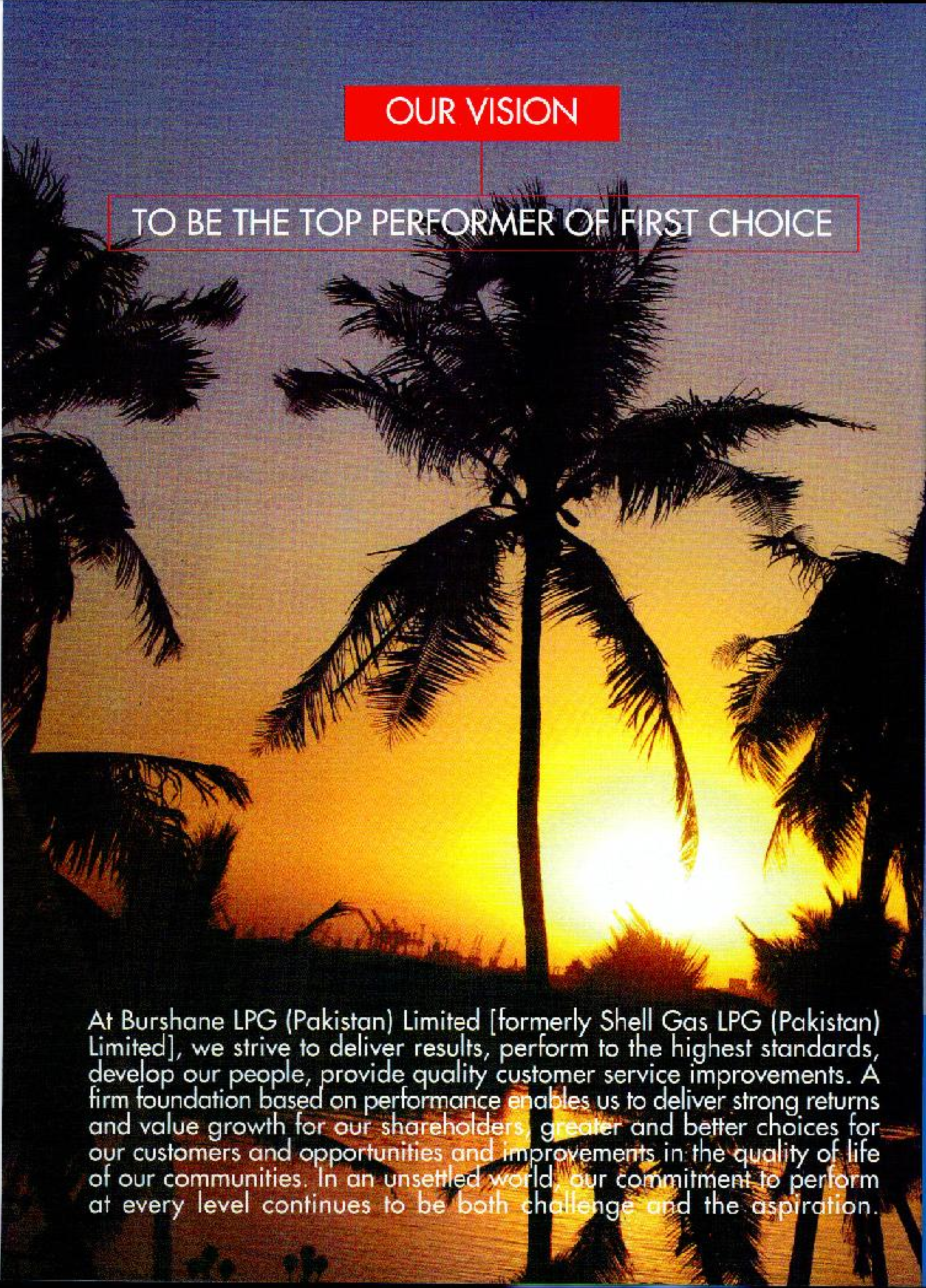
ANNUAL REPORT 2011

burshane

Burshane LPG (Pakistan) Limited

(formerly Shell Gas LPG (Pakistan) Limited)

Contents



OUR VISION

TO BE THE TOP PERFORMER OF FIRST CHOICE

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

The Journey

The Company renamed as Burshane LPG (Pakistan) Limited	2011
Shell Gas LPG (Pakistan) Limited acquired by Hashwani Group	2010
Participated in privatization of Sui Northern Gas(SNGPL). Indigenous allocation increased	2001
Name changed to Shell Gas LPG (Pakistan) Limited (SGP)	1999
The Shell Petroleum Company acquired Burmah Castrol PLC's stake and became majority shareholder	1993
Listed on the KSE and LSE. To date, the only listed company in LPG industry	1982
Burshane Pakistan Limited incorporated Bottling plant set up adjacent to PRL	1966

FIRST BURSHANE BOARD MEETING
KARACHI-DECEMBER, 1966

L to R: J.R.W. Richmond (General Manager), A. Chinoy (Director), H.Brown (Director), M.Naser-ud-deen Khan (Director) and A.A. Bhojani (Secretary)

Company Information

Board of Directors

Chairman	Mr. Khalid Mumtaz Malik
	Mr. Muhammad Akhtar Bawany
	Mr. Anwar Moin
	Mr. Agha Sajjad Nasir
	Mr. Oan Hussain Ali
	Ms. Khurshid Bhaimia
	Mr. Wazir Ali Khoja

Audit Committee

Chairman	Mr. Muhammad Akhtar Bawany
	Mr. Anwar Moin
	Ms. Khurshid Bhaimia
Secretary	Ms. Naqiya Feroze Lakdawala

Executive Leadership Team

General Manager & Chief Executive	Mr. Agha Sajjad Nasir
Director Finance & Chief Financial Officer	Mr. Oan Hussain Ali
Operations, Distribution & HSSE Manager	Mr. Ahmed Zahid Zaheer
National Sales Manager	Mr. Muhammad Khalid Dar

CFO & Company Secretary
Mr. Oan Hussain Ali

Internal Auditor
Ms. Huzaima Naureen

Registered Office
Burshane LPG (Pakistan) Limited
[Formerly Shell Gas LPG (Pakistan) Limited]
Adjacent to Pakistan Refinery Limited,
Korangi Creek, Karachi-75190
Telephone # : 92-21-35122861-3
Fax # : 92-21-35122864

Auditors
A.F. Ferguson & Co.

