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## Company Information

### Board of Directors

Mr. Shahriar D. Sethna  
Chairman

Mr. Asad Alam Khan  
CEO / Director

Mrs. Hamdia Fatin Niazi  
Director

Mr. Darayus T. Sethna  
Director

Mr. Tassaduq Hussein Niazi  
Director

Mr. Saifee Zakiuddin  
Director

Syed Etrat Hussain Rizvi  
Director (NIT Nominee)

Mr. Muhammad Khalid Dar  
Director

Maj. Gen Rafi Ullah Khan (R)  
Director

### Auditors

Ernst and Young - Ford Rhodes

### Legal Advisors

Mohsin Tayeb Aly & Co

### Tax Advisors

KPMG Taseer Hadi & Co. Chartered Accountants.

### Registrar & Share Registration Office

**THK Associates (Pvt.) Limited**

### Management

Mr. Asad Alam Niazi  
Chief Executive Officer

Mr. Saifee Zakiuddin  
Director Finance

Mr. Muhammad Khalid Dar  
Director Marketing & Sales

Mr. Wahaj Hussain  
Company Secretary

Mr. Khurram Kasbati  
Head of Internal Audit

Mr. Amir Aziz  
Head of Operations Distribution & HSSE

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

### 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

### 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](tel:+922135898356)  
[Fax : + 92 21 3587 8353](tel:+922135878353)  
[www.burshane.com](http://www.burshane.com)

**BURSHANE LPG (PAKISTAN) LIMITED  
UNCONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR ENDED  
DECEMBER 31, 2018**

## Directors' Report

It gives me pleasure to share the results and financial information of the Company for the half year ended December 31, 2018.

During the period under review, sales volume of the Company decreased by 2,501 MT compared to the corresponding period of the preceding year primarily due to less quantity supplied by local refineries compared to the quota allocated due to furnace oil upliftment issue which resulted in decrease in production of LPG by refineries. Further, due to irregular supply / availability of imported LPG and unfavorable prices the Company decided to purchase imported LPG on need basis and thus avoided loss on sale of imported LPG. During the period your company purchased Imported LPG of 6,483 MT as compared to 9,625 MT purchased during the corresponding period of last year. During November / December, when the prices of Imported LPG normalized, the Company Imported LPG by Sea and the vessel arrived in the last week of December 2018.

Net sales of the Company increased by 21.17% due to higher demand and better selling prices during November and December 2018 compared to corresponding period of the previous year. Gross margins, however, increased by only 3.43% mainly due to much lower margin during September and October 2018. Cost of imported product of LPG was higher due to increase in international prices of LPG. Profit before tax increased by 16.86%, mainly due to increase in sales margin and other income.

During last year the Government decided to import LNG in bulk and this was made available to Industrial consumers and to a large extent to the piped natural gas customers of SNGPL and SSGCL. This resulted in reduced demand from the Industrial customers and to some extent domestic consumers of LPG. The trend continued this year as well and lower sales were witnessed in the industrial segment. However, due to lower price of LPG, as compared to petrol and diesel, its demand increased along with increase in selling prices in Auto Sector and as a result our sales in non industrial segment increased.

Administrative expenses increased by Rs. 8.29 million (16.31%) due to increase in staff related cost and increase in rent and utilities. Distribution and marketing expense increased by only Rs. 0.769 million (2.51%) which has increased due to increase in sales revenue.

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

The Company's earnings per share of the current period is Rs. 1.59 compared to earnings per share of Rs. 1.38 per share in the corresponding period of the preceding year.

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

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

OGRA has issued a notification on February 01, 2018 regulating the LPG prices in the Country. Accordingly, the LPG price would be regulated from the Producer's stage to retail marketing stage.

Following are the persons who are Directors of the Company:

1. Mr. Asad Alam Niazi
2. Mr. Tassaduq Hussain Niazi
3. Ms. Hamdia Fatin Niazi
4. Mr. Shehriar D. Sethna
5. Mr. Darayus T. Sethna
6. Mr. Saifee Zakiuddin
7. Mr. Khalid Dar
8. Mr. Etrat Hussain Rizvi
9. Maj.Gen Rafi Ullah Khan (R)

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. Further, during the year, the Company decided that in order to retain and motivate staff, it will by the way of balloting select 1 person to perform Hajj or Umra on Company's expense.

During the period, 2 meetings of the Board of Directors and 2 meetings of the Audit Committee were held.

Following is the appropriation:

(Rs. In '000)		
Profit before tax		57,140
Taxation		(21,392)
Net profit after tax		35,748
Dividend declared	Cash	NIL
	Bonus	NIL

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

Karachi  
Dated: February 26, 2019

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Asad Alam Khan  
Director / CEO

## **INDEPENDENT AUDITORS' REVIEW REPORT**

**To the members of Burshane LPG (Pakistan) Limited**

**Report on review of Interim Financial Statements**

### **Introduction**

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Burshane LPG (Pakistan) Limited (the Company)** as at **31 December 2018** and the related unconsolidated condensed interim statement of profit or loss and comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the three months ended 31 December 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 December 2018.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditors' report is Mr. **Arif Nazeer**.



