

# Burshane LPG (Pakistan) Limited



Annual Report 2013



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# Our Vision

To Be The Top Performer of first Choice

At Burshane LPG (Pakistan) Limited, we strive to provide quality customer service through continuous improvements in our efforts to make uninterrupted supply of LPG to the users, development of our people and maintaining high standards of technical resources and safety standards. Further we aim at sustained profitability and value growth for our shareholders through strong financial foundation and brand loyal customers. We shall strive to provide better choices to our communities for improving quality of their life.



# Company Information

## Board of Directors

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Mr. Shahriar D. Sethna  
Chairman

Mr. Asad Alam Niazi  
CEO / Director

Ms. Hamdia Fatin Niazi  
Director

Mr. Darayus T. Sethna  
Director

Mr. Tassaduq Hussein Nizai  
Director

Mr. Saiffee Zakiuddin  
Director

Ms. Khurshid Bhaimia  
Director

Mr. Sheikh Asim Rafiq  
Director (NIT Nominee)

## Registered Office

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

## Registrar & Share Registration Office

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THK Associates (Pvt.) Limited

## Management

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Mr. Asad Alam Niazi  
Chief Executive Officer

Mr. Saiffee Zakiuddin  
Company Secretary & Director Finance

Mr. Rehan Umer Soomar  
Chief Financial Officer

Mr. Amir Aziz  
Head of Operations Distribution & HSSE

Mr. Muhammad Khalid Dar  
National Sales Manager

## Bankers

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

## Auditors

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A. F. Ferguson & Co. Chartered Accountants

## Legal Advisors

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Rasheed Razvi & Associates

## Tax Advisors

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KPMG Taseer Hadi & Co. Chartered Accountants

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

In its interactions with employees, business partners and local communities, the company 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 behavior 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 behaviors, to contribute to the overall success of the company.

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

The application of these principles is underpinned by a comprehensive set of assurance procedures, which are designed to make sure that company employees understand the principles and confirm that they act in accordance with them.

As part of the assurance system, it is also the responsibility of management to provide employees with safe and confidential channels to raise concerns and report instances of noncompliance. 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 47<sup>th</sup> Annual General Meeting

**NOTICE IS HEREBY** given that an Annual General Meeting (AGM) of Burshane LPG (Pakistan) Limited will be held on Monday, October 21, 2013 at 11:00 A.M. at ICAP Building Chartered Accountants Avenue, Clifton Block 8 Karachi, to transact the following business:

1. To confirm Minutes of the last Annual General Meeting held on October 30, 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, 2013.
3. To approve payment of final cash dividend @ 18% as recommended by the Directors in addition to 10% interim dividend already paid.
4. To appoint auditors for the year 2013-14 and fix their remuneration.
5. To consider any other business with the permission of the chair.

**Mr. Saifee Zakiuddin**  
Company Secretary

Karachi: September 23, 2013

## 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 15, 2013 to October 21, 2013 (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.



# Chairman's Review

It gives me pleasure to share the results and financial statements of the Company for the year ended June 30, 2013.

The Company has shown an increase of 19% in turnover which stands at Rs. 2,351 Million as compared to Rs. 1,978 Million last year. However, due of unprecedented increases in cost of LPG during the year, the company's gross profit dropped from Rs. 216 Million to Rs. 202 Million. This increase in cost is mainly due to increase in the imported product in the sales mix and higher cost of the locally produced LPG in the market.

Although the volume growth during the year was achieved at 23,443 MT as compared to 21,320 MT the share of locally produced LPG in the overall turnover decreased due to interruptions / shutdowns at refineries during the year. This increased the share of imported LPG in the overall sales mix.

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

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 favorable 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 23, 2013

**Mr. Shahriar D. Sethna**  
Chairman

# 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, 2013.

During the year, OPI Gas (Private) Limited, the majority shareholder of the Company, sold its entire shareholding in the Company to H.A.K.S Trading (Private) Limited under the Share Purchase Agreement dated September 3, 2012. The acquisition was completed on April 22, 2013 and the entire shareholding was transferred accordingly.

## Health, Safety, Security & Environment (HSSE)

We promote a culture in which HSSE remains the underlying theme of all our activities. During the year there were no Lost Time Injury and Fatality. We take pride in sharing that during the fiscal year ended June 30, 2013 there was no 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 realize the prospects if everyone complies with external and internal rules and regulations.

The company realizes 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. 373.235 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 decreased to Rs. 201.506 million from Rs. 215.503 million in corresponding year showing a decrease of Rs. 13.997 million mainly due to increase of imported product in the sales mix.
- The administrative expenses and the Distribution and marketing expenses showed an increase of 15%.
- The earning per share (EPS) stood at Rs 2.45 / share at the end of FY 2013.



## Financial Summary

Profit before taxation (as per audited financial statements)  
Taxation for the year  
Profit after taxation

**Rs. in 000's**  
87,234  
(31,775)  
55,459

## Dividend

The Board of Directors in their meeting held on September 23, 2013 declared 18% cash dividend as the final dividend in addition to the 10% already paid during the year, the declared dividend is subject to approval of the Members at the 47th Annual General Meeting to be held on October 21, 2013.

## 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 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 except for the transactions carried out by Ms Khurshid Bhaimia and Mr Mansoor Akbar Ali as detailed hereunder.

Trading in shares of Burshane by the Non-Executive Directors of the company.

Name of Director	No. of Shares	Sale / Purchase	Date of Sale / Purchase	Rate of Sale / Purchase	Date of intimation to Company
Khurshid Bhaimia	150,000	Sale	6-Jul-12	51.41	19-Jul-12
	25,000	Sale	9-Jul-12	54.68	19-Jul-12
	79,000	Sale	10-Sep-12	58.48	17-Sep-12
	3,500	Sale	13-Sep-12	48.08	17-Sep-12
	496,500	Sale	14-Sep-12	45.68	17-Sep-12
	25,000	Purchase	10-Oct-12	40.25	15-Oct-12
	1,000	Purchase	11-Oct-12	40.00	15-Oct-12
Mansoor Akber Ali	10,000	Purchase	16-Jan-13	37.72	21-Jan-13
	10,000	Sale	8-Mar-13	41.47	No intimation

## Value of investments:

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

	<b>June 30, 2013</b>	<b>June 30, 2012</b>
	<b>Un-Audited</b>	<b>Audited</b>
	<b>Rs. in 000'</b>	
Pension Fund	98,225	92,074
Gratuity Fund	15,854	17,170
Provident Fund	55,811	63,091

## Board Meetings:

During the year five board meetings were held and the attendance of each director is given on page 62.

## Board of Directors:

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

Mr. Muhammad Akhtar Bawany, Mr. Anwar Moin, Mr. Athar M. Khan, Mr Mansoor Akbar Ali, Mr Mustansir Zakir and Mr Mansoor Khan resigned on 22nd April 2013 consequent to the completion of share transfer agreement between M.s OPI Gas (Pvt) Ltd. And HAKS Trading (Pvt) Ltd.

The Board places on record its appreciation and gratitude for the valuable services to the Company by all the outgoing Directors. The Directors as on June 30, 2013 were Mr. Asad Alam Khan, Mr. Shahriar D Sethna, Ms Hamdia Fatin Niazi, Mr Darayus T Sethna, Mr Tassaduq Hussein Niazi, Ms. Khurshid Bhaimia, Mr. Sheikh Asim Rafiq and Mr Saifee Zakiuddin.

## Pattern of Shareholding:

The pattern of shareholding as of June 30, 2013 as required under section 236 of the Companies Ordinance 1984 is given on page 63.