Legal Advisors
Surridge & Beecheno
Advocates & Corporate Consultants

Bankers
Citi Bank N.A.
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
Faysal Bank Limited (Royal Bank of Scotland)
Standard Chartered Bank
United Bank Limited

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

Statement of General Business Principles

The objective of the Burshane LPG (Pakistan) limited (formerly Shell Gas 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 (formerly Shell Gas 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 (formerly Shell Gas LPG (Pakistan) Limited) recognise five areas of responsibility.

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

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

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

   We recognise that commercial succes 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 (formerly Shell Gas 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

1

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 (formerly Shell Gas LPG (Pakistan) Limited) products and services. It supplies the necessary corporate resources for the continuing investment that is required to develop and produce future energy supplies to meet customer needs. Without profits and a strong financial foundation, it would not be possible to fulfil our responsibilities.

Criteria for investment and divestment decisions include sustainable development considerations (economic, social and environmental) and an appraisal of the risks of the investment.

2

Principle 2: Competition

Burshane LPG (Pakistan) Limited (formerly Shell Gas 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.

3

Principle 3: Business Integrity

Burshane LPG (Pakistan) Limited (formerly Shell Gas 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 (formerly Shell Gas LPG (Pakistan) Limited) must be reflected accurately and fairly in the accounts of the company in accordance with established procedures and are subject to audit and disclosure.

4

Principle 4: Political Activities

a) Of the company

Burshane LPG (Pakistan) Limited (formerly Shell Gas 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 (formerly Shell Gas LPG (Pakistan) Limited) do not make payments to political parties, organizations or their representatives. Burshane LPG (Pakistan) Limited (formerly Shell Gas LPG (Pakistan) Limited) do not take part in party politics. However, when dealing with government, Burshane LPG (Pakistan) Limited (formerly Shell Gas 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.

5

Principle 5: Health, Safety, Security and the Environment

Burshane LPG (Pakistan) Limited (formerly Shell Gas 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 (formerly Shell Gas 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 (formerly Shell Gas LPG (Pakistan) Limited) continually look for ways to reduce the environmental impact of its operations, products and services.

Statement of General Business Principles

6

Principle 6: Local Communities

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

Burshane LPG (Pakistan) Limited (formerly Shell Gas 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.

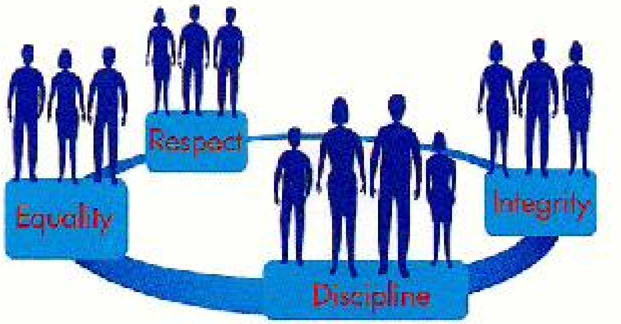
In addition, Burshane LPG (Pakistan) Limited (formerly Shell Gas LPG (Pakistan) Limited) take a constructive interest in societal matters, directly or indirectly related to its business.

7

Principle 7: Communication and Engagement

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

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



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Principle 8: Compliance

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

Living by the Principles

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

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

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

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

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

As part of the assurance system, it is also the responsibility of management to provide employees with safe and confidential channels to raise concerns and report instances of non-compliance. In turn, it is the responsibility of Burshane LPG (Pakistan) Limited (formerly Shell Gas LPG (Pakistan) Limited) employees to report suspected breaches of the Business Principles to the Company.

The Business Principles have for many years been fundamental to how the company conduct its business and living by them is crucial to its continued success.

Notice of Annual General Meeting

NOTICE IS HEREBY given that the Forty Fifth Annual General Meeting of the Company will be held on Tuesday, October 25, 2011 at 08:00 A.M at Pearl Continental Hotels Karachi, to transact the following business:

Ordinary Business:

1. To receive, approve and adopt Reports of Directors and Auditors together with the Audited Accounts for the year ended June 30, 2011.

2. To approve and declare cash dividend @ 10% for the year ended June 30, 2011 (that is, Re. 01 share of Rs. 10 each, payable to those Members whose names appear on the Register of Members as at October 18, 2011), as recommended by the Board of Directors.

3. To appoint Auditors for 2011-2012 and fix their remuneration.

By the order of the Board

Karachi
Date: October 03, 2011

Oan Hussain Ali
CFO & Company Secretary

NOTES:

1- Participation in the Annual General Meeting

A member entitled to attend and vote at this meeting is entitled to appoint another person as his / her proxy to attend and vote. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the meeting.

2- 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

In case of individuals, the account holder or sub-account holder or the person whose securities are in group account and their registration details are uploaded as per CDC regulations, shall authenticate their identity by showing their original Computerized National Identity Cards (C.N.I.C)/ original passports at the time of attending the meeting.

b. For appointing proxies

i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per CDC 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 for C.N.I.C or the passports of the beneficial owners and of the proxy shall be furnished with the proxy form.

iv) The proxies shall produce their original C.N.I.C / passports at the time of the meeting.

v) In the case of corporate entities, the board of Directors' resolution / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

