Burshane LPG (Pakistan) Limited

Annual Report 2012

Contents

Our Vision

Our Vision

To Be The Top Performer of first Choice

At Burshane LPG (Pakistan) Limited , we strive to deliver results, perform to the highest standards, develop our people, provide quality customer service improvements. A firm foundation based on performance enables us to deliver strong returns and value growth for our shareholders greater and better choices for our customer and opportunities and improvements in the quality of life of our communities. In an unsettled world, our commitment to perform at every level continues to be both challenge and the aspiration.

Company Information

Board of Directors

Chairman	Mr. Muhammad Akhtar Bawany
	Mr. Anwar Moin
	Ms. Khurshid Bhaimia
	Mr. Athar M. Khan
	Mr. Wazir Ali Khoja
	Mr. Mansoor Akbar Ali
	Mr. Mansoor Khan
	Mr. Mustansir Zakir

Audit Committee

Chairman	Mr. Athar M. Khan
	Mr. Anwar Moin
	Ms. Khurshid Bhaimia

Management Team

General Manager & Chief Executive	Mr. Agha Sajjad Nasir
Manager Finance	Mr. Syed Sulaiman Tahir
Operations, Distributions & HSSE Manager	Mr. Ahmed Zahid Zaheer
National Sales Manager	Mr. Muhammad Khalid Dar

Company Secretary
Mr. Mansoor Khan

Registered Office
Burshane LPG (Pakistan) Limited
Suite 101, 1st Floor, Horizon Vista
Plot No. Commercial -10, Block-4,
Scheme No. 5, Clifton, Karachi - 75600
Telephone # : 92-21-35898356, 35309870 & 73
Fax # : 92-21-35878353

Auditors
A.F. Ferguson & Co.

Legal Advisors
Rasheed Razvi & Associates

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

Share Registrar
THK Associates (Pvt.) Ltd
Address: 2nd Floor, State Life Building-3,
Dr. Ziauddin Ahmed Road, Karachi
Telephone # : 92-21-111000322
Fax # : 92-21-35655595

Statement of General Business Principles

The objective of the Burshane LPG (Pakistan) limited is to engage efficiently, responsibly and profitably in the LPG and allied business. We seek a high standard of performance, maintaining a strong long-term and growing position in the competitive environment.

Value

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

Sustainable Development

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

Responsibilities

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

a. To shareholders

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

b. 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.

c. To employees

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

We recognise that commercial success depends on the full commitment of all employees.

d. 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.

e. 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.

Statement of General Business Principles

Principle 1: 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 fulfill 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.

Principle 2: 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.

Principle 3: 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.

Principle 4: Political Activities

a) Of the company

Burshane LPG (Pakistan) Limited act in a socially responsible manner within the laws of the countries in which it operate in pursuit of its legitimate commercial objectives.

Burshane LPG (Pakistan) Limited do not make payments to political parties, organizations or their representatives. Burshane LPG (Pakistan) Limited do not take part in party politics. However, when dealing with government, Burshane LPG (Pakistan) Limited have the right and the responsibility to make its position known on any matters which affect itself, its employees, its customers its shareholders or local communities in a manner which is in accordance with its values and the Business Principles.

b) Of 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.

Principle 5: 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

Principle 6: Local Communities

Burshane LPG (Pakistan) Limited aim to be good neighbours by continuously improving the ways in which we contribute directly or indirectly to the general well-being of the communities within which it work.

Burshane LPG (Pakistan) Limited manage the social impacts of its business activities carefully and work with others to enhance the benefits to local communities, and to mitigate any negative impacts from its activities.

In addition, Burshane LPG (Pakistan) Limited take a constructive interest in societal matters, directly or indirectly related to its business.

Principle 7: Communication and Engagement

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

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

Principle 8: Compliance

Burshane LPG (Pakistan) Limited comply with all applicable laws and regulations of the country in which it operate.

Living by the Principles.

The shared core values of honesty, integrity and respect for people, underpin all the work the company does and are the foundation of its Business Principles.

The Business Principles apply to all transactions, large or small, and drive the behaviour expected of every employee in Burshane LPG (Pakistan) limited in the conduct of its business at all times. The company encourages its business partners to live by them or by equivalent principles.

Burshane LPG (Pakistan) Limited encourage its employees to demonstrate leadership, accountability and teamwork, and through these behaviours, to contribute to the overall success of the company.

It is the responsibility of management to lead by example, to ensure that all employees are aware of these principles, and behave in accordance with the spirit of this statement.

The application of these principles is underpinned by a comprehensive set of assurance procedures, which are designed to make sure that company employees understand the principles and confirm that they act in accordance 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 conducts its business and living by them is crucial to Its continued success.

Notice of 46th Annual General Meeting

NOTICE IS HEREBY given that an Annual General Meeting of Burshane LPG (Pakistan) Limited will be held on Tuesday, October 30, 2012 at 08:00 A.M. at Pearl Continental Hotel, Karachi, to transact the following business:

1. To confirm Minutes of the last Extra-Ordinary General Meeting held on August 06, 2012.

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, 2012.

3. To approve payment of final cash dividend @ 10% as recommended by the Directors in addition to 15% interim dividend already paid.

4. To appoint auditors for the year 2012-13 and fix their remuneration.

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

(Mansoor Khan)
Company Secretary

Karachi: September 28, 2012

Notes:

1. A member entitled to attend and vote at this meeting is entitled to appoint another member as a proxy to attend and vote on the member's behalf. Proxies must be deposited with the Company not less than 48 hours before the time appointed for holding the meeting.

2. The Share Transfer Books of the Company will remain closed from October 24, 2012 to October 30, 2012 (both days inclusive).

3. Shareholders are requested to notify to the Company's Share Registrar, M/s THK Associates (Pvt) Limited, Ground Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi of any change in their address.

4. All Physical Shareholders are requested to submit their Zakat Declaration Form to the Company's registered office, Suit # 101 Horizon Vista Clifton Karachi, with a copy to the Company's Share Registrar, M/s THK Associates (Pvt) Limited, Ground Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi. CDC account holders are advised to submit their Zakat Declaration Form directly to the relevant Participant / CDC Investor Account Services.

5. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

   A. For Attending the Meeting:

   i) In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations, shall authenticate their identity by showing their original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

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

   B. For Appointing Proxies:

   i) In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

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

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

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

   v) In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

Sustainable Development

Burshane LPG (Pakistan) Limited made a commitment to it's to sustainable development by including it in the General Business Principles and its importance has continued to grow over the years.

Through operations, Burshane looks to create lasting social benefits. At the same time, it works to reduce environment and social impact by:

- Safeguarding the health and safety of employees and neighbors
- Reducing disruptions to the community
- Lowering emissions (including greenhouse gases)
- Reducing impact on biodiversity

Burshane LPG (Pakistan) Limited benefits from the latest innovations and technical expertise in the areas of industrial & commercial businesses, by virtue of its global links. We ensure that wherever the Company works, it remains committed to refining and improving the way it works to protect and preserve the environment surrounding its operations. Our aim is to create sustainable communities – places where people want to live and work, both now and in the future.

Support of sustainable development is firmly rooted in sound business practice. Sustainable development is not simply a set of rules or regulations; it is a continuous process of hard work.

Burshane LPG regards community involvement and community investment as key elements in its longer-term success as a business enterprise. We believe that economic success must go hand in hand with commitment to well being, richness and diversity of the society in which we operate.

Health, Safety, Security & Environment

We are proud to share that the Company has neither fatalities nor any lost time injuries during the period under review. As a responsible citizen, we continued our efforts to excel in Health, Safety, Security & Environment (HSSE) performance, as we believe that this is the only way to sustainable development.

In Burshane LPG (Pakistan) Limited we are committed to the following HSSE Strategic Objectives that contribute to our excellent HSSE performance and maintain the Goal Zero Approach.

At all levels, HSSE is managed as any other critical business activity. The Management at BPL demonstrates strong, visible leadership and commitment by allocating sufficient resources to operate and maintain their HSSE Management Systems and by example in their personal actions and behaviors. They ensure that all HSSE policies are properly observed by providing support and resources for actions taken to operate safely and to protect health and the 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.

In this fiscal year, like in the past many years, BPL's main focus remained on HSSE. During the year we proudly achieved the mark of completing HSSE milestones. These milestones are strong evidence of our focused HSSE approach throughout the organization.

At Burshane LPG (Pakistan) Limited, we continue to work with the Strategy of Zero Tolerance for non-compliance in HSSE throughout the supply chain.

Burshane has a clear commitment to Health, Safety, Security and the Environment (HSSE). This statement sets out the HSSE philosophy by which we conduct our business and outlines, at the highest level, the means by which we aim to achieve this philosophy. The policy statement addresses the systematic management of HSSE issues and outlines key responsibilities within the organization in respect of these issues.

Initiatives for continuous improvements in the Road Transport and Haulier HSSE Management System were carried out during the year. Defensive driving courses, toolbox meetings, random vehicle checks, on-road inspection and circulation of easy to understand HSSE guidelines, are part of our regular activities to further enhance HSSE culture within and outside organization.

The management continued to review security conditions and is taking adequate measures to secure assets and lives of the people associated with the Company.

Human Resources

With the Pakistan economy going through extremely challenging times, many organizations have been driven to streamline their operations, reduce costs and introduce operational efficiencies to respond to the changing economic environment.

At Burshane LPG (Pakistan) Limited, Human Resource contribution to this process is critical in successfully managing organizational change, maximizing employee engagement, and adapting and revising recruitment strategy and reward structure in response to market conditions.

Burshane LPG (Pakistan) Limited remains committed to the philosophy of viewing employees as an asset and is continuing its focus on people development & enhancing skills by providing them various opportunities to learn and excel in hybrid roles.

An employee viewed as an asset, is a fascinating concept. Most other physical assets that are employed in an enterprise to create products or services are depreciating assets. Employees, on the other hand, are the only physical assets that appreciate in value. As the employees learn more about the business and their role, their performance improves over time. We at Burshane value our employees as appreciating assets.

The Company has an excellent blend of experienced people and we have worked vigorously throughout the year to improve competences required for various employees.

We value our people and that is reflected in our Open Culture. At Burshane LPG (Pakistan) Limited, feedback is always welcome, and no opinion is considered worthless. The Company firmly believes in the fundamental importance of promotion of trust, openness, teamwork and professionalism, and aims to promote a work environment that is free from harassment and discrimination.

At Burshane, we believe that a diverse workforce is our future. We actively strive to attract develop, retain and promote diverse talent; we feel this increases our effectiveness in an ever-diversifying world. Towards achieving diversity we are providing greater career opportunities for women. Burshane represents a rich diversity of gender, ethnic groups, minorities and people from varied backgrounds.

To ensure that our Company becomes a role model for ensuring compliance to all laws and regulations, a number of initiatives are taken. The Company's Code of Conduct defines how employees should conduct themselves while being a part of the organization and how should they manage their interface with all internal and external stakeholders.

In general the Company is devoting time and resources to develop a long lasting talent pool and our people work hand in hand as a team to take the company forward and ensure delivery of best value to the stakeholders.

Marketing & Distribution

Burshane LPG Pakistan Limited continues to Deliver & Develop the LPG Bulk/ Industrial segment through its own well-established Supply Chain Network. Being the Pioneer of LPG industry in Pakistan, the Company took another initiative to support our industrial segment that are facing massive natural gas shortfall across the country at various time of the year especially during the winter season and are supplying them LPG for onward conversion to SNG which can be directly used as an alternate to Natural gas without any change or modification in their current systems. Our industrial clientele hosts some of the very big names in Pakistani industrial segment namely from textiles, pharmaceutical, food & beverages, paints, hosiery, automobiles and processing industries and our performance/track record on both Technical and Supply management fronts is a clear indicator of the talent and ability that the Company possesses.