## 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.

Karachi  
Dated: September 23, 2013

On behalf of the Board

**Mr. Asad Alam Niazi**  
Director and Chief Executive Officer



## Six Years Summary

	2013	2012	2011	2010	2009	2008
<b>Rupees in '000</b>						
<b>Trading Results</b>						
Net turnover	2,350,872	1,977,637	1,471,885	1,225,694	1,239,600	1,125,939
Gross profit	201,506	215,503	105,122	77,605	246,775	38,765
Operating (Loss)/ profit	91,307	115,471	83,820	94,683	81,259	(162,995)
Earnings before interest, taxes, depreciation and amortisation	151,271	180,489	157,186	171,074	163,167	(80,636)
Earnings after tax	55,459	72,557	50,104	50,330	72,159	(155,421)
Interim dividend	22,640	33,960	-	-	-	-
Final dividend	22,640	22,640	-	-	-	-
Earnings before tax	87,234	111,831	79,896	82,897	68,575	(182,730)
<b>Financial Position</b>						
Share capital	226,400	226,400	226,400	226,400	226,400	226,400
Reserves and Retained Earnings	198,605	188,426	172,469	122,365	72,035	(124)
Property, plant and equipment	247,659	304,009	365,954	411,542	485,714	547,279
Net current assets	405,901	328,814	203,831	202,590	266,930	167,177
Long-term/deferred liabilities	219,533	192,982	189,759	252,139	475,470	471,302
Inventory	85,920	11,401	21,854	25,645	25,763	22,094
Debtor	23,266	6,682	15,719	5,525	2,696	4,320
Creditor	148,374	112,807	114,725	134,738	108,159	138,246
Total Assets	792,912	722,958	706,556	735,642	882,064	861,716
Total current assets	405,901	328,814	203,831	202,590	266,930	167,177
Total current liabilities	148,374	115,150	117,928	134,738	108,159	164,138
Number of issued shares	22,640	22,640	22,640	22,640	22,640	22,640
Cash & Cash equivalents	203,241	240,442	105,320	126,929	193,499	26,729
<b>Investors Information</b>						
<b>Profitability Ratios</b>						
Gross profit ratio	8.57%	10.90%	7.14%	6.33%	19.91%	3.44%
Profit / (loss) before tax to sales	3.71%	5.65%	5.43%	6.76%	5.53%	-16.23%
Profit / (loss) after tax in percent of sales	2.36%	3.67%	3.40%	4.11%	5.82%	-13.80%
EBITDA Margin to sales	6.43%	9.13%	10.68%	13.96%	13.16%	-7.16%
Return on equity/ capital employed	13.05%	17.49%	12.56%	14.43%	24.18%	-68.69%
<b>Activity / Turnover Ratios</b>						
Inventory turnover ratio (in times)	44.17	105.98	57.55	44.67	41.49	23.31
Inventory turnover ratio (no. of days)	8	3	6	8	9	16
Debtor turnover ratio (in times)	157.00	176.57	138.57	298.19	353.36	298.14
Debtor turnover ratio (no. of days)	2	2	3	1	1	1
Creditor turnover ratio (in times)	16.46	15.49	10.96	9.45	8.06	8.68
Creditor turnover ratio (no. of days)	22	24	33	39	45	42
Operating cycle (no. of days)	(12)	(18)	(24)	(29)	(35)	(25)
Total assets turnover ratio (in times)	3.10	2.77	2.04	1.52	1.42	1.29
Total assets turnover ratio (in days)	117.68	131.92	178.82	240.87	256.73	283.33
<b>Liquidity Ratios</b>						
Current ratio	2.74	2.86	1.73	1.50	2.47	1.02
Quick/ acid test ratio	2.16	2.76	1.54	1.31	2.23	0.88
Cash to Current Liabilities	1.37	2.09	0.89	0.94	1.79	0.16
<b>Investment/Market Ratios</b>						
Earnings / (loss) per share (Rs)	2.45	3.20	2.21	2.22	3.19	(8.47)
Break-up value per share (Rs)	18.77	18.32	17.62	15.40	13.18	9.99
<b>Cash Flows</b>						
Net cash flow from operating activities	3,787	182,238	(15,230)	(220)	179,045	(34,265)
Net cash flow from investing activities	12,096	14,847	(4,272)	8,650	(12,275)	(20,157)
Net cash flow from financing activities	(53,084)	(61,963)	(2,107)	(75,000)	-	194,057
Net change in cash and cash equivalents	(37,201)	135,122	(21,609)	(66,570)	166,770	139,635



## Horizontal Analysis of Financial Statements

	2013	2012	2011	2010	2009	2008
	Rupees in thousands					
<b>Balance Sheet</b>						
Non-current assets	387,011	394,144	502,725	533,052	615,134	694,539
Current assets	405,901	328,814	203,831	202,590	266,930	167,177
<b>Total assets</b>	<b>792,912</b>	<b>722,958</b>	<b>706,556</b>	<b>735,642</b>	<b>882,064</b>	<b>861,716</b>
Equity	425,005	414,826	398,869	348,765	298,435	226,276
Non-current liabilities	219,533	192,982	189,759	252,139	475,470	471,302
Current Liabilities	148,374	115,150	117,928	134,738	108,159	164,138
<b>Total equity and liabilities</b>	<b>792,912</b>	<b>722,958</b>	<b>706,556</b>	<b>735,642</b>	<b>882,064</b>	<b>861,716</b>

### Profit & Loss Statement

Net sales	2,350,872	1,977,637	1,471,885	1,225,694	1,239,600	1,125,939
Cost of product sold	(2,149,366)	(1,762,704)	(1,366,763)	(1,148,089)	(992,825)	(1,087,174)
Gross profit	201,506	215,503	105,122	77,605	246,775	38,765
Administrative expenses	(49,841)	(41,448)	(59,758)	(82,704)	(89,688)	(77,224)
Distribution and marketing expenses	(68,835)	(61,721)	(55,893)	(58,271)	(93,457)	(123,925)
Other income	23,115	21,220	112,227	185,252	29,287	4,566
Other expenses	(14,638)	(18,083)	(17,878)	(27,199)	(11,658)	(5,177)
	(110,199)	(100,032)	(21,302)	17,078	(165,516)	(201,760)
<b>Operating profit</b>	<b>91,307</b>	<b>115,471</b>	<b>83,820</b>	<b>94,683</b>	<b>81,259</b>	<b>(162,995)</b>
Finance costs	(4,073)	(3,640)	(3,924)	(11,786)	(12,684)	(19,735)
<b>Profit before taxation</b>	<b>87,234</b>	<b>111,831</b>	<b>79,896</b>	<b>82,897</b>	<b>68,575</b>	<b>(182,730)</b>

	2013	2012	2011	2010	2009	2008
	% increase / (decrease) over preceding year					
<b>Balance Sheet</b>						
Non-current assets	-1.81%	-21.60%	-5.69%	-13.34%	-11.43%	-1.59%
Current assets	23.44%	61.32%	0.61%	-24.10%	59.67%	-7.43%
<b>Total assets</b>	<b>9.68%</b>	<b>2.32%</b>	<b>-3.95%</b>	<b>-16.60%</b>	<b>2.36%</b>	<b>-2.78%</b>
Equity	2.45%	4.00%	14.37%	16.86%	31.89%	20.59%
Non-current liabilities	13.76%	1.70%	-24.74%	-46.97%	0.88%	0.63%
Current Liabilities	28.85%	-2.36%	-12.48%	24.57%	-34.10%	-28.73%
<b>Total equity and liabilities</b>	<b>9.68%</b>	<b>2.32%</b>	<b>-3.95%</b>	<b>-16.60%</b>	<b>2.36%</b>	<b>-2.78%</b>
<b>Profit &amp; Loss Statement</b>						
Net sales	18.87%	34.36%	20.09%	-1.12%	10.09%	-26.15%
Cost of product sold	21.98%	28.93%	19.05%	15.64%	-8.68%	-23.09%
Gross profit	-6.50%	105.90%	35.46%	-68.55%	536.59%	-65.11%
Administrative expenses	20.25%	-30.64%	-27.74%	-7.79%	16.14%	17.37%
Distribution and marketing expenses	11.53%	10.43%	-4.08%	-37.65%	-24.59%	-8.69%
Other operating income	8.93%	-81.09%	-39.42%	532.54%	541.41%	-85.73%
Other operating expenses	-19.05%	1.15%	-34.27%	133.31%	125.19%	12.74%
<b>Operating profit</b>	<b>-20.93%</b>	<b>37.76%</b>	<b>-11.47%</b>	<b>16.52%</b>	<b>-149.85%</b>	<b>158.74%</b>
Finance costs	11.90%	-7.24%	-66.71%	-7.08%	-35.73%	11.30%
<b>Profit before taxation</b>	<b>-21.99%</b>	<b>39.97%</b>	<b>-3.62%</b>	<b>20.89%</b>	<b>-137.53%</b>	<b>126.35%</b>





## Vertical Analysis of Financial Statements

	2013	2012	2011	2010	2009	2008
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	%	%	%	%	%	%
<b>Balance Sheet</b>						
Non-current assets	387,011	394,144	502,725	533,052	615,134	694,539
Current assets	405,901	328,814	203,831	202,590	266,930	167,177
<b>Total assets</b>	<b>792,912</b>	<b>722,958</b>	<b>706,556</b>	<b>735,642</b>	<b>882,064</b>	<b>861,716</b>
	49%	55%	71%	72%	70%	81%
Equity	425,005	414,826	398,869	348,765	298,435	226,276
Non-current liabilities	219,533	192,982	189,759	252,139	475,470	471,302
Current Liabilities	148,374	115,150	117,928	134,738	108,159	164,138
<b>Total equity and liabilities</b>	<b>792,912</b>	<b>722,958</b>	<b>706,556</b>	<b>735,642</b>	<b>882,064</b>	<b>861,716</b>
	54%	57%	56%	47%	34%	26%
	28%	27%	27%	34%	54%	55%
	19%	16%	17%	18%	12%	19%
	100%	100%	100%	100%	100%	100%
<b>Profit &amp; Loss Statement</b>						
Net sales	2,350,872	1,977,637	1,471,885	1,225,694	1,239,600	1,125,939
Cost of product sold	(2,149,366)	(1,762,134)	(1,366,763)	(1,148,089)	(992,825)	(1,087,174)
Gross profit	201,506	215,503	105,122	77,605	246,775	38,765
	100%	100%	100%	100%	100%	100%
	-9%	-89%	-93%	-94%	-80%	-97%
	9%	11%	7%	6%	20%	3%
Administrative expenses	(49,841)	(41,448)	(59,758)	(82,704)	(89,688)	(77,224)
Distribution and marketing expenses	(68,835)	(61,721)	(55,893)	(58,271)	(93,457)	(123,925)
Other operating income	23,115	21,220	112,227	185,252	29,287	4,566
Other operating expenses	(14,638)	(18,083)	(17,878)	(27,199)	(11,658)	(5,177)
	-2%	-2%	-4%	-7%	-7%	-7%
	-3%	-3%	-4%	-5%	-8%	-11%
	1%	1%	8%	15%	2%	0%
	-1%	-1%	-1%	-2%	-1%	0%
	-5%	-5%	-1%	1%	-13%	-18%
<b>Operating profit</b>	<b>91,307</b>	<b>115,471</b>	<b>83,820</b>	<b>94,683</b>	<b>81,259</b>	<b>(162,995)</b>
Finance costs	(4,073)	(3,640)	(3,924)	(11,786)	(12,684)	(19,735)
	4%	6%	6%	8%	7%	-14%
	0%	0%	0%	-1%	-1%	-2%
<b>Profit before taxation</b>	<b>87,234</b>	<b>111,831</b>	<b>79,896</b>	<b>82,897</b>	<b>68,575</b>	<b>(182,730)</b>
	4%	6%	5%	7%	6%	-16%