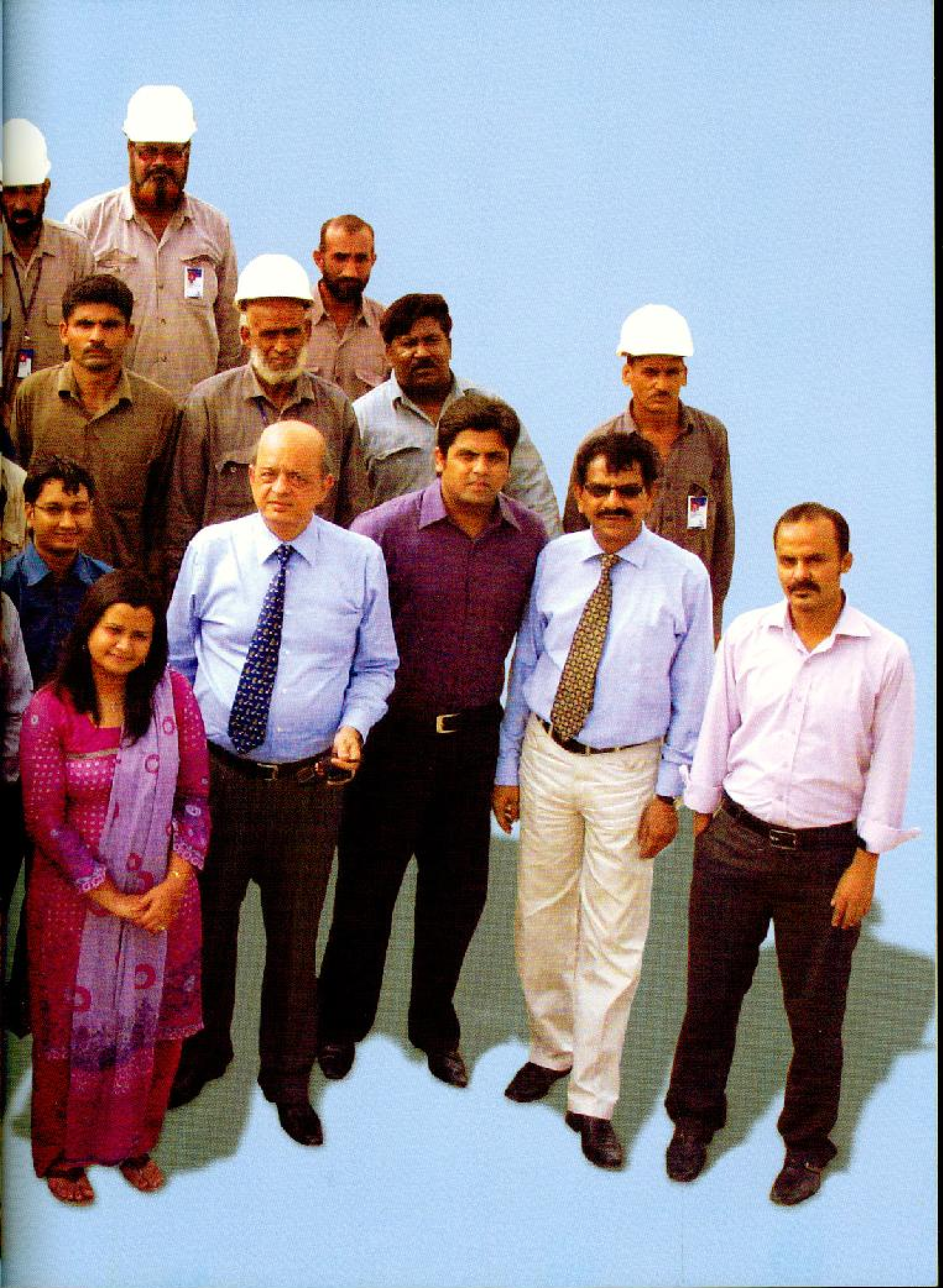
3- Closure of Share Transfer Books

The share transfer books of the Company will remain closed and no transfer of shares will be accepted for the registration from October 19, 2011 to October 25, 2011 (both days inclusive). Transfer received in order at the share Registrars' office by the close of business on October 18, 2011 will be treated in time for the purpose of payment of final cash dividend, if approved by the Shareholders.

4- Change in Address

Members are requested to promptly notify any change in their address.

TRUSTED for
Achievement, Integrity, Respect & Discipline



SUSTAINABLE DEVELOPMENT

We always look for partnerships with the civil society to contribute to a healthy sustainable environment. An important element of sustainable development is early and constant dialogue with the respective stakeholders. Burshane's representatives are in contact with various authorities to help develop policies and standards that will raise the HSSE standards thus benefiting the industry and the people of this country.

Corporate social responsibility is an important aspect of Burshane LPG (Pakistan) Limited (formerly Shell Gas LPG (Pakistan) Limited). We believe education is one of the pillars for any country to become a successful developed nation, keeping this in mind; the Company is keen to assist in this specific sector.

Managing today's business risk, delivering our strategy and achieving our goals all critically require maintaining trust of our wide range of stakeholders. To keep the trust of stakeholders we must do many things, including behaving with integrity at all times inline with the Company General Business Principles; operating our facilities safely; being a good neighbour and contributing to development in the societies where we operate.

The Company is committed to strive for protection of environment by reducing impacts and adverse effects resulting from its projects and development activities. We believe in meeting the present needs of humans without endangering the welfare of future generations. With the word environment we also mean the animal and the protection of them against any inhuman act.

We ensure that wherever the Company works, it remains committed to refining and improving the way it works to protect and preserve the environment surrounding its operations. Our aim is to create sustainable communities – places where people want to live and work, both now and in the future.

HEALTH, SAFETY, SECURITY & ENVIRONMENT

Ahmad Zahid Zaheer
Operations, Distribution & HSSE Manager

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

In this fiscal year, like in the past many years, BPL's main focus remained on HSSE. During the year we proudly achieved the mark of completing Two Million Man-Hours Without Lost Time Injury (LTI). This milestone is strong evidence of our focused HSSE approach throughout the organization.

At all levels, HSSE is managed as any other critical business activity. The Management at BPL demonstrates strong, visible leadership and commitment by allocating sufficient resources to operate and maintain their HSSE Management Systems and by example in their personal actions and behaviors. They ensure that all HSSE policies are properly observed by providing support and resources for actions taken to operate safely and to protect health and the environment and to exert a positive influence on the HSSE management of contractors as they play a major role in achieving a high level of HSSE performance.

To cultivate and to promote a HSSE culture and awareness amongst its stakeholders, the Company continues with initiatives like safety campaigns planned all across Pakistan. The main focus of the campaigns is "Doing the Right Thing" - even when no one is watching, to promote a culture of compliance with laws, standards and procedures, intervention in unsafe and non-compliant situations and respect for all.

By moving both Hearts & Minds of all stakeholders, we promote a culture in which HSSE remains the underlying theme of all our activities relating to all stakeholders.