**Chartered Accountants**

**Place: Karachi**

**Date: 27 February 2019**

**BURSHANE LPG (PAKISTAN) LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2018**

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
		----- (Rupees in '000) -----	
<b>ASSETS</b>	<b>Note</b>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	746,256	742,636
Intangible assets		419,258	453,002
Long-term investment		50,000	50,000
Long-term loans		1,163	1,466
Long-term deposit		122,827	100,839
		<u>1,339,504</u>	<u>1,347,943</u>
<b>CURRENT ASSETS</b>			
Stores and spares - net		5,152	2,606
Stock-in-trade		53,140	95,341
Trade debts		88,140	17,654
Loans and advances		179,533	120,714
Deposits, prepayments and other receivables		25,145	45,071
Taxation - net		17,199	9,987
Cash and bank balances		207,596	110,922
		<u>575,905</u>	<u>402,295</u>
		<u>1,915,409</u>	<u>1,750,238</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised Capital</b>			
90,000,000 (June 30,2018: 90,000,000) ordinary shares of Rs10/- each		900,000	900,000
Issued,subscribed and paid up capital		224,888	224,888
<b>Reserves</b>			
Capital reserve		153,458	153,458
Revene reserves		162,410	143,529
Acturial gain / (loss) on remeasurement of		(15,243)	(24,219)
Revaluation surplus of property, plant and equipment		274,765	274,765
		<u>575,390</u>	<u>547,533</u>
		800,278	772,421
<b>NON-CURRENT LIABILITIES</b>			
Long-term loan	8	-	-
Liabilities under finance lease		2,592	938
Deferred taxation - net		974	1,948
Cylinder and regulator deposits		375,242	374,145
		<u>378,808</u>	<u>377,031</u>
<b>CURRENT LIABILITIES</b>			
Loan from a subsidiary company		50,000	50,000
Current maturity of long-term loan		254,439	254,439
Current maturity of liabilities under finance lease		3,006	3,002
Loan from a Director	11	40,000	-
Trade and other payables		247,180	179,374
Unclaimed dividends		66,391	53,676
Accrued mark-up on long-term loan		75,307	60,295
		<u>736,323</u>	<u>600,786</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	9	<u>1,915,409</u>	<u>1,750,238</u>

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director



**BURSHANE LPG (PAKISTAN) LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Note	Quarter ended		Half year ended	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
		----- (Rupees in '000) -----			
Gross sales		1,096,440	977,669	2,089,886	1,732,868
Sales tax		(152,997)	(166,204)	(321,883)	(273,768)
<b>Sales - net</b>		<b>943,443</b>	<b>811,465</b>	<b>1,768,003</b>	<b>1,459,100</b>
Cost of sales		(864,778)	(747,859)	(1,617,685)	(1,313,766)
<b>Gross profit</b>		<b>78,665</b>	<b>63,606</b>	<b>150,318</b>	<b>145,334</b>
Administrative expenses	10	(32,419)	(29,014)	(59,098)	(50,812)
Distribution and marketing expenses		(15,987)	(14,348)	(31,464)	(30,695)
Other income		18,850	8,662	21,282	11,962
Other operating expenses		(4,252)	(3,824)	(6,637)	(9,195)
<b>Operating profit</b>		<b>44,857</b>	<b>25,082</b>	<b>74,401</b>	<b>66,594</b>
Finance costs		(9,302)	(11,253)	(17,261)	(17,696)
<b>Profit before taxation</b>		<b>35,555</b>	<b>13,829</b>	<b>57,140</b>	<b>48,898</b>
Taxation		(15,132)	(7,268)	(21,392)	(17,789)
<b>Profit after taxation</b>		<b>20,423</b>	<b>6,561</b>	<b>35,748</b>	<b>31,109</b>
----- (Rupee) -----					
<b>Earnings per share - basic and diluted</b>		<b>0.91</b>	<b>0.29</b>	<b>1.59</b>	<b>1.38</b>

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director



**BURSHANE LPG (PAKISTAN) LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Quarter ended		Half year ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	(Rupees in '000)			
<b>Profit after taxation for the period</b>	<b>20,423</b>	<b>6,561</b>	<b>35,748</b>	<b>31,109</b>
<b>Other comprehensive income for the period</b>				
Items that will not be reclassified subsequently to profit or loss:				
Actuarial gain / (loss) of remeasurement of retirement and other service benefits	8,976	(246)	8,976	(246)
<b>Total comprehensive income for the period</b>	<b>29,399</b>	<b>6,315</b>	<b>44,724</b>	<b>30,863</b>

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**BURSHANE LPG (PAKISTAN) LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half year ended	
	December 31, 2018	December 31, 2017
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	57,140	48,898
<b>Adjustments for:</b>		
Depreciation	15,376	14,990
Amortisation	33,731	28,717
Provision for retirement and other service benefits	3,554	-
Finance charge	17,261	17,696
Gain on sale of operating fixed assets	(3,762)	-
Profit on saving accounts	(1,810)	(1,632)
Liability for cylinder deposits written back	(10,792)	(5,309)
	53,558	54,462
<b>(Increase) in current assets</b>		
Stores and spares - net	(2,546)	192
Stock-in-trade	42,201	(48,329)
Trade debts	(70,486)	(5,689)
Loans and advances	(58,819)	17,901
Deposits, prepayments and other receivables	23,968	(2,015)
	(65,682)	(37,940)
<b>Increase in current liabilities</b>		
Trade and other payables - net	67,806	14,396
<b>Cash generated from operations</b>	112,822	79,816
Finance costs paid	(2,283)	(2,195)
Taxes paid	(29,578)	(19,367)
Long term loans - net	303	5,599
Long term deposits - net	(21,988)	(17,976)
Cylinder and regulator deposits - net	11,889	11,691
<b>Net cash generated from operating activities</b>	71,165	57,568
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of operating fixed assets	(14,200)	(394)
Proceeds from sale of operating fixed assets	3,762	-
Interest received	1,810	1,632
<b>Net cash (used in) / generated from investing activities</b>	(8,628)	1,238
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(4,152)	(2,719)
Loan from Directors	40,000	-
Repayment of liabilities under finance lease	(1,711)	(1,821)
<b>Net cash generated from / (used in) financing activities</b>	34,137	(4,540)
<b>Net increase in cash and cash equivalents</b>	96,674	54,266
Cash and cash equivalents at beginning of the period	110,922	111,924
<b>Cash and cash equivalents at end of the period</b>	207,596	166,190