## Statement of Value Addition

	2012-13		2011-12	
	Rs million	%	Rs million	%
Gross Turnover	2,728,523	450%	2,294,245	402%
Cost of operations	(2,130,331)	-351%	(1,726,528)	-302%
	<b>598,192</b>		<b>567,717</b>	
other income	23,115	4%	21,220	4%
other expense	(14,638)	-2%	(18,083)	-3%
<b>Value Added</b>	<b>606,669</b>	<b>100%</b>	<b>570,854</b>	<b>100%</b>

### Distributes as follows

#### To employees

Remuneration and benefits	77,747	13%	73,757	13%
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#### To shareholders

Dividend paid	45,280	7%	56,600	10%
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#### To government

Direct - Company taxation	31,775	5%	39,274	7%
Indirect - GST	377,651	62%	316,608	55%

#### To provider of Finance

Financial charges	4,073	1%	3,640	1%
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#### Retained in business

Depreciation	54,519	9%	59,719	10%
Amortization	5,445	1%	5,299	1%
Net earnings	10,179	2%	15,957	3%

	<b>606,669</b>	<b>100%</b>	<b>570,854</b>	<b>100%</b>
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## 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, 2013, the Board included the following members:

Category	Name
Non-Executive Director / Chairman	Mr. Shahriar D Sethna
Non-Executive Director	Ms. Hamdia Fatin Niazi
Non-Executive Director	Mr. Darayus T. Sethna
Non-Executive Director	Mr. Tassaduq Hussain Niazi
Non-Executive Director (NIT Nominee)	Mr. Sheikh Asim Rafiq
Non-Executive Director	Ms. Khurshid Bhaimia
Executive Director / CEO	Mr. Asad Alam Khan
Executive Director / Company Secretary	Mr. Saifee Zakiuddin

Pursuant to the resignation of Ms. Khurshid Bhaimia dated September 20, 2013 as a member of the Board of Director of the Company a casual vacancy has arisen. It is the intention of the Board to appoint an independent director as required under clause (i)(b) of the Code of fill this vacancy within the prescribed period

2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
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 NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Casual vacancies occurring on the Board on April 22, 2013 were filled up by the Directors 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 for majority of the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Three of the Directors attended the directors training course conducted by the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP) this year. In accordance with the criteria specified in clause (xi) of the Code, the remaining directors of the Company will acquire the required directors' training certification within the specified time.
10. The Board has approved the appointment of CFO and Head of Internal Audit, including their remuneration and terms and conditions of employment. Whereas, the remuneration and terms and conditions of the employment of Company Secretary, which were approved by the Board's HR Committee on April 29, 2013, have been approved by the Board in its meeting dated September 23, 2013.
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. As at June 30, 2013 it comprises of three members, majority of whom are Non-Executive Directors including the chairman of the Committee. 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, as referred to in paragraph 1. Further, Executive Director / Company Secretary who was appointed as a member of the Audit Committee has resigned from the Audit Committee dated April 24, 2013, The Board considered and approved the resignation during the meeting dated September 23, 2013.
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 person who is 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 (ICAP), 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 ICAP.
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 and stock exchanges except for intimation of 'closed period' to the Directors in three instances. Further, no intimation of 'closed period' was made to employees.
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 except for the following, toward which reasonable progress is being made by the Company to seek compliance by the end of next accounting year:
  - Appointment of an Independent Director on the Board of Directors.
  - Reconstitution of the Audit Committee as per clause xxiv of the Code to include an Independent Director as the Chairman of the Audit Committee.

### **On behalf of the Board of Directors**

**Mr. Asad Alam Niazi**  
Chief Executive Officer

September 23, 2013



***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 (the Code) prepared by the Board of Directors of Burshane LPG (Pakistan) Limited (the Company) for the year ended June 30, 2013 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 require 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, 2013.

We draw attention to the following paragraphs of the Statement wherein certain non-compliances have been highlighted:

- a) Paragraph 1 – The Company intends to appoint an Independent Director to fill the casual vacancy;
- b) Paragraph 10 – Remuneration and terms and conditions of employment of the Company Secretary were ratified by the Board of Directors in their meeting held, subsequent to year end, on September 23, 2013;
- c) Paragraph 15 – The Audit Committee is in the process of being reconstituted, whereby an Independent Director will be appointed as Chairman; and
- d) Paragraph 21 – Intimation of ‘closed period’ was not made to (i) the Directors of the Company in three instances; and (ii) employees in all instances.

**Chartered Accountants  
Karachi**

**Dated: September 27, 2013**

# **Financial Statements**

For the Year ended June 30, 2013

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, 2013 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, 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, 2013 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: September 27, 2013**

**Engagement partner: Waqas A. Sheikh**

## Balance Sheet

As at June 30, 2013

	Note	2013	2012
(Rupees in '000)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	226,958	277,918
Intangible assets	5	20,701	26,091
Long-term investment	6	-	2
Long-term loans	7	3,389	6,607
Long-term deposits	8	135,963	82,818
Deferred taxation	9	-	708
		<b>387,011</b>	<b>394,144</b>
<b>Current assets</b>			
Stores and spares	10	3,572	3,094
Stock-in-trade	11	85,920	11,401
Trade debts	12	23,266	6,682
Loans, advances, deposits, prepayments and other receivables	13	76,057	64,263
Taxation		13,845	2,932
Cash and bank balances	14	203,241	240,442
		<b>405,901</b>	<b>328,814</b>
<b>Total assets</b>		<b>792,912</b>	<b>722,958</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	15	226,400	226,400
General reserve		90,000	90,000
Unappropriated profit		108,605	98,426
		<b>425,005</b>	<b>414,826</b>
<b>Non-current liabilities</b>			
Obligations under finance lease	16	-	5,659
Deferred taxation	9	23,925	-
Cylinder and regulator deposits	17	195,608	187,323
		<b>219,533</b>	<b>192,982</b>
<b>Current liabilities</b>			
Current portion of obligations under finance lease	16	-	2,343
Trade and other payables	18	148,374	112,807
		<b>148,374</b>	<b>115,150</b>
Contingencies and commitments	19		
<b>Total equity and liabilities</b>		<b>792,912</b>	<b>722,958</b>

The annexed notes 1 to 39 form an integral part of these financial statements.

Chairman

Chief Executive



## Profit and Loss Account

For the year ended June 30, 2013

	Note	2013	2012
(Rupees in '000)			
<b>Gross sales</b>		<b>2,728,523</b>	2,294,245
Sales tax		(377,651)	(316,608)
<b>Net sales</b>		<b>2,350,872</b>	1,977,637
Cost of product sold	20	(2,149,366)	(1,762,134)
<b>Gross profit</b>		<b>201,506</b>	215,503
Administrative expenses	21	(49,841)	(41,448)
Distribution and marketing expenses	22	(68,835)	(61,721)
Other income	23	23,115	21,220
Other expenses	24	(14,638)	(18,083)
<b>Operating profit</b>		<b>91,307</b>	115,471
Finance costs	25	(4,073)	(3,640)
<b>Profit before taxation</b>		<b>87,234</b>	111,831
Taxation	26	(31,775)	(39,274)
<b>Profit for the year</b>		<b>55,459</b>	72,557
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>55,459</b>	72,557
<b>Earnings per share - basic and diluted</b>	27	<b>2.45</b>	3.20

The annexed notes 1 to 39 form an integral part of these financial statements.

Chairman

Chief Executive

## Statement of Cash Flows

For the year ended June 30, 2013

	Note	2013	2012
(Rupees in '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	33	64,342	170,574
Finance costs paid		(858)	(1,568)
Taxes paid		(18,055)	(20,488)
Long-term loans - net		3,218	1,354
Long-term deposits - net		(53,145)	24,367
Cylinder and regulator deposits - net		8,285	7,999
Net cash generated from operating activities		3,787	182,238
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		(3,559)	(5,532)
Purchase of intangible asset		(55)	-
Disposal of long-term investment		2	-
Proceeds from disposal of property, plant and equipment		-	8,811
Interest received on savings bank accounts		15,708	11,568
Net cash generated from investing activities		12,096	14,847
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(45,082)	(56,327)
Repayment of obligation under finance lease		(8,002)	(5,636)
Net cash utilised in financing activities		(53,084)	(61,963)
Net (decrease) / increase in cash and cash equivalents		(37,201)	135,122
Cash and cash equivalents at beginning of the year		240,442	105,320
Cash and cash equivalents at end of the year	14	203,241	240,442

The annexed notes 1 to 39 form an integral part of these financial statements.

Chairman

Chief Executive

## Statement of Changes in Equity For the year ended June 30, 2013

	Share capital	Revenue Reserve		Total
		General reserve	Unappropriated profit	
------(Rupees in '000)-----				
<b>Balance as at July 01, 2011</b>	226,400	90,000	82,469	398,869
Total comprehensive income for the year	-	-	72,557	72,557
<b>Transactions with owners</b>				
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)
<b>Balance as at June 30, 2012</b>	226,400	90,000	98,426	414,826
Total comprehensive income for the year	-	-	55,459	55,459
<b>Transactions with owners</b>				
Final dividend for the year ended June 30, 2012 @ Rs. 1 per share	-	-	(22,640)	(22,640)
Interim dividend for the year ended June 30, 2013 @ Rs. 1 per share	-	-	(22,640)	(22,640)
<b>Balance as at June 30, 2013</b>	<b>226,400</b>	<b>90,000</b>	<b>108,605</b>	<b>425,005</b>

The annexed notes 1 to 39 form an integral part of these financial statements.

Chairman

Chief Executive

# Notes to the Financial Statements

## For the year ended June 30, 2013

### **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.

- 1.2 During the year, OPI Gas (Private) Limited, the majority shareholder of the Company, sold its entire shareholding in the Company to H.A.K.S Trading (Private) Limited under the Share Purchase Agreement dated September 3, 2012. The acquisition was completed on April 22, 2013 and the entire shareholding was transferred accordingly.

### **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, interpretations and amendments to published standards effective in 2012 - 13**

There are no new standards, interpretations and amendments to published standards that are mandatory for the financial year beginning July 1, 2012 which are relevant or have a material impact on the Company.