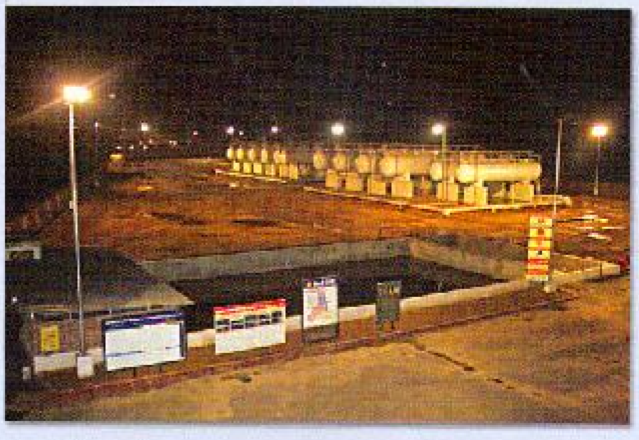
Initiatives for continuous improvements in the Road Transport and Haulier HSSE Management System were carried out during the year. Defensive driving courses, toolbox meetings, random vehicle checks, on-road inspection and circulation of easy to understand HSSE guidelines, are part of our regular activities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

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

At Burshane, we are committed to the following HSSE Strategic Objectives that contribute to our excellent HSSE performance and maintain the Goal Zero Approach:

- Strict Focus on the Goal Zero Approach
- Pursue the goal of No Harm to People
- Product Stewardship throughout the supply chain
- Timely implementation of actions of the HSSE Annual Plan
- Protect the Environment
- HSSE to be treated as a critical business activity
- Ensuring HSSE at all levels of the organisation
- Move to & sustain a Generic HSSE Culture
- Competence Development for all HSSE Critical Staff
- Promote best practices in HSSE at the industry level

OPERATIONS & DISTRIBUTION



Burshane has always been committed to innovation. As such, BPL has proven itself as an industry leader when it comes to introduction of new standards, processes and Operational Excellence. This has led to providing exemplary services for the demanding customer needs.

Within the Supply Chain system of Burshane, streamlined processes ensure that production schedule adherence is above 95% and a stable flow of orders are processed without making changes to the.

Our operations team continues to strive for superior operational standards, procedures in all areas of Plant Operations and Distribution to safely provide the best value to all stakeholders including the end consumer.

The strong maintenance modules / systems ensure reliable and smooth planned maintenance and improve the reliability of our assets, helping deliver optimum performance at every stage.

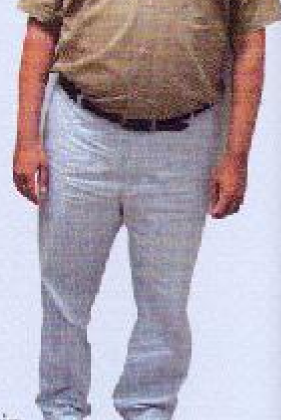
Our Distribution and Scheduling methodology provides accurate inventory data of LPG in stocks and ensures continuity of supply and timely dispatches of LPG.

Muhammad Ali
ERP Support Officer

Sajjad Ahmad
Operation & Maintenance Engineer

Syed Siraj Ahsan
Receipt & Despatch Supervisor

"We feel honored to be part of Burshane, a team of dedicated individuals pursuing business excellence with ethics, integrity and moral responsibility, taking decisions with sincere intent of benefitting the communities we serve. At Burshane we implement robust policies to ensure ethical standards that become the industry benchmark."



Amir Aziz
Plant Manager

OPERATIONS & DISTRIBUTION

With our state of the art Faisalabad Plant, we continue to make our commitment to customers stronger and the Customer value proposition of BPL to deliver HSSE complaint cylinders with accurate weight and timely delivery.

The state of the art plant designed in line with the latest international standards and equipment, includes a modern filling system and electronic filling lines. This facility is equipped with an in-house cylinder refurbishment unit which has a capacity of refurbishing approximately 500 cylinders per day, which no doubt will help us enhance the quality of the BPL cylinders in circulation.

In order to achieve the highest standard of Operational Excellence, we at BPL continue to follow the zero tolerance approach to accidents and fatalities. A considerable investment over the years has been made to improve the infrastructure of our bottling and filling plants as well as Road Transport standards.

Its great to be a part of a Company that has a strong culture of sustainability and consider health, safety and environment an essential catalyst for future sucess.

S.M. Wasi
Plant Manager

Faisalabad Plant Team

INTERNAL AUDITING

With increasing attention to financial reporting - by legislators, regulators, security analysts, institutional investors, and others – the roles of boards of directors, audit committees, corporate management, and external and internal auditors are changing. The relationships between these entities are being reshaped by legislation and regulations. The process of identifying emerging principles, practices, and tools for the internal auditor's role in internal controls over financial reporting is defined by Securities and Exchange Commission of Pakistan (SECP) as Code of Corporate Governance (CCG).

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Burshane LPG (Pakistan) recognizes the need of internal audit to ensure that controls identify any potentially adverse event or breach of due process and contain its effects before extensive damage occurs.

Huzaima Naureen
Internal Auditor

I have been a part of Burshane for just half a year now but I feel I have been working here since ages!!! The environment is extremely amiable, and the workforce is always motivated and on a hunt for new challenges. So far this place has been a great experience, professionally as well as personally. I am quite lucky to be connected to this Company. Long Live Burshane!

Hussain Akeel
Finance Support

HUMAN RESOURCES

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

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

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

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

The Company has an excellent blend of experienced people and we continue to work vigorously to improve competences required for various employees.

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

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

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

People Comments

Change Management program based on subtle but structured approach in key areas of operation. Several key areas were identified to significantly improve and increase productivity and delivery to valued customers.
All Burshane employees continuously work with perseverance to achieve benchmarks.

Mohib-ul-Hassan Khan
(Engineering & Maintenance Manager)

My experience with the Company has been very rich & truly amazing. At Burshane, each day brings new goals & challenges accompanying more opportunities to excel. As part of the Finance team I have learnt a lot & closely observed stringent applications of controls & policies while keeping our valued customers in mind all the time due to unprecedented coordination between all the functions. Besides numerous growth opportunities & recognition rewards, a healthy & friendly environment is what it makes a perfect working place!

Syed Fahd Jafri
(Credit & Control Manager)

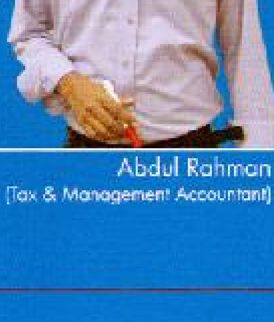
Working with Burshane for 15 years at various positions in the Marketing and Sales Function. Burshane is an equal opportunity employer having no discrimination at any level of the organization. It gives me great pride to be part of a team whereby parity and integrity form a fundamental part of the culture

Roozbeh Baria
(Sales Analyst)

I am proud to be a part of a function that is integral in making my Company an even better place to work.

