021
		--- (Rupees in '000) ---	

19 CAPITAL RESERVES

	Note	2022	2021
Revaluation surplus of property	19.1	336,715	336,415
Other reserves			
Reserve on amalgamation		153,458	153,458
Actuarial loss on remeasurement of retirement and other service benefits		(30,471)	(36,217)
		122,987	117,241
		459,702	453,656

19.1 Revaluation surplus of property

	Note	2022	2021
Balance as at July 01		336,415	336,415
Surplus recognised during the year	19.1.1	300	-
Balance as at June 30		336,715	336,415

19.1.1 Surplus recognised during the year

	2022	2021
Leasehold land	-	-
Freehold land	300	300
	300	300

19.1 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.

20 REVENUE RESERVE

	2022	2021
General reserve	90,000	90,000
Accumulated loss	(164,898)	(191,508)
	(74,898)	(101,508)

	Note	2022	2021
		--- (Rupees in '000) ---	

21 LONG-TERM LOAN

	Note	2022	2021
Secured			
National Bank of Pakistan (NBP)	21.1	138,115	254,439
Current maturity of long-term loan		(23,770)	(254,439)
		114,345	-

21.1 During 2015, long-term finance obtained, under conventional banking terms, by HTPL had been transferred to the Holding Company at the time of amalgamation (the scheme). This loan was obtained as a demand finance facility under the agreement dated April 08, 2013 from NBP and was repayable in 9 semi-annual installments of Rs. 44.44 million latest by April 01, 2018 with a grace period of six months. The loan carried mark-up at rate of 6 months KIBOR plus 2.5% to 6% per annum. This loan was 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 guarantee of Chief Executive of the Holding Company. In previous years, the Holding Company negotiated several offer letters from NBP.

On September 20, 2021, the Holding Company received a proposal via offer letter No. NBP/ARG/ARW(S)/BLPL/2021/770 supplemented by offer letter for the restructuring / rehabilitation scheme No. NBP/ARG/ARW(S)/BLPL/2022/08 dated January 06, 2022 and addendum to offer letter for the restructuring / rehabilitation scheme dated June 03, 2022 for the restructuring of loan from NBP which has since been accepted on June 08, 2022 by the Holding Company's management.

However, the competent authority of NBP approved the acceptance of this offer by the Holding Company and executed restructuring of long-term loan amounting to Rs. 254.44 million and its related accrued mark-up amounting to Rs. 119.39 million into three different facilities with effect from June 09, 2022, as mentioned below:

In respect Demand Finance-I (DF-I) facility:

- The part of long-term loan amounted to Rs. 100.44 million restructured as DF-I.
- Upfront payment of Rs. 25.44 million to be made immediately.
- Remaining balance of Rs. 75 million to be re-paid in 20 quarterly installments starting from September 30, 2022 with a grace period of 1 year.
- The facility carries mark-up at the rate of 3 month KIBOR + 2%, which will also be payable during the grace period.

In respect Demand Finance-II (DF-II) facility:

- Frozen accrued mark-up amounted to Rs. 119.39 million on long-term loan restructured as DF-II.
- The Holding Company to pay an amount of Rs. 113.82 million towards frozen mark-up.
- Upfront payment of Rs. 18.52 million (including accrued mark-up amounting to Rs. 7.90 million for the period from January 01, 2022 to June 09, 2022) to be made immediately.
- Remaining amount of Rs. 95.29 million to be re-paid in 20 quarterly installments starting from September 30, 2022.
- The facility carries no mark-up.

In respect Running Finance facility:

- Another part of long term loan amounted to Rs. 154 million restructured as running finance.
- The facility carries mark-up of 3 month KIBOR + 1.75%.

The restructuring / rehabilitation scheme of Burshane LPG (Pakistan) Limited has resulted in a loan restructuring gain, on original long tem loan and accrued mark-up thereon, of Rs. 37.76 million on effective date of loan restructuring i.e. June 09, 2022 as described below:

	Note	(Rupees in '000)
Carrying amount of long term loan before restructuring		
Long-term loan	21	254,439
Accrued mark-up	29	119,392
		373,831
Loan restructured:		
Long-term loan	21	138,115
Short-term borrowings (running finance)	27	154,000
		292,115
		81,716
Less: Upfront payment on account of long-term loan and frozen mark-up		43,960
Gain on loan restructuring	35	37,756

In addition, this restructuring arrangements are secured by way of the following;

- 1st charge on present and future current and fixed assets of the Holding Company of Rs 750 million already registered at SECP;

- 1% registered mortgage of land and building of both project locations i.e. Karachi and Faisalabad mentioned in latest balance sheet, to be created as per the original offer letter by NBP for the restructuring / rehabilitation scheme No. NBP/ARG/ARW-S/BLPL/2021/770 dated September 20, 2021. However, as per the revised offer letter by NBP for the restructuring / rehabilitation scheme No. NBP/ARG/ARW-S/BLPL/2022/08 dated January 06, 2022, the existing collateral is replaced by 1% Registered mortgage and 99% equitable mortgage of Freehold Land (i.e Chak no. 245 Near Railway Station, Abbaspur, Faisalabad, forced sales value of the said location is Rs. 50 million dated December 02, 2021);

- 1% registered mortgage and balance by way of equitable mortgage on Holding Company's owned following properties situated in Karachi by Rs. 660 million registered at SECP;