# Notes to the Financial Statements

## For the year ended June 30, 2013

### b) **Standards, interpretations and amendments 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, 2012 and have not been early adopted by the Company:

- IAS 19 (Revised), 'Employee benefits' (effective for periods beginning on or after January 1, 2013). The revised standard (i) requires past service cost to be recognised immediately in profit or loss; (ii) replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year; (iii) eliminates the corridor approach and introduces a new term 'remeasurements' which is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost and requires to recognise all remeasurement gains or losses / actuarial gains or losses in the Other Comprehensive Income (OCI) immediately as they occur. The application of the revised standard will result in immediate recognition of all actuarial losses in OCI and requires additional disclosures to present the characteristics of benefit plans and the amount recognised in the financial statements.
- 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.
- Amendments to following standards as a result of annual improvements to International Financial Reporting Standards 2011, issued by IASB in May 2012:
  - IAS 16 (Amendment) 'Property, plant and equipment' (effective for periods beginning on or after January 1, 2013). The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment.
  - IAS 32 (Amendment) 'Financial instruments: Presentation' (effective for periods beginning on or after January 1, 2013). The amendment clarifies that the treatment of income tax relating to distributions and transaction costs is in accordance with IAS 12. So, income tax related to distributions is to be recognised in the profit and loss account, and income tax related to the costs of equity transactions is to be recognised in equity.

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.

## Notes to the Financial Statements

### For the year ended June 30, 2013

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.

## Notes to the Financial Statements

### For the year ended June 30, 2013

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

## Notes to the Financial Statements

### For the year ended June 30, 2013

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 except for financial assets 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

## Notes to the Financial Statements

### For the year ended June 30, 2013

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 weighted average cost, 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.

## Notes to the Financial Statements

### For the year ended June 30, 2013

#### 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.

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 basic 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.

#### 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.

## Notes to the Financial Statements

### For the year ended June 30, 2013

#### **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 the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates. The charge for current tax also includes tax credits and adjustments, where considered necessary, for prior years determined during the year or otherwise considered necessary for such years.

##### **2.16.2 Deferred**

Deferred income tax is accounted for using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred income 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 income tax asset will be realised or the deferred income tax liability will be settled. Deferred tax is charged or credited in 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:



## Notes to the Financial Statements

### For the year ended June 30, 2013

- Sales are recorded at the time of delivery to the distributors and direct customers.
- Return on deposits is recognised on accrual basis.
- Recovery of storage and handling charges is 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.

#### **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 Taxation**

In making the estimates for current income taxes payable by the Company, the management considers the applicable laws and the decisions/judgments of appellate authorities on certain issues in the past. Accordingly, the recognition of deferred tax is also made, taking into account these judgments and the best estimates of future results of operations of the Company.

#### **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.

# Notes to the Financial Statements

## For the year ended June 30, 2013



### 4. PROPERTY, PLANT AND EQUIPMENT

	Owned Assets										Leased Assets		
	Building on					Furniture, fittings, electrical and other equipment					Personal computers	Vehicles	Total
	Freehold land	Leasehold land	Land under license	Plant and machinery	Tanks, pipelines and fittings	Fire fighting equipment	Cylinder and regulators	Vehicles	Furniture, fittings, electrical and other equipment	Office machines	Personal computers	Vehicles	Total
<b>As at July 1, 2011</b>													
Cost	5,618	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)	(6,616)	(30,479)	(44,047)	(10,207)	(291,327)	(42,357)	(42,766)	(3,204)	(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
<b>Year ended June 30, 2012</b>													
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	-	722	400	253	-	-	2,782	693	2,577	25	12	-	7,464
Transfers in / (out)	-	-	-	-	-	-	-	2,459	-	-	-	(2,459)	-
Disposals	-	-	-	-	-	-	-	(4,772)	-	-	-	-	(8,619)
Cost	-	-	-	-	-	-	-	(4,772)	-	-	-	-	(8,619)
Accumulated depreciation	-	-	-	-	-	-	-	2,313	-	-	-	-	6,160
Depreciation charge (note 4.1)	-	(278)	(4,171)	(4,635)	(1,742)	(891)	(38,576)	(112)	(4,987)	(259)	(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
<b>As at July 1, 2012</b>													
Cost	5,618	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)	(6,616)	(35,114)	(45,789)	(11,098)	(329,903)	(42,469)	(47,533)	(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
<b>Year ended June 30, 2013</b>													
Opening 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
Additions	-	-	514	450	-	63	1,150	763	611	8	-	-	3,559
Transfers in / (out)	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	11,267	-	-	-	(11,267)	-
Accumulated depreciation	-	-	-	-	-	-	-	(6,064)	-	-	-	6,064	-
Depreciation charge (note 4.1)	-	(330)	(4,244)	(2,499)	(2,083)	(1,901)	(33,666)	(2,367)	(4,825)	(111)	(473)	(2,018)	(54,519)
Closing net book value	5,618	3,295	57,720	28,942	10,068	7,762	95,047	4,180	13,599	215	-	-	226,958
<b>As at June 30, 2013</b>													
Cost	5,618	6,575	88,442	66,555	57,940	20,761	458,616	55,080	66,177	3,929	16,096	-	852,919
Accumulated depreciation	-	(3,280)	(30,722)	(37,613)	(47,872)	(12,999)	(363,569)	(50,900)	(52,578)	(3,714)	(16,096)	-	(625,961)
Net book value	5,618	3,295	57,720	28,942	10,068	7,762	95,047	4,180	13,599	215	-	-	226,958
<b>Annual rate of depreciation (%)</b>	5	5	5	5	10	15	10	20-25	10-15	15	33.33	25	

## Notes to the Financial Statements

### For the year ended June 30, 2013

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

	<b>2013</b>	<b>2012</b>
	<b>(Rupees in '000)</b>	
Cost of products sold (note 20)	<b>18,467</b>	23,403
Administrative expenses (note 21)	<b>1,867</b>	2,661
Distribution and marketing expenses (note 22)	<b>34,185</b>	33,655
	<b>54,519</b>	59,719

**4.2** Company's assets include cylinders and regulators which are in custody of distributors / customers due to the nature of business of the Company. Due to significant number of distributors / customers, the particulars of these assets which are not in possession of the Company have not been disclosed.

## 5. INTANGIBLE ASSETS

	<b>Computer software</b>	<b>Rights under supply contract (note 5.1)</b>	<b>Trademarks (note 5.2)</b>	<b>Total</b>
	<b>(Rupees in '000)</b>			
<b>As at July 1, 2011</b>				
Cost	4,301	64,206	8,600	77,107
Accumulated amortisation	(1,005)	(44,712)	-	(45,717)
Net book value	<u>3,296</u>	<u>19,494</u>	<u>8,600</u>	<u>31,390</u>
<b>Year ended June 30, 2012</b>				
Opening net book value	3,296	19,494	8,600	31,390
Amortisation charge (note 20)	(713)	(4,586)	-	(5,299)
Net book value	<u>2,583</u>	<u>14,908</u>	<u>8,600</u>	<u>26,091</u>
<b>As at July 1, 2012</b>				
Cost	4,301	64,206	8,600	77,107
Accumulated amortisation	(1,718)	(49,298)	-	(51,016)
Net book value	<u>2,583</u>	<u>14,908</u>	<u>8,600</u>	<u>26,091</u>
<b>Year ended June 30, 2013</b>				
Opening net book value	2,583	14,908	8,600	26,091
Additions	55	-	-	55
Amortisation charge (note 20)	(859)	(4,586)	-	(5,445)
Net book value	<u>1,779</u>	<u>10,322</u>	<u>8,600</u>	<u>20,701</u>
<b>As at June 30, 2013</b>				
Cost	4,356	64,206	8,600	77,162
Accumulated amortisation	(2,577)	(53,884)	-	(56,461)
Net book value	<u>1,779</u>	<u>10,322</u>	<u>8,600</u>	<u>20,701</u>
<b>Annual rate of amortisation (%)</b>	<b>20</b>	<b>7.14</b>	<b>-</b>	

## Notes to the Financial Statements

### For the year ended June 30, 2013

- 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 on March 8, 2011 to OPI Gas (Private) Limited for acquisition of rights and title to "Burshane" trademarks. These trade marks are considered to have an indefinite useful life, and therefore have not been amortised.

2013	2012
(Rupees in '000)	

## 6. LONG-TERM INVESTMENT

### Available-for-sale, unquoted wholly owned subsidiary - at cost

Burshane Pakistan (Private) Limited; Nil  
(2012: 200) ordinary shares of Rs. 10 each

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- 6.1** During the year, Burshane Pakistan (Private) Limited availed the 'Company Easy Exit Scheme' of the Securities and Exchange Commission of Pakistan (SECP) for voluntary winding-up. The SECP through its notice dated November 7, 2012 has notified that the subsidiary company stands dissolved upon expiration of 3 months from the date of notice.

2013	2012
(Rupees in '000)	

## 7. LONG TERM LOANS - secured, considered good

Chief Executive / Executive Director  
Executives  
Employees

-	24
2,554	2,326
4,002	9,121
<b>6,556</b>	<b>11,471</b>
Less:	
Recoverable within one year shown under current assets (note 13)	
-	24
- Chief Executive / Executive Director	24
- Executives	1,079
- Employees	3,761
<b>1,387</b>	<b>4,864</b>
<b>1,780</b>	<b>4,864</b>
<b>3,167</b>	<b>4,864</b>
<b>3,389</b>	<b>6,607</b>

## Notes to the Financial Statements

### For the year ended June 30, 2013

#### 7.1 Reconciliation of carrying amount of loans:

	2013				2012			
	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	24	2,326	9,121	11,471	448	3,979	8,813	13,240
Add / (Less):								
- Disbursements	-	-	1,612	1,612	-	-	5,951	5,951
- Transfer to executive during the year	-	3,507	(3,507)	-	-	-	-	-
- Repayments	(24)	(3,279)	(3,224)	(6,527)	(424)	(1,653)	(5,643)	(7,720)
Balance at end of the year	-	2,554	4,002	6,556	24	2,326	9,121	11,471

**7.2** These loans are granted to employees under the Company's loan policies. 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. Car loans and housing loans carry interest at the rate of 1% per annum. These loans 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. 5,580 thousand (2012: Rs. 2,521 thousand).