People I work with support and encourage my personal and professional development.
Ideas are valued and what is more motivating are the diverse responsibilities given to me which strengthen my skills.

Faraz Nasir
(Asst. Manager HR, Admin & IR)

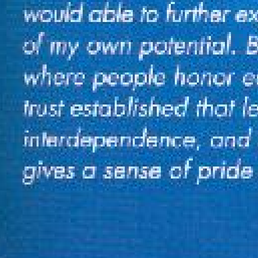


During my three years tenure at Burshane both my routine tasks and exciting challenges have contributed towards enrichment of my experience. Management and group reporting in Burshane offer dynamic learning opportunities and it motivates me and keeps me excited about my job. The Company considers its employees as valuable assets and to further harness this resource, specialized training & learning tools are offered which eventually contributes towards Company's goals & objectives

Abdul Rahman
(Tax & Management Accountant)

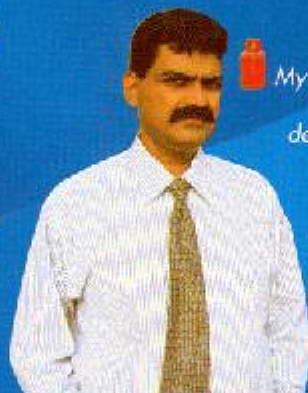
I have enjoyed a successful and exemplary career with BPL. I have been assigned diverse responsibilities in business planning & treasury, which has stretched my skills and would able to further expand the boundaries of my own potential. Burshane is a place where people honor each other, there is a trust established that leads to synergy, interdependence, and deep respect, which gives a sense of pride & accomplishment.

Amir. M. Anwer Mirza
(Treasury & Planning Manager)



My experience with the company has not been long, yet I have not felt as an outsider. The people here are very welcoming and warm, going out of their way to help. Being part of the finance team, I have learned that a proper workflow process and by closely monitoring controls & SOPs, one can work efficiently and effectively. I look forward to my prospects here in Burshane LPG (Pakistan) Limited.

Naqiya Feroze
(Finance Support)



My experience with the Company comprises on more than two decades. Over these memorable years I have gained vast experience and contributed the very best of me. Being part of an organization where teamwork is the key to success, I strongly believe that this relation will continue to foster.

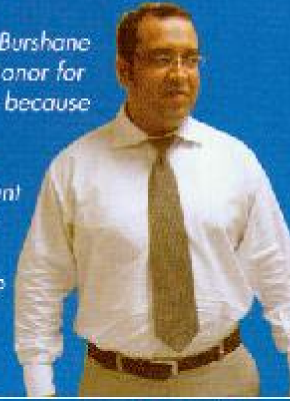
Shahayaz Ahmed
(Payables Controllers)

Its now been my 11th year with Burshane. Contract & procurement function plays a vital role in optimizing the efficiency and profitability of the Company. So far we were been very successful in saving significant cost for the Company while enhancing our relationship with all our suppliers. I see tremendous challenges ahead and as a team I am sure that we will continue the momentum.

Furqan Ahmed Khan
(Contracts & Procurement Manager)

Since 2005, I am working with the Company and its been a wonderful journey, Every day brings in new challenges and fortunately I have the chance to come up with initiatives. Finding solutions for today and new ways of implementing is the excitement of my job! I would like to thank the executive leadership team of the Company for bottom-up planning approach.

Shahid Afzal
(Assistant Manager IT & Corporate Affairs)



My working experience with Burshane is around 12 months. It is an honor for me to work with this Company because people are very caring, cooperative, competitive and professional. The most important thing is that we all work like a team. I can proudly say that our top managemt team is also very professional and caring.

Owais-ul-Haq
(Network & Database Specialist)

CUSTOMER / MARKETING

Company is actively pursuing its strategy for growth and therefore focusing to develop both Packed and Industrial Bulk segments more efficiently to meet the customer needs, increase our market share and enhance company's profitability and sustainability.

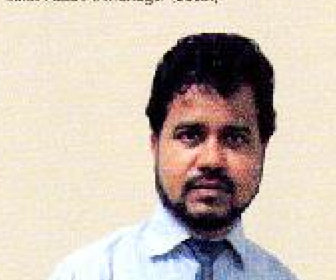
In order to facilitate our high freight markets, we have made hospitality arrangements at Dhurnal and Lahore, which will not only minimize the transportation cost of existing customers/distributors particularly in Azad Kashmir and Khyber pukhtoonkha, but also help us to develop/appoint new channel partners in those markets, which remained untapped as yet because of their long distance from our supply sources.

Company has been delivering the consistent Customer Value Proposition and will continue the same in future, as it is the backbone of our marketing efforts.

My three decades long journey at Burshane has been extremely rewarding. Great diversity balanced with excellent leadership and empowerment has inculcated a culture of performance at Burshane. Each member is striving to overcome challenges and going an extra mile to find innovative solutions to improve the lives we touch.

Muhammad Khalid Dar
National Sales Manager

Zulfiqar Ahmad Siddiqui
Sales Account Manager (South)