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**BURSHANE LPG (PAKISTAN) LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Capital		Reserves				Total reserves	Total equity
	Issued, subscribed & paid-up capital	Reserve on amalgamation	General reserve	Unappropriated profit	Actuarial (loss) / gain on remeasurement of retirement and other service benefits	Revaluation surplus of property, plant and equipment		
					(Rupees in '000)			
<b>Balance as at June 30, 2017 (Audited)</b>	224,888	153,458	90,000	56,422	(21,214)	274,765	553,431	778,319
Profit for the period	-	-	-	31,109	-	-	31,109	31,109
Other comprehensive income for the period	-	-	-	-	(246)	-	(246)	(246)
Total comprehensive income for the period	-	-	-	31,109	(246)	-	30,863	30,863
Final dividend for the year ended June 30, 2017 @ Re. 1 per share	-	-	-	(22,489)	-	-	(22,489)	(22,489)
<b>Balance as at December 31, 2017 (Un-audited)</b>	<u>224,888</u>	<u>153,458</u>	<u>90,000</u>	<u>65,042</u>	<u>(21,460)</u>	<u>274,765</u>	<u>561,805</u>	<u>786,693</u>
<b>Balance as at June 30, 2018 (Audited)</b>	224,888	153,458	90,000	53,529	(24,219)	274,765	547,533	772,421
Profit for the period	-	-	-	35,748	-	-	35,748	35,748
Other comprehensive income for the period	-	-	-	-	8,976	-	8,976	8,976
Total comprehensive income for the period	-	-	-	35,748	8,976	-	44,724	44,724
Final dividend for the year ended June 30, 2018 @ Re. 0.75 per share	-	-	-	(16,867)	-	-	(16,867)	(16,867)
<b>Balance as at December 31, 2018 (Un-audited)</b>	<u>224,888</u>	<u>153,458</u>	<u>90,000</u>	<u>72,410</u>	<u>(15,243)</u>	<u>274,765</u>	<u>575,390</u>	<u>800,278</u>

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**BURSHANE LPG (PAKISTAN) LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

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

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

- 1.2 These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investment in subsidiary is accounted for on the basis of direct equity interest and is not consolidated or accounted for using equity method.

**2. STATEMENT OF COMPLIANCE**

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**3. BASIS OF PREPARATION**

These unconsolidated condensed interim financial statements are un-audited but subject to limited scope review by the statutory auditors as required under Section 237 of the Companies Act, 2017. These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements (unconsolidated) of the Company for the year ended June 30, 2018.

The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 and notes forming part thereof have not been reviewed by the statutory auditors of the Company, as they are required to review only the cumulative figures for the half year ended December 31, 2018 and December 31, 2017.

These unconsolidated condensed interim financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency.

**4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements (unconsolidated) for the year ended June 30, 2018 except for the adoption of new standards, amendments and interpretation of International Financial Reporting Standards (IFRSs) as disclosed in note 5.

## 5. NEW STANDARDS, AMENDMENTS AND INTERPRETATION OF IFRSs

IFRS 15 "Revenue from Contracts with Customers" (replacing IAS 18 "Revenue", IAS 11 "Construction Contracts" and related interpretations) and IFRS 9 "Financial Instruments" (replacing IAS 39 "Financial Instruments: Recognition and Measurement") became effective during the current period with initial application date of July 1, 2018.

However, the Securities and Exchange Commission of Pakistan vide S.R.O 229 (1) / 2019 dated February 14, 2019 has modified the effective date for application of IFRS 9 to 'Reporting period / year ending on or after June 30, 2019'.

### 5.1. IFRS 15 Revenue from Contracts with Customers

According to IFRS 15, revenue is recognised to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognized when, or as, the customer obtains control of the goods or services. IFRS 15 also includes guidance on the presentation of contract balances, that is, assets and liabilities arising from contracts with customers, depending on the relationship between the entity's performance and the

The Company has applied IFRS 15 with initial application date of July 1, 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP). The first-time application of IFRS 15 by the Company has not had any significant effect with regard to the amount of revenue recognised and when it is recognised. Hence, no cumulative adjustment amount has been recognised to adjust the opening equity as at July 1, 2018. Accordingly, the information presented for previous years has not been restated, as previously reported, under IAS 18 and related interpretations.

The management of the Company has assessed and concluded that the Company is in compliance with the requirements of IFRS 15.

## 6. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND FINANCIAL

The preparation of unconsolidated condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses, however, actual results may differ from these estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of this unconsolidated condensed interim financial statements are the same as those applied in the Company's annual financial statements (unconsolidated) for the year ended June 30, 2018.

The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated financial statements as at and for the year ended June 30, 2018.

		December 31, 2018	June 30, 2018
	Note	----- (Rupees in '000) -----	
7. PROPERTY, PLANT AND EQUIPMENT		(Un-audited)	(Audited)
Operating fixed assets, at net book value	7.1	<u>746,256</u>	<u>742,636</u>
7.1 Additions - at cost, to operating fixed assets during the period were as follows			
Plant and machinery		-	574
Furniture, fittings, electrical and other equipment		1,502	192
Fire fighting equipment		108	99
Cylinder and regulators		11,827	13,328
Vehicles - owned		532	94
Vehicles - leased		4,792	-
Computers and related accessories		231	342
		<u>18,992</u>	<u>14,629</u>



		(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
<b>8. LONG-TERM LOAN</b>			
<b>Secured</b>			
National Bank of Pakistan (NBP)	8.1	254,439	254,439
Current maturity of long-term loan		<u>(254,439)</u>	<u>(254,439)</u>
		<u>-</u>	<u>-</u>

