



CATERING TO FUELING NEEDS

QUARTER ENDED
MARCH 31, 2019



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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 Hussain Niazi
Director

Mr. Saiffee 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 Tayebaly & 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. Saiffee 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 Javed 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

Directors' Report

It gives me pleasure to share the results and financial information of the Company for the nine months ended March 31, 2019.

During the period under review, sales volume of the Company decreased by 3,803 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 11,157 MT as compared to 12,052 MT purchased during the corresponding period of last year. Net sales of the Company increased by 13.71% due to better selling prices during November and December 2018 compared to corresponding period of the previous year. Gross margins, however, increased by only 8.73% mainly due to very thin margin during February and March 2019 on both imported and local LPG due to low demand and huge quantity of imported LPG in the market. Further, the price of LPG was much lower than the OGRA notified prices throughout the supply chain during February and March 2019 which resulted in very low margins and Company also incurred losses in these two months. Profit before tax increased by 35.89%, mainly due to increase in sales margin before February and March 2019 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. 10.55 million (14.11%) due to increase in staff related cost and increase in rent and utilities. Distribution and marketing expense decreased by Rs. 4.52 million (9.23%) which has decreased due to decrease in sales quantity.

The Company has not paid its loan obtained from National Bank of Pakistan amounting to Rs. 254 million which is recorded in current liability. NBP has unofficially confirmed that restructuring of this loan has been approved and will be confirmed to us in writing within next few days.

The Company's earnings per share of the current period is Rs. 2.24 compared to earnings per share of Rs. 1.80 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. Mrs. Hamdia Fatin Niazi
4. Mr. Shehriar D. Sethna
5. Mr. Darayus T. Sethna
6. Mr. Saiffee 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 Umrah on Company's expense.

During the period, 3 meetings of the Board of Directors and 3 meetings of the Audit Committee were held.

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

Following is the appropriation:

		(Rs. In '000)
Profit before tax		83,461
Taxation		(33,118)
Net profit after tax		50,343
Dividend declared	Cash	Nil
	Bonus	Nil

Karachi
Dated: April 29, 2019

Asad Alam Khan
Director / CEO

BURSHANE LPG (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

		(Un-audited) 31-Mar-19	(Audited) 30-Jun-18
ASSETS	Note	----- (Rupees in '000) -----	
Non-Current Assets			
Property, plant and equipment	4	747,785	742,636
Intangible assets		403,226	453,002
Long-term investment		50,000	50,000
Long-term loans		1,163	1,466
Long-term deposits		122,761	100,839
		<u>1,324,935</u>	<u>1,347,943</u>
Current Assets			
Stores and spares		4,316	2,606
Stock-in-trade		118,829	95,341
Trade debts		11,104	17,654
Loans, advances, deposits, prepayments and other receivables		137,477	165,785
Taxation-net		18,433	9,987
Cash and bank balances		142,840	110,922
		<u>432,999</u>	<u>402,295</u>
TOTAL ASSETS		<u><u>1,757,934</u></u>	<u><u>1,750,238</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		224,888	224,888
Reserve on amalgamation		153,458	153,458
Revenue reserve		177,005	143,529
Remeasurement of post employment benefits - actuarial loss		(15,243)	(24,219)
Revaluation surplus on Property, Plant and Equipment		274,765	274,765
		<u>814,873</u>	<u>772,421</u>
Non-Current Liabilities			
Liabilities against assets subject to finance lease		3,641	938
Deferred taxation		1,388	1,948
Cylinder and regulator deposits		386,570	374,145
		<u>391,599</u>	<u>377,031</u>
Current Liabilities			
Trade and other payables		96,129	179,374
Accrued mark-up		83,677	60,295
Loan from a subsidiary		50,000	50,000
Unclaimed dividend		66,181	53,676
Current portion of long-term borrowing		254,439	254,439
Current portion of liabilities against assets subject to finance lease		1,036	3,002
		<u>551,462</u>	<u>600,786</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,757,934</u></u>	<u><u>1,750,238</u></u>
Contingencies and commitments	5		