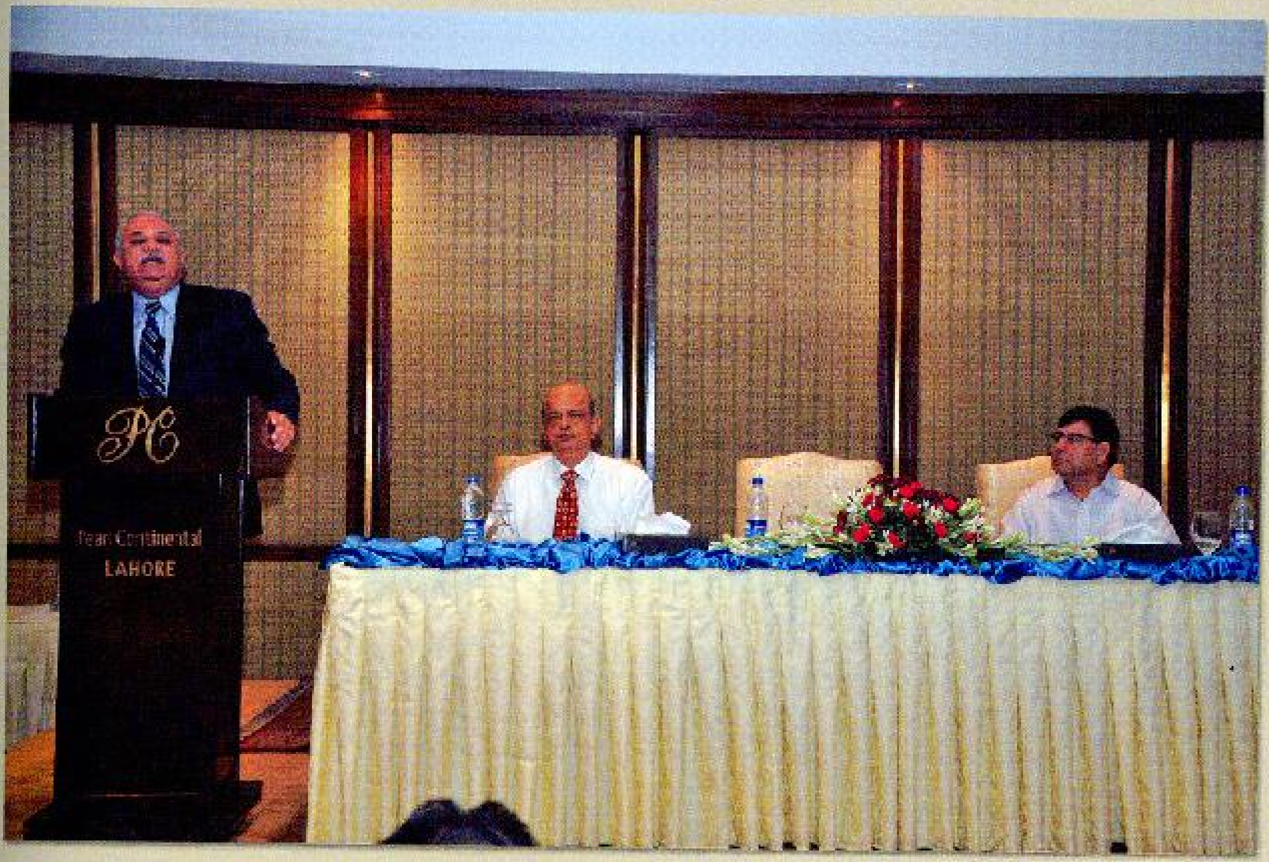


BPL is not only an employer but it is an institute who trains, educates and grooms its employees to achieve their goals in efficient manner and gives both tangible and intangible rewards. Working with BPL has created the sense of responsibility with regards to business, ethics and social aspects.

LPG is a growing industry in Pakistan. BPL is one of the pioneers amongst LPG marketing and distribution companies in Pakistan. Hence the employees working with it have the opportunity to enhance their career growth as well.

Syed Shahid Abbas
Regional Sales Manager (Punjab)

CUSTOMER / MARKETING



DISTRIBUTORS' CONFERENCE

FINANCE & CONTROL

The Finance function at Burshane is responsible for controlling & optimizing the financial performance of the business. Finance team operates to control and support sales and marketing, operations & distribution and supply chain. The team has continued its drive towards a performance oriented culture, the ultimate objective is to provide quality services to all internal and external stakeholders of the Company well within budgeted cost and time. The function implement, monitors, assesses and challenges short to long term business strategies, latest estimates and growth initiatives for ensuring that the business at the end of day yields returns for all stakeholders of the Company. We while focusing on structural cost reduction also believe in partnering with our valued stakeholders to strengthen our market share. Designing and implementing sound internal controls and applying best practices have been at the heart of the finance team objectives. The function is also a focal point for all legal and corporate affairs.

The finance team excelled during the year under review by ensuring following non-recurring tasks that completed successfully in time:

1) Smooth transition from Shell to OPI.
2) Successful ERP Migration.
3) Significant savings from Contracts & Procurement.
4) Optimal liquidity & maximum return.
5) Effective structural cost reductions while maintaiing the same level of business as was last year.
6) Developed & maintained benchmarks & effective business process strategies & controls.
7) Enhanced payment mechanism & ensured savings.
8) Delivered savings by focusing on tax and treasury initiatives.
9) Enhanced MIS reporting and analytical review processes.

We now been a 45 years old Company. The journey has been long and tough but what has help excelled us so far is a consistent focus on Intergrity, Respect, Discipline and delivering consistent customer value propositions, following performance driven culture and strong willful commitment from our human capital. The year under review was a difficult year with continuation of the demand/supply gap, energy crisis an a heightened security situation. However, the toughest challenge came in the form of one of the worst flood in the history of the Country, having said that, to cope with the situation, we worked extra hours and remained visiting our long to short term strategy on consistent basis that turnaround the Company from all odds.

I am very proud to be part of this Company where despite tremendous challenges, we continue to grow an serve better. I would like to express my gratitude to all stakeholders on this amazing journey.

Oan Hussain Ali
Director Finance

INNOVATION

Innovation generally refers to the creation of better or more effective products, processes, technologies, or ideas that are accepted by markets, governments, and society. Innovation differs from invention or renovation in that innovation generally signifies a substantial positive change compared to incremental changes.

The competitive advantage, or the productive use of any input, which requires recurrent innovation is dominant for any specialized firm to succeed. The industries must incessantly revolutionize the economic structure from within, that is innovate with better or more effective processes and products, such as the shift from the craft shop to factory. Entrepreneur continuously look for better ways to satisfy their consumer base with improved quality, durability, service, and price which come to completion in innovation with advanced technologies and organizational strategies.

Concepts of Blue Ocean Strategy, including Value Innovation is how to create uncontested market space by reconstructing market boundaries, focusing on the big picture, reaching beyond existing demand and getting the strategic sequence right.

Burshane while working on the concept of Innovation made following progress to boost the Company's Image and the business as well.

Industrial applications using LPG is a recent phenomenon in Pakistan, and the pioneer in this regard is Burshane. The conversion of furnace oil / HSD industrial applications like power generation, boilers, textile processing, absorption chiller & asphalt plants has been initiated in Pakistan by BPL. The entry of BPL into these new lines of business has opened up an entirely new segment for the industry with a potential of offering exponential growth. BPL's entry into the industry business was made possible due to the technical competencies and that technical competence is considered as the 'Game Changers' for the industry.