- residential / commercial land bearing No. 74 measuring 37 Ghuntas situated at Deh Okewari, Shahra-e-Faisal, Karachi valuation conducted by Luckyhiya Associates (Pvt). Ltd having market value of Rs. 89.63 million and forced sales value amounting to Rs. 71.71 million dated June 30, 2020;

- residential / commercial land bearing No. 47 measuring 2 Acre and 19 Ghuntas situated at Deh Okewari, Shahra-e-Faisal, Karachi valuation conducted by Luckyhiya Associates (Pvt). Ltd having market value of Rs. 239.83 million and forced sales value amounting to Rs. 191.86 million dated June 30, 2020;

- personal guarantee of CEO of the Holding Company;

- undertaking for routing all sales through Holding Company's account with NBP cashmanagement system;

- assignment of long term deposits lying with various refineries (on best efforts);

- replacement of 16,834,434 shares of HAKS Trading (Pvt). Ltd (held by NBP) with shares of Burshane LPG (Pakistan) Limited to be completed in three months under the supervision / guidance of NBP legal division as a result of name change of the organization. Further, after the conversion of said shares, shares of Burshane LPG (Pakistan) Limited to be held with NBP.

There are certain other terms and conditions attached in the aforementioned letter dated September 20, 2021 in respect of restructuring / rehabilitation of loan which the Holding Company have to comply with, some of which are mentioned below:

- Debt to EBITDA not to exceed 3 times.
- Debt Service Coverage Ratio not to fall below 1.5.
- No new dividend to be paid / announced during rescheduling period or prior approval from NBP to be obtained.
- NBP's prior approval to be obtained for the payment of unclaimed dividend amount to the sponsoring directors of the Holding Company.

22 LEASE LIABILITIES

	Note	2022	2021
		--- (Rupees in '000) ---	
Balance as at July 01	22.1	16,291	22,625
Impact of lease modification		-	(1,632)
Addition		27,000	-
Disposal		(3,018)	
Interest expense		2,218	3,013
		42,491	24,006
Payments made during the year		(14,316)	(7,715)
		28,175	16,291
Current portion shown under current liabilities		(9,304)	(6,349)
Balance as at June 30		18,871	9,942

22.1 For determining lease liabilities, the Holding Company discounted lease payments using its incremental borrowing rate 17.01% per annum (2021: 17.01% per annum).

22.2 Represents finance lease entered into with a leasing company for vehicles. Total lease rentals due under lease agreement aggregated to Rs. 31.90 million (2021: Rs. 1.67 million) and are payable in equal monthly installments latest by May 2027. Taxes, charges, demands and levies, repair and maintenance are to be borne by the Holding Company.

	Note	2022	2021
		--- (Rupees in '000) ---	

22.3 Maturity analysis-contractual cash flow

		2022	2021
Less than one year		9,304	6,349
One to five year		18,871	9,942
More than five year		-	-
Total lease liability		28,175	16,291

23 DEFERRED TAXATION - NET

		2022	2021
Taxable temporary differences			
Accelerated tax depreciation and		29,549	30,091
Post employment benefits		2,382	2,927
Surplus on revaluation of property		87	-
		32,018	33,018
Deductible temporary differences			
Lease liabilities		(8,171)	(4,724)
Minimum turnover tax		(11,300)	(6,547)
Provisions		(3,202)	(3,380)
		(22,673)	(14,651)
		9,345	18,367

24 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	2022	2021
		--- (Rupees in '000) ---	
25 TRADE AND OTHER PAYABLES			
Creditors		70,979	52,451
Accrued liabilities		5,324	6,471
Burshane LPG (Pakistan) Limited - Pension Fund		-	14,483
Advances from distributors / customers - unsecured		12,888	13,773
Workers' Profits Participation Fund		1,403	-
Workers' Welfare Fund		3,017	3,017
Withholding tax payable		1,262	218
Others		18,166	17,969
		113,039	108,382

26 SHORT-TERM LOAN

	Note	2022	2021
Related party - unsecured			
Burshane petroleum (Private) Limited	26.1	45,000	–

26.1 The loan was obtained from Burshane petroleum (Private) Limited amounting to Rs. 397 million for purchase of LPG. During the period loan amounting to Rs. 352 million was repaid. It carries rate of return of KIBOR + 2% (2021: Nil).

27 SHORT-TERM BORROWINGS

The Holding Company has arrangement for running finance facility under mark-up arrangement from NBP amounting to Rs. 154 million along with an import LC sight.

The rate of mark-up on running finance facility is 3 months KIBOR + 1.75% per annum. The arrangements are secured by way of mortgage on leasehold land and charge on the Holding Company's present and future current and fixed assets as well as personal guarantees of Directors of the Holding Company.

	Note	2022	2021
		--- (Rupees in '000) ---	

28 UNCLAIMED DIVIDENDS

Opening balance		83,198	83,198
Dividend paid tduring the year		(148)	-
Closing balance		83,050	83,198

28.1 These includes an amount of Rs. 79.97 million (2021: Rs. 79.97 million) payable to the beneficial owners of HTPL. As explained in note 7, 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 ACCRUED MARK-UP

	Note	2022	2021
Mark-up accrued on			
Short-term loan	29.1	1,038	-
Long-term loan		726	119,392
Short-term borrowings		1,441	-
		3,205	119,392

29.1 This represents accrued mark-up payable to Burshane Petroleum (Private) Limited.

30 CONTINGENCIES AND COMMITMENTS

30.1 Contingencies

30.1.1 Claims not acknowledged as debt by the Holding Company as at June 30, 2022 amounted to Rs. 31.90 million (2021: Rs. 1.68 million).