The year under review was the year of innovation and growth in terms of volume and customer development in the bulk/industrial segment. Burshane LPG is proud to have lived up to/honored all of its customer value propositions and commitments, which include:

- Assured Supplies
- Assurance Of Correct Weight
- Assurance Of Quality
- Prompt Product Delivery At Door Step
- Technical Guidance/Advice & Maintenance of LPG/SNG Systems
- Product Knowledge & HSSE Training
- Competitive Rates

During the year Burshane supported their valued customers in terms of HSE and Technical training and conducted classroom and field sessions. The training sessions included Basis LPG knowledge, product safe handling, Characteristics and behavior of LPG, Storage, Transportation, Emergency response Plan and other related aspects to ensure complete compliance to "Zero tolerance towards HSSE". Mock exercises were also conducted to ensure effectiveness of Emergency response plans.

Burshane LPG will continue to stand by its Flagship policies & honor it's commitment of clean and fair business that lie's at the very heart of the Company for the past 46 years.

Chairman's Review

It gives me pleasure to share the results and financial statements of the Company for the year ended June 30, 2012.

Your Company has shown an increase of 34% in turnover and a substantial increase of 45% in profit after taxation for the current year, which is Rs. 72.56 Million as compared to Rs. 50.10 Million last year. Despite of unprecedented increases in cost of LPG, which rose during the year, the company has done well to register higher profits. This increase in profit is mainly due to better price and margin management.

In line with expectations set last year we have grown in volume from 18,818 MT to 21,320 MT this year despite the supply constraints due to temporary shutdown in March and April by one of our major suppliers. The Company could have achieved more than the targeted volumes had there been uninterrupted supply available from suppliers. In competitive business environment, your Company was yet again, able to deliver an excellent performance. The Company is now geared up to grow at a rapid pace not only to sustain but also improve its market share in the on going run in the growing LPG industry.

We have once again excelled in our performance of Health, Safety, Security and Environment (HSSE), with no Lost Time Injury and Fatality. The Company has successfully completed 2.467 million hours without any Lost Time Injury as of year-end. 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.

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 responsibility towards its stakeholders and is determined to increase the value of the business. We are looking into all possible options to increase the market share of Burshane in a profitable manner. With favourable market conditions and anticipated demand growth trends, we are confident that we will continue to show strong performance in the coming periods.

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

Karachi
Dated: September 28, 2012

Mr. Muhammad Akhtar Bawany
Chairman

Board of Directors

Mr. Muhammad Akhtar Bawany

Mr. Anwar Moin

Ms. Khurshid Bhaimia

Mr. Wazir Ali Khoja

Mr. Mansoor Khan

Mr. Athar M. Khan

Mr. Mansoor Akbar Ali

Mr. Mustansir Zakir

Management Team

Agha Sajjad Nasir

Syed Sulaiman Tahir

Ahmed Zahid Zaheer

Muhammad Khalid Dar

Report of the Directors

The Directors of Burshane LPG (Pakistan) Limited are pleased to present their Annual Report and Audited Financial Statements of the Company for the year ended June 30, 2012.

Health, Safety, Security & Environment (HSSE)

We promote a culture in which HSSE remains the underlying theme of all our activities. We do this by moving both hearts and minds of the people involved. As a result the Company continued to excel in its HSSE performance. During the year there were 'no' Lost Time Injury and Fatality. We take pride in sharing that we have successfully completed more than 2.467 Million Man Hours without any Lost Time Injury.

Our continued learning programs include defensive driving courses, toolbox meetings and circulation of easy to understand HSSE guidelines. Our HSSE policy is to:

- have a systematic approach to HSSE management designed to ensure compliance and to achieve continuous performance improvement.
- set targets for improvement and measure, appraise and report performance
- require contractors to manage HSSE in line with policy
- use our influence to promote this policy in other ventures not under our direct control
- include HSSE performance in the appraisal of staff and reward accordingly

Corporate Social Responsibility

Burshane LPG (Pakistan) Limited wants to promote as many opportunities of sustainable development as possible. Compliance is another facet that can be marked as the foundation of responsible conduct. An entity can fully realise the prospects if everyone complies with external and internal rules and regulations.

The company realises its social responsibility and ensures that no discrimination prevails – be it owing to race, religion, or gender. Burshane LPG (Pakistan) Limited provides an environment that enhances productivity with responsibility. The company considers responsibility as a strategic, management-driven assignment and binds the business, environment and citizenship activities and this in turn creates persistent tangible and intangible value for the company and also for the stakeholders.

Financial Highlights

The financial performance of the Company along with reasons for major variations are as follows:

- Turnover for the year increased by Rs. 505.75 million as compared to the last year. The increase is a result of an effective key account management and focus on industrial / commercial segment.

- Gross profit for the year increased to Rs. 214.93 million from Rs. 105.12 million in corresponding year showing an increase of Rs. 109.81 million.

- The administrative expenses decreased by 29% whereas distribution and marketing expenses increased by 7%.

- Other operating income decreased by Rs. 91 million almost 81% as compared to the previous year. The decrease is mainly due to the reason that liabilities with respect to the cylinder deposits valuing to Rs. 74.71 million was written off as a one-time event in the corresponding year.

- The earning per share (EPS) was Rs. 3.20 (2011: Rs 2.21). As there is no movement in the number of shares, the only contributor to this increase in the EPS is the improved profitability.

Financial Summary

	Rs. in 000's
Profit before taxation (as per audited financial statements)	111,831
Taxation for the year	(39,274)
Profit after taxation	72,557

Dividend

The Board of Directors in their meeting held on Sep 28, 2012 declared 10% cash dividend as the final dividend in addition to the 15% already paid during the year, the declared dividend is subject to approval of the Members at the 46th Annual General Meeting to be held on Oct 30, 2012.

Reporting

The Board has ensured completeness, true and fair presentation and timely issuance of its periodic financial statements in accordance with the requirements of the Companies Ordinance 1984, the Listing Regulations of the Karachi Stock Exchange and International Financial Reporting Standards.

Corporate Governance:

The Company is committed to highest 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:

1. The financial statements, prepared by the management of Burshane LPG (Pakistan) Limited present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
2. Proper books of account of Burshane LPG (Pakistan) Limited have been maintained.
3. Appropriate accounting policies have been consistently applied (except change disclosed in the financial statements) in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Accounting Standards and International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.
5. The system of internal controls is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon Burshane LPG (Pakistan) Limited's ability to continue as going concern.
7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
8. Key operating and financial data for the last decade in summarized form is annexed.
9. 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.

Value of investments:

Value of investments of Pension, Gratuity and Provident Funds on the basis of the respective latest financial statements is as follows:

	Rs. in 000's June 30, 2011 (Audited)
Pension Fund Pension Fund	81,901
Gratuity Fund	13,903
Provident Fund	58,800

Board Meetings:

During the year five board meetings were held and the attendance of each director is given on page 67.

Board of Directors:

During the year following changes have taken place in the Board of Directors:

Mr. Khalid Mumtaz Malik resigned on 15th September 2011. Mr. Athar M. Khan was appointed Director in place of Mr. Khalid Mumtaz Malik.

Mr. Oan Hussain Ali resigned as a Director on June 01, 2012 and Mr. Mansoor Akbar Ali was co-opted as a Director on June 28, 2012 effective from July 01, 2012.

The Board places on record its appreciation and gratitude for the valuable services to the Company by Mr. Khalid Mumtaz Malik and Mr. Oan Hussain Ali. The Directors as on June 30, 2012 were Mr. Muhammad Akhtar Bawany, Mr. Anwar Moin, and Mr. Athar M. Khan, Ms. Khurshid Bhaimia, Mr. Wazir Ali Khoja, Mr. Agha Sajjad Nasir and Mr. Oan Hussain Ali.

Further the election of the Board of Directors was conducted in the Extra Ordinary General Meeting held on Aug 6th 2012 wherein all the 8 directors were elected unopposed for a period of 3 years commencing from Aug 9, 2012.

Pattern of Shareholding:

The pattern of shareholding as of June 30, 2012 as required under section 236 of the Companies Ordinance 1984 is given on page 68.

Auditors:

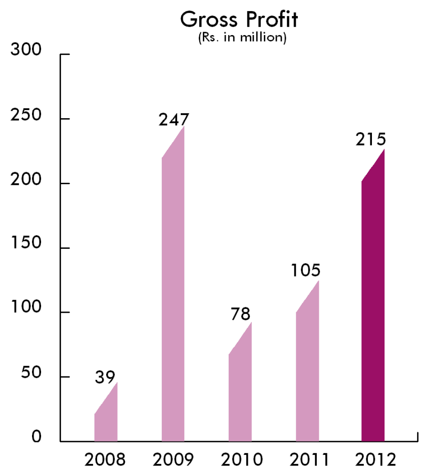
The auditors Messrs. A. F. Ferguson & Co. retire and being eligible offer themselves for re-appointment. Audit committee has recommended the appointment of Messrs. A. F. Ferguson & Co.

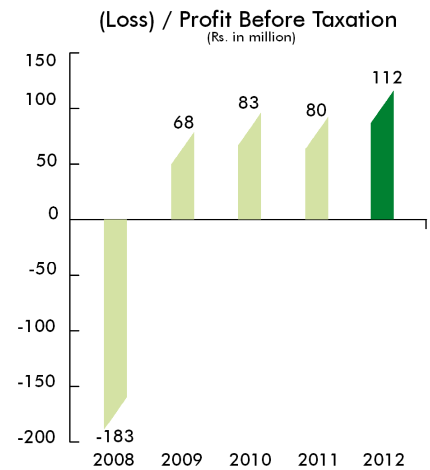
On behalf of the Board

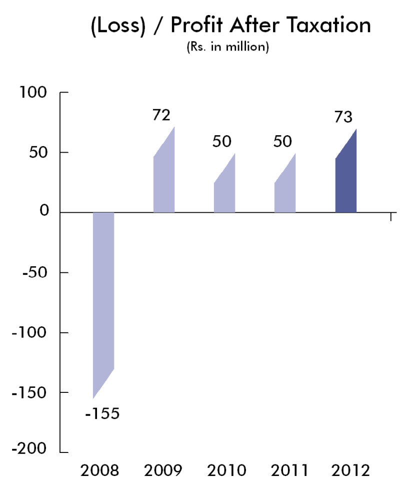
Karachi
Dated: September 28, 2012

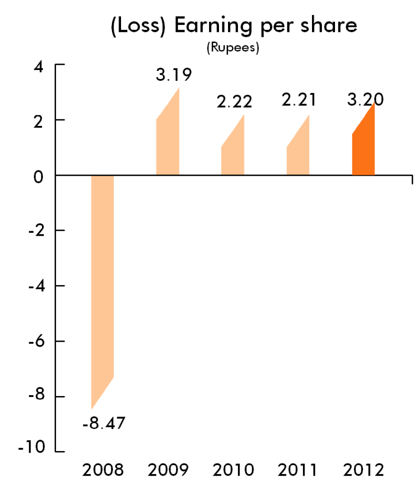
Agha Sajjad Nasir
Chief Executive

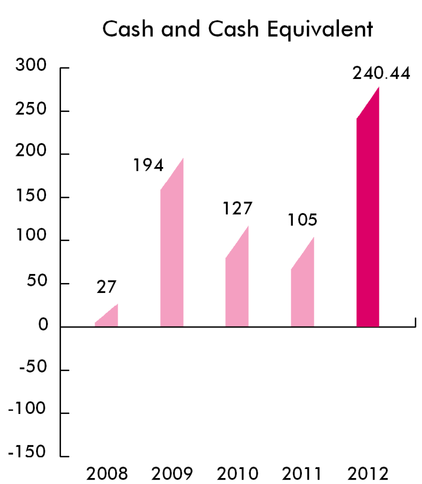
Key Financial Indicators

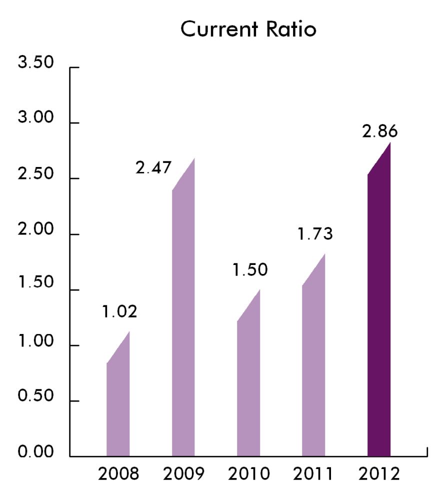












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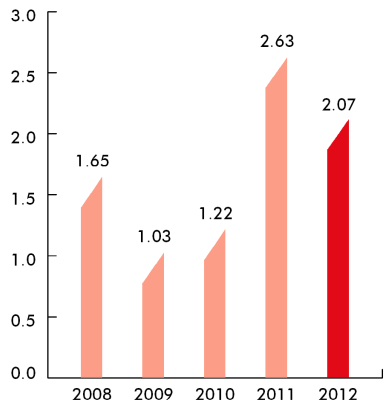
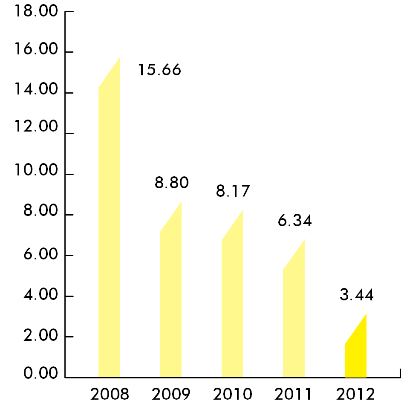
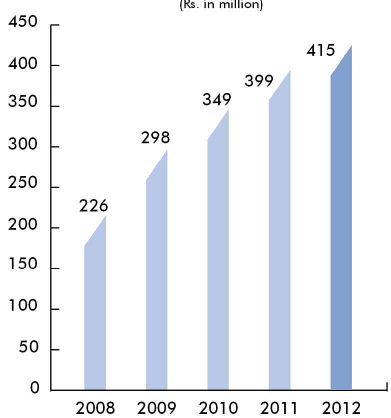