**8.1** As a result of the Scheme referred to in note 6 to the audited financial statements for the year ended June 30, 2018, long-term finance obtained, under conventional banking terms, by HTPL had been transferred to the Company at the time of amalgamation. The loan was obtained as a demand finance facility under the agreement dated April 08, 2013 from NBP and is repayable in 9 semi-annual installments of Rs. 44.444 million latest by April 01, 2018 with a grace period of six months from the date of the drawdown. The loan carries mark-up at rate of 6 months KIBOR plus 2.5% to 6% per annum. This loan is secured by way of mortgage on leasehold land and charge on the Company's present and future current and fixed assets as well as personal guarantees of Directors of the Company. As at June 30, 2018, amount due but not paid by the Company was Rs. 254.439 million (2017: 168.26 million). During the period, the Company has requested NBP for restructuring of the loan and has received the new proposal with the extended terms against which bank has provided the offer letter dated November 06, 2018 under which loan would be carried at a mark-up rate of 3 months KIBOR plus 1.5%. The Company has accepted the new proposal offer received from the NBP which is under the approval stage with NBP.

## 9. CONTINGENCIES AND COMMITMENTS

### 9.1 Contingencies

There is no change in the status of contingencies as disclosed in note 27 to the annual financial statements of the Company for the year ended June 30, 2018.

	(Un-audited) December 31, 2018	(Audited) June 30, 2018
	----- (Rupees in '000) -----	
<b>9.2 Commitments</b>		
Post-dated cheques	<u>6,462</u>	<u>1,670</u>

## 10. ADMINISTRATIVE EXPENSE

This include donation of amount greater than Rs. 500,000 have been paid to the following parties and no director and his spouse has interest in below mentioned parties.

	(Un-audited) December 31, 2018	(Un-audited) December 31, 2017
	----- (Rupees in '000) -----	
Al Mustafa Trust	1,500,000	-
SECY MGPC	-	500,000
	<u>1,500,000</u>	<u>500,000</u>

## 11. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

**11.1.** 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.

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

### 11.2.1 Transaction with related parties

Transactions with related parties during the period, other than those which have been disclosed elsewhere in this unconsolidated condensed interim financial statements, are as follows:

		(Un-audited) Half year ended December 31, 2018	(Un-audited) Half year ended December 31, 2017
Nature of relationship	Nature of transactions	----- (Rupees in '000) -----	
<b>Former Holding Company</b>			
H.A.K.S. Trading (Private) Limited	Dividend	<u>12,627</u>	<u>16,836</u>
<b>Subsidiary</b>			
Burshane Trading (Private) Limited	Expenses incurred behalf of the company	<u>-</u>	<u>190</u>

# 11. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

		(Un-audited)	(Audited)
		December 31,	June 30,
		2018	2018
		----- (Rupees in '000) -----	
<b>Staff Retirement Benefit / Contribution Plans</b>			
Burshane LPG (Pakistan) Limited:			
Provident Fund	Company's contribution for the year	<u>1,394</u>	<u>2,913</u>
Pension Fund	Benefits paid	<u>4,481</u>	<u>7,468</u>
<b>Associated Companies / Other Related Parties</b>			
Burshane Petroleum (Private)			
Limited	Expenses paid by the Company	<u>500</u>	<u>-</u>
ALSAA & AAK Commodities			
(Private) Limited	Advances given for expenses	<u>105</u>	<u>326</u>
	Advances recovered	<u>-</u>	<u>326</u>
<b>Key management personnel</b>			
Chief Executive Officer			
	Managerial remuneration and other benefits	<u>13,662</u>	<u>12,420</u>
	Contribution to retirement and other service benefits	<u>581</u>	<u>528</u>
Executive Directors			
	Managerial remuneration and other benefits	<u>7,702</u>	<u>6,685</u>
	Advance given against salary to Executive	<u>400</u>	<u>420</u>
	Adjustments of loan	<u>100</u>	<u>1,687</u>
	Contribution to retirement and other service benefits	<u>-</u>	<u>196</u>
	Medical reimbursements	<u>293</u>	<u>178</u>
Director(s)			
	Interest free loan obtained by the Company, payable within 30 days	<u>40,000</u>	<u>-</u>
	Fee for attending meetings	<u>700</u>	<u>475</u>

## 11.2.2 Balances with related parties

Balances with related parties as at the period / year end, other than those which have been disclosed elsewhere in this unconsolidated condensed interim financial statements, are as follows:

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
		----- (Rupees in '000) -----	
<b>Nature of relationship</b>	<b>Nature of balances</b>		
<b>Former Holding Company</b>			
H.A.K.S. Trading (Private) Limited	Dividend payable	63,021	50,508
<b>Subsidiary</b>			
Burshane Auto Gas (Private) Limited	Investment in a subsidiary company	50,000	50,000
	Loan payable to a subsidiary company	50,000	50,000
<b>Staff Retirement Benefit / Contribution Plans</b>			
Burshane LPG (Pakistan) Limited:			
Gratuity Fund	Payable to Gratuity Fund	3,302	9,422
Pension Fund	Receivable to Pension Fund	15,779	33,085
Provident Fund	Receivable to Provident Fund	766	766



# 11. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

		(Un-audited)	(Audited)
		December 31, 2018	June 30, 2018
		---- (Rupees in '000) ----	
<b>Associated Companies / Other Related Parties</b>			
Burshane Petroleum (Private) Limited [Formerly Darian International (Private) Limited]	Receivable against use of name "Burshane"	9,000	9,000
	Receivable against expenses	500	-
Alsa & Aak Commodities (Private) Limited	Receivable against expenses	105	13
<b>Key management personnel</b>			
	Interest free loan, obtained by the Company, payable within 30 days	40,000	-
	Executive Directors	1,005	-