30.1.2 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 Holding Company's Director Finance who appears to have concealed the existence of such financial transactions.

On the conclusion of inspection, a report was 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 a 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 Holding 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 Holding 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 be any material impact on the financial statements of any action taken up by SECP.

30.1.3 The Special Sales Tax Reference Application (STRA) has been filed by the Commissioner Inland Revenue, Zone-IV, Large Taxpayers Unit Karachi in the High Court of Sindh at Karachi on December 18, 2019. During the year ended June 30, 2018, tax authorities issued Order dated May 25, 2018 and charged sales tax under section 8B of Sales Tax Act, 1990, raising sales tax demand and imposing penalties aggregating to Rs. 133.11 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 July 03, 2018 vacated the whole principal amount of sales tax of Rs. 65.57 million and reduced the imposition of penalties from Rs. 67.54 million to Rs. 0.50 million 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. 1.34 million and maintained the amount of penalty Rs. 0.50 million. The Company has paid the reduced amount of default surcharge and penalty without pursuing the matter before the High Court.

30.1.4 The captioned Special Sales Tax Reference Application (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. 7.90 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. 7.69 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 August 28, 2019 reduced the substantial amount of default surcharge to Rs. 0.16 million and maintained the amount of penalty Rs. 0.23 million The Holding Company has paid the reduced amount of default surcharge and penalty without pursuing the matter further.

30.1.5 The Holding Company has filed Special Federal Excise Duty (FED) Ref. Application before the Hon'ble High Court of Sindh against the Appellate order dated April 02, 2012 of the Appellate Tribunal IR. The tax authorities at Large Taxpayers Office established a demand towards 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.

30.1.6 A complaint was filed by the Directorate of Investigation and Intelligence (Inland Revenue) (I & I - IR) on August 31, 2020, against the Holding Company for alleged Tax evasion of approximately Rs. 1.78 billion, with Special Court for Customs, Taxation and (Anti-Smuggling). Based on this complaint the court passed 2 orders against the Holding Company and some of its directors. The orders were pertaining to freezing of the Holding Company's 9 bank accounts for 90 days and issuance of non bailable arrest warrants of its certain Directors. The Holding Company immediately obtained Protective Bail from the High Court and subsequently from the Special Court which was later confirmed.

The Holding 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 the Holding 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 Holding Company has lost the case upon the dismissal of Constitutional Petition No. D-5162 of 2020 by Hon'ble Court on June 20, 2022 and directed to defend the case in the court of Special Judge (Custom, Taxation and Anti-Smuggling) Karachi.

The Holding Company had received notices under section 177(1) of Income Tax Ordinance, 2001 regarding audit for 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 16, 2022, in which the additions made by the Deputy Commissioner Inland Revenue in the assessments made under section 122 through order dated June 14, 2022 has not been accepted by the learned Commissioner Inland Revenue (Appeals-II), Karachi who has been pleased to remand the matter back for both the years, as such no demand subsists for tax year 2018 and 2019.

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 Holding 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.

30.1.7 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 Faisalabad. The landlords filed an ejectment petition against the Holding Company and the Holding Company has filed defending argument in the rent tribunal Faisalabad and case is under hearing stage.

30.1.8 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.

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 Holding 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.

The Holding Company filed application dated March 25, 2021 for approval for revision of return under clause (ba) of subsection 6 of section 114 of Income Tax Ordinance, 2001, for charging minimum tax u/s 113 at the rate 0.2% instead of 1%. The commissioner audit vide his letter dated May 07, 2021 rejected the request of the Holding Company for granting permission for revision of return. The Holding Company has filed a petition in the Hon'ble High Court of Sindh with prayer to direct the Commissioner Inland Revenue to allow revision of return of income for the tax year 2016 and no adverse order has been passed.

	Note	2022	2021
		--- (Rupees in '000) ---	

30.2 Commitments

post-dated cheques		31,900	1,677

31 SALES-NET

Gross sales			
Liquefied petroleum gas (LPG)		5,189,987	3,049,414
Low pressure regulators (LPR)		968	1,102
		5,190,955	3,050,516
Sales return		(4,202)	(407)
Sales tax		(692,126)	(458,812)
		4,494,627	2,591,297

31.1 Revenue recognised from amounts included in advance from customers at the beginning of the year amounted to Rs. 13.14 million (2021: Rs. 10.54 million).

32 COST OF SALES

	Note	2022	2021
		--- (Rupees in '000) ---	
Salaries, wages and other employees benefits	32.1	29,191	29,643
Cost of low pressure regulators sold		2,192	681
Stores and spares consumed	32.3	789	1,863
Repairs and maintenance		7,777	7,074
Travelling, conveyance and vehicle maintenance		911	713
Depreciation	7.1.3	8,666	10,718
Amortisation	8.5	10,030	49,080
Rent, rates and utilities		39,026	12,613
Communication charges		980	936
Printing and stationery		502	188
Legal and professional charges		488	408
Insurance		2,784	2,440
Signature bonus		51,672	37,360
Security		3,786	2,791
Sundry expenses		2,782	4,337
Manufacturing cost		161,576	160,845
Opening stock		18,429	42,516
Purchases	32.2	4,192,842	2,372,876
Closing stock	11	(44,370)	(18,429)
		4,166,901	2,396,963
		4,328,477	2,557,808

32.1 Salaries and other benefits include Rs. 0.60 million (2021: Rs. 0.69 million) in respect of retirement and other service benefits.