Stock Turnover in Days

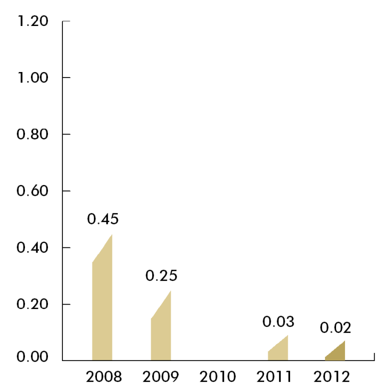


Shareholders Equity

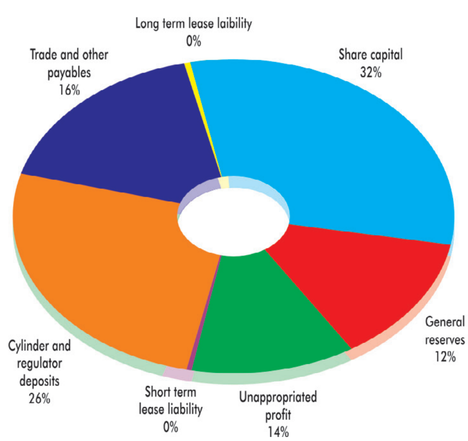
(Rs. in million)



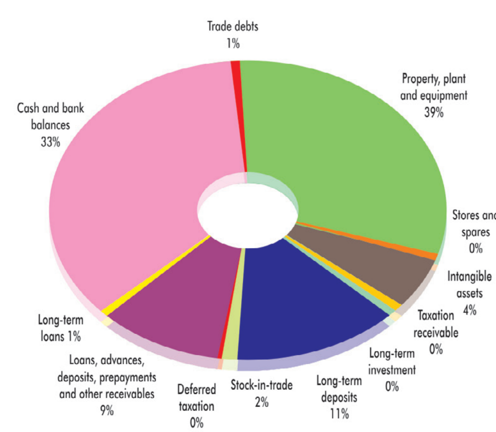
Debt Equity Ratio



Composition of Equity and Liability



Composition of Assets



Financial Highlights

		Year ended June 30, 2012	Year ended June 30, 2011
Sales volume	Tonnes	21,320	18,818
Sales revenue	Rs. Mn	1,978	1,472
Profit before taxation	Rs. Mn	112	80
Profit after taxation	Rs. Mn	73	50
New capital expenditure	Rs. Mn	5	3
Shareholders' equity	Rs. Mn	415	399
Earnings per share	Rs.	3.20	2.21

Financial Statistical Summary

		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Investment measure												
Share Capital	Rs. Mn	226	226	226	226	226	32	27	27	27	27	27
Reserves	Rs. Mn	188	172	123	72	-	155	209	221	162	111	96
Shareholders' equity	Rs. Mn	415	399	349	298	226	188	236	248	189	138	123
Break up value	Rs.	18	18	15	13	10	58	87	92	70	51	46
Dividend per share	Rs.	2.5	1						7	10	10	3
Profit before tax	Rs. Mn	112	80	83	69	(183)	(81)	18	107	101	65	6
Profit after tax	Rs. Mn	73	50	50	72	(155.00)	(48.00)	1	75	67	42	2
Earnings per share of Rs. 10	Rs.	3.2	2.21	2.22	3.19	(8.47)	(2.66)	0.25	27.91	24.84	15.58	0.64
Price earning ratio		14.94	11.21	13.51	16.614	(16.41)	(84.21)	1100	12.5	16.1	10.5	157
Measure of financial status												
Current assets to current liabilities		2.85	1.7	1.5	2.47	1.02	0.78	1.1	1.6	1.6	1.3	1
Number of days stock		3.44	6.34	8.17	8.79	15.66	11.42	4	6	9	7	1
Number of days trade debts		2.07	2.63	1.22	1.03	1.43	2.42	3	4	3	0	3
Measure of performance												
Profit after tax as % Average shareholders' equity		18	13	16	28	(75.09)	(23)	0.4	30	41	32	1
Cost of sales as % of sales		89	93	94	80	96	93	86	78	75	77	87
Profit before tax as % of sales		5.65	5.43	6.76	5.5	(16.23)	(5)	1	12	13	10	1
Profit after tax as % of sales		3.67	3.40	4.1	5.8	(13.80)	(3)	0.1	9	9	7	0
Debt Equity Ratio		1.92	3.42	0	25	44.58	103	80	34	22	50	96

Statement of Compliance With the Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulation No. 35 of the Listing Regulations of Karachi and Lahore Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. As at June 30, 2012, the Board included the following members:

Category	Name
Non-Executive Director / Chairman	Mr. Muhammad Akhtar Bawany
Non-Executive Director	Mr. Athar Mohammad Khan
Non-Executive Director	Mr. Anwar Moin
Executive Director / CEO	Mr. Agha Sajjad Nasir
Executive Director / Company Secretary	Mr. Oan Hussain Ali
Non-Executive Director (NIT Nominee)	Mr. Wazir Ali Khoja
Non-Executive Director (Minority)	Ms. Khurshid Bhaimia

Subsequent to year-end, upon expiry of their term of office, the Board was reconstituted and the following directors were appointed in the Extra Ordinary General Meeting held on August 06, 2012:

Category	Name
Non-Executive Director / Chairman	Mr. Muhammad Akhtar Bawany
Non-Executive Director	Mr. Athar Mohammad Khan
Non-Executive Director	Mr. Anwar Moin
Non-Executive Director	Mr. Mansoor Akbar Ali
Non-Executive Director	Mr. Mustansir Zakir
Executive Director / CEO*	Mr. Agha Sajjad Nasir
Executive Director / Company Secretary	Mr. Mansoor Khan
Non-Executive Director (NIT Nominee)	Mr. Wazir Ali Khoja
Non-Executive Director (Minority)	Ms. Khurshid Bhaimia

* Being CEO of the Company.

The Board will now be reconstituted again once the transaction for change in majority shareholder of the Company is completed. The requirement for one of the director to be an independent director, as required under clause (i)(b) of the Code will be complied at that time when the Board is reconstituted.

2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company, except Mr. Wazir Ali Khoja (Managing Director – NIT) who has been exempted for the purpose of this clause by the Securities & Exchange Commission of Pakistan.

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. A casual vacancy occurring on the Board on September 15, 2011 was filled up within 30 days.

5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company alongwith its supporting policies and procedures.

6. The Board has developed a vision statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Directors are well conversant with the Code, the listing regulations, legal requirements and their duties and responsibilities to enable them to effectively manage the affairs of the Company. In accordance with the criteria specified in clause (xi) of the Code, the Directors of the Company will acquire the required directors' training certification within specified time.

10. The Board has approved the appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

11. The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an Audit Committee. At present it comprises of three members, all of whom are non-executive directors including the chairman of the committee. The Audit Committee will be reconstituted upon the appointment of new directors once the transaction for change in majority

shareholder of the Company is completed. The requirement for the chairman of the Audit Committee to be an independent director, as required under clause (xxiv) of the Code will be complied at that time when the Committee is reconstituted.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed an HR and Remuneration Committee. It comprises of three members, of whom one is executive director i.e., the CEO and other two are non-executive directors. The chairman of the committee is a non-executive director.

18. The Board has set-up an effective internal audit function manned by suitably qualified and experienced personnel that are involved in the internal audit function on a full time basis.

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

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

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of the Company's securities, was determined and timely intimated to directors, employees and stock exchanges.

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

23. We confirm that all other material principles contained in the Code have been complied with.

Agha Sajjad Nasir
Chief Executive

September 28, 2012

pwc

A. F. FERGUSON & CO.

Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Burshane LPG (Pakistan) Limited (the Company) for the year ended June 30, 2012 to comply with the Regulation No. 35 of Chapter XI contained in the Listing Regulations of the Karachi and Lahore Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

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

Further, Listing Regulations of the Karachi and Lahore Stock Exchanges requires the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price, recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2012.

Chartered Accountants
Karachi
Dated:October 08, 2012

Financial Statements

For the Year ended June 30, 2012

Burshane LPG (Pakistan) Limited

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Auditors' Report to the Members

We have audited the annexed balance sheet of Burshane LPG (Pakistan) Limited as at June 30, 2012 and the related profit and loss account, statement of changes in equity and statement of cash flows together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion:

 (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes resulted on initial application of standards or amendments to existing standards as stated in note 2.1.3(a) to the financial statements, with which we concur;

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

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

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of changes in equity and statement of cash flows together with the notes forming part thereof conform with the approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2012 and of the profit, changes in equity and its cash flows for the year then ended; and

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

Chartered Accountants
Karachi
Dated: October 04, 2012

Engagement partner: Waqas A. Sheikh

Balance Sheet
As at June 30, 2012

	Note	2012	2011
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	4	**277,918**	334,564
Intangible assets	5	**26,091**	31,390
Long-term investment	6	**2**	2
Long-term loans	7	**6,607**	7,961
Long-term deposits	8	**82,818**	107,185
Deferred taxation	9	**708**	21,623
		394,144	502,725
Current assets			
Stores and spares	10	**3,094**	3,114
Stock-in-trade	11	**11,401**	21,854
Trade debts	12	**6,682**	15,719
Loans, advances, deposits, prepayments and other receivables	13	**64,263**	57,021
Taxation		**2,932**	803
Cash and bank balances	14	**240,442**	105,320
		328,814	203,831
Total assets		**722,958**	706,556
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**226,400**	226,400
General reserve		**90,000**	90,000
Unappropriated profit		**98,426**	82,469
		414,826	398,869
Non-current liabilities			
Obligations under finance lease	16	**5,659**	10,435
Cylinder and regulator deposits	17	**187,323**	179,324
		192,982	189,759
Current liabilities			
Current portion of obligations under finance lease	16	**2,343**	3,203
Trade and other payables	18	**112,807**	114,725
		115,150	117,928
Contingencies and commitments	19		
Total equity and liabilities		**722,958**	706,556

The annexed notes 1 to 38 form an integral part of these financial statements.