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

BURSHANE LPG (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Note	Quarter ended		Nine months ended	
		Jan-Mar 2019	Jan-Mar 2018	Jul-Mar 2019	Jul-Mar 2018
		----- (Rupees in '000) -----			
Gross sales		975,579	1,006,363	3,065,465	2,739,787
Sales tax		(120,306)	(158,524)	(442,189)	(432,848)
Net sales		855,273	847,839	2,623,276	2,306,939
Cost of product sold		(784,344)	(789,685)	(2,402,029)	(2,103,451)
Gross profit		70,929	58,154	221,247	203,488
Administrative expenses		(26,215)	(23,950)	(85,313)	(74,762)
Distribution and marketing expenses		(12,946)	(18,232)	(44,410)	(48,927)
Other income		4,557	4,374	25,839	16,336
Other operating expenses		(346)	(2,673)	(6,983)	(11,868)
Operating profit		35,979	17,673	110,380	84,267
Finance costs		(9,658)	(5,153)	(26,919)	(22,849)
Profit before taxation		26,321	12,520	83,461	61,418
Taxation	6	(11,726)	(3,756)	(33,118)	(20,926)
Profit after taxation		14,595	8,764	50,343	40,492
Other comprehensive income / (loss)					
Items that will not be reclassified to profit or loss					
- Remeasurement of post employment benefits obligation - net of tax		-	-	8,976	(246)
Total comprehensive income for the period		14,595	8,764	59,319	40,246
----- (Rupee) -----					
Earnings per share - basic & diluted		0.65	0.39	2.24	1.80

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

BURSHANE LPG (PAKISTAN) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019

		Nine months ended	
	Note	Jul-Mar 2019 ------(Rupees in '000)-----	Jul-Mar 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	7	110,100	124,497
Finance cost paid		(3,108)	(3,153)
Taxes paid		(41,564)	(29,782)
Long-term loans - net		303	1,030
Long-term deposits - net		(21,922)	(26,340)
Cylinder and regulator deposits - net		12,425	12,348
Net cash generated from operating activities		56,234	78,600
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of :			
- property, plant and equipment		(25,214)	(6,125)
- intangible asset		-	(85,450)
Proceeds from sale of operating fixed assets		3,762	-
Interest received		3,789	3,603
Net cash utilised in investing activities		(17,663)	(87,972)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(4,362)	(4,956)
Repayment of obligation under finance lease		(2,291)	(2,704)
Net cash utilised in financing activities		(6,653)	(7,660)
Net (decrease) / increase in cash and cash equivalents		31,918	(17,032)
Cash and cash equivalents at beginning of the year		110,922	111,924
Cash and cash equivalents at end of the period		142,840	94,892

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

	Reserves						
	Capital	Revenue			Total Reserves		
Share capital	Reserve on amalgamation	General reserve	Unappropriated profit	Actuarial (loss) / gain on remeasurement of retirement and other service benefits	Revaluation surplus on Property, Plant and Equipment	Total reserves	Total equity
----- (Rupees in '000) -----							
224,888	153,458	90,000	56,422	(21,214)	274,765	553,431	778,319
-	-	-	19,596	-	-	19,596	19,596
-	-	-	-	(3,005)	-	(3,005)	(3,005)
-	-	-	19,596	(3,005)	-	16,591	16,591
-	-	-	(22,489)	-	-	(22,489)	(22,489)
224,888	153,458	90,000	53,529	(24,219)	274,765	547,533	772,421
-	-	-	50,343	-	-	50,343	50,343
-	-	-	-	8,976	-	-	-
-	-	-	50,343	8,976	-	50,343	50,343
-	-	-	(16,867)	-	-	(16,867)	(16,867)
224,888	153,458	90,000	87,005	(15,243)	274,765	581,009	814,873

Chief Executive Officer

Chief Financial Officer

Director

BURSHANE LPG (PAKISTAN) LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS ENDED MARCH 31, 2019

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

2.1 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.

2.2 The preparation of this 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 condensed interim financial information, the significant judgments made by the management in applying the Company's 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.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2018.

4. PROPERTY, PLANT AND EQUIPMENT

During the period July to March 2019, additions amounting to Rs. 25.214 million have been made.

5. CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies and commitments as disclosed in note 26.1 and 26.2 to the annual financial statements of the Company for the year ended June 30, 2018.

6. TAXATION

This represents minimum tax at 1.25% of Turnover under section 113 of the Income Tax Ordinance (ITO) 2001.

7. CASH GENERATED FROM / (USED IN) OPERATIONS

	<u>Nine months ended</u>	
	<u>Jul-Mar</u>	<u>Jul-Mar</u>
	<u>2019</u>	<u>2018</u>
	<u>----- (Rupees in '000) -----</u>	
Profit before taxation	83,461	61,418
Adjustment for non cash charges and other items:		
Depreciation	21,534	21,093
Amortisation	52,754	43,075
Finance costs	26,919	22,849
Gain on sale of operating fixed assets	(3,762)	-
Interest income on savings bank accounts	(3,789)	(3,603)
Cylinders deposit liability written back	(10,793)	(5,572)
Provision for retirement and other service benefits	4,251	-
	<u>87,114</u>	<u>77,842</u>
Working capital changes		
(Increase) / decrease in current assets		
Stores and spares	(1,710)	1,197
Stock-in-trade	(23,488)	(5,723)
Trade debts	6,550	(4,013)
Loans, advances, deposits, prepayments and other receivables	23,861	(37,277)
	<u>5,213</u>	<u>(45,816)</u>
(Decrease) / increase in current liabilities		
Trade and other payables - net	(65,688)	31,053
	<u>(65,688)</u>	<u>31,053</u>
Cash generated from operations	<u>110,100</u>	<u>124,497</u>

8. TRANSACTIONS WITH RELATED PARTIES

During the period under review, there has been no transaction with related parties except for, contribution to staff retirement funds and loans to employees in accordance with the approved Company policy.