#### 8. LONG-TERM DEPOSITS

This represents deposit (2012: Rs. 81,600 thousand) placed with supplier of liquefied petroleum gas as per the terms of the supply agreement.

2013	2012
(Rupees in '000)	

#### 9. DEFERRED TAXATION

##### Deferred tax asset arising due to:

Recoupable minimum turnover tax	-	32,333
Obligations under finance lease	-	2,801
Provision for doubtful trade debts and slow moving stores and spares	581	44
	<b>581</b>	<b>35,178</b>

##### Deferred tax liability arising due to:

Accelerated depreciation allowance	(24,506)	(34,470)
	<b>(23,925)</b>	<b>708</b>

## Notes to the Financial Statements

### For the year ended June 30, 2013

- 9.1** As at June 30, 2013, deferred tax asset / liability on the deductible / taxable temporary differences has been recognised at the rate of 34%, being the rate substantively enacted at the balance sheet date and is expected to apply to the periods when the asset is realised or the liability is settled.

<b>2013</b>	<b>2012</b>
-------------	-------------

**(Rupees in '000)**

#### 10. STORES AND SPARES

Stores	<b>1,710</b>	1,685
Spares	<b>1,988</b>	1,535
	<b>3,698</b>	3,220
Less: Provision for obsolete items	<b>(126)</b>	(126)
	<b>3,572</b>	3,094

#### 11. STOCK-IN-TRADE

Liquified petroleum gas (note 11.1)	<b>77,765</b>	2,642
Low pressure regulators	<b>8,155</b>	8,759
	<b>85,920</b>	11,401

- 11.1** Includes stock amounting to Rs. 8,022 thousand (2012: Rs. 541 thousand) held with the following parties under hospitality agreements:

	<b>2013</b>	<b>2012</b>
--	-------------	-------------

**(Rupees in '000)**

- Pakistan State Oil Company Limited	<b>5,521</b>	148
- OPI Gas (Private) Limited	<b>2,002</b>	-
- Tez Gas (Private) Limited	<b>338</b>	372
- Cress Gas Carriers	<b>130</b>	-
- Hazara Efficient Gas	<b>16</b>	21
- Noor LPG Company (Private) Limited	<b>15</b>	-
	<b>8,022</b>	541

- 11.2** Stock held on behalf of third parties amounts to Rs. 411 thousand (2012: Rs. 17,685 thousand).

## Notes to the Financial Statements

### For the year ended June 30, 2013

#### 12. TRADE DEBTS - unsecured

Considered good  
Considered doubtful

Less: Provision for impairment (note 12.1)

	2013	2012
	(Rupees in '000)	
	23,266	6,682
	707	-
	<b>23,973</b>	6,682
	(707)	-
	<b>23,266</b>	6,682
	-	9,102
	707	988
	-	(10,090)
	<b>707</b>	-

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

Balance at the beginning of the year  
Add: Charged during the year and recognised in  
administrative expenses (note 12.2 and 21)  
Less: Debts written-off against provision

Balance at the end of the year

**12.2** As at June 30, 2013, trade debts aggregating to Rs. 707 thousand were considered impaired, being past due for more than one year, and have been provided for.

**12.3** As at June 30, 2013, trade debts aggregating to Rs. 3,156 thousand (2012: Rs. 2,123 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:

Upto 1 month  
1 to 6 months  
More than 6 months

	2013	2012
	(Rupees in '000)	
	3,001	1,402
	155	29
	-	692
	<b>3,156</b>	2,123

## Notes to the Financial Statements

### For the year ended June 30, 2013

	2013	2012
	(Rupees in '000)	
<b>13. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Loans and advances - secured, considered good		
Loans due from (note 7)		
- Chief Executive / Executive Director	-	24
- Executives	1,387	1,079
- Employees	1,780	3,761
	<b>3,167</b>	<b>4,864</b>
Advances to		
- Executives (note 13.1)	200	253
- Contractors and suppliers	43,787	21,934
	<b>47,154</b>	<b>27,051</b>
Short-term deposits	391	423
Short-term prepayments	3,956	6,416
Sales tax recoverable	5,659	1,454
Due from related parties:		
- Burshane LPG (Pakistan) Limited - Management Staff Pension Fund (note 29.1.1)	11,406	10,196
- Burshane LPG (Pakistan) Limited - Provident fund	1,526	630
Due from OPI Gas (Private) Limited (note 13.2)	3,642	15,426
Accrued interest	1,034	-
Others (note 13.3)	2,666	2,710
	<b>77,434</b>	<b>64,306</b>
Less: Provision for impairment (note 13.4)	(1,377)	(43)
	<b>76,057</b>	<b>64,263</b>

**13.1** The maximum aggregate amount due from executives at the end of any month was Rs. 253 thousand (2012: Rs. 253 thousand).

**13.2** Represents amount in respect of receivable against reimbursement of expenses incurred for debranding activities (2012: Rs. 3,426 thousand), which has not been acknowledged by the counter party as further explained in note 19.1.1.

**13.3** Includes penalty amounting to Rs. 500 thousand paid to Oil and Gas Regulatory Authority (OGRA) under protest, which has subsequently been provided for.

	2013	2012
	(Rupees in '000)	
<b>13.4</b> The movement in provision during the year is as follows:		
Balance at the beginning of the year	43	43
Add: Charged during the year and recognised in other expenses (note 24)	1,334	-
Balance at the end of the year	<b>1,377</b>	<b>43</b>



## Notes to the Financial Statements

### For the year ended June 30, 2013

#### 14. CASH AND BANK BALANCES

	2013	2012
	(Rupees in '000)	
Cash in hand	184	103
With banks in:		
- savings accounts	180,776	223,636
- current accounts	22,281	16,703
	<b>203,057</b>	240,339
	<b>203,241</b>	240,442

**14.1** The range of rates of profit on these savings accounts is between 7.30% to 8.80% per annum (2012: 6% to 7.50% per annum).

#### 15. SHARE CAPITAL

##### 15.1 Authorised capital

2013	2012		2013	2012
(Number of shares)			(Rupees in '000)	
<u>30,000,000</u>	<u>30,000,000</u>	Ordinary shares of Rs. 10 each	<u>300,000</u>	<u>300,000</u>

##### 15.2 Issued, subscribed and paid up capital

2013	2012		2013	2012
(Number of shares)			(Rupees in '000)	
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
<u>22,640,044</u>	<u>22,640,044</u>		<u>226,400</u>	<u>226,400</u>

**15.3** During the year, OPI Gas (Private) Limited (OPI) sold its entire 69.22% shareholding in the Company to H.A.K.S Trading (Private) Limited as explained in note 1.2. As at June 30, 2013, H.A.K.S. held 16,834,343 (2012 : Nil) ordinary shares of Rs. 10 each.

2013	2012
------	------

(Rupees in '000)

## 16. OBLIGATIONS UNDER FINANCE LEASE

Balance as at July 1	<b>8,002</b>	13,638
Less: Repayments during the year	<b>(8,002)</b>	(5,636)
Present value of minimum lease payments	-	8,002
Less: Current portion shown under current liabilities	-	(2,343)
	<b>-</b>	<b>5,659</b>

**16.1** During the year, the Company settled its entire obligation, under the finance lease agreements through accelerated payment and exercised the option to purchase the vehicles under the lease agreement for Rs. 5,266 thousand.

## 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.

2013	2012
------	------

(Rupees in '000)

## 18. TRADE AND OTHER PAYABLES

Creditors (note 18.1)	<b>103,396</b>	67,033
Accrued liabilities (note 18.1)	<b>13,080</b>	15,795
Payable to Burshane LPG (Pakistan) Limited		
Gratuity Fund (note 29.1.1)	<b>7,508</b>	5,252
Workers' profits participation fund (note 18.2)	<b>4,717</b>	6,035
Workers' welfare fund	<b>2,386</b>	2,812
Retention money	<b>153</b>	102
Advances from distributors / customers	<b>6,522</b>	6,412
Dividends		
- unclaimed	<b>639</b>	441
- unpaid	<b>640</b>	640
	<b>1,279</b>	1,081
Excess advance received from Shell Petroleum Company Limited against right issue	<b>5,722</b>	5,722
Others	<b>3,611</b>	2,563
	<b>148,374</b>	<b>112,807</b>

## Notes to the Financial Statements

### For the year ended June 30, 2013

**18.1** Include due to OPI Gas (Private) Limited aggregating to Rs. Nil (2012: Rs. 1,933 thousand).

	2013	2012
	(Rupees in '000)	
<b>18.2 Workers' profit participation fund</b>		
Balance at beginning of the year	6,035	4,457
Add:		
- Interest charged during the year (note 25)	840	433
- Allocation for the year (note 24)	4,717	6,035
Less: Amount paid	(6,875)	(4,890)
Balance at end of the year	<u>4,717</u>	<u>6,035</u>

## 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 (OPI) 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 of the Company 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 and conditions 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 OPI is guarantor under this Agreement.

As at June 30, 2013, all the assets in possession of the Company have been debranded of the aforesaid trademarks and manifestation embossed / printed on these assets. In respect of asset not in possession / control of the Company, the Company is in process of discussion/ consultation with its legal advisor to initiate necessary process for limitation of its liability under the Agreement.