Muhammad Akhtar Bawany
Chairman

Agha Sajjad Nasir
Chief Executive

Profit and Loss Account
For the Year ended June 30, 2012

	Note	2012	2011
		(Rupees in '000)	
Gross sales		2,294,245	1,724,249
Sales tax		(316,608)	(252,364)
Net sales		1,977,637	1,471,885
Cost of product sold	20	(1,762,704)	(1,366,763)
Gross profit		214,933	105,122
Administrative expenses	21	(42,650)	(59,758)
Distribution and marketing expenses	22	(59,949)	(55,893)
Other operating income	23	21,220	112,227
Other operating expenses	24	(18,083)	(17,878)
Operating profit		115,471	83,820
Finance costs	25	(3,640)	(3,924)
Profit before taxation		111,831	79,896
Taxation	26	(39,274)	(29,792)
Profit for the year		72,557	50,104
Other comprehensive income for the year		-	-
Total comprehensive income for the year		72,557	50,104
		(Rupees)	
Earnings per share - basic and diluted	27	3.20	2.21

The annexed notes 1 to 38 form an integral part of these financial statements.

Muhammad Akhtar Bawany
Chairman

Agha Sajjad Nasir
Chief Executive

Statement of Cash Flows
For the Year ended June 30, 2012

	Note	2012	2011
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	32	**170,574**	91,948
Finance costs paid		**(1,568)**	(1,666)
Taxes paid		**(20,488)**	(3,299)
Long-term loans - net		**1,354**	1,367
Long-term deposits - net		**24,367**	(30,765)
Cylinder and regulator deposits - net		**7,999**	(72,815)
Net cash generated from / (utilised in) operating activities		**182,238**	(15,230)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		**(5,532)**	(4,012)
Purchase of intangible asset		**-**	(12,167)
Proceeds from disposal of property, plant and equipment		**8,811**	5,045
Interest received on savings bank accounts		**11,568**	6,862
Net cash generated from / (utilised in) investing activities		**14,847**	(4,272)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of obligation under finance lease		**(5,636)**	(2,107)
Dividends paid		**(56,327)**	-
Net cash utilised in financing activities		**(61,963)**	(2,107)
Net increase/ (decrease) in cash and cash equivalents		**135,122**	(21,609)
Cash and cash equivalents at beginning of the year		**105,320**	126,929
Cash and cash equivalents at end of the year	14	**240,442**	105,320

The annexed notes 1 to 38 form an integral part of these financial statements.

Muhammad Akhtar Bawany
Chairman

Agha Sajjad Nasir
Chief Executive

Statement of Changes in Equity
For the Year ended June 30, 2012

	Share capital	General reserve	Unappropriated profit	Total
	-----------------(Rupees in '000)-----------------			
Balance as at June 30, 2010	226,400	90,000	32,365	348,765
Total comprehensive income for the year	-	-	50,104	50,104
Balance as at June 30, 2011	226,400	90,000	82,469	398,869
Total comprehensive income for the year	-	-	72,557	72,557
Transactions with owners				
Final dividend for the year ended June 30, 2011 @ Rs. 1 per share	-	-	(22,640)	(22,640)
Interim dividend for the year ended June 30, 2012 @ Rs. 1.5 per share	-	-	(33,960)	(33,960)
Balance as at June 30, 2012	**226,400**	**90,000**	**98,426**	**414,826**

The annexed notes 1 to 38 form an integral part of these financial statements.

Muhammad Akhtar Bawany
Chairman

Agha Sajjad Nasir
Chief Executive

1. THE COMPANY AND ITS OPERATIONS

Burshane LPG (Pakistan) Limited (the Company) is a limited liability company incorporated in Pakistan and is listed on the Karachi and Lahore Stock Exchanges. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

2.1.1 Statement of compliance

These financial statements have been prepared under the historical cost convention, except for recognition of certain staff retirement benefits at present value.

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 (the Ordinance), provisions of and directives issued under the Ordinance. In case requirements differ, the provisions or directives of the Ordinance shall prevail.

2.1.2 Critical accounting estimates and judgements

The preparation of financial statements in conformity with the above requirements 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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

2.1.3 Initial application of standards, amendments or interpretations to existing standards

a) Standards and amendments to published standards effective in 2011 - 12 and relevant

The following new standards and amendments to published standards are mandatory for the financial year beginning July 1, 2011:

- IFRS 7 (Amendment), 'Financial instruments: Disclosures'. The amendment emphasizes the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments. The amendment only affects disclosures in the Company's financial statements, which have been made.

- IAS 34 (Amendment), 'Interim financial reporting'. This amendment provides guidance to illustrate how to apply disclosure principles in IAS 34 and adds disclosure requirements around the circumstances likely to affect fair values of financial instruments and their classification, transfers of financial instruments between different levels of the fair value hierarchy and changes in classification of financial assets and changes in contingent liabilities and assets. The amendment will only affect the disclosures in the Company's condensed interim financial information.

b) Standards, amendments and interpretations to published standards that are effective in 2011 - 12 but are not relevant

The other new standards, amendments to published standards and interpretations that are mandatory for the first time for the financial year beginning July 1, 2011 are considered not to be relevant to the Company.

c) Standards, amendments and interpretations to published standards that are not yet effective and have not been early adopted by the Company

Following new standards and amendments to published standards have been issued but are not effective for the financial year beginning July 1, 2011 and have not been early adopted by the Company:

- IFRS 9, 'Financial instruments - Classification and measurement' (effective for periods beginning on or after January 1, 2015). This standard on classification and measurement of financial assets and financial liabilities will replace IAS 39 'Financial instruments: Recognition and measurement'. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess the full impact of IFRS 9, however, initial indications are that it may not affect the Company's financial statements significantly.

- IFRS 13, 'Fair value measurement' (effective for periods beginning on or after January 1, 2013). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The Company is yet to assess the full impact of IFRS 13, however, initial indications are that it may not affect the Company's financial statements significantly.

- IAS 1 (Amendment), 'Financial statement presentation' (effective for periods beginning on or after July 1, 2012). The main change resulting from these amendments is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The change is not expected to have any material affect on the Company's financial statements.

- IAS 19 (Amendment), 'Employee benefits' (effective for periods beginning on or after July 1, 2013). It eliminates the corridor approach and recongises all actuarial gains an losses in other comprehensive income as they occur, immediately recognises all past service costs and replaces interest cost and expected return on plan assets with a interest amount that is calculated by applying the discount rate to the net defined benefit liability / asset. The Company is yet to assess the full impact of the amendment.

- IAS 32 (Amendment), 'Financial instruments: Presentation' (effective for periods beginning on or after January 1, 2014). This amendment updates the application guidance in IAS 32, ‘Financial instruments: Presentation’, to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The change is not expected to have any material affect on the Company's financial statements.

There are number of other standards and minor amendments and interpretations to published standards that are not yet effective, and are neither relevant nor expected to have a significant effect on the Company’s financial statements and therefore have not been presented here.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses except freehold land and capital work-in-progress which are stated at cost.

Capital work-in-progress consists of expenditure incurred in respect of tangible assets in the course of their construction and installation, including financial charges on borrowings 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.

Depreciation is charged to profit and loss account using straight-line method whereby the cost of the asset is written off over its estimated useful life at the rates given in note 4.1. Depreciation on additions is charged from the month in which the asset is available for use while no depreciation is charged in the month in which the asset is disposed off. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each balance sheet date.

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

2.3 Leased assets

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

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

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

2.4 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.

Costs that are directly associated with identifiable computer software and have probable economic benefits exceeding one year, are recognised as 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.

Intangible asset is amortised from the month when such asset is available for use on straight-line method whereby the cost of an intangible asset is written off over its estimated useful life, at the rates given in note 5.

Intangible assets having indefinite useful life represents trademarks. These are stated at cost less impairment, if any. Carrying amounts of these intangibles are subject to impairment review at each balance sheet date and where conditions exist, impairment is recognised.

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

2.5 Impairment of non-financial assets

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

2.6 Financial instruments

2.6.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets. There are no financial assets held for trading at the balance sheet date.

(b) Loans and receivables

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

(c) Available-for-sale financial assets

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

(d) Held to maturity financial assets

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

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method.

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unquoted shares of wholly owned subsidiary), the Company measures the investments at cost less impairment in value, if any. Changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity as other comprehensive income are included in the profit and loss account as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit and loss account as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit and loss account. Dividends on available-for-sale equity instruments are recognised in the profit and loss account when the Company's right to receive the payments is established.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is removed from equity and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account. Impairment testing of trade debts and other receivables is described in note 2.9.

2.6.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

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

2.6.3 Offsetting of financial assets and liabilities

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

2.7 Stores and spares

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

2.8 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value. Cost is determined using the first-in-first-out method for Liquefied Petroleum Gas and weighted average method for low pressure regulators. Items in transit are valued at cost comprising invoice values plus other charges incurred thereon.

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

2.9 Trade debts and other receivables

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method less provision for impairment, if any. Provision for impairment is based on a review of outstanding amounts at the balance sheet date. Trade debts and other receivables are written off when considered irrecoverable.

2.10 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, cash with banks on current, collection, deposit and saving accounts and running finance under mark-up arrangements. Running finance under mark-up arrangements, if utilised, are shown in current liabilities on the balance sheet.

2.11 Share capital

Ordinary shares are classified as equity and are recorded at their face value.

2.12 Retirement and other service benefits

2.12.1 Defined benefit plans

The Company operates:

- an approved defined benefit gratuity scheme for all permanent 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. Actuarial valuations of these schemes are carried out at appropriate regular intervals. The latest valuations of the above schemes were carried out as at June 30, 2012, using the "Projected Unit Credit Method".

Actuarial gains or losses are recognised as income or expense when the cumulative unrecognised actuarial gains or losses for each individual plan exceeds 10% of the higher of (a) the defined benefit obligation and (b) the fair value of plan assets. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plan.

Amounts recognised in the balance sheet represent the present value of defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, if any, and as reduced by the fair value of plan assets.

2.12.2 Defined contribution plan

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

2.12.3 Compensated absences

The Company provides a facility to its management and non - management employees for accumulating their annual earned leave. Under the scheme, employees are entitled to annual leaves based on years of their services. Unutilised leave, to the maximum of ten days can be accumulated upto March 31st of the following year.

Provisions are made to cover the obligations under the scheme on the basis of actuarial valuation and are charged to the profit and loss account. The most recent valuation was carried out as of June 30, 2012 using the "Projected Unit Credit Method". The amount recognised in the balance sheet represents the present value of defined benefit obligations.

2.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of borrowings using the effective interest method.

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

2.14 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.

2.15 Provisions

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

2.16 Taxation

2.16.1 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.

2.16.2 Deferred

Deferred tax is recognised using the liability method on all major temporary differences arising between the carrying amounts for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the assets may be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Deferred tax is charged or credited to the profit and loss account.

2.17 Foreign currencies

The financial statements are presented in Pakistan Rupees which is the Company's functional currency.
Transactions in foreign currencies are translated into Pakistan Rupees using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange which approximate those prevailing at the balance sheet date. Exchange differences are included in the profit and loss account.

2.18 Revenue recognition

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

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

- Return on deposits is recognised on accrual basis.

- Storage and handling charges recovered are accounted for on accrual basis after netting off the related costs.

2.19 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.

2.20 Dividend and appropriation to reserves

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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. The areas where assumptions and estimates are significant to the Company's financial statements are as follows:

3.1 Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful life, residual value 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.

recoverable amount of assets is made for possible impairment on an annual basis.

3.2 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.

3.3 Income taxes

In making the estimates for income taxes payable by the Company, the management looks at the applicable law and the decisions of appellate authorities on certain issues in the past.

3.4 Provision for retirement and other service benefits

The present value of these obligations depend 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 notes 29.1.4 and 29.1.6 respectively.