**11.2.3** Following are the related parties with whom the Company had entered into transactions or has arrangement / agreement in place:

Name	Basis of relationship	% of shareholding in the Company
Burshane Auto Gas (Private) Limited	Subsidiary Company	NII
Burshane Trading (Private) Limited	Subsidiary Company	NII
ALSAA & AAK Commodities (Private) Limited	Common directorship	NII
Norinco International Thatta Power (Private) Limited	Common directorship	NII
Burshane Petroleum (Private) Limited	Common directorship	NII
Burshane LPG (Pakistan) Limited		
Gratuity Fund	Staff Retirement Benefit Plan	NII
Pension Fund	Staff Retirement Contribution Plan	NII
Provident Fund	Staff Retirement Benefit Plan	NII

# 12. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

## 12.1 Fair value of hierarchy

As at December 31, 2018, the Company's all assets and liabilities are carried at amortised cost except for those mentioned below:

The Company's freehold land and leasehold land are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent impairment losses, if any. The fair value measurement of the Company's free hold land and lease hold land as at June 15, 2015 was carried out by M/s. Consultancy Support and Services and Harvestor Services (Private) Limited, respectively.

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 data (unobservable inputs).

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

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

**December 31, 2018 (Un-audited):**
**Assets measured at fair value**
**Property, plant and equipment**

Freehold land  
Leasehold land

Fair value measurement using			
Total	Level 1	Level 2	Level 3
----- (Rupees in '000) -----			
15,000	-	15,000	-
509,138	-	509,138	-
524,138	-	524,138	-

**June 30, 2018 (Audited):**
**Assets measured at fair value**
**Property, plant and equipment**

Freehold land  
Leasehold land

Fair value measurement using			
Total	Level 1	Level 2	Level 3
----- (Rupees in '000) -----			
15,000	-	15,000	-
509,138	-	509,138	-
524,138	-	524,138	-

**13. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE**

Subsequent to the half year ended December 31, 2018 the Board of Directors of the Company have proposed interim cash dividend of Rs. Nil per share (December 31, 2017: Rs.Nil) amounting to Rs.Nil million (December 31, 2017: Rs.Nil million).

**14. DATE OF AUTHORIZATION FOR ISSUE**

These unconsolidated condensed interim financial statements was authorised for issue on February 26, 2019 by the Board of Directors of the Company.

**15. GENERAL**

**15.1** Figures have been rounded off to the nearest thousands.

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

\_\_\_\_\_  
**Chief Executive Officer**

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**Chief Financial Officer**

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**Director**

**BURSHANE LPG (PAKISTAN) LIMITED  
CONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR ENDED  
DECEMBER 31, 2018**

**BURSHANE LPG (PAKISTAN) LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2018**

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Note	(Rupees in '000)	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	746,256	742,636
Intangible assets		419,258	453,002
Long-term loans		1,163	1,466
Long-term deposit		122,827	100,839
		<u>1,289,504</u>	<u>1,297,943</u>
<b>CURRENT ASSETS</b>			
Stores and spares - net		5,152	2,606
Stock-in-trade		53,140	95,341
Trade debts		88,140	17,654
Loans and advances		179,533	120,714
Deposits, prepayments and other receivables		25,151	45,076
Taxation - net		16,516	9,311
Cash and bank balances		208,885	112,179
		<u>576,517</u>	<u>402,881</u>
		<u>1,866,021</u>	<u>1,700,824</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised Capital</b>			
90,000,000 (June 30,2018: 90,000,000) ordinary shares of Rs10/- each		900,000	900,000
Issued,subscribed and paid up capital		224,888	224,888
<b>Reserves</b>			
Capital reserve		153,458	153,458
Revene reserves		162,872	143,965
Acturial gain / (loss) on remeasurement of		(15,243)	(24,219)
Revaluation surplus of property, plant and equipment		274,765	274,765
		<u>575,852</u>	<u>547,969</u>
		800,740	772,857
<b>NON-CURRENT LIABILITIES</b>			
Long-term loan	8	-	-
Liabilities under finance lease		2,592	938
Deferred taxation - net		974	1,948
Cylinder and regulator deposits		375,242	374,145
		<u>378,808</u>	<u>377,031</u>
<b>CURRENT LIABILITIES</b>			
Current maturity of long-term loan		254,439	254,439
Current maturity of liabilities under finance lease		3,006	3,002
Loan from Directors	11	40,000	-
Trade and other payables		247,330	179,524
Unclaimed dividends		66,391	53,676
Accrued mark-up on long-term loan		75,307	60,295
		<u>686,473</u>	<u>550,936</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9	<u>1,866,021</u>	<u>1,700,824</u>

The annexed notes from 1 to 15 form an integral part of these consolidated condensed interim financial statements.

\_\_\_\_\_  
Chief Executive Officer

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Chief Financial Officer

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Director

**BURSHANE LPG (PAKISTAN) LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

Note	Quarter ended		Half year ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	----- (Rupees in '000) -----			
Sales - net	943,443	811,465	1,768,003	1,459,100
Cost of sales	(864,778)	(747,859)	(1,617,685)	(1,313,766)
<b>Gross profit</b>	<b>78,665</b>	<b>63,606</b>	<b>150,318</b>	<b>145,334</b>
Administrative expenses	10 (32,419)	(29,014)	(59,098)	(50,812)
Distribution and marketing expenses	(15,987)	(14,348)	(31,464)	(30,695)
Other income	18,887	8,679	21,319	11,996
Other operating expenses	(4,252)	(3,824)	(6,637)	(9,195)
<b>Operating profit</b>	<b>44,894</b>	<b>25,099</b>	<b>74,438</b>	<b>66,628</b>
Finance costs	(9,302)	(11,253)	(17,261)	(17,696)
<b>Profit before taxation</b>	<b>35,592</b>	<b>13,846</b>	<b>57,177</b>	<b>48,932</b>
Taxation	(15,143)	(7,273)	(21,403)	(17,799)
<b>Profit after taxation</b>	<b>20,449</b>	<b>6,573</b>	<b>35,774</b>	<b>31,133</b>
	----- (Rupee) -----			
<b>Earnings per share - basic and diluted</b>	<b>0.91</b>	<b>0.29</b>	<b>1.59</b>	<b>1.38</b>

The annexed notes from 1 to 15 form an integral part of these consolidated condensed interim financial statements.