Based on the legal advise, 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 for those assets which are not in possession / control of the Company. However, the debranding/ rebranding expenses incurred by the Company to date, amounting to Rs. 3,642 thousand, have not been acknowledged by OPI for reimbursement to the Company. OPI 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 OPI was just a guarantor under this Agreement, and accordingly liability of OPI 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 OPI's interpretation of the Agreement and hence has recorded the debranding / rebranding expenses incurred to date as receivable from OPI till the resolution of this matter with OPI (note 13.2). Based on the above, the Company has not recognized provision for the estimated further cost of rebranding amounting to Rs. 24,000 thousand.

## Notes to the Financial Statements

### For the year ended June 30, 2013

**19.1.2** Claims not acknowledged as debt by the Company as at June 30, 2013 amounted to Rs. 16,200 thousand (2012: Rs. 16,200 thousand). This includes Rs. 14,140 thousand billed by OPI in respect of business support fee.

#### 19.2 Commitments

Capital commitments contracted for but not incurred as at June 30, 2013 amounts to Rs. 961 thousand (2012: Nil).

	2013	2012
	(Rupees in '000)	
<b>20. COST OF PRODUCTS SOLD</b>		
Cost of LPG sold:		
Opening stock (note 11)	2,642	12,494
Purchases	2,157,946	1,672,846
	<b>2,160,588</b>	1,685,340
Less: Closing stock (note 11)	<b>(77,765)</b>	(2,642)
	<b>2,082,823</b>	1,682,698
Salaries, wages and other employee benefits (note 20.1)	26,263	33,827
Cost of low pressure regulators sold	604	601
Stores and spares consumed	1,273	1,204
Repairs and maintenance	496	894
Traveling, conveyance and vehicle maintenance	1,134	3,114
Rent, rates and electricity	4,956	3,609
Communication	562	496
Printing and stationery	54	208
Insurance	4,174	3,977
Depreciation (note 4.1)	18,467	23,403
Amortisation (note 5)	5,445	5,299
Security	1,835	1,840
Sundry expenses	1,280	964
	<b>2,149,366</b>	1,762,134

**20.1** Salaries, wages and other employee benefits include net reversal of Rs. 3,042 thousand (2012: charge of Rs. 3,836 thousand) in respect of staff retirement benefits.

## Notes to the Financial Statements

### For the year ended June 30, 2013

2013	2012
------	------

(Rupees in '000)

#### 21. ADMINISTRATIVE EXPENSES

Salaries, wages and other employee benefits (note 21.1)	34,772	27,863
Repairs and maintenance	684	567
Travelling, conveyance and vehicle maintenance	2,345	1,696
Rent, rates and electricity	2,621	1,775
Communication	2,074	1,265
Printing and stationery	1,188	1,687
Insurance	1,926	2,350
Advertisement and publicity	329	222
Depreciation (note 4.1)	1,867	2,661
Provision for doubtful debts (note 12.1)	707	988
Security	358	172
Sundry expenses	970	202
	<b>49,841</b>	<b>41,448</b>

**21.1** Salaries, wages and other employee benefits include Rs. 3,671 thousand (2012: Rs. 2,382 thousand) in respect of staff retirement benefits.

2013	2012
------	------

(Rupees in '000)

#### 22. DISTRIBUTION AND MARKETING EXPENSES

Salaries, wages and other employee benefits (note 22.1)	16,712	12,067
Repairs and maintenance	259	170
Travelling, conveyance and vehicle maintenance	565	1,839
Rent, rates and electricity	1,365	1,586
Communication	430	329
Printing and stationery	98	76
Insurance	362	335
Hospitality charges	4,374	7,954
Freight and octroi	8,404	3,283
Advertisement and publicity	629	84
Depreciation (note 4.1)	34,185	33,655
Security	331	286
Sundry expenses	1,121	57
	<b>68,835</b>	<b>61,721</b>

**22.1** Salaries, wages and other employee benefits include Rs. 3,326 thousand (2012: Rs. 1,706 thousand) in respect of staff retirement benefits.

## Notes to the Financial Statements

### For the year ended June 30, 2013

	2013	2012
	(Rupees in '000)	
<b>23. OTHER INCOME</b>		
<b>Income from financial assets</b>		
Income from savings bank accounts	16,742	11,568
<b>Income from non-financial assets</b>		
Rental income from storage tanks	1,879	1,733
Gain on disposal of operating assets	-	6,352
	1,879	8,085
<b>Others</b>		
Scrap sales	760	737
Old liabilities written back	3,642	642
Miscellaneous	92	188
	<b>23,115</b>	<b>21,220</b>
<b>24. OTHER EXPENSES</b>		
Legal and professional charges	2,781	1,871
Workers' profits participation fund (note 18.2)	4,717	6,035
Workers' welfare fund	2,386	2,812
Auditors' remuneration (note 24.1)	1,415	1,222
Other receivables written-off	503	5,622
Provision for impairment of other receivables (note 13.4)	1,334	-
Directors' fees	696	408
Exchange loss - net	770	-
Others	36	113
	<b>14,638</b>	<b>18,083</b>
<b>24.1 Auditors' remuneration</b>		
Fee for:		
- statutory audit	590	515
- half yearly review	195	170
- review of compliance with the code of corporate governance	55	50
- audit of provident, pension and gratuity funds	120	105
- special certifications and other advisory services	216	100
	<b>1,176</b>	<b>940</b>
Out of pocket expenses	239	282
	<b>1,415</b>	<b>1,222</b>

## Notes to the Financial Statements

### For the year ended June 30, 2013

	2013	2012
	(Rupees in '000)	
<b>25. FINANCE COSTS</b>		
Finance charges on obligation under finance lease	858	1,568
Interest on Workers' profits participation fund (note 18.2)	840	433
Bank charges	2,375	1,639
	<b>4,073</b>	<b>3,640</b>
<b>26. TAXATION</b>		
Current:		
- for the year (note 26.1)	39,591	19,916
- for prior years	(116)	(1,557)
	<b>39,475</b>	<b>18,359</b>
Deferred	(7,700)	20,915
	<b>31,775</b>	<b>39,274</b>

**26.1** This represents normal tax at the rate of 35% under section 5 (2012: minimum turnover tax @ 1% of turnover under section 113) of the Income Tax Ordinance (ITO), 2001.

	2013	2012
	(Rupees in '000)	
<b>26.2</b> Reconciliation of income tax expense for the year:		
Profit before taxation	87,234	111,831
Tax at the applicable tax rate of 35% (2012: 35%)	30,532	39,141
Tax effect of:		
- Permanent differences	1,605	1,605
- Inadmissible expense	175	-
- Change in statutory tax rate for next year	(704)	-
- Others	283	85
Prior year tax reversal	(116)	(1,557)
	<b>31,775</b>	<b>39,274</b>

## 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.

	2013	2012
	(Rupees in '000)	
Profit for the year	<b>55,459</b>	72,557
	<b>Number of Shares</b>	
Weighted average number of ordinary shares in issue (in thousands)	<b>22,640</b>	22,640
	<b>Rupees</b>	
Earnings per share - Basic and diluted	<b>2.45</b>	3.20

## Notes to the Financial Statements

### For the year ended June 30, 2013

#### 28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2013				2012			
	Chief Executive	Executive Director	Executives	Total	Chief Executive	Executive Director	Executives	Total
	(Rupees in '000)							
Managerial remuneration	4,017	608	13,160	17,785	3,169	1,498	13,192	17,859
Bonus	1,812	-	4,026	5,838	1,510	577	4,264	6,351
Company's contribution to gratuity, pension and provident funds	248	-	912	1,160	229	108	987	1,324
Housing, utilities and conveyance	2,493	403	8,161	11,057	2,053	922	8,248	11,223
Directors fees	12	12	-	24	-	-	-	-
Medical, leave fare etc.	713	91	2,310	3,114	611	248	3,231	4,090
	<u>9,295</u>	<u>1,114</u>	<u>28,569</u>	<u>38,978</u>	<u>7,572</u>	<u>3,353</u>	<u>29,922</u>	<u>40,847</u>
<b>Number of persons (including those who worked part of the year)</b>	<u>2</u>	<u>3</u>	<u>16</u>	<u>21</u>	<u>1</u>	<u>1</u>	<u>16</u>	<u>18</u>

**28.1** Aggregate amount charged for the year in respect of fees to ten non-executive directors is Rs. 672 thousand (2012: five non-executive directors, Rs. 408 thousand).

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



## Notes to the Financial Statements

### For the year ended June 30, 2013

#### 29. EMPLOYEE BENEFITS

**29.1** The latest actuarial valuations of the defined benefit plans were carried out as at June 30, 2013, using the "Projected Unit Credit Method". The details of defined benefit plans are as follows:

	Pension Fund		Gratuity Fund	
	2013	2012	2013	2012
	(Rupees in '000)			
<b>29.1.1 Balance sheet reconciliation</b>				
Fair value of plan assets	98,225	94,534	15,854	15,827
Present value of defined benefit obligations	(127,719)	(125,980)	(26,406)	(30,212)
Funded status	(29,494)	(31,446)	(10,552)	(14,385)
Unrecognised net actuarial losses	40,900	41,642	3,044	9,133
Recognised asset/(liability)	<u>11,406</u>	<u>10,196</u>	<u>(7,508)</u>	<u>(5,252)</u>
<b>29.1.2 Movement in net assets / (liability) recognised</b>				
Net asset/(liability) at beginning of the year	10,196	11,599	(5,252)	(3,602)
Expense recognised	1,456	(1,403)	(3,406)	(4,562)
Receivable from the Company	(246)	-	-	-
Benefits paid on behalf of the Fund	-	-	1,150	1,412
Contribution to the Fund	-	-	-	1,500
Net asset/(liability) at end of the year	<u>11,406</u>	<u>10,196</u>	<u>(7,508)</u>	<u>(5,252)</u>
<b>29.1.3 Movement in fair value of plan assets</b>				
Fair value as at beginning of the year	94,534	84,529	15,827	13,876
Expected return on plan assets	12,249	12,340	1,843	2,040
Actuarial (losses)/gains	(1,646)	4,889	346	(105)
Contribution to the Fund	-	-	-	1,500
Employees contributions	512	576	-	-
Benefits paid	(7,424)	(7,800)	(3,312)	(2,896)
Benefits paid on behalf of the Fund	-	-	1,150	1,412
Fair value as at end of the year	<u>98,225</u>	<u>94,534</u>	<u>15,854</u>	<u>15,827</u>
<b>29.1.4 Movement in defined benefit obligations</b>				
Obligation as at beginning of the year	125,980	81,323	30,212	31,135
Current service cost	4,772	3,480	1,692	1,488
Interest cost	15,284	10,839	3,570	4,156
Actuarial (gains)/losses	(10,893)	38,138	(5,756)	(3,671)
Benefits paid	(7,424)	(7,800)	(3,312)	(2,896)
Obligations as at end of the year	<u>127,719</u>	<u>125,980</u>	<u>26,406</u>	<u>30,212</u>
<b>29.1.5 Charge for the year</b>				
Current service cost	4,772	3,480	1,692	1,488
Interest cost	15,284	10,839	3,570	4,156
Expected return on plan assets	(12,249)	(12,340)	(1,843)	(2,040)
Employees contributions	(512)	(576)	-	-
Recognition of actuarial (gains)/losses	(8,751)	-	(13)	958
(Income) / Expense for the year	<u>(1,456)</u>	<u>1,403</u>	<u>3,406</u>	<u>4,562</u>

## Notes to the Financial Statements

### For the year ended June 30, 2013

29.1.6 Principal actuarial assumptions used in the actuarial valuation are as follows:

	Pension Fund		Gratuity Fund	
	2013	2012	2013	2012
Discount rate and expected return on plan assets	11.5%	12.5%	11.5%	12.5%
Future salary increases	11.5%	12.5%	11.5%	12.5%
Indexation in Pension	3%	4%	-	-
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 on plan assets is based on the market expectations and depends upon the asset portfolio of the Funds, at the beginning of the period, for returns over the entire life of the related obligation.

	Pension Fund		Gratuity Fund	
	2013	2012	2013	2012
	(Rupees in '000)			
29.1.8 Actual return on plan assets	10,603	17,229	2,189	1,935

	Pension Fund				Gratuity Fund			
	2013		2012		2013		2012	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
29.1.9 Plan assets comprised of the following:								
Debt	86,567	88%	87,104	92%	13,669	86%	11,397	72%
Equity	3,590	4%	3,050	3%	2,135	13%	1,927	12%
Cash and bank balances	8,068	8%	4,380	5%	50	1%	2,503	16%
	<u>98,225</u>	<u>100%</u>	<u>94,534</u>	<u>100%</u>	<u>15,854</u>	<u>100%</u>	<u>15,827</u>	<u>100%</u>

## Notes to the Financial Statements

### For the year ended June 30, 2013

	2013	2012	2011	2010	2009
	(Rupees in '000)				
<b>29.1.10 Comparison for five years:</b>					
Fair value of plan assets	114,079	110,361	98,405	96,701	93,317
Present value of defined benefit obligation	(154,125)	(156,192)	(112,458)	(87,071)	(77,065)
(Deficit)/Surplus	<u>(40,046)</u>	<u>(45,831)</u>	<u>(14,053)</u>	<u>9,630</u>	<u>16,252</u>
<b>29.1.11 Experience adjustment on plan assets and obligation:</b>					
<b>Pension Fund</b>					
Fair value of plan assets	98,225	94,534	84,529	81,818	78,784
Present value of obligation	(127,719)	(125,980)	(81,323)	(65,470)	(60,302)
Funding (deficit)/surplus	<u>(29,494)</u>	<u>(31,446)</u>	<u>3,206</u>	<u>16,348</u>	<u>18,482</u>
Actuarial gains/(losses) on assets	(1,646)	4,889	(4,019)	(283)	(12,256)
Actuarial gains/(losses) on obligation	<u>10,893</u>	<u>(38,138)</u>	<u>(8,537)</u>	<u>(1,227)</u>	<u>11,059</u>
<b>Gratuity Fund</b>					
Fair value of plan assets	15,854	15,827	13,876	14,883	14,533
Present value of obligation	(26,406)	(30,212)	(31,135)	(21,601)	(16,763)
Funding (deficit)/surplus	<u>(10,552)</u>	<u>(14,385)</u>	<u>(17,259)</u>	<u>(6,718)</u>	<u>(2,230)</u>
Actuarial gains/(losses) on assets	346	(105)	(1,479)	83	(2,261)
Actuarial gains/(losses) on obligation	<u>5,756</u>	<u>3,671</u>	<u>(6,967)</u>	<u>(2,946)</u>	<u>25</u>

## 29.2 Provident Fund

The following information is based upon the latest un-audited financial statements of the provident fund as at June 30, 2013 and the audited financial statements as at June 30, 2012:

	June 30, 2013	June 30, 2012
	(Rupees in '000)	
Size of the fund - Total assets	<u>56,939</u>	<u>64,213</u>
Fair value of investments	<u>55,811</u>	<u>63,091</u>
Cost of investments made	<u>47,378</u>	<u>54,782</u>
Percentage of investments made	<u>98%</u>	<u>98%</u>

## Notes to the Financial Statements

### For the year ended June 30, 2013

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

	2013		2012	
	Rupees in '000	%	Rupees in '000	%
Bank deposits	1,378	2%	8,782	14%
Government securities	54,433	98%	54,309	86%
	<b>55,811</b>	<b>100%</b>	<b>63,091</b>	<b>100%</b>

**29.2.2** The investments out of the fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for the purpose.

**29.2.3** An amount of Rs. 2,005 thousand (2012: Rs. 1,959 thousand) has been charged during the year in respect of contribution to the 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	2013	2012
		(Rupees in '000)	
<b>Parent</b>			
OPI Gas (Private) Limited (note 30.4)	Payment received against		
	Business Support Fee waived-off	12,000	-
	Business Support Fee	-	9,000
	Reversal of Business Support Fee	-	(9,000)
	Hospitality services received	2,229	4,713
	Hospitality services provided	413	586
	Reimbursement of expenses	1,356	-
	Reimbursement claimed against debranding expenses	216	3,426
<b>Other related parties</b>			
Pakistan Services Limited (note 30.4)	Food and accommodation charges	232	132
Hashwani Hotels Limited (note 30.4)	Food and accommodation charges	97	138
Trans Air Travels (Private) Limited (note 30.4)	Air travel charges	546	385
Buxly Paints Limited	Purchase of paints	215	-

## Notes to the Financial Statements

### For the year ended June 30, 2013

**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 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.

**30.4** These were related parties of the Company till April 22, 2013, the date on which OPI Gas (Private) Limited transferred its entire shareholding (69.22%) in the Company to H.A.K.S Trading (Private) Limited.

	<b>2013</b>	<b>2012</b>
	<b>(Quantity in Matric Ton)</b>	
<b>31. CAPACITY</b>		
Installed annual filling capacity	<b>37,500</b>	37,500
Actual utilisation	<b>23,443</b>	21,320

Actual utilisation is mainly attributable to availability of LPG supply and market demand.

### **32. NUMBER OF EMPLOYEES**

	<b>Number of employees as at</b>		<b>Average number of employees</b>	
	<b>June 30, 2013</b>	<b>June 30, 2012</b>	<b>June 30, 2013</b>	<b>June 30, 2012</b>
Management employees	26	29	27	27
Non- management employees	22	22	22	22
	<b>48</b>	<b>51</b>	<b>49</b>	<b>49</b>

	<b>2013</b>	<b>2012</b>
	<b>(Rupees in '000)</b>	

### **33. CASH GENERATED FROM OPERATIONS**

Profit before taxation	<b>87,234</b>	111,831
Adjustment for non cash charges and other items:		
Depreciation	<b>54,519</b>	59,719
Amortisation	<b>5,445</b>	5,299
Provisions for impairment of other receivable	<b>1,334</b>	-
Other receivables written-off	<b>503</b>	5,622
Provisions for doubtful debts	<b>707</b>	988
Gain on disposal of operating assets	-	(6,352)
Interest income on savings bank accounts	<b>(16,742)</b>	(11,568)
Finance costs	<b>858</b>	1,568
Working capital changes (note 33.1)	<b>(69,516)</b>	3,467
	<b>64,342</b>	170,574

## Notes to the Financial Statements

### For the year ended June 30, 2013

	2013	2012
	(Rupees in '000)	
<b>33.1 Working capital changes</b>		
(Increase) / Decrease in current assets		
Stores and spares	(478)	20
Stock-in-trade	(74,519)	10,453
Trade debts	(17,291)	8,049
Loans, advances, deposits, prepayments and other receivables	(12,597)	(12,864)
	<u>(104,885)</u>	<u>5,658</u>
Increase / (Decrease) in current liabilities		
Trade and other payables - net	35,369	(2,191)
	<u>(69,516)</u>	<u>3,467</u>
<b>34. FINANCIAL ASSETS AND LIABILITIES BY CATEGORY</b>		
<b>34.1 Financial assets as per balance sheet</b>		
<b>- Loans and receivables at amortised cost</b>		
Long term loans	3,389	6,607
Long term deposits	135,963	82,818
Trade debts	23,266	6,682
Loans, deposits and other receivables	9,523	23,380
Cash and bank balances	203,241	240,442
	<u>375,382</u>	<u>359,929</u>
<b>- Available for sale at fair value</b>		
Long term investments	-	2
	<u>375,382</u>	<u>359,931</u>
<b>34.2 Financial liabilities as per balance sheet</b>		
<b>- Financial liabilities at amortised cost</b>		
Obligations under finance lease	-	8,002
Cylinder and regulator deposits	195,608	187,323
Trade and other payables	127,241	92,296
	<u>322,849</u>	<u>287,621</u>
<b>35. FINANCIAL RISK MANAGEMENT</b>		
<b>35.1 Financial risk factors</b>		
<p>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</p>		



## Notes to the Financial Statements

### For the year ended June 30, 2013

management programme focuses on having cost effective funding as well as to manage financial risk to minimise 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 financial assets and liabilities are denominated in Pakistan 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. As at June 30, 2013, the Company is not exposed to any interest rate risk, as it does not have any interest bearing borrowing.