	2012	2011
	(Rupees in '000)	
4. PROPERTY, PLANT AND EQUIPMENT		
Operating assets (note 4.1)	**277,918**	332,632
Capital work-in-progress (note 4.2)	**-**	1,932
	277,918	334,564

4.1 Operating assets

	Owned Assets: Freehold land	Owned Assets: Building on Freehold land	Owned Assets: Building on Leasehold land	Owned Assets: Land under license	Owned Assets: Plant and machinery	Owned Assets: Tanks, pipelines and fittings	Owned Assets: Fire fighting equipment	Owned Assets: Cylinder and regulators	Owned Assets: Vehicles	Owned Assets: Furniture fittings, electrical and other equipment	Owned Assets: Office machine	Owned Assets: Personal computers	Leased Assets: Vehicles	Total
	----------	----------	----------	----------	----------	----------	----------	(Rupees in '000)	----------	----------	----------	----------	----------	----------
As at July 1, 2010														
Cost	5,618	5,566	91,889	6,616	65,798	57,871	20,494	529,520	53,016	62,717	3,889	15,888	-	918,882
Accumulated depreciation	-	(2,396)	(21,727)	(6,608)	(26,462)	(42,410)	(9,139)	(315,097)	(52,346)	(37,596)	(2,967)	(14,953)	-	(531,701)
Net book value	5,618	3,170	70,162	8	39,336	15,461	11,355	214,423	670	25,121	922	935	-	387,181
Year ended June 30, 2011														
Opening net book value	5,618	3,170	70,162	8	39,336	15,461	11,355	214,423	670	25,121	922	935	-	387,181
Additions including transfers (note 4.2)-	-	287	-	-	64	69	204	299	84	272	7	196	16,039	17,521
Disposals (note 4.1.3)														
Cost	-	-	-	-	(10)	-	-	(427)	(10,743)	-	-	-	-	(11,180)
Accumulated Depreciation	-	-	-	-	8	-	-	120	10,571	-	-	-	-	10,699
	-	-	-	-	(2)	-	-	(307)	(172)	-	-	-	-	(481)
Write-offs (note 4.1.2)														
Cost	-	-	-	-	-	-	-	(74,708)	-	-	-	-	-	(74,708)
Accumulated Depreciation	-	-	-	-	-	-	-	71,347	-	-	-	-	-	71,347
	-	-	-	-	-	-	-	(3,361)	-	-	-	-	-	(3,361)
Depreciation charge (note 4.1.1)	-	(276)	(4,427)	(8)	(4,025)	(1,637)	(1,068)	(47,697)	(582)	(5,170)	(337)	(375)	(2,626)	(68,228)
Closing net book value	5,618	3,181	65,735	-	35,373	13,893	10,491	163,357	-	20,223	592	756	13,413	332,632
As at July 1, 2011														
Cost	5,618	5,853	91,889	6,616	65,852	57,940	20,698	454,684	42,357	62,989	3,896	16,084	16,039	850,515
Accumulated depreciation	-	(2,672)	(26,154)	(6,616)	(30,479)	(44,047)	(10,207)	(291,327)	(42,357)	(42,766)	(3,304)	(15,328)	(2,626)	(517,883)
Net book value	5,618	3,181	65,735	-	35,373	13,893	10,491	163,357	-	20,223	592	756	13,413	332,632
Year ended June 30, 2012														
Opening net book value	5,618	3,181	65,735	-	35,373	13,893	10,491	163,357	-	20,223	592	756	13,413	332,632
Additions including transfers (note 4.2)	-	722	400	-	253	-	-	2,782	693	2,577	25	12	-	7,464
Transfers in / (out)	-	-	-	-	-	-	-	-	2,459	-	-	-	(2,459)	-
Disposals (note 4.1.3)														
Cost	-	-	(3,847)	-	-	-	-	-	(4,772)	-	-	-	-	(8,619)
Accumulated Depreciation	-	-	3,847	-	-	-	-	-	2,313	-	-	-	-	6,160
	-	-	-	-	-	-	-	-	(2,459)	-	-	-	-	(2,459)
Depreciation charge (note 4.1.1)	-	(278)	(4,171)	-	(4,635)	(1,742)	(891)	(38,576)	(112)	(4,987)	(299)	(295)	(3,733)	(59,719)
Closing net book value	5,618	3,625	61,964	-	30,991	12,151	9,600	127,563	581	17,813	318	473	7,221	277,918
As at June 30, 2012														
Cost	5,618	6,575	88,442	6,616	66,105	57,940	20,698	457,466	43,050	65,566	3,921	16,096	11,267	849,360
Accumulated depreciation	-	(2,950)	(26,478)	(6,616)	(35,114)	(45,789)	(11,098)	(329,903)	(42,469)	(47,753)	(3,603)	(15,623)	(4,046)	(571,442)
Net book value	5,618	3,625	61,964	-	30,991	12,151	9,600	127,563	581	17,813	318	473	7,221	277,918
Annual rate of depreciation (%)	-	5	5	5	5	10	15	10	20 - 25	10-15	15	33.33	25	

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

	2012	2011
	(Rupees in '000)	
Cost of product sold (note 20)	**23,403**	31,744
Administrative expenses (note 21)	**2,661**	2,838
Distribution and marketing expenses (note 22)	**33,655**	33,646
	59,719	68,228

4.1.2 The Company has written off the cylinders and regulators in possession of inactive distributors and customers, to whom notices for termination of distributorship/relationship were sent, however, no replies were received thereagainst (note 23.1).

4.1.3 The details of operating assets disposed off during the year are as follows:

Description and method of disposal	Particulars of purchasers	Cost	Accumulated depreciation	Net book value	Sale proceeds
		------------------(Rupees in '000)-----------------			
Vehicles					
As per Company Policy	Mr. Mohib ul Hassan (ex - Employee)	1,966	655	1,311	1,800
Bid	Mr. Suleman Hussaini	1,967	819	1,148	1,467
		3,933	1,474	2,459	3,267
Aggregate amount of assets disposed off, having net book value less than Rs. 50 thousand each		4,686	4,686	-	5,544
		8,619	6,160	2,459	8,811
2011		11,180	10,699	481	5,045

4.2 Capital Work-In-Progress

	Balance at beginning of the year	Additions	Transfers	Balance at end of the year
	-----------------------	(Rupees in '000)	--------------------	
Year ended June 30, 2011				
Buildings	-	799	(287)	512
Plant and machinery	-	64	(64)	-
Tanks, pipelines and fittings	-	69	(69)	-
Cylinder and regulators	-	921	(299)	622
Vehicles		84	(84)	-
Furniture, fittings, electrical and fire fighting equipment	-	1,239	(476)	763
Office machines	-	30	(7)	23
Personal computers	-	208	(196)	12
	-	3,414	(1,482)	1,932
Year ended June 30, 2012				
Buildings	512	610	(1,122)	-
Plant and machinery	-	253	(253)	-
Cylinder and regulators	622	2,160	(2,782)	-
Vehicles	-	693	(693)	-
Furniture, fittings, electrical and fire fighting equipment	763	1,814	(2,577)	-
Office machines	23	2	(25)	-
Personal computers	12	-	(12)	-
	1,932	5,532	(7,464)	-

5. INTANGIBLE ASSETS

	Computer software	Rights under supply contract (note 5.1)	Trademarks (note 5.2)	Total
	--------------------(Rupees in '000)-----------------			
As at July 1, 2010				
Cost	1,980	64,206	-	66,186
Accumulated amortisation	(1,699)	(40,126)	-	(41,825)
Net book value	281	24,080	-	24,361
Year ended June 30, 2011				
Opening net book value	281	24,080	-	24,361
Additions at cost	3,567	-	8,600	12,167
Write-off				
Cost	(1,246)	-	-	(1,246)
Accumulated amortisation	1,246	-	-	1,246
	-	-	-	-
Amortisation charge (note 20)	(552)	(4,586)	-	(5,138)
Net book value	3,296	19,494	8,600	31,390
As at July 1, 2011				
Cost	4,301	64,206	8,600	77,107
Accumulated amortisation	(1,005)	(44,712)	-	(45,717)
Net book value	3,296	19,494	8,600	31,390
Year ended June 30, 2012				
Opening net book value	3,296	19,494	8,600	31,390
Amortisation charge (note 20)	(713)	(4,586)	-	(5,299)
Net book value	2,583	14,908	8,600	26,091
As at June 30, 2012				
Cost	4,301	64,206	8,600	77,107
Accumulated amortisation	(1,718)	(49,298)	-	(51,016)
Net book value	2,583	14,908	8,600	26,091
Annual rate of amortisation (%)	20	7.14	-	

5.1 This represents consideration for beneficial rights of continuous supply of LPG under the supply contract between Sui Northern Gas Pipelines Limited (SNGPL) and Pak Arab Refinery Limited (PARCO) which was transferred to the Company as part of its acquisition of the LPG business of SNGPL in October 2001. The asset has been recorded at its cost which has been bifurcated from the total cost of acquisition of Rs. 142 million on the basis of a valuation carried out by an independent valuer. This cost is being amortised over a period of fourteen years, being the remaining period of the supply contract with PARCO at the acquisition date.

5.2 This represents consideration paid to the OPI Gas (Private) Limited, the Parent Company, for the 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.

	2012	2011
	(Rupees in '000)	
6. LONG-TERM INVESTMENT		
Available-for-sale, unquoted wholly owned subsidiary - at cost		
Burshane Pakistan (Private) Limited; 200 (2011: 200) ordinary shares of Rs. 10 each	**2**	2

6.1 Burshane Pakistan (Private) Limited has not commenced its operations and, accordingly, investment in this entity has not been consolidated in these financial statements.

	2012	2011
	(Rupees in '000)	
7. LONG TERM LOANS - secured, considered good		
Chief Executive / Executive Director	**24**	448
Executives	**1,439**	3,092
Employees	**10,008**	9,700
	11,471	13,240
Less:		
Recoverable within one year shown under current assets (note 13)		
- Chief Executive / Executive Director	**24**	423
- Executives	**1,079**	1,346
- Employees	**3,761**	3,510
	4,864	5,279
	6,607	7,961

7.1 Reconciliation of carrying amount of loans:

	2012				2011			
	Chief Executive / Executive Director	Executives	Other Employees	Total	Chief Executive / Executive Director	Executives	Other Employees	Total
	(Rupees in '000)							
Balance at beginning of the year	448	3,092	9,700	13,240	2,396	755	12,023	15,174
Add: Disbursements	-	-	5,951	5,951	850	6,149	5,135	12,134
Less: Repayments	(424)	(1,653)	(5,643)	(7,720)	(2,798)	(3,812)	(7,458)	(14,068)
Balance at end of the year	24	1,439	10,008	11,471	448	3,092	9,700	13,240

7.2 These loans are granted to employees under the Company's loan policy. Car and motor cycle loans are repayable over a maximum period of five years, housing loans are repayable over a period of two and half years and salary loans are repayable over a maximum period of three years. These loans carry interest at the rate of 1% per annum and are secured by letter of hypothecation, third party guarantees and demand promissory notes.

7.3 The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 2,521 thousand (2011: Rs. 4,428 thousand) respectively.

8. LONG-TERM DEPOSITS

Includes deposits aggregating Rs. 81,600 thousand (2011: Rs. 105,625 thousand) placed with suppliers of liquefied petroleum gas as per terms of respective supply agreements.

9. DEFERRED TAXATION

	2012	2011
	(Rupees in '000)	
Deferred tax asset arising due to:		
Carried forward tax losses (note 9.1)	-	42,887
Recoupable minimum turnover tax (note 9.1)	32,333	15,642
Obligations under finance lease	2,801	4,773
Provision for doubtful trade debts and slow moving stores and spares	44	3,230
	35,178	66,532
Deferred tax liability arising due to:		
Accelerated depreciation allowance	(34,470)	(44,909)
	708	21,623

9.1 Deferred income tax asset is recognised on recoupable minimum turnover tax and tax losses available for carry-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. Tax losses available for carry-forward on which the deferred income tax asset has been recognised as at June 30, 2012 amount to Nil (2011: Rs. 122,534 thousand).