32.2 This include amount of Rs. 176.42 million (2021: 206.34 million) related to purchases of LPG from Byco Petroleum Pakistan Limited (BPPL) and amount of Rs. 5.72 million (2021: 13.75 million) paid to ADEPT (Private) Limited (APL) for purchasing rights of LPG quota. On May 13, 2019, the Holding Company entered in to agreement with Byco Petroleum Pakistan Limited (BPPL) for purchase of LPG through an arrangement. On June 06, 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 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 (2021: Rs. 4,500) 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	2022	2021
		--- (Rupees in '000) ---	

32.3 Stores and spares consumed

	Note	2022	2021
Opening stock		3,873	2,215
Purchases		1,589	3,520
		5,462	5,735
Closing stock	10	(4,673)	(3,873)
		789	1,863

33 ADMINISTRATIVE EXPENSES

	Note	2022	2021
Salaries, wages and other employees benefits	33.1	69,939	69,968
Depreciation	7.1.3	8,123	9,092
Amortisation	8.5	88	88
Repairs and maintenance		1,013	1,013
Travelling, conveyance and vehicle maintenance		7,794	7,766
Rent, rates and utilities		1,646	1,852
Communication charges		2,692	2,615
Printing and stationery		1,058	1,103
Legal and professional charges		20,014	25,863
Insurance		775	2,376
Advertisement and publicity		26	571
Security		1,949	1,631
Sundry		821	806
		115,938	124,744

33.1 Salaries and other benefits include Rs. 6.57 million (2021: Rs. 6.70 million) in respect of retirement and other service benefits.

	Note	2022	2021
		--- (Rupees in '000) ---	
34 DISTRIBUTION AND MARKETING EXPENSES			
Salaries, wages and other employees benefits	34.1	13,405	15,241
Depreciation	7.1.3	28,075	24,210
Repairs and maintenance		251	200
Travelling, conveyance and vehicle maintenance		524	635
Rent, rates and taxes		947	577
Communication charges		655	807
Printing and stationery		136	164
Insurance		227	155
Hospitality charges		15,690	19,181
Freight and octroi		7,731	4,107
Advertisement and publicity		157	148
Security		744	655
Sundry expenses		435	366
		68,977	66,446

34.1 Salaries and other benefits include Rs. 6.57 million (2021: Rs. 0.35 million) in respect of retirement and other service benefits.

35 OTHER INCOME

	Note	2022	2021
Income from financial assets			
Profit on saving accounts	35.1	1,196	2,327
Income from non-financial assets			
Rental income from storage tanks-cylinders		1,076	1,116
Gain on disposal of property, plant and equipment		1,907	5,500
Liability for cylinder deposits and regulator deposits written back	35.2	19,245	16,029
Old liabilities written back		3,231	2,167
Reversal of expected credit losses	12.1	613	-
Recoveries against cylinder replacement		1,944	1,919
Hospitality income		188	455
Gain on restructuring of loan	21.1	37,756	-
		67,157	29,513

35.1 Represents profit on bank accounts under conventional banking relationship.

35.2 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.

	Note	2022	2021
		--- (Rupees in '000) ---	
36 OTHER EXPENSES			
Workers' Profits Participation Fund		1,403	-
Directors' fees		4,400	4,800
Auditors' remuneration	36.1	2,504	2,734
Allowance for expected credit losses	12.1	-	1,542
		8,307	9,076
36.1 Auditors' remuneration			
Statutory audit		1,445	1,378
Half yearly review		500	500
Other certification		290	290
Out of pocket expenses and others		269	566
		2,504	2,734
37 FINANCIAL COSTS			
Mark-up / interest on:			
Short-term loan		7,433	-
Short-term borrowings		1,441	-
Long-term loan		726	22,363
Lease liabilities		2,218	3,013
		11,818	25,376
Bank charges and commission		1,840	1,613
		13,658	26,989

	Note	2022	2021
		--- (Rupees in '000) ---	
38 TAXATION			
Current	15	11,300	6,547
Prior year		6	(66,361)
Deferred		(11,492)	15,440
		(186)	(44,374)

38.1 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 as it is a higher of Corporate rate tax and Alternate Corporate Tax.

39 EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

	2022	2021
Profit / (loss) for the year	26,613	(119,879)
	--- (Number in '000) ---	
Weighted average number of ordinary shares outstanding	22,489	22,489
	--- (Rupees) ---	
Earnings / (loss) per share - basic and diluted	1.18	(5.33)

40 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:

	2022				2021			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	(Rupees in '000)				(Rupees in '000)			
Managerial remuneration	27,324	12,027	22,224	61,575	27,324	15,222	20,682	63,228
Meeting fees	300	650	850	1,800	350	950	950	2,250
Bonus	2,277	880	1,740	4,897	2,277	1,268	1,758	5,303
Retirement benefits	1,161	-	760	1,921	1,161	-	694	1,855
Travelling and conveyance	1,001	122	103	1,226	-	67	70	137
Medical allowance	-	413	1,014	1,427	-	792	828	1,620
Mobile allowance	-	30	-	30	-	30	-	30
Total	32,063	14,122	26,691	72,876	31,112	18,329	24,982	74,423
Number of persons	1	2	10	13	1	2	10	13

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

40.2 Fee amounting to Rs. 1.30 million (2021: Rs. 2.40 million) was paid to five (2021: four) non-executive directors for attending Board meetings during the year.