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

9. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorised for issue on April 29, 2019 by the Board of Directors of the Company.

10. GENERAL

Certain prior year's / period's figures have been reclassified for the purpose of comparison. However, there were no material reclassifications to report.

**BURSHANE LPG (PAKISTAN) LIMITED
CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2019**

BURSHANE LPG (PAKISTAN) LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

		(Un-audited) 31-Mar-19	(Audited) 30-Jun-18
ASSETS	Note	----- (Rupees in '000) -----	
Non-Current Assets			
Property, plant and equipment	4	747,785	742,636
Intangible assets		403,226	453,002
Long-term loans		1,163	1,466
Long-term deposits		122,761	100,839
		<u>1,274,935</u>	<u>1,297,943</u>
Current Assets			
Stores and spares		4,316	2,606
Stock-in-trade		118,829	95,341
Trade debts		11,104	17,654
Loans, advances, deposits, prepayments and other receivables		137,486	165,790
Taxation-net		17,767	9,311
Cash and bank balances		144,153	112,179
		<u>433,655</u>	<u>402,881</u>
TOTAL ASSETS		<u><u>1,708,590</u></u>	<u><u>1,700,824</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		224,888	224,888
Reserve on amalgamation		153,458	153,458
Revenue reserve		177,488	143,965
Remeasurement of post employment benefits - actuarial loss		(15,243)	(24,219)
Revaluation surplus on Property, Plant and Equipment		274,765	274,765
		<u>815,356</u>	<u>772,857</u>
Non-Current Liabilities			
Liabilities against assets subject to finance lease		3,642	938
Deferred taxation		1,388	1,948
Cylinder and regulator deposits		386,570	374,145
		<u>391,600</u>	<u>377,031</u>
Current Liabilities			
Trade and other payables		96,301	179,524
Accrued mark-up		83,677	60,295
Unclaimed dividends		66,181	53,676
Current portion of long-term borrowing		254,439	254,439
Current portion of liabilities against assets subject to finance lease		1,036	3,002
		<u>501,634</u>	<u>550,936</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,708,590</u></u>	<u><u>1,700,824</u></u>
Contingencies and commitments	5		

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

Chief Executive Officer
Chief Financial Officer
Director

BURSHANE LPG (PAKISTAN) LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019

		Quarter ended		Nine months ended	
		Jan-Mar 2019	Jan-Mar 2018	Jul-Mar 2019	Jul-Mar 2018
	Note	----- (Rupees in '000) -----			
Gross sales		975,579	1,006,363	3,065,465	2,739,787
Sales tax		(120,306)	(158,524)	(442,189)	(432,848)
Net sales		855,273	847,839	2,623,276	2,306,939
Cost of product sold		(784,344)	(789,685)	(2,402,029)	(2,103,451)
Gross profit		70,929	58,154	221,247	203,488
Administrative expenses		(26,215)	(23,950)	(85,313)	(74,762)
Distribution and marketing expenses		(12,946)	(18,232)	(44,410)	(48,927)
Other income		4,652	4,356	25,905	16,352
Other operating expenses		(346)	(2,673)	(6,983)	(11,868)
Operating profit		36,074	17,655	110,446	84,283
Finance costs		(9,658)	(5,153)	(26,919)	(22,849)
Profit before taxation		26,416	12,502	83,527	61,434
Taxation	6	(11,754)	(3,751)	(33,137)	(20,931)
Profit after taxation		14,662	8,751	50,390	40,503
Other comprehensive income/ (loss)					
Items that will not be reclassified to profit or loss					
- Remeasurement of post employment benefits obligation - net of tax		-	-	8,976	(246)
Total comprehensive income for the period		14,662	8,751	59,366	40,257
----- (Rupee) -----					
Earnings per share - basic & diluted		0.65	0.39	2.24	1.80

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

Chief Executive Officer
Chief Financial Officer
Director

BURSHANE LPG (PAKISTAN) LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019