LPG / Air Mixed Gas plant provides Synthetic Natural Gas having 100% equivalent Woobe Index (Energy Flow) to the Natural Gas equipments like Steam Generation Plants, Textile Equipments, Dryers etc. during Natural Gas Curtailment or Load Management from utilities. Burshane is proud to mention that it has successfully commissioned the first & the Largest LPG / Air mix SNG Units ever installed in Pakistan which is very well recognized & appreciated by Shell Gas Global Management.

SNG can be used for full replacement or mixed in any ratio with natural gas in the same pipeline for augmentation or peak shaving. Typical applications for SNG include natural gas (NG) industrial back-up systems across the region where the natural gas is unavailable & unreliable, for SNG peak shaving to supplement a Natural Gas supply for all domestic and industrial customers. Keeping in view the NG shortage in Pakistan, SNG has wide scope to grow across NG applications.

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Chairman's Review

It gives me pleasure to share the results and Financial Statements of the Company for the year ended June 30, 2011.

During the year the Company sold 18,818 MT as compared to 20,245 MT, a decline of 7% in the sales volume. The decline in volumes is mainly attributed to floods faced by the country during the months of August and September resulting in curtailment of LPG supplies from our major supplier. However, by taking proactive management initiatives, the Company managed the continuity of supplies to its customers.

During the period under review, despite an increase of 21% in the cost of product, the turnover increased by 20%. However, the margins increased by 35% due to efficient cost control over other operations related cost as compared to the last year, which indicates a strong growing trend and better margin management. The increased turnover is due to more focus placed on industrial and commercial clientele.

The administrative expenses have decreased by 28% mainly because of the reversal of the groups' business support service fees. The management also took various initiatives during the period to control cost together with increasing revenues and hence got successful in managing the same business with lesser costs incurred this year. As the management is putting in continuous efforts on structural cost reduction, the distribution and marketing expenses have decreased by 8% as compare to the last year.

The management of your Company is now focusing on bulk industrial business segment, which we believe would provide the Company sustainability and increase our market share both in short and long term. Further, your Company has also purchased the "Burshane" brand from OPI Gas (Private) Limited during the year under review.

Health, security, safety and environment are our top priorities and an integral part of our operations. Our management is strongly focusing on safety issues, and the bar for safety standards is set high also for all employees. The Company is committed to continue to drive down the environmental and health impact of our operations by reducing waste, emissions and discharges, and using energy efficiently and is also committed to produce quality products that can be used safely by our customers.

Delivering consistent Customer Value Propositions to our customers remains the backbone of our marketing efforts. Work on researching and developing new value propositions for different segments of the market has been continued to enhance the Company's Brand equity in those segments.

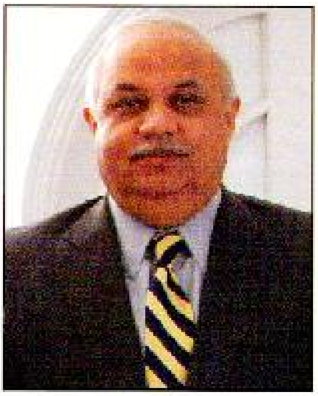
On November 22, 2010, OPI Gas (Private) Limited acquired 67.91% of the voting shares of Shell Gas LPG (Pakistan) Limited from the Shell International Petroleum Company Limited and the Company ceased to be a part of the Shell Group of Companies. Under and pursuant to the LPG Debranding Agreement executed between the Company and Shell Brands International AG (Shell AG) the use by the Company of LPG trademarks and manifestations owned by Shell were gradually discontinued. The Board of Directors proposed that the name of the Company be changed to Burshane LPG (Pakistan) Limited, in order to gain advantage from the "Burshane" brand that has been purchased from Shell AG by the sponsors of OPI Gas (Private) Limited and ultimately by your Company. There were no changes in the entity, management or operations of the Company by this change of corporate name. The Company is now registered as "Burshane LPG (Pakistan) Limited".

I am very grateful to all our customers, staff and shareholders for their continued confidence and support. Our focus remains on continuous improvement in the areas of HSSE, strategic financial management, operational efficiency and customer services.

Karachi
Dated: September 15, 2011

Khalid Mumtaz Malik
Chairman

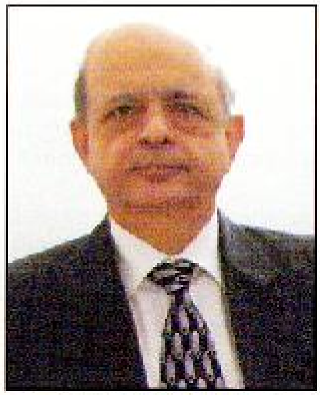
Board of Directors



Mr. Khalid Mumtaz Malik
(Chairman / Non-Executive Director)

Mr. Muhammad Akhter Bawany
(Non-Executive Director)

Mr. Anwer Moin
(Non-Executive Director)



Mr. Agha Sajjad Nasir
(Chief Executive)

Mr. Wazir Ali Khoja
(NIT-Nominee Director)

Ms. Khurshid Bhaimia
(Minorities Director)

Mr. Oan Hussain Ali
(Director Finance)

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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, 2011 together with the Auditor's Report thereon.

In the year under review unexpected volatility observed in respect of LPG prices and high producer prices prevailed in the market together with the product shortages mainly because of one of the worst floods in the Country's history, which impacted the volumes & margins of the Company. The management of your Company mitigated this shortfall and ultimately earned returns by way of revisiting its strategy proactively in line with changing market and economic dynamics.

Your Company is actively pursuing its strategy for growth and shall continue to be in the growth mode, as all the management initiatives exercised during the year under review yielded positive results in all areas of business of your Company.

Health, Safety, Security & Environment (HSSE)

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

The overall corporate objective of Burshane LPG (Pakistan) Limited is to conduct business in LPG by processing, marketing and distribution while fully complying with applicable legislation. It aims at reducing risks associated with the business to as low as reasonably practicable (ALARP), while remaining commercially viable.

The Company has a systematic approach to HSSE management, assuring compliance with the law and to achieve continuous performance improvement. Our focus is to ensure that business activities are conducted to prevent harm to our customers, employees, contractors, the public, other stakeholders and the environment by promoting safety awareness. We believe accidents and injuries are preventable.