\_\_\_\_\_  
Chief Executive Officer

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Chief Financial Officer

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Director

**BURSHANE LPG (PAKISTAN) LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Quarter ended		Half year ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	----- (Rupees in '000) -----			
<b>Profit after taxation for the period</b>	<b>20,449</b>	<b>6,573</b>	<b>35,774</b>	<b>31,133</b>
<b>Other comprehensive income for the period</b>				
Items that will not be reclassified subsequently to profit or loss:				
Actuarial gain / (loss) of remeasurement of retirement and other service benefits	<b>8,976</b>	<b>(246)</b>	<b>8,976</b>	<b>(246)</b>
<b>Total comprehensive income for the period</b>	<b><u>29,425</u></b>	<b><u>6,327</u></b>	<b><u>44,750</u></b>	<b><u>30,887</u></b>

The annexed notes from 1 to 15 form an integral part of these consolidated condensed interim financial statements.

\_\_\_\_\_  
Chief Executive Officer

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Chief Financial Officer

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Director

**BURSHANE LPG (PAKISTAN) LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half year ended	
	December 31, 2018	December 31, 2017
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	57,177	48,932
<b>Adjustments for:</b>		
Depreciation	15,376	14,990
Amortisation	33,731	28,717
Provision for retirement and other service benefits	3,554	-
Finance charge	17,261	17,696
Gain on sale of operating fixed assets	(3,762)	-
Profit on saving accounts	(1,847)	(1,632)
Liability for cylinder deposits written back	(10,792)	(5,309)
	53,521	54,462
<b>(Increase) in current assets</b>		
Stores and spares - net	(2,546)	192
Stock-in-trade	42,201	(48,329)
Trade debts	(70,486)	(5,689)
Loans and advances	(58,819)	17,901
Deposits, prepayments and other receivables	23,967	(2,011)
	(65,683)	(37,936)
<b>Increase in current liabilities</b>		
Trade and other payables - net	67,806	14,395
<b>Cash generated from operations</b>	112,821	79,853
Finance costs paid	(2,283)	(2,195)
Taxes paid	(29,582)	(19,409)
Long term loans - net	303	5,599
Long term deposits - net	(21,988)	(17,976)
Cylinder and regulator deposits - net	11,889	11,691
<b>Net cash generated from operating activities</b>	71,160	57,563
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of operating fixed assets	(14,200)	(394)
Proceeds from sale of operating fixed assets	3,762	-
Interest received	1,847	1,632
<b>Net cash (used in) / generated from investing activities</b>	(8,591)	1,238
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(4,152)	(2,719)
Loan from Directors	40,000	-
Repayment of liabilities under finance lease	(1,711)	(1,821)
<b>Net cash generated from / (used in) financing activities</b>	34,137	(4,540)
<b>Net increase in cash and cash equivalents</b>	96,706	54,261
Cash and cash equivalents at beginning of the period	112,179	113,156
<b>Cash and cash equivalents at end of the period</b>	208,885	167,417

The annexed notes from 1 to 15 form an integral part of these consolidated condensed interim financial statements.

\_\_\_\_\_  
Chief Executive Officer

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Chief Financial Officer

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Director



**BURSHANE LPG (PAKISTAN) LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Capital		Reserves				Total reserves	Total equity
	Issued, subscribed & paid-up capital	Reserve on amalgamation	General reserve	Unappropriated profit	Actuarial (loss) / gain on remeasurement of retirement and other service benefits	Revaluation surplus of property, plant and equipment		
					(Rupees in '000)			
<b>Balance as at June 30, 2017 (Audited)</b>	224,888	153,458	90,000	56,739	(21,214)	274,765	553,748	778,636
Profit for the period	-	-	-	31,132	-	-	31,132	31,132
Other comprehensive income for the period	-	-	-	-	(246)	-	(246)	(246)
Total comprehensive income for the period	-	-	-	31,132	(246)	-	30,886	30,886
Final dividend for the year ended June 30, 2017 @ Re. 1 per share	-	-	-	(22,489)	-	-	(22,489)	(22,489)
<b>Balance as at December 31, 2017 (Un-audited)</b>	<u>224,888</u>	<u>153,458</u>	<u>90,000</u>	<u>65,382</u>	<u>(21,460)</u>	<u>274,765</u>	<u>562,145</u>	<u>787,033</u>
<b>Balance as at June 30, 2018 (Audited)</b>	224,888	153,458	90,000	53,965	(24,219)	274,765	547,969	772,857
Profit for the period	-	-	-	35,774	-	-	35,774	35,774
Other comprehensive income for the period	-	-	-	-	8,976	-	8,976	8,976
Total comprehensive income for the period	-	-	-	35,774	8,976	-	44,750	44,750
Final dividend for the year ended June 30, 2018 @ Re. 0.75 per share	-	-	-	(16,867)	-	-	(16,867)	(16,867)
<b>Balance as at December 31, 2018 (Un-audited)</b>	<u>224,888</u>	<u>153,458</u>	<u>90,000</u>	<u>72,872</u>	<u>(15,243)</u>	<u>274,765</u>	<u>575,852</u>	<u>800,740</u>

The annexed notes from 1 to 15 form an integral part of these consolidated condensed interim financial statements.