41 RETIREMENT AND OTHER SERVICE BENEFITS

41.1 Pension fund and gratuity fund - valuation results:

The latest actuarial valuations of the defined benefit plans were carried out as at June 30, 2022, using the "Projected Unit Credit Method". The Group has terminated the gratuity and the purpose of the valuation is to fulfil the regulatory requirements. The assumptions and methodology used in the valuation are based on the provisions of International Accounting Standard 19 (IAS 19). The details of defined benefit plans are as follows:

41.1.1 Statement of financial position reconciliation:

	Pension Fund 2022	Pension Fund 2021	Gratuity Fund 2022	Gratuity Fund 2021
	(Rupees in '000)			
Fair value of plan assets	(108,807)	(102,407)	-	(17,807)
Present value of defined benefit obligations	106,214	117,082	-	19,586
Net liability / (asset) at end of the year	(2,592)	14,675	-	1,779

	Pension Fund		Gratuity Fund	
	2022	2021	2022	2021
	(Rupees in '000)			
41.1.2 Movement in net (asset) / liability recognised:				
Balance as at July 01	14,676	31,915	1,779	(1,350)
Charge for the year	2,562	3,496	2,213	1,146
Contribution	(8,584)	(8,660)	(7,023)	-
Remeasurements of obligation	(11,246)	(12,075)	3,031	1,983
Balance as at June 30	(2,592)	14,676	-	1,779
41.1.3 Movement in defined benefit obligations:				
Balance as at July 01	117,082	119,338	19,586	18,270
Current service cost	1,537	1,188	1,515	1,261
Interest cost	11,201	9,679	1,959	1,396
Employee contributions	253	442	-	-
Benefits paid	(10,139)	(10,496)	(25,382)	(3,694)
Curtailment / settlement gain	-	-	520	-
Remeasurements of obligation	(13,720)	(3,069)	1,802	2,353
Balance as at June 30	106,214	117,082	-	19,586
41.1.4 Movement in fair value of plan assets:				
Balance as at July 01	102,407	87,424	17,807	19,620
Expected return on plan assets	10,176	7,372	1,781	1,511
Contribution	8,584	8,660	7,023	-
Employees contributions	253	442	-	-
Benefits paid	(10,139)	(10,496)	(25,382)	(3,694)
Remeasurements of plan assets	(2,474)	9,005	(1,229)	370
Balance as at June 30	108,807	102,407	-	17,807
41.1.5 Charge for the year:				
Current service cost	1,537	1,188	1,515	1,261
Net Interest cost	1,025	2,307	178	(115)
Curtailment / settlement gain	-	-	520	-
	2,562	3,495	2,213	1,146
41.1.6 Actual return on plan assets	7,702	16,377	552	1,881

41.1.7 Remeasurement recognised in Other Comprehensive Income:

	Pension Fund 2022	Pension Fund 2021	Gratuity Fund 2022	Gratuity Fund 2021
	(Rupees in '000)			
Remeasurement of obligation				
Experience loss / (gain)	(13,720)	(3,069)	1,802	2,353
Remeasurement of plan assets				
Experience loss / (gain)	2,474	(9,005)	1,229	(370)
	(11,246)	(12,074)	3,031	1,983

41.1.8 Principal actuarial assumptions used in the actuarial valuation:

	Pension Fund 2022	Pension Fund 2021	Gratuity Fund 2022	Gratuity Fund 2021
Financial assumptions				
Discount rate	13.25%	10.00%	13.25%	10.00%
Expected per annum rate of return on plan assets	13.25%	10.00%	13.25%	10.00%
Expected per annum rate of increase in salaries - long term	13.25%	8.00%	13.25%	8.00%
Demographic assumptions				
Expected mortality rate	SLIC 2001-2005	Adjusted SLIC 2001-2005	SLIC 2001-2005	Adjusted SLIC 2001-2005
Expected withdrawal rate	High	High	High	High

41.1.9 Analysis of present value of defined benefit obligation:

	AS AT JUNE 30, 2022 Pension Fund	Gratuity Fund
	(Rupees in '000)	
Vested benefits	3,895	-
Non-vested benefits	102,320	-
	106,215	-

41.1.10 Plan assets comprise of the following:

	Pension Fund				Gratuity Fund			
	2022		2021		2022		2021	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Investments								
Mutual funds	74,064	68	55,458	54	-	0	14,964	84
Musharka Certificate	-	0	44,255	43	-	0	5,466	31
	74,064	68	99,713	97	-	0	20,430	115
Advances and other receivable	760	1	738	1	-	0	49	0
Liabilities	(793)	(1)	(193)	(0)	-	0	(2,877)	(16)
Cash and cash equivalents	34,524	32	2,149	2	-	0	204	1
	108,555		102,407		-		17,806	

41.1.11 Historical information of staff retirement benefits:

	2022	2021	2020	2019	2018	2017
		---------------(Rupees in '000)--------------				
Gratuity Fund						
Present value of defined benefit obligation	-	19,586	18,270	13,311	15,800	15,754
Fair value of plan assets	-	(17,807)	(19,620)	(17,431)	(25,236)	(12,554)
Deficit / (surplus)	-	1,779	(1,350)	(4,120)	(9,436)	3,200
Pension Fund						
Present value of defined benefit obligation	106,214	117,083	119,337	77,031	108,913	102,914
Fair value of plan assets	(108,807)	(102,407)	(87,424)	(93,399)	(75,828)	(96,825)
Deficit / (surplus)	(2,593)	14,676	31,913	(16,368)	33,085	6,089

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

	As at June 30, 2022	
	Pension Fund	Gratuity Fund
	-------- (Rupees in '000) --------	
Discount rate + 1%	99,215	-
Discount rate - 1%	114,171	-
Long term salaries increase +1%	108,332	-
Long term salaries increase -1%	104,215	-
Withdrawal rates +10%	105,909	-
Withdrawal rates -10%	106,535	-
1 Year Mortality age set back	106,317	-
1 Year Mortality age set forward	106,113	-

41.1.13 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 consolidated statement of financial position.