10. STORES AND SPARES

	2012	2011
	(Rupees in '000)	
Stores	1,685	1,715
Spares	1,535	1,525
	3,220	3,240
Less: Provision for obsolete items	(126)	(126)
	3,094	3,114

11. STOCK IN TRADE

	2012	2011
	(Rupees in '000)	
Liquified petroleum gas (note 11.1)	2,642	12,494
Low pressure regulators	8,759	9,360
	11,401	21,854

11.1 Includes stock held with third parties amounting to Rs. 541 thousand (2011: Rs. 4,585 thousand).

11.2 Stock held on behalf of third parties amounts to Rs. 17,685 thousand (2011: Rs. 3,714 thousand).

12. TRADE DEBTS - unsecured

	2012	2011
	(Rupees in '000)	
Considered good	6,682	15,719
Considered doubtful	-	9,102
	6,682	24,821
Less: Provision for impairment (note 12.1)	-	(9,102)
	6,682	15,719

12.1 The movement in provision during the year is as follows:

	2012	2011
Balance at the beginning of the year	9,102	9,102
Add: Charged during the year and recognised in administrative expenses (note 21)	988	-
Less: Debts written-off against provision during the year (note 12.3)	(10,090)	-
Balance at the end of the year	-	9,102

12.2 As at June 30, 2012 trade debts aggregating Rs. 2,123 thousand (2011: Rs. 1,495 thousand) were past due but not impaired. These relate to various customers for which there is no recent history of default. Aging analysis of these trade debts is as follows:

	2012	2011
	(Rupees in '000)	
Upto 1 month	1,402	787
1 to 6 months	29	134
More than 6 months	692	574
	2,123	1,495

12.3 As at June 30, 2012, trade debts amounting to Rs. 10,090 thousand (2011: Rs. 9,102 thousand) were impaired, being past due for more than one year, and have been written-off during the year.

13. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2012	2011
	(Rupees in '000)	
Loans and advances - secured, considered good		
Loans due from (note 7)		
- Chief Executive / Executive Director	24	423
- Executives	1,079	1,346
- Employees	3,761	3,510
	4,864	5,279
Advances to		
- Executives (note 13.1)	253	253
- Contractors and suppliers	21,934	15,413
	27,051	20,945
Short-term deposits	423	163
Short-term prepayments	6,416	5,723
Sales tax recoverable	1,454	-
Due from OPI Gas (Private) Limited, the Parent Company (note 13.2)	15,426	12,000
Receivable from		
- Burshane LPG (Pakistan) Limited - Management Staff Pension Fund (note 29.1.1)	10,196	11,599
- Burshane LPG (Pakistan) Limited - Provident fund	630	-
Others	2,710	6,634
	64,306	57,064
Less: Provision for impairment	(43)	(43)
	64,263	57,021

13.1 The maximum aggregate amount due from executives at the end of any month was Rs. 253 thousand (2011: Rs. 253 thousand).

13.2 This includes Rs. 12,000 thousand in respect of 'Business Support Fee' paid during the year 2010-11, which was subsequently waived-off by the Parent Company and hence reclassified as receivable. This also includes an amount of Rs. 3,426 thousand in respect of receivable against reimbursement of expenses incurred for debranding activities, which has not been acknowledged by the Parent Company as fully explained in note 19.1.1.

	2012	2011
	(Rupees in '000)	

14. CASH AND BANK BALANCES

	2012	2011
Cash in hand	**103**	327
With banks in:		
- savings accounts	**223,636**	79,133
- current accounts	**16,703**	25,860
	240,339	104,993
	240,442	105,320

15. SHARE CAPITAL

Authorised capital

2012	2011		2012	2011
(Number of shares)			(Rupees in '000)	
30,000,000	30,000,000	Ordinary shares of Rs. 10 each	**300,000**	300,000

Issued, subscribed and paid up capital

2012	2011			
(Number of shares)				
20,032,920	20,032,920	Ordinary shares of Rs. 10 each fully paid up in cash	**200,329**	200,329
76,820	76,820	Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	**768**	768
2,530,304	2,530,304	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	**25,303**	25,303
22,640,044	22,640,044		**226,400**	226,400

15.1 As at June 30, 2012, OPI Gas (Private) Limited holds 15,671,268 (2011: 15,671,268) ordinary shares of Rs. 10 each.

15.2 Subsequent to year end, the Parent Company has executed Share Purchase Agreement with intended buyer, H.A.K.S Trading (Private) Limited, to sell its entire shareholding in the Company. The sale is subject to regulatory approvals and satisfaction of various statutory requirements and is expected to be completed in the ensuing year.

16. OBLIGATIONS UNDER FINANCE LEASE

	2012	2011
	(Rupees in '000)	
Balance as at July 1	13,638	-
Recognised during the year	-	15,441
Less: Repayments during the year	(5,636)	(2,107)
	8,002	13,334
Add: Finance cost accrued during the year	-	304
Present value of minimum lease payments	8,002	13,638
Less: Current portion shown under current liabilities	(2,343)	(3,203)
	5,659	10,435

16.1 The Company has entered into lease arrangements in respect of vehicles. The liabilities under the lease agreements are payable on quarterly basis by year 2015 and are subject to finance charge at the rate of 11.42 % to 13.27 % (2011: 13.17% to 13.18%) per annum, which has been used as the discount factor. The Company intends to exercise its option to purchase the leased vehicles upon completion of the lease period under the agreements.

16.2 During the year, the Company has settled part of the liability through accelerated payments and has exercised the option to purchase two vehicles for Rs. 2,772 thousand.

16.3 The amount of future payments for the leases and the period in which the lease payments will become due are as follows:

	June 30, 2012			June 30, 2011
	Minimum lease payments	Finance costs	Present value of minimum lease payments	Present value of minimum lease payments
	(Rupees in '000)			
Year ended June 30:				
- 2012	-	-	-	3,203
- 2013	3,168	825	2,343	3,013
- 2014	3,168	469	2,699	3,409
- 2015	3,168	208	2,960	4,013
	9,504	1,502	8,002	13,638

17. CYLINDER AND REGULATOR DEPOSITS

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

18. TRADE AND OTHER PAYABLES

	2012	2011
	(Rupees in '000)	
Creditors (note 18.1)	67,033	65,675
Accrued liabilities (note 18.1)	15,795	13,918
Payable to Burshane LPG (Pakistan) Limited Gratuity Fund (note 29.1.1)	5,252	3,602
Workers' profits participation fund	6,035	4,045
Workers' welfare fund	2,812	2,231
Sales tax payable	-	4,990
Retention money	102	102
Advances from distributors / customers	6,412	11,394
Dividends		
- unclaimed	441	168
- unpaid	640	640
	1,081	808
Excess advance received from Shell Petroleum Company Limited against right issue	5,722	5,722
Others	2,563	2,238
	112,807	114,725

18.1 Include due to OPI Gas (Private) Limited, the Parent Company, aggregating to Rs. 1,933 thousand (2011: Rs. 326 thousand).

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 The Company entered into a tripartite LPG Debranding Agreement (the Agreement) with Shell Brands International AG (Shell AG) and OPI Gas (Private) Limited (the Parent Company) on October 27, 2010. The Agreement was entered with an objective of phasing out the use of LPG trademarks and manifestations owned by Shell, subsequent to the sale of shares by Shell Petroleum Company Limited (Shell) to OPI Gas (Private) Limited. As per the terms of the Agreement, it is the Company's obligation to cease the use of aforesaid trademarks and manifestations embossed / printed on its assets, according to the timelines set out in the Agreement. In the event of delay in fulfillment of such obligations, the Company shall be liable to pay a fee at rates specified in the aforesaid timetable, in respect of each asset which the Company has not demonstrated to Shell's satisfaction to have been fully debranded. As per the terms of the Agreement the Parent Company is guarantor under this Agreement. The parties to the Agreement are currently in the process of complying with the debranding activities to be undertaken under the Agreement and the Company is confident that no fee shall be required to be paid to Shell AG for non-compliance with the debranding obligations under the Agreement. However, debranding / rebranding expenses incurred by the Company to date, amounting to Rs. 3,246 thousand, have not been acknowledged by the Parent Company for reimbursement to the Company. The Parent Company is of the view that these expenses should be borne by the Company as the ultimate beneficiary of debranding and rebranding exercise is the Company and that the Parent Company was just a guarantor under this Agreement, and accordingly liability of the Parent Company will only arise if the Company fails to meet its original obligations according to the timelines set out in the Agreement. However, the Company based on the advice of its legal advisor, is not in agreement with the Parent Company's interpretation of the Agreement and hence has classified the debranding / rebranding expenses incurred to date as 'Other Receivables' (note 13.2) till the resolution of this matter with the Parent Company.

19.1.2 Claims not acknowledged as debt by the Company as at June 30, 2012 amounted to Rs. 16,200 thousand. This includes Rs. 14,140 thousand billed by the Parent Company in respect of business support fee.

19.2 Commitments

Capital commitments contracted for but not incurred as at June 30, 2012 amounts to Nil (2011: Rs.1,560 thousand).

20. COST OF PRODUCT SOLD

	2012	2011
	(Rupees in '000)	
Cost of LPG sold:		
Opening stock (note 11)	**12,494**	15,897
Purchases	**1,672,846**	1,273,871
	1,685,340	1,289,768
Less: Closing stock (note 11)	**(2,642)**	(12,494)
	1,682,698	1,277,274
Salaries, wages and other employee benefits (note 20.1)	**33,827**	29,593
Cost of low pressure regulators sold	**601**	387
Stores and spares consumed	**1,204**	3,242
Repairs and maintenance	**894**	1,006
Traveling, conveyance and vehicle maintenance	**3,684**	2,228
Rent, rates and electricity	**3,609**	3,676
Communication	**496**	3,117
Printing and stationery	**208**	105
Insurance	**3,977**	3,983
Depreciation (note 4.1.1)	**23,403**	31,744
Amortisation (note 5)	**5,299**	5,138
Security	**1,840**	2,589
Sundry expenses	**964**	2,681
	1,762,704	1,366,763

20.1 Salaries, wages and other employee benefits include Rs. 3,836 thousand (2011: Rs. 1,110 thousand) in respect of staff retirement benefits.

21. ADMINISTRATIVE EXPENSES

	2012	2011
	(Rupees in '000)	
Salaries, wages and other employee benefits (note 21.1)	**27,863**	31,603
Repairs and maintenance	**567**	433
Travelling, conveyance and vehicle maintenance	**2,898**	2,632
Rent, rates and electricity	**1,775**	887
Communication	**1,265**	5,272
Printing and stationery	**1,127**	1,015
Insurance	**2,350**	1,000
Service cost from Shell group companies	**-**	10,795
Advertisement and publicity	**222**	194
Depreciation (note 4.1.1)	**2,661**	2,838
Provision for doubtful debts (note 12.1)	**988**	-
Security	**172**	147
Sundry expenses	**762**	2,942
	42,650	59,758

21.1 Salaries, wages and other employee benefits include Rs. 2,382 thousand (2011: Rs. 2,927 thousand) in respect of staff retirement benefits.

22. DISTRIBUTION AND MARKETING EXPENSES

	2012	2011
	(Rupees in '000)	
Salaries, wages and other employee benefits (note 22.1)	**12,067**	10,495
Repairs and maintenance	**170**	136
Travelling, conveyance and vehicle maintenance	**637**	1,137
Rent, rates and electricity	**1,016**	986
Communication	**329**	1,287
Printing and stationery	**76**	136
Insurance	**335**	569
Hospitality charges	**7,954**	2,777
Freight and octroi	**3,283**	3,151
Advertisement and publicity	**84**	1,149
Depreciation (note 4.1.1)	**33,655**	33,646
Security	**286**	216
Sundry expenses	**57**	208
	59,949	55,893

22.1 Salaries, wages and other employee benefits include Rs. 1,706 thousand (2011: Rs. 1,137 thousand) in respect of staff retirement benefits.

	2012	2011
	(Rupees in '000)	

23. OTHER OPERATING INCOME

	2012	2011
Income from financial assets		
Income from savings bank accounts	11,568	6,862
Income from non-financial assets		
Rental Income:		
- Tanks	1,733	1,679
- Cylinders	-	2,489
Gain on disposal of operating assets	6,352	4,564
	8,085	8,732
Others		
Scrap sales	737	3,096
Liabilities written back	642	14,773
Liability for cylinder deposits written back (note 23.1)	-	74,708
Miscellaneous	188	4,056
	21,220	112,227

23.1 Last year and in 2010, the Company carried out a detailed exercise to identify cylinder and regulator deposits pertaining to inactive distributors/customers who were not in business with the Company for the past three years. Notice of cancellation/ termination of distributorship was sent to these distributors alongwith request to return the cylinders and get the cylinder deposit liability settled. Based on such exercise and inline with a legal opinion in this respect, the Company has written back cylinder deposits liability pertaining to those distributors / customers from whom no response was received against the cancellation / termination notices for return of the cylinders and to claim the related deposits.