\_\_\_\_\_  
Chief Executive Officer

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Chief Financial Officer

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Director

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

**1. LEGAL STATUS AND OPERATIONS**

- 1.1 Burshane LPG (Pakistan) Limited (the Holding Company) is a limited liability company incorporated in Pakistan and is listed on Pakistan Stock Exchange Limited (formerly: Karachi Stock Exchange and Lahore Stock Exchange (Guarantee) Limited)). The registered office of the Company is situated at Suite 101, 1st Floor, Horizon Vista, Plot No. Commercial-10, Block-4, Scheme No. 5, Clifton, Karachi. The principal activity of the Company is storing and marketing of Liquefied Petroleum Gas (LPG) throughout Pakistan.

The Group consists of:

**Holding Company:** Burshane LPG (Pakistan) Limited

**Subsidiary Companies:**

- 1.2 Burshane AutoGas (Private) Limited and Burshane Trading (Private) Limited in which the Holding Company has 100% voting rights and are controlled by the Holding Company.

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

Burshane Trading (Private) Limited (the Subsidiary Company) was incorporated on October 13, 2014 under the Company Ordinance, 1984, for setting up trading operations particularly in coal and other energy related products. The Subsidiary Company's registered office is situated at Suite 101, 1st Floor, Horizon Vista, Plot No. Commercial-10, Block-4, Scheme No. 5, Clifton, Karachi. No share capital has been issued or transactions undertaken by the Subsidiary Company during the period.

**2. STATEMENT OF COMPLIANCE**

Effective 30 May 2017, the Companies Act, 2017 (the Act) has been promulgated, however, the Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 23 of 2017 dated October 04, 2017 decided that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Furthermore, the Institute of Chartered Accountants of Pakistan also issued clarification vide its circular dated 06 October 2017 which states that the interim financial information of the companies for the periods ending on or before December 31, 2017 shall also be prepared in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, this consolidated condensed interim financial information has been prepared in accordance with International Accounting Standard - 34 'Interim Financial Reporting' and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provision of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

Currently, the Group is assessing the impact of the requirements of the Companies Act 2017, on the financial statements for the future periods in terms of accounting as well as disclosure requirements as the Act has introduced certain additional disclosure requirements.

**3. BASIS OF PREPARATION**

This consolidated condensed interim financial information is being submitted to the shareholders in accordance with section 245 of the repealed Ordinance, 1984. It does not include all the information required for annual financial statements and therefore, should be read in conjunction with the audited financial statements of the Group for the year ended June 30, 2018.

The preparation of this consolidated condensed interim financial information is in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the Group accounting policies and the key sources of estimation and uncertainty are the same as those that apply to the financial statements for the year ended June 30, 2018.

#### **4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted in the preparation of this consolidated condensed interim financial information are consistent with those applied in the preparation of the financial statements for the year ended June 30, 2018.

#### **5. NEW STANDARDS, AMENDMENTS AND INTERPRETATION OF IFRSs**

IFRS 15 "Revenue from Contracts with Customers" (replacing IAS 18 "Revenue", IAS 11 "Construction Contracts" and related interpretations) and IFRS 9 "Financial Instruments" (replacing IAS 39 "Financial Instruments: Recognition and Measurement") became effective during the current period with initial application date of July 1, 2018.

However, the Securities and Exchange Commission of Pakistan vide S.R.O 229 (1) / 2019 dated February 14, 2019 has modified the effective date for application of IFRS 9 to 'Reporting period / year ending on or after June 30, 2019'.

##### **5.1. IFRS 15 Revenue from Contracts with Customers**

According to IFRS 15, revenue is recognised to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognized when, or as, the customer obtains control of the goods or services. IFRS 15 also includes guidance on the presentation of contract balances, that is, assets and liabilities arising from contracts with customers, depending on the relationship between the entity's performance and the customer's payment.

The Group has applied IFRS 15 with initial application date of July 1, 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP). The first-time application of IFRS 15 by the Company has not had any significant effect with regard to the amount of revenue recognised and when it is recognised. Hence, no cumulative adjustment amount has been recognised to adjust the opening equity as at July 1, 2018. Accordingly, the information presented for previous years has not been restated, as previously reported, under IAS 18 and related interpretations.

The management of the Group has assessed and concluded that the Group is in compliance with the requirements of IFRS 15.

#### **6. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND FINANCIAL RISK MANAGEMENT**

The preparation of the consolidated condensed interim financial information requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses, however, actual results may differ from these estimates. Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of this consolidated condensed interim financial information are the same as those applied in the Company's annual financial statements for the year ended June 30, 2018.

The Group financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

7.1

Plant and machinery	-	574
Furniture, fittings, electrical and other equipment	1,502	192
Fire fighting equipment	108	99
Cylinder and regulators	11,827	13,328
Vehicles - owned	532	94
Vehicles - leased	4,792	-
Computers and related accessories	231	342
	<b>18,992</b>	<b>14,629</b>

### Note

Current maturity of long-term loan

## 8.1

254,439	254,439
(254,439)	(254,439)
<u>-</u>	<u>-</u>

There is no change in the status of contingencies as disclosed in note 27 to the annual financial statements of the Company for the year ended June 30, 2018.

## Note

### Post-dated cheques

(Un-audited) December 31, 2018	(Audited) June 30, 2018
----- (Rupees in '000) -----	
6,462	1,670

This include donation of amount greater than Rs. 500,000 have been paid to the following parties and no director and his spoise has interest in below mentioned parties.