##### **(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.

## Notes to the Financial Statements

### For the year ended June 30, 2013

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:

	2013	2012
	(Rupees in '000)	
Long-term loans	3,389	6,607
Long-term deposits	135,963	82,818
Trade debts	20,110	4,559
Loans, deposits and other receivables	9,523	23,380
Bank balances	203,057	240,339
	<b>372,042</b>	<b>357,703</b>

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:

Name	Rating Agency	Rating				2013 (Rupees in '000)	2012 (Rupees in '000)
		Short term		Long term			
		2013	2012	2013	2012		
Bank Alfalah Limited	PACRA	A1+	-	AA	-	673	-
Habib Bank Limited	JCR-VIS	A-1+	A-1+	AAA	AA+	56,230	2,620
MCB Bank Limited	PACRA	A1+	A1+	AAA	AA+	26,263	233,785
National Bank of Pakistan	JCR-VIS	A-1	A1+	AAA	AA-	115,937	305
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	A1+	AAA	AAA	512	512
Faysal Bank Limited	PACRA	A1+	A1+	AA	AA	2,951	2,824
United Bank Limited	JCR-VIS	A-1+	A-1+	AA+	AA+	14	14
Summit Bank Limited	JCR-VIS	A-2	A-2	A-	A-	477	279
						<b>203,057</b>	<b>240,339</b>



## Notes to the Financial Statements

### For the year ended June 30, 2013

#### (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, 2013			As at June 30, 2012		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
	(Rupees in '000)					
<b>Financial liabilities</b>						
Obligations under finance lease	-	-	-	2,343	5,659	8,002
Cylinder and regulator deposits	-	195,608	195,608	-	187,323	187,323
Trade and other payables	127,241	-	127,241	92,296	-	92,296
	<u>127,241</u>	<u>195,608</u>	<u>322,849</u>	<u>94,639</u>	<u>192,982</u>	<u>287,621</u>

#### 35.2 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.

#### 36. 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 23, 2013 have proposed a final cash dividend of Rs. 1.80 (2012 : Rs. 1) per share amounting to Rs. 40,752 (2012: Rs. 22,640 thousand). This is in addition to the interim cash dividend of Rs. 1 (2012 : Rs. 1.5) per share resulting in a total cash dividend for the year of Rs. 2.80 (2012: Rs. 2.5) per share amounting to Rs. 63,392 (2012: Rs. 56,600 thousand). The approval of the members for the final cash dividend will be obtained in the Annual General meeting to be held on October 21, 2013. The financial statements for the year ended June 30, 2013 do not include the effect of this appropriation which will be accounted for in the financial statements for the year ending June 30, 2014.



## Notes to the Financial Statements

### For the year ended June 30, 2013

#### **37. CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary, the effect of which is not material.

#### **38. GENERAL**

These financial statements have been rounded to the nearest thousand.

#### **39. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on September 23, 2013 by the Board of Directors of the Company.

Chairman

Chief Executive

## Attendance at Board & Audit Committee Meetings For the year ended June 30, 2013

Name	Board			Audit Committee			Human Resource and Remuneration Committee		
	Member	Meetings <sup>1</sup>	Attendance	Member	Meetings <sup>1</sup>	Attendance	Member	Meetings <sup>1</sup>	Attendance
Mr. Asad Alam Niazi	<sup>2</sup> ◆	2	2				◆	1	1
Mr. Shahriar D. Sethna	<sup>2</sup> ◆	2	2	◆	0	0			
Ms. Hamdia Fatin Niazi	<sup>2</sup> ◆	2	2	◆	0	0	◆	1	1
Mr. Saifee Zakiuddin	<sup>2</sup> ◆	2	2						
Mr. Darayus T. Sethna	<sup>2</sup> ◆	2	2				◆	1	1
Mr. Tassaduq Hussein Niazi	<sup>2</sup> ◆	2	0						
Ms. Khurshid Bhaimia	<sup>6</sup> ◆	5	5	◆	4	4			
Mr. Sheikh Asim Rafiq	<sup>3</sup> ◆	0	0						
Mr. Muhammad Akhter Bawany	<sup>4</sup> ◆	4	4						
Mr. Athar Mohammad Khan	<sup>4</sup> ◆	4	3	◆	4	3			
Mr. Mansoor Akbar Ali	<sup>4</sup> ◆	4	4	◆	1	1			
Mr. Mustansir Zakir	<sup>4</sup> ◆	4	3	◆	1	1			
Mr. Anwar Moin	<sup>4</sup> ◆	4	3	◆	4	3			
Mr. Mansoor Khan	<sup>4</sup> ◆	4	3						
Mr. Wazir Ali Khoja	<sup>5</sup> ◆	5	2						

1. Held during the period the concerned Director was on the Board
2. Appointed on Board in April 2013
3. Appointed on Board in June 2013
4. Resigned from the Board in April 2013
5. Resigned from the Board in June 2013
6. Resigned from the Board in September 2013

## Pattern of Shareholding For the year ended June 30, 2013

No. of Shareholders	Having Shares		Shares held	Percentage %
	From	To		
396	1	100	13,427	0.06%
277	101	500	95,059	0.42%
154	501	1000	140,783	0.62%
209	1001	5000	572,579	2.53%
26	5001	10000	184,730	0.82%
6	10001	15000	72,400	0.32%
7	15001	20000	125,381	0.55%
5	20001	25000	105,552	0.47%
1	25001	30000	29,500	0.13%
1	30001	45000	40,500	0.18%
1	45001	50000	50,000	0.22%
1	50001	55000	53,500	0.24%
1	55001	75000	73,202	0.32%
1	75001	145000	140,248	0.62%
1	145001	380000	378,000	1.67%
1	380001	385000	380,569	1.68%
1	385001	1535000	1,534,033	6.78%
1	1535001	1820000	1,816,238	8.02%
1	1820001	16835000	16,834,343	74.36%
<u>1,091</u>	Company Total		<u>22,640,044</u>	<u>100.00%</u>

## Pattern of Shareholding For the year ended June 30, 2013

Categories of Shareholders	Number	Shares Held	Percentage
Directors, CEO and their spouse and minor children	3	115,142	0.51%
Associated companies, undertakings and related parties	1	16,834,343	74.36%
NIT and ICP	2	1,543,522	6.82%
Banks, Development Finance Institutions, Non-Banking Financial Institutions	3	2,195,099	9.70%
General Public			
Local	1046	1,691,544	7.47%
Foreign	14	12,365	0.05%
Others	22	248,029	1.10%
Total	<u>1091</u>	<u>22,640,044</u>	<u>100.00%</u>

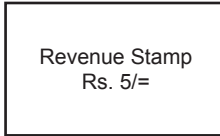
# Form of Proxy



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 **Monday, October 21, 2013, at 10:00 a.m. at ICAP Building** Chartered Accountants Avenue, Clifton Block 8 Karachi and any adjournment thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2013.



\_\_\_\_\_  
(Specimen Signature of Proxy)

Folio No. \_\_\_\_\_  
Participant I.D. No. \_\_\_\_\_  
Sub Account No. \_\_\_\_\_  
C.N.I.C./ Passport Number:  
\_\_\_\_\_

\_\_\_\_\_  
**(Signature of Share Holder)**

Folio No. \_\_\_\_\_  
Participant I.D. No. \_\_\_\_\_  
Sub Account No. \_\_\_\_\_  
C.N.I.C./ Passport Number:  
\_\_\_\_\_

\_\_\_\_\_  
**(Specimen Signature of Alternate Proxy)**

Folio No. \_\_\_\_\_  
Participant I.D. No. \_\_\_\_\_  
Sub Account No. \_\_\_\_\_  
C.N.I.C./ Passport Number:  
\_\_\_\_\_

\_\_\_\_\_  
**(Signature of Witness 1)**

Name: \_\_\_\_\_  
C.N.I.C./ Passport Number:  
\_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
**(Signature of Witness 2)**

Name: \_\_\_\_\_  
C.N.I.C./ Passport Number:  
\_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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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 **Monday, October 21, 2013, at 10:00 a.m.** at **ICAP Building** Chartered Accountants Avenue, Clifton Block 8 Karachi and any adjournment thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

\_\_\_\_\_  
(Specimen Signature of Proxy)

Folio No. \_\_\_\_\_  
Participant I.D. No. \_\_\_\_\_  
Sub Account No. \_\_\_\_\_  
C.N.I.C./ Passport Number:  
\_\_\_\_\_

\_\_\_\_\_  
**(Signature of Share Holder)**

Folio No. \_\_\_\_\_  
Participant I.D. No. \_\_\_\_\_  
Sub Account No. \_\_\_\_\_  
C.N.I.C./ Passport Number:  
\_\_\_\_\_

\_\_\_\_\_  
**(Specimen Signature of Alternate Proxy)**

Folio No. \_\_\_\_\_  
Participant I.D. No. \_\_\_\_\_  
Sub Account No. \_\_\_\_\_  
C.N.I.C./ Passport Number:  
\_\_\_\_\_

\_\_\_\_\_  
**(Signature of Witness 1)**

Name: \_\_\_\_\_  
C.N.I.C./ Passport Number:  
\_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
**(Signature of Witness 2)**

Name: \_\_\_\_\_  
C.N.I.C./ Passport Number:  
\_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_



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