		Nine months ended	
	Note	Jul-Mar 2019	Jul-Mar 2018
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	7	110,127	124,513
Finance cost paid		(3,108)	(3,153)
Taxes paid		(41,593)	(29,788)
Long-term loans - net		303	1,030
Long-term deposits - net		(21,922)	(26,340)
Cylinder and regulator deposits - net		12,425	12,348
Net cash generated from operating activities		56,232	78,610
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of :			
- property, plant and equipment		(25,214)	(6,125)
- intangible asset		-	(85,450)
Proceeds from sale of operating fixed assets		3,762	-
Interest received		3,847	3,619
Net cash utilised in investing activities		(17,605)	(87,956)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(4,362)	(4,956)
Repayment of obligation under finance lease		(2,291)	(2,704)
Net cash utilised in financing activities		(6,653)	(7,660)
Net increase / (decrease) in cash and cash equivalents		31,974	(17,006)
Cash and cash equivalents at beginning of the year		112,179	113,156
Cash and cash equivalents at end of the period		144,153	96,150

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

BURSHANE LPG (PAKISTAN) LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Reserves					Total Reserves	Total reserves	Total equity
	Capital	Revenue						
	Share capital	Reserve on amalgamation	General reserve	Unappropriated profit	Actuarial (loss) / gain on remeasurement of retirement and other service benefits			
	----- (Rupees in '000) -----							
Balance as at July 01, 2017 - restated	224,888	153,458	90,000	56,739	(21,214)	274,765	553,748	778,636
Profit for the year	-	-	-	19,715	-	-	19,715	19,715
Other comprehensive income for the year	-	-	-	-	(3,005)	-	(3,005)	(3,005)
Total comprehensive income for the year	-	-	-	19,715	(3,005)	-	16,710	16,710
Transaction with owners								
Final dividend @ Re. 1 per share	-	-	-	(22,489)	-	-	(22,489)	(22,489)
Balance as at June 30, 2018 (Audited)	224,888	153,458	90,000	53,965	(24,219)	274,765	547,969	772,857
Profit for the period	-	-	-	50,390	-	-	50,390	50,390
Total comprehensive income for the nine month ended March 31, 2019	-	-	-	-	8,976	-	-	-
Total comprehensive income for the period	-	-	-	50,390	8,976	-	50,390	50,390
Transaction with owners								
Final dividend @ Re. 0.75 per share	-	-	-	(16,867)	-	-	(16,867)	(16,867)
Balance as at March 31, 2019 (Un-audited)	224,888	153,458	90,000	87,488	(15,243)	274,765	581,492	815,356

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

BURSHANE LPG (PAKISTAN) LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR NINE MONTHS ENDED MARCH 31, 2019

1. LEGAL STATUS AND OPERATIONS

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

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

The Group consists of:

Holding Company: Burshane LPG (Pakistan) Limited

Subsidiary Companies:

- 1.1 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.
- 1.2 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.
- 1.3 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

- 2.1 These consolidated condensed interim financial information 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.
- 2.2 The preparation of this consolidated condensed interim financial information are 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 Company's accounting policies and the key sources of estimation and uncertainty are the same as those that apply to the financial information for the year ended June 30, 2018.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2018.

4. PROPERTY, PLANT AND EQUIPMENT

During the period July to March 2019, additions amounting to Rs. 25.214 million have been made.

5. CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies and commitments as disclosed in note 26.1 and 26.2 to the annual financial statements of the Company for the year ended June 30, 2018.

6. TAXATION

This represents minimum tax at 1.25% of Turnover under section 113 of the Income Tax Ordinance (ITO) 2001.

7. CASH GENERATED FROM OPERATIONS

	<u>Nine months ended</u>	
	Jul-Mar 2019	Jul-Mar 2018
	----- (Rupees in '000) -----	
Profit before taxation	83,527	61,434
Adjustment for non cash charges and other items:		
Depreciation	21,534	21,093
Amortisation	52,754	43,075
Finance costs	26,919	22,849
Gain on sale of operating fixed assets	(3,762)	-
Interest income on savings bank accounts	(3,846)	(3,603)
Cylinders deposit liability written back	(10,793)	(5,572)
Provision for retirement and other service benefits	4,251	-
	87,057	77,842
Working capital changes		
Decrease / (increase) in current assets		
Stores and spares	(1,710)	1,197
Stock-in-trade	(23,488)	(5,723)
Trade debts	6,550	(4,013)
Loans, advances, deposits, prepayments and other receivables	23,857	(37,277)
	5,209	(45,816)
(Decrease) / increase in current liabilities		
Trade and other payables - net	(65,666)	31,053
	(65,666)	31,053
Cash generated from operations	110,127	124,513

8. TRANSACTIONS WITH RELATED PARTIES

During the period under review, there has been no transaction with related parties except for, contribution to staff retirement funds and loans to employees in accordance with the approved Company policy.

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

9. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorised for issue on April 29, 2019 by the Board of Directors of the Company.

10. GENERAL

Certain prior year's / period's figures have been reclassified for the purpose of comparison. However, there were no material reclassifications to report.

Chief Executive Officer

Chief Financial Officer

Director