Al Mustafa Trust  
SECY MGPC

(Un-audited) December 31, 2018	(Audited) June 30, 2018
----- (Rupees in '000) -----	
1,500,000	-
-	500,000
<u>1,500,000</u>	<u>500,000</u>



# 11. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

11.1. The related parties include the former holding 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 Group.

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

## 11.2.1 Transaction with related parties

Transactions with related parties during the period, other than those which have been disclosed elsewhere in this unconsolidated condensed interim financial statements, are as follows:

		(Un-audited) Half year ended	
		December 31, 2018	December 31, 2017
		----- (Rupees in '000) -----	
Nature of relationship	Nature of transactions		
<b>Former Holding Company</b>			
H.A.K.S. Trading (Private) Limited	Dividend	12,627	16,836
<b>Subsidiary</b>			
Burshane Trading (Private) Limited	Expenses incurred behalf of the company	-	190

# 11. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
		----- (Rupees in '000) -----	
<b>Staff Retirement Benefit / Contribution Plans</b>			
Burshane LPG (Pakistan) Limited:			
Provident Fund	Company's contribution for the year	<u>1,394</u>	<u>2,913</u>
Pension Fund	Benefits paid	<u>4,481</u>	<u>7,468</u>
<b>Associated Companies / Other Related Parties</b>			
Burshane Petroleum (Private) Limited			
	Expenses paid by the Company	<u>500</u>	<u>-</u>
ALSAA & AAK Commodities (Private) Limited			
	Advances given for expenses	<u>105</u>	<u>326</u>
	Advances recovered	<u>-</u>	<u>326</u>
<b>Key management personnel</b>			
Chief Executive Officer			
	Managerial remuneration and other benefits	<u>13,662</u>	<u>12,420</u>
	Contribution to retirement and other service benefits	<u>581</u>	<u>528</u>
Executive Directors			
	Managerial remuneration and other benefits	<u>7,702</u>	<u>6,685</u>
	Advance given against salary to Executive	<u>400</u>	<u>420</u>
	Adjustments of loan	<u>100</u>	<u>1,687</u>
	Contribution to retirement and other service benefits	<u>-</u>	<u>196</u>
	Medical reimbursements	<u>293</u>	<u>178</u>
Directors			
	Interest free loan obtained by the Company, payable within 30 days	<u>40,000</u>	<u>-</u>
	Fee for attending meetings	<u>700</u>	<u>475</u>

## 11.2.2 Balances with related parties

Balances with related parties as at the period / year end, other than those which have been disclosed elsewhere in this unconsolidated condensed interim financial statements, are as follows:

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
		----- (Rupees in '000) -----	
Nature of relationship	Nature of balances		
<b>Former Holding Company</b>			
H.A.K.S. Trading (Private) Limited	Dividend payable	63,021	50,508
<b>Staff Retirement Benefit / Contribution Plans</b>			
Burshane LPG (Pakistan) Limited:			
Gratuity Fund	Payable to Gratuity Fund	3,302	9,422
Pension Fund	Receivable to Pension Fund	15,779	33,085
Provident Fund	Receivable to Provident Fund	766	766

#### 11. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
		----- (Rupees in '000) -----	
<b>Associated Companies / Other Related Parties</b>			
Burshane Petroleum (Private) Limited [Formerly Darian International (Private) Limited]			
	Receivable against use of name "Burshane"	9,000	9,000
	Receivable against expenses	500	-
Alsa & Aak Commodities (Private) Limited			
	Receivable against expenses	105	13
<b>Key management personnel</b>			
	Interest free loan, obtained by the Company, payable within 30 days	40,000	-
	Executive Directors	1,005	-

11.2.3 Following are the related parties with whom the Company had entered into transactions or has arrangement / agreement in place:

Name	Basis of relationship	% of shareholding in the Company
Burshane Trading (Private) Limited	Subsidiary Company	Nil
ALSAA & AAK Commodities (Private) Limited	Common directorship	Nil
Norinco International Thatta Power (Private) Limited	Common directorship	Nil
Burshane Petroleum (Private) Limited	Common directorship	Nil
Burshane LPG (Pakistan) Limited		
Gratuity Fund	Staff Retirement Benefit Plan	Nil
Pension Fund	Staff Retirement Contribution Plan	Nil
Provident Fund	Staff Retirement Benefit Plan	Nil

#### 12. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

##### 12.1 Fair value of hierarchy

As at December 31, 2018, the Company's all assets and liabilities are carried at amortised cost except for those mentioned below:

The Company's freehold land and leasehold land are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent impairment losses, if any. The fair value measurement of the Company's free hold land and lease hold land as at June 15, 2015 was carried out by M/s. Consultancy Support and Services and Harvestor Services (Private) Limited, respectively.

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 data (unobservable inputs).

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

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

	Fair value measurement using			
	Total	Level 1	Level 2	Level 3
	(Rupees in '000)			
<b>December 31, 2018 (Un-audited):</b>				
<b>Assets measured at fair value</b>				
<b>Property, plant and equipment</b>				
Freehold land	15,000	-	15,000	-
Leasehold land	509,138	-	509,138	-
	<u>524,138</u>	<u>-</u>	<u>524,138</u>	<u>-</u>
<b>June 30, 2018 (Audited):</b>				
<b>Assets measured at fair value</b>				
<b>Property, plant and equipment</b>				
Freehold land	15,000	-	15,000	-
Leasehold land	509,138	-	509,138	-
	<u>524,138</u>	<u>-</u>	<u>524,138</u>	<u>-</u>

### 13. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

Subsequent to the half year ended December 31, 2018 the Board of Directors of the Company have proposed interim cash dividend of Rs. Nil per share (December 31, 2017: Rs.Nil) amounting to Rs.Nil million (December 31, 2017: Rs.Nil million).

### 14. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements was authorised for issue on February 26, 2019 by the Board of Directors of the Company.

### 15. GENERAL

15.1 Figures have been rounded off to the nearest thousands.

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director