24. OTHER OPERATING EXPENSES

	2012	2011
Auditors' remuneration (note 24.1)	1,222	1,495
Workers' profits participation fund	6,035	4,351
Workers' welfare fund	2,812	2,257
Legal and professional charges	1,871	2,782
Operating assets written-off (note 4.1)	-	3,361
Other receivables written-off	5,622	-
Directors' fees	408	120
Exchange loss - net	-	205
Others	113	3,307
	18,083	17,878

24.1 Auditors' remuneration

	2012	2011
Fee for:		
- statutory audit	515	450
- half yearly review	170	150
- review of compliance with the code of corporate governance	50	50
- audit of provident, pension and gratuity funds	105	275
- special certifications and other advisory services	100	350
	940	1,275
Out of pocket expenses	282	220
	1,222	1,495

	2012	2011
	(Rupees in '000)	
25. FINANCE COSTS		
Finance charges on liabilities against assets subject to finance lease	**1,568**	1,970
Interest on Workers' profits participation fund	**433**	519
Bank charges	**1,639**	1,435
	3,640	3,924
26. TAXATION		
Current:		
- for the year (note 26.1)	**19,916**	15,642
- for prior years	**(1,557)**	13
	18,359	15,655
Deferred	**20,915**	14,137
	39,274	29,792

26.1 This represents minimum turnover tax at the rate of 1% (2011: 1%) of turnover under section 113 of the Income Tax Ordinance (ITO), 2001.

26.2 Reconciliation of income tax expense for the year

	2012	2011
Profit before taxation	**111,831**	79,896
Tax at the applicable tax rate of 35% (2011: 35%)	**39,141**	27,964
Tax effect of:		
- Prior year tax charge/(reversal)	**(1,557)**	13
- Permanent differences	**1,605**	1,605
- Others	**85**	210
	39,274	29,792

27. EARNINGS PER SHARE – Basic and diluted

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. There is no dilutive effect on the basic earnings per share of the Company.

	2012	2011
	(Rupees in '000)	
Profit for the year	**72,557**	50,104
	Number of Shares	
Weighted average number of ordinary shares in issue (in thousands)	**22,640**	22,640
	Rupees	
Earnings per share - Basic and diluted	**3.20**	2.21

28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2012				2011			
	Chief Executive	Executive Director	Executives	Total	Chief Executive	Executive Director	Executives	Total
	----------	----------	----------	----------	(Rupees in '000)	----------	----------	----------
Managerial remuneration	3,169	1,498	13,192	17,859	2,492	1,554	9,477	13,523
Bonus	1,510	577	4,264	6,351	2,062	896	4,369	7,327
Company's contribution to gratuity, pension and provident funds	229	108	987	1,324	180	114	699	993
Housing, utilities and conveyance	2,053	922	8,248	11,223	1,371	893	5,602	7,866
Medical, leave fare, etc.	611	248	3,231	4,090	494	372	1,641	2,507
	7,572	3,353	29,922	40,847	6,599	3,829	21,788	32,216
Number of persons (including those who worked part of the year)	1	1	16	18	1	2	10	13

28.1 Aggregate amount charged for the year in respect of fees to three non-executive directors is Rs. 408 thousand (2011: two non-executive directors, Rs. 120 thousand).

28.2 In addition, the Chief Executive, the Executive Director and certain Executives were also provided with few household appliances and free use of Company cars.

Notes to the Financial Information
For the Year ended June 30, 2012

29. EMPLOYEE BENEFITS

29.1 The details of defined benefit schemes are as follows:

	Pension Fund 2012	Pension Fund 2011	Gratuity Fund 2012	Gratuity Fund 2011
	(Rupees in '000)			
29.1.1 Balance sheet reconciliation				
Fair value of plan assets	**94,534**	84,529	**15,827**	13,876
Present value of defined benefit obligations	**(125,980)**	(81,323)	**(30,212)**	(31,135)
Funded status	**(31,446)**	3,206	**(14,385)**	(17,259)
Unrecognised net actuarial losses	**41,642**	8,393	**9,133**	13,657
Recognised asset/(liability)	**10,196**	11,599	**(5,252)**	(3,602)
29.1.2 Movement in net assets/(liability) recognised				
Net asset/(liability) at beginning of the year	**11,599**	12,259	**(3,602)**	(1,216)
Expense recognised	**(1,403)**	(660)	**(4,562)**	(2,386)
Benefits paid on behalf of the Fund	**-**	-	**1,412**	-
Contribution to the Fund	**-**	-	**1,500**	-
Net asset/(liability) at end of the year	**10,196**	11,599	**(5,252)**	(3,602)
29.1.3 Movement in fair value of plan assets				
Fair value as at beginning of the year	**84,529**	81,818	**13,876**	14,883
Expected return on plan assets	**12,340**	11,494	**2,040**	2,205
Actuarial (losses)/gains	**4,889**	(4,019)	**(105)**	(1,479)
Contribution to the Fund	**-**	-	**1,500**	-
Employees contributions	**576**	571	**-**	-
Benefits paid	**(7,800)**	(5,335)	**(2,896)**	(1,733)
Benefits paid on behalf of the Fund	**-**	-	**1,412**	-
Fair value as at end of the year	**94,534**	84,529	**15,827**	13,876
29.1.4 Movement in defined benefit obligations				
Obligation as at beginning of the year	**81,323**	65,470	**31,135**	21,601
Current service cost	**3,480**	3,859	**1,488**	1,397
Interest cost	**10,839**	8,792	**4,156**	2,903
Actuarial (gains)/losses	**38,138**	8,537	**(3,671)**	6,967
Benefits paid	**(7,800)**	(5,335)	**(2,896)**	(1,733)
Obligations as at end of the year	**125,980**	81,323	**30,212**	31,135
29.1.5 Charge for the year				
Current service cost	**3,480**	3,859	**1,488**	1,397
Interest cost	**10,839**	8,792	**4,156**	2,903
Expected return on plan assets	**(12,340)**	(11,494)	**(2,040)**	(2,205)
Employees contributions	**(576)**	(571)	**-**	-
Past service cost vested	**-**	74	**-**	14
Recognition of actuarial losses	**-**	-	**958**	277
Expense for the year	**1,403**	660	**4,562**	2,386

29.1.6 Principal actuarial assumptions used in the actuarial valuation carried out as of June 30, 2012 using the 'Projected Unit Credit Method' are as follows:

	Pension Fund 2012	Pension Fund 2011	Gratuity Fund 2012	Gratuity Fund 2011
	(Rupees in '000)			
Discount rate and expected return on plan assets	12.5%	14%	12.5%	14%
Future salary increases	12.5%	14%	12.5%	14%
Indexation in Pension	4%	0%	-	-
Expected mortality rate	EFU 61-66 mortality table	EFU 61-66 mortality table	EFU 61-66 mortality table	EFU 61-66 mortality table
Expected withdrawal rate	Age dependent	Age dependent	Age dependent	Age dependent

29.1.7 The expected return of Plan assets is based on the market expectations and depends upon the asset portfolio of the Company, at the beginning of the period, for returns over the entire life of the related obligation.

	Pension Fund 2012	Pension Fund 2011	Gratuity Fund 2012	Gratuity Fund 2011
	(Rupees in '000)			
29.1.8 Actual return on plan assets	**17,229**	7,475	**1,935**	726

29.1.9 Plan assets comprised of the following:

	2012 Rupees in '000	2012 %	2011 Rupees in '000	2011 %
Debt	**98,501**	89.3	89,148	90.6
Equity	**4,977**	4.5	5,735	5.8
Cash and bank balances	**6,883**	6.2	3,522	3.6
	110,361		98,405	

29.1.10 Comparison for five years:

	2012	2011	2010	2009	2008
	(Rupees in '000)				
Fair value of plan assets	110,361	98,405	96,701	93,317	121,274
Present value of defined benefit obligation	(156,192)	(112,458)	(87,071)	(77,065)	(80,646)
(Deficit)/Surplus	(45,831)	(14,053)	9,630	16,252	40,628

	2012	2011	2010	2009	2008
	------------------------ (Rupees in '000) -----------------				
29.1.11 Experience adjustment on plan assets and obligation:					
Pension Fund					
Fair value of plan assets	94,534	84,529	81,818	78,784	105,076
Present value of obligation	(125,980)	(81,323)	(65,470)	(60,302)	(65,444)
Funding (deficit)/surplus	(31,446)	3,206	16,348	18,482	39,632
Actuarial gains /(losses) on assets	4,889	(4,019)	(283)	(12,256)	985
Actuarial gains /(losses) on obligation	(38,138)	(8,537)	(1,227)	11,059	(2,866)
Gratuity Fund					
Fair value of plan assets	15,827	13,876	14,883	14,533	16,198
Present value of obligation	(30,212)	(31,135)	(21,601)	(16,763)	(15,202)
Funding (deficit)/surplus	(14,385)	(17,259)	(6,718)	(2,230)	996
Actuarial gains /(losses) on assets	(105)	(1,479)	83	(2,261)	(2,706)
Actuarial gains /(losses) on obligation	3,671	(6,967)	(2,946)	25	(3,778)

29.2 Defined contribution scheme

An amount of Rs. 1,959 thousand (2011: Rs. 1,908 thousand) has been charged during the year in respect of contribution to Provident Fund.

30. TRANSACTIONS WITH RELATED PARTIES

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

Nature of relationship	Nature of transactions	2012 (Rupees in '000)	2011 (Rupees in '000)
Parent			
OPI Gas (Private) Limited	Purchase of trademark	-	8,600
	Business Support Fee	9,000	21,000
	Reversal of Business Support Fee	(9,000)	(21,000)
	Hospitality services received	4,713	-
	Hospitality services provided	586	-
Related parties by virtue of common directorship			
Pakistan Refinery Limited	Purchases of LPG	-	40,270
Staff retirement benefit funds			
Burshane LPG (Pakistan) Limited Provident Fund	Contribution - net	1,959	1,908
Other related parties			
Shell International Petroleum Company Limited	Service charges	-	10,795
Shell Information Technology International	Group infrastructure desktop charges	-	5,607
Trans Air Travels (Private) Limited	Air travel charges	385	-
Marriot Hotel	Food and accommodation charges	138	-
Pearl Continental Hotel	Food and accommodation charges	132	302

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

30.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. The Company considers considers its Chief Executive and Executive Director to be key management personnel. Transactions with key management personnel, as disclosed in note 28 to these financial statements, are as per the terms of their employment.

31. CAPACITY

	Installed Daily Filling Capacity 2012	Installed Daily Filling Capacity 2011	Actual Average Daily Utilisation 2012	Actual Average Daily Utilisation 2011	Remarks
	Metric Tons				
LPG	125	125	56.37	52.50	Production planned as per LPG available and market demand

32. CASH GENERATED FROM OPERATIONS

	2012	2011
	(Rupees in '000)	
Profit before taxation	**111,831**	79,896
Adjustment for non cash charges and other items:		
Depreciation	**59,719**	68,228
Amortisation	**5,299**	5,138
Operating assets written-off	**-**	3,361
Other receivables written-off	**5,622**	-
Provision for doubtful debts	**988**	-
Gain on disposal of operating assets	**(6,352)**	(4,564)
Interest income on savings bank accounts	**(11,568)**	(6,862)
Finance costs	**1,568**	1,970
Working capital changes (note 32.1)	**3,467**	(55,219)
	170,574	91,948

32.1 Working capital changes

	2012	2011
(Increase)/Decrease in current assets		
Stores and spares	**20**	286
Stock-in-trade	**10,453**	3,791
Trade debts	**8,049**	(10,194)
Loans, advances, deposits, prepayments and other receivables	**(12,864)**	(29,089)
	5,658	(35,206)
(Decrease)/Increase in current liabilities		
Trade and other payables - net	**(2,191)**	(20,013)
	3,467	(55,219)

	2012	2011
	(Rupees in '000)	
33. FINANCIAL ASSETS AND LIABILITIES BY CATEGORY		
33.1 Financial assets as per balance sheet		
- Loans and receivables at amortised cost		
Long term loans	6,607	7,961
Long term deposits	82,818	1,560
Trade debts	6,682	15,719
Loans, deposits and other receivables	23,380	24,033
Cash and bank balances	240,442	105,320
	359,929	154,593
- Available for sale at fair value		
Long term investments	2	2
	359,931	154,595
33.2 Financial liabilities as per balance sheet		
- Financial liabilities measured at amortised cost		
Obligations under finance lease	8,002	13,638
Cylinder and regulator deposits	187,323	179,324
Trade and other payables	92,296	88,463
	287,621	281,425

34. FINANCIAL RISK MANAGEMENT

34.1 Financial risk factors

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

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As majority of the Company's fianancial assets and liabilities are denominated in Pak Rupees, therefore, the Company, 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. As the Company has no significant interest bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

The Company's interest rate risk on borrowings arises from obligations under finance lease. However, the impact of this is not material to the financial statements.