41.2 Provident Fund

The following information is based upon the latest audited financial statements of the provident fund as at June 30, 2022 and June 30, 2021:

	2022	2021
	--- (Rupees in '000) ---	
Size of the fund - total assets	5,256	13,629
Fair value of investments	6,000	13,767
Cost of investments	5,155	13,544
Percentage of investments	98.08%	99.38%

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

	2022		2021	
	Rupees in '000	%	Rupees in '000	%
Bank deposits	625	10	419	3
Mutual funds	5,375	90	13,348	97
	6,000		13,767	

Investments out of Staff Provident Fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

42 TRANSACTIONS WITH RELATED PARTIES

42.1 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.

42.2 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 consolidated financial statements, are as follows:

Transactions with related parties

Nature of relationship	Nature of transaction	2022	2021
		---(Rupees in '000)---	
Staff retirement benefit / contribution plans			
Burshane LPG (Pakistan) Limited Gratuity Fund	Benefits paid	4,146	-
Burshane LPG (Pakistan) Limited Management Staff Pension Fund	Benefits paid	8,584	8,660
Burshane LPG (Pakistan) Limited Provident Fund	Contribution paid	2,749	2,765
Associated Companies			
Burshane Petroleum (Private) Limited [Formerly Darian International (Private) Limited]	Short term Loan - received *	397,000	90,000
	Short term Loan - paid *	352,000	90,000
	Interest expense on short term loan	7,433	452
	Interest paid on short term loan	6,395	452
	Received against expenses	-	500
AAK Commodities (Private) Limited [Formerly ALSAA & AAK Commodities (Private) Limited]	Amount received against expenses	-	250
A&S Corporation (Private) Limited	Expense paid on behalf of associated company	34	-
	Amount received against expenses	34	75
Roots International Brands (Private) Limited	Interest received on short term advances	-	834
Key management	Loan disbursed	2,875	1,060
	Amount received against loan	3,294	1,127
	Managerial remuneration	61,575	63,228
	Bonus	4,897	5,303
	Retirement benefits	1,921	1,855
	Utilities	30	30
	Advance against salary	-	760
	Travelling and conveyance	1,226	137
	Medical	1,427	1,620

* During the year, the Holding Company obtained a loan amounting to Rs. 397 million at a markup of KIBOR plus 2% from Burshane Petroleum (Private) Limited, an associate company, with no agreed purpose and other terms. The loan amounting to Rs. 352 million was also repaid by cheque during the year.

Balances with related parties

Nature of relationship	Nature of transaction	2022	2021
		---(Rupees in '000)---	
Former Holding Company			
H.A.K.S. Trading (Private) Limited	Dividend payable	79,971	79,971
Staff retirement benefit / contribution plans			
Burshane LPG (Pakistan) Limited Management Staff Pension Fund	Receivable / (payable) to staff pension fund	3,133	(14,483)
Burshane LPG (Pakistan) Limited Gratuity Fund	Receivable from staff gratuity fund	-	1,098
Burshane LPG (Pakistan) Limited Provident Fund	Receivable from staff provident fund	511	-
Associated Companies			
Burshane Petroleum (Private) Limited (Formerly Darian International (Private) Limited)	Receivable against use of name Burshane	9,000	9,000
	Short-term loan	45,000	-
	Markup payable	1,038	-
Key management personnel			
Key management personnel	Long-term loan	-	353
	Short-term loan	368	434

42.3 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
H.A.K.S Trading (Private) Limited	Former Holding Company	Nil
AAK Commodities (Private) Limited (Formerly ALSAA & AAK Commodities (Private) Limited)	Common directorship	Nil
A&S Corporation (Private) Limited	Common directorship	Nil
Norinco International Thatta Power (Private) Limited	Common directorship	Nil
Burshane Petroleum (Private) Limited (Formerly Darian International (Private) Limited)	Common directorship	Nil
AN Developers (Private) Limited	Common directorship	Nil
AN Energy (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	2022	2021
		---(Rupees in '000)---	
43 CASH GENERATED FROM OPERATIONS			
Profit / (loss) before taxation		26,427	(164,253)
Adjustment for non-cash and other items:			
Gain on disposal of property, plant and equipment	35	(1,907)	(5,500)
Financial charges	37	13,658	26,989
Depreciation	7.1.3	44,864	44,020
Amortisation	8.5	10,118	49,168
Provision for retirement and other service benefits		4,775	4,642
Restructuring of loan to short-term borrowings		(154,000)	-
Gain on loan restructuring		(37,756)	-
(Reversal) / allowance for the year	12.1	(613)	1,542
Liability for cylinder deposits written back	43	(19,245)	(16,029)
		(140,106)	104,832
Loss before working capital changes		(113,679)	(59,421)
Working capital changes	43.1	27,225	(196,584)
		(86,454)	(256,005)

43.1 Working capital changes

	2022	2021
Decrease / (increase) in current assets:		
Stores and spares	(800)	(1,658)
Stock-in-trade	(25,791)	24,767
Trade debts	531	(64,431)
Loans and advances	15,498	(18,943)
Deposits, prepayments and other receivables	18,647	(121,239)
	8,085	(181,504)
Increase / (decrease) in current liabilities:		
Trade and other payables	19,140	(15,080)
	27,225	(196,584)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30,2022