The Company analyses its interest rate exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and taking into account various other financing options available.

(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 exposed to equity securities price risk as it carries no such instrument.

(b) Credit risk

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation.

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

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

	2012	**2011**
	(Rupees in '000)	
Long-term loans	**6,607**	7,961
Long-term deposits	**82,818**	1,560
Trade debts	**4,559**	14,224
Loans, deposits and other receivables	**23,380**	24,033
Bank balances	**240,339**	104,993
	357,703	152,771

The credit quality of receivables can be assessed with reference to their historical performance with no or some defaults in recent history. The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Rating Agency	Rating				2012	2011
	Short term		Long term		(Rupees in '000)	
	2012	2011	2012	2011		
S&P	A-1	A1	A+	A+	**-**	14
JCR-VIS	A-1+	A1+	AA+	AA+	**2,620**	767
PACRA	A1+	A1+	AA+	AA+	**233,785**	100,530
JCR-VIS	A1+	A1+	AA-	AAA	**305**	434
PACRA	A1+	A1+	AAA	AAA	**512**	523
PACRA	A1+	A1+	AA	AA	**2,824**	2,711
JCR-VIS	A-1+	A1+	AA+	AA+	**14**	14
JCR-VIS	A-2	-	A-	-	**279**	-
					240,339	104,993

(c) Liquidity risk

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

The Company's liquidity risk management implies maintaining sufficient cash and also involves projecting cash flows and considering the level of liquid assets necessary to meet these.

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

	As at June 30, 2012			As at June 30, 2011		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
	(Rupees in '000)					
Financial liabilities						
Obligations under finance lease	2,343	5,659	8,002	3,203	10,435	13,638
Cylinder and regulator deposits	-	187,323	187,323	-	179,324	179,324
Trade and other payables	92,296	-	92,296	88,463	-	88,463
	94,639	192,982	287,621	91,666	189,759	281,425

34.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is not subject to any externally imposed capital requirements.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

35. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

Subsequent to the year end, the Board of Directors of the Company in their meeting held on September 28, 2012 have proposed a final cash dividend of Rs. 1.00 (10 %) (2011 : Rs. 1.00) per share amounting to Rs. 22,640 thousand (2011: Rs. 22,640 thousand). This is in addition to the interim cash dividend of Rs. 1.5 (15%) (2011 : Nil) resulting in a total cash dividend for the year of Rs. 2.50 (2011: Rs. 1.00) per share amounting to Rs. 56,600 thousand (2011: Rs. 22,640 thousand). The approval of the members for the final cash dividend will be obtained in the Annual General meeting to be held on October 30, 2012. The financial statements for the year ended June 30, 2012 do not include the effect of this appropriation which will be accounted for in the financial statements for the year ending June 30, 2013.

36. CORRESPONDING FIGURES

For better presentation following reclassification in the corresponding figures has been made:

Description	Head of account of the financial statements for the year ended June 30, 2012	Head of account of the financial statements for the year ended June 30, 2011	Rupees in '000
Hospitality charges	Distribution and marketing expenses (note 22)	Other operating expenses (note 24)	2,777

The effects of other rearrangements and reclassifications is not material.

37. GENERAL

These financial statements have been rounded to the nearest thousand.

38. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 28, 2012 by the Board of Directors of the Company.

Attendance at Board & Audit Committee Meetings
For the year ended June 30, 2012

Name	Board			Audit			Human Resource**
	Member	Meetings *	Attendance	Member	Meetings *	Attendance	Member
Mr. Muhammad Akhter Bawany	✓	5	5	✓	3	3	
Mr. Agha Sajjad Nasir	✓	5	5				✓
Ms. Khurshid Bhaimia	✓	5	5	✓	4	4	
Mr. Oan Hussain Ali	✓	5	5				
Mr. Anwar Moin	✓	5	4	✓	4	3	✓
Mr. Wazir Ali Khoja	✓	5	1				
Mr. Khalid Mumtaz Malik ***	✓	1	1				
Mr. Athar Mohammad Khan ***	✓	4	4	✓	2	2	✓

* Held during the period concerned Director was on the Board

** The Human Resource Committee has been formed in June 2012

*** Appointment on Board in September 2011 in place of Mr Khalid Mumtaz Malik

Pattern of Shareholding
For the year ended June 30, 2012

No. of Shareholders	Having Shares From	To	Shares held	Percentage %
339	1	100	14,447	0.06
320	101	500	103,759	0.46
165	501	1,000	144,611	0.64
216	1,001	5,000	560,588	2.48
28	5,001	10,000	203,415	0.90
10	10,001	15,000	125,995	0.56
4	15,001	20,000	72,322	0.32
7	20,001	25,000	153,740	0.68
2	25,001	30,000	60,000	0.27
1	35,001	40,000	39,505	0.17
2	45,001	50,000	95,500	0.42
1	50,001	55,000	54,000	0.24
1	75,001	80,000	77,701	0.34
1	120,001	125,000	125,000	0.55
1	145,001	150,000	146,030	0.65
1	165,001	170,000	165,488	0.73
2	195,001	200,000	399,588	1.76
1	375,001	380,000	380,000	1.68
1	380,001	385,000	380,569	1.68
1	525,001	530,000	525,589	2.32
1	780,001	785,000	781,738	3.45
1	825,001	830,000	827,202	3.65
1	1,530,001	1,535,000	1,534,033	6.78
1	15,665,001	15,670,000	15,669,224	69.21
1,108		Company Total	22,640,044	100

Pattern of Shareholding
For the year ended June 30, 2012

Categories of Shareholders	Number	Shares Held	Percentage
Directors, CEO and their spouse and minor children	5	828,649	3.66
Associated companies, undertakings and related parties	2	15,671,268	69.22
NIT and ICP	3	1,583,027	6.99
Banks, Development Financial Institutions, Non-Banking Financial Institutions	3	1,307,768	5.78
Modarbas and Mutual Funds	1	16,500	0.07
General Public			
Local	1,062	2,674,272	11.81
Foreign	12	538,944	2.38
Others	20	19,616	0.09
Total	**1,108**	**22,640,044**	**100**

Financial Statements

For the Year ended June 30, 2012

Burshane Pakistan (Private) Limited

Auditors' Report to the Members

We have audit the annexed balance sheet of Burshane Pakistan (Private) Limited as at June 30, 2012, together with the notes forming part thereof, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statement in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on the balance sheet based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statement is free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statement. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statement. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion, the balance sheet together with the notes thereon has been drawn up in conformity with the Companies Ordinance, 1984, and is in agreement with the books of accounts;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, together with the notes forming part thereof conforms with the approved accounting standards as applicable in Pakistan, and, gives the information required by the Companies Ordinance, 1984, in the manner so required and gives a true and fair view of the state of the Company's affairs as at June 30, 2012; and

d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Further, we report that no business was conducted, no investments were made and no expenditure was incurred during the year, as stated in note 1 of the annexed financial statements.

Chartered Accountants
Karachi
Dated: October 04, 2012

Engagement partner: Waqas A. Sheikh

Balance Sheet
As at June 30, 2012

	2012	2011
	(Rupees)	
EQUITY		
Authorised capital		
100,000 ordinary shares of Rs. 10 each	**1,000,000**	1,000,000
Issued, subscribed and paid-up capital		
202 ordinary shares of Rs. 10 each fully paid in cash	**2,020**	2,020
ASSETS		
Current Assets		
Cash in hand	**2,020**	2,020

The annexed notes 1 to 3 form an integral part of this balance sheet.

Chief Executive

Director

Notes to the Balance Sheet
For the year ended June 30, 2012

1. LEGAL STATUS AND OPERATIONS

Burshane Pakistan (Private) Limited is a private limited company incorporated in Pakistan on August 24, 2001 under the Companies Ordinance, 1984. The main objective of the Company is to carry on the business of storing and marketing liquefied petroleum gas. However, no business was conducted, no investments were made and no expenditure was incurred during the year as the Company has not commenced its operations so far.

Burshane LPG (Pakistan) Limited holds 200 ordinary shares of the Company.

2. BASIS OF PREPARATION

2.1 These financial statements have been prepared under the historical cost convention.

2.2 These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 (the Ordinance), provisions of and directives issued under the Ordinance. In case requirements differ, the provisions or directives of the Ordinance shall prevail.

3. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 28 September, 2012 by the Board of Directors of the Company.

Chief Executive　　　　　　Director

Form of Proxy

The Company Secretary
Burshane LPG (Pakistan) Limited
Suite No. 101, First Floor Horizon Vista
Plot # Commercial-10,
Block-4, Scheme # 5
Clifton, Karachi. 75600

I / We ____________________ of ___________ being a member of Burshane LPG (Pakistan) Limited holding _____ ordinary shares, hereby appoint Mr./Mrs./Miss ____________________ of ______________ failing whom Mr./Mrs./Miss ________________________ of _______________ as my proxy to attend and act for me, and on my behalf, at the **Annual General Meeting** of the Company to be held on **Tuesday, October 30, 2012, at 08:00 a.m.** at **Pearl Continental Hotel Karachi** and any adjournment thereof.

Dated this ______ day of ____________ 2012.

____
(Specimen Signature of Proxy)

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

Revenue Stamp Rs. 5/=

____
(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: __________________________
____
____

continue on next page...

Notes:

1. The Member is requested:

   (a) to affix Revenue Stamps of the place indicated above - Rs. 5/- per person authorized;

   (b) to sign in the same style of signature as is registered with the Company;

   (c) to write down his/her Folio Number.

2. For the appointment of the above proxy to be valid, this instrument of proxy must be received of the Registered Office of the Company at least 48 hours before the time fixed for the Meeting.

3. Any alteration made in this instrument of proxy should be initialed by the person who signs it.

4. In the case of joint holders anyone may vote either personally or by proxy but, if more than one of such joint shareholders be present either personally or by proxy that, one of the said joint, whose name stands first on the Register of Members in respect of such share shall alone be entitled to vote.

5. The proxy need not be a Member of the Company.

For CDC Account Holders / Corporate Entities

In addition to the above, the following requirements have to be met:

a) The proxy form must be witnessed by two persons whose names, addresses and C.N.I.C or Passport numbers shall be mentioned on the form.

(b) Attested copies of C.N.I.C or the passport of the beneficial owners and of the proxy must be furnished with the proxy form.

(c) The proxy must produce his original C.N.I.C or original passport at the time of the meeting.

(d) In case of corporate entities, the Board of Directors' resolution/power of attorney and specimen signature must be submitted (unless it has been provided earlier) along with proxy forms to the Company.

If undelivered please return to:
Burshane LPG (Pakistan) Limited
Suite 101, 1st Floor, Horizon Vista, Plot No.
Commercial-10, Block-04, Scheme No. 05,
Clifton, Karachi 75600.
Off Tel: +92-21 35309870, 73 & 35878356,
Off Fax: +92-21 35878353

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