44 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as per statement of financial position
Amortized cost

	2022	2021
	---(Rupees in '000)---	
Long-term loans including current portion	368	840
Long-term deposits	3,174	3,174
Trade debts	87,747	87,665
Loans and advances	368	487
Deposits and other receivables	104,597	122,808
Bank balances	96,908	93,423
	293,163	308,397

Financial liabilities as per statement of financial position
Amortized cost

	2022	2021
Long-term loan including current maturity	138,115	254,439
Trade and other payables	94,469	91,374
Cylinder and regulator deposits	466,197	438,262
Accrued mark-up	3,205	119,392
	701,986	903,467

45 CHANGE IN LIABILITIES ARISING FROM FINANCIAL ACTIVITIES

Description	As at July 01, 2021	Restructuring of loan from NBP	Additions	Disposals	Others	Cashflows	As at June 30, 2022
	(Rupees in '000)						
Long-term loan	-	161,671	-	-	(21,883)	(25,443)	114,345
Current portion of long-term loan	254,439	(220,382)	-	-	(10,287)	-	23,770
Lease liabilities	9,942	-	27,000	-	(18,071)	-	18,871
Current portion of lease liabilities	6,349	-	-	(3,018)	20,289	(14,316)	9,304
Short-term loan	-	-	397,000	-	-	(352,000)	45,000
Short-term borrowings	-	154,000	-	-	-	(2,939)	151,061
Accrued mark-up	119,392	(95,289)	3,205	-	(5,586)	(18,517)	3,205
2022	390,122	-	427,205	(3,018)	(35,538)	(413,215)	365,556

Description	As at July 01, 2020	Restructuring of loan from NBP	Additions	Disposals	Others	Cashflows	As at June 30, 2021
	(Rupees in '000)						
Current portion of long-term loan	254,439	-	-	-	-	-	254,439
Lease liabilities	17,511	-	-	-	(7,569)	-	9,942
Current portion of lease liabilities	5,114	-	-	-	8,950	(7,715)	6,349
Accrued mark-up	97,029	-	22,363	-	-	-	119,392
2021	374,093	-	22,363	-	1,381	(7,715)	390,122

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

46.1 Financial risk factors

The Holding 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 Holding 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 Holding 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 other prices will effect the Holding 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 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.

	2022	2021	2022	2021
	Effective rate		Carrying amount	
	-------- (In percent) --------		--------- (Rupees in '000) ---------	
Financial liabilities				
Variable rate instruments				
Long-term loan including current maturity	**16.83%**	9.50%	**138,115**	254,439
Short-term loan	**15.83%**	-	**45,000**	-
Short-term borrowings	**16.58%**	-	**151,061**	-
			334,176	254,439

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. 3.34 million (2021: 2.54 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 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 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.

	2022	2021
	---(Rupees in '000)---	
Long-term loans including current portion	**368**	840
Long-term deposits	**3,174**	3,174
Trade debts	**87,747**	87,665
Deposits and other receivables	**104,597**	122,808
Bank balances	**96,908**	93,423
	292,795	307,910

For trade debts, the credit risk exposure is net of allowance for expected credit losses as disclosed in note 12.1.

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	
		2022	2021	2022	2021
Bank Alfalah Limited	PACRA	A1+	A1+	AA+	AA+
Habib Bank Limited	VIS	A1+	A1+	AAA	AAA
MCB Bank Limited	PACRA	A1+	A1	AAA	A
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	AAA
Summit Bank Limited	VIS	Not rated	Not rated	Not rated	Not rated

c) Liquidity risk

Liquidity risk is that the risk the Group will not be able to meet its financial obligations as they fall due. The Groups's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Following are the contractual maturities of the Group's financial liabilities:

	2022			2021		
	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	23,770	138,115	161,885	254,439	-	254,439
Lease Liability	9,304	18,871	28,175	6,349	9,942	16,291
Cylinder and regulator deposits	-	466,197	466,197	-	438,262	438,262
Trade and other payables	94,469	-	94,469	91,374	-	91,374
Short-term loan	45,000	-	45,000	-	-	-
Short-term borrowings	151,061	-	151,061	-	-	-
Accrued mark-up	3,205	-	3,205	119,392	-	119,392
	326,809	623,183	949,992	471,554	448,204	919,758

46.2 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 freehold land at February 15, 2022 and leasehold land as at June 14, 2022 was carried out by M/s. K. G. Traders (Private) Limited and M/s. Luckyhiya Associate (Private) Limited (refer note 7.1.6).

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	-	16,800	-	16,800
Leasehold land	-	569,288	-	569,288
2022	-	586,088	-	586,088
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

47 CAPITAL 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:

	2022	2021
	---(Rupees in '000)---	
Lease liability	**28,175**	16,291
Cylinder and regulator deposits	**466,197**	438,262
Long-term loan including current maturity	**138,115**	254,439
Short-term loan	**45,000**	-
Short-term borrowings	**151,061**	-
Trade and other payables	**113,039**	108,382
Unclaimed dividends	**83,050**	83,198
Accrued mark-up	**3,205**	119,392
Total debt	**1,027,842**	1,019,964
Cash and bank balances	**(96,932)**	(93,623)
Net debt	**930,910**	926,341
Share capital	**224,888**	224,888
Capital reserves	**153,458**	153,458
Revenue reserves	**(74,895)**	(101,508)
Actuarial loss on remeasurement of retirement and other service benefits	**(30,471)**	(36,217)
Revaluation surplus on property	**336,715**	336,415
Total equity	**609,695**	577,036
Capital	**1,540,605**	1,503,377
Gearing ratio	**60.42%**	61.62%

48 CORRESPONDING FIGURES

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

49 CAPACITY

	Note	2022	2021
		(Quantity in metric ton)	
Installed annual filling capacity		37,500	37,500
Actual utilization	49.1	30,960	32,924

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

50 NUMBER OF EMPLOYEES

	2022	2021
As at the reporting date	76	85
Average number of employees during the year	77	82

51 GENERAL

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

52 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorized for issue on September 26, 2022 by the Board of Directors of the Group.

DIRECTOR | CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER

ATTENDANCE AT BOARD AND COMMITTEES MEETINGS

NAME	Board			Audit Committee			Human Resources and Remuneration committee		
	Member	Meetings	Attendance	Member	Meetings	Attendance	Member	Meeting	Attendance
Mr. Asad Alam Niazi	●	5	5				●	1	1
Mr. Shahriar D. Sethna	●	2	1	●	2	2			
Mr. Saifee Zakiuddin	●	5	5				●	1	1
Mr. Khalid Dar	●	5	5						
Mr. Shaikh Abdus Sami	●	5	5	●	5	5			
Mr. Maj. G. (R) Rafiullah Khan	●	5	5	●	5	5	●	1	1
Mr. Darayus T. Sethna	●	2	1	●	2	2			
Mr. Osman Malik	●	2	2						
Ms. Hamdia Fatin Niazi	●	5	5	●	5	5	●	1	1
Ms. Shahbano Hameed	●	5	5						

PATTERN OF SHAREHOLDING

FOR THE YEAR ENDED JUNE 30, 2022

NO. OF SHAREHOLDERS	From	To	SHARES HELD	PERCENTAGE
497	1	100	10367	0.0458
227	101	500	86907	0.3839
141	501	1000	128772	0.5688
233	1001	5000	589644	2.6044
34	5001	10000	271453	1.1990
12	10001	15000	150900	0.6665
4	15001	20000	71322	0.3150
3	20001	25000	61552	0.2719
5	25001	30000	138200	0.6104
2	30001	35000	64500	0.2849
1	35001	40000	35500	0.1568
1	40001	45000	42500	0.1877
1	45001	50000	48702	0.2151
1	50001	55000	52736	0.2329
1	55001	70000	55500	0.2451
1	70001	80000	71500	0.3158
2	80001	85000	166558	0.7357
1	85001	140000	86000	0.3799
1	140001	380000	140248	0.6195
1	380001	1335000	380569	1.6810
1	1335001	1815000	1336033	5.9012
1	1815001	16830000	1816238	8.0222
1	16830001	16835000	16834343	74.3565
1172				100

Categories of Shareholding	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	3	1,850,599	8.23%
MODARABAS & MUTUAL FUNDS			
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,336,033	5.94%
GENERAL PUBLIC			
LOCAL	1,126	2,314,112	10.29%
FOREIGN	31	146,120	0.65%
OTHERS	8	147,908	0.66%
Company Total	1,172	22,488,890	100%

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	4	1,860,088	8.2711%
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,336,033	5.9409%

burshane®

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 ____________ 2022.

Revenue Stamp
Rs. 10/=

____
(Specimen Signature of Proxy)

Folio No. ___________
Participant I.D. No. ______________
Sub Account No. ________________
C.N.I.C./ Passport Number:
____

____
(Signature of Share Holder)

Folio No. _____________________________
Participant I.D. No. ____________________
Sub Account No. ______________________
C.N.I.C./ Passport Number:
____

____
(Specimen Signature of Alternate Proxy)

Folio No. ____________________________
Participant I.D. No. ___________________
Sub Account No. _____________________
C.N.I.C./ Passport Number:
____

____
(Signature of Witness 1)
Name: ____________________
C.N.I.C./ Passport Number:
____
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
نمبر ________________ عمومی شیئرز کی تحویل رکھتا ہوں۔ ________________ میں/ہم یہاں ________________
کو جمعرات ، کمپنی کی کورنگی پلانٹ ملحقہ پاکستان ریفائنری لمٹیڈ، کورنگی کریک کراچی ہونے والے سالانہ اجلاس میں اپنی/ہماری غیرموجودگی میں شرکت اور ووٹ دینے کے لیے اپنا مقرر کرتا/ کرتی ہوں۔

بتاریخ، ________________ 2022

10 روپے والا
ریونیو اسٹامپ

____
شیئر ہولڈر کے دستخط
فولیو نمبر ________________
پارٹی سپنٹ آئی ڈی نمبر ________________
سب اکاؤنٹ نمبر ________________
سی این آئی سی/پاسپورٹ نمبر ________________

____
(پراکسی کے دستخط کا نمونہ)
فولیو نمبر ________________
پارٹی سپنٹ آئی ڈی نمبر ________________
سب اکاؤنٹ نمبر ________________
سی این آئی سی/پاسپورٹ نمبر ________________

____
گواہ نمبر 1 کے دستخط
نام: ________________
سی این آئی سی/پاسپورٹ نمبر ________________
سی این آئی سی/پاسپورٹ نمبر ________________
____

____
گواہ نمبر 2 کے دستخط
نام: ________________
سی این آئی سی/پاسپورٹ نمبر ________________
سی این آئی سی/پاسپورٹ نمبر ________________
____


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

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