With the zero tolerance approach to accidents & fatalities we have made a considerable investment over the years in improving all areas within the supply chain, including Plant Operations, Road Transport Standards, and believe to have the best road transport HSE Standards within the LPG industry in the Country.

As part of our commitment towards sustainable development we proactively seek to employ new, more sustainable technologies and processes and to minimize our impact on the environment. The Company sets targets for improvement and measures, appraises and reports HSSE performance.

Corporate Social Responsibility-CSR

For Burshane LPG (Pakistan) Limited, contributing to Corporate social responsibility means helping meet society's growing energy needs in economically, ethically, environmentally and socially responsible ways. In short, helping to secure a responsible energy future. Burshane made a commitment to contribute to sustainable development by including it in the General Business Principles and its importance has continued to grow over the years. Through operations, Burshane LPG (Pakistan) Limited looks to create lasting social benefits. At the same time, it works to reduce environmental and social impacts by:

- safeguarding health (including occupational health) and safety of employees and neighbours
- reducing disruptions to the community
- lowering emissions (including green house gases)
- reducing impact on biodiversity

The financial impact for the year under review is Rs. 4.5 million

Financial Highlights

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

- Turnover for the year increased by Rs. 246.19 million as compared to the last year. The increase is a result of a better margin management and focus on industrial / commercial segment.
- Gross profit for the year increased to Rs. 105.11 million from Rs. 77.61 million last year showing an increase of Rs. 27.5 million.
- The administrative expenses decreased by 28% whereas distribution and marketing expenses decreased by 8.85%. The decrease in administrative expenses reflects the reversal of Hashoo group's management charges and our pursuance towards growth strategy.
- Other operating income decreased by Rs. 73.02 million almost 39% as compare to the previous year.
- The deferred tax asset amounting to Rs. 22 million has been reversed on account of taxable profits.

Financial Summary

	Rs. in 000's
Profit before taxation (as per audited financial statements)	79,896
Taxation for the year	(29,792)
Profit after taxation	50,104

Dividend

The Board of Directors in their meeting held on September 15, 2011, declared the final dividend of 10%, which is subject to the approval of the Members at the 45th Annual General Meeting to be held on October 25, 2011.

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 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 liability to continue as going concern.
7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
8. Key operating and financial data for the last decade in summarized form is annexed.
9. No trades in the shares of Burshane LPG (Pakistan) Limited were carried out by the Directors, CEO, CFO & Company Secretary and their spouses and minor children.

Value of investments:

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

	Rupees in million Audited
Pension Fund (Year ended June 30, 2010)	81
Gratuity Fund (Year ended June 30, 2010)	15
Provident Fund (Year ended June 30, 2010)	60

Board Meetings:

During the year six board meetings were held and the attendance of each director is given on page 78.

Board of Directors:

The following changes took place in the Board of Directors during the year:

As a result of divestment by Shell Group, the following directors resigned effective close of business on November 23, 2010:

Resigned from SGPL Board	Designation	Nominated by OPI Gas (Private) Ltd and Appointed by the Board.
Mr. Zaiviji Ismail bin Abdullah	Director and Chairman	Mr. Khalid Mumtaz Malik
Mr. Adam Harrison	Director	Mr. Muhammad Akhlar Bawany
Mr. Rafi Basheer	Director	Mr. Anwar Moin

Effective close of business on October 14, 2010, following changes were made to the Board of Directors:

Resigned from SGPL Board	Designation	Appointed in place	Nominated by
Mr. Istaqbal Mehdi	Director	Mr. Wazir Ali Khoja	National Investment Trust Limited
Mr. Sameer Amin	Director and Chief Financial Officer	Mr. Oan Hussain Ali	Shell International Petroleum Company Limited - United Kingdom

Pattern of Shareholding:

The pattern of shareholding as of June 30, 2011 as required under section 236 of the Companies Ordinance 1984 is given on page 79.

Auditors:

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

On behalf of the Board

Karachi
Dated: September 15, 2011

Agha Sajjad Nasir
Chief Executive

Highlights

		Year ended June 30, 2011	Year ended June 30, 2010
Sales volume	Tonnes	**18,818**	20,245
Sales revenue	Rs. mn	**1,472**	1,226
Profit before taxation	Rs. mn	**80**	83
Profit after taxation	Rs. mn	**50**	50
New capital expenditure	Rs. mn	**3**	19
Shareholders' equity	Rs. mn	**399**	349
Earnings per share	Rupees	**2.21**	2.22

Financial Statistical Summary

Investment measure		**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**
Share Capital	Rs. mn	**226**	226	226	226	32	27	27	27	27	27	27
Reserves	Rs. mn	**172**	123	72	-	155	209	221	162	111	96	103
Shareholders' equity	Rs. mn	**399**	349	298	226	188	236	248	189	138	123	130
Break up value	Rupees	**18**	15	13	10	58	87	92	70	51	46	48
Dividend per share	Rupees	**1**	-	-	-	-	-	7	10	10	3	3
Profit before tax	Rs. mn	**80**	83	69	(183)	(81)	18	107	101	65	6	19
Profit after tax	Rs. mn	**50**	50	72	(155)	(48)	1	75	67	42	2	19
Earnings per share of Rs. 10	Rupees	**2.21**	2.22	3.19	(8.47)	(2.66)	0.25	27.91	24.84	15.58	0.64	7.11
Price earning ratio		**0**	13.51	16.614	(16.41)	(84.21)	1100	12.5	16.1	10.5	157	15.5
Measure of financial status												
Current assets to current liabilities		**1.7**	1.5	2.47	1.02	0.78	1.1	1.6	1.6	1.3	1	3.5
Number of days stock		**6.34**	8.17	8.80	15.66	11.42	4	6	9	7	1	16
Number of days trade debts		**2.63**	1.22	1.03	1.65	2.47	3	4	3	0	3	2
Measure of performance												
Profit after tax as % Average shareholders' equity	%	**13**	16	28	(75)	(23)	0.4	30	41	32	1	15
Cost of sales as % of sales	%	**93**	94	80	97	93	86	78	75	77	87	81
Profit before tax as % of sales	%	**5**	7	6	(16)	(5)	1	12	13	10	1	8
Profit after tax as % of sales	%	**3**	4	6	(14)	(3)	0.1	9	9	7	0	7
Total debts ratio %	%	**3**	0	25	45	103	80	34	22	50	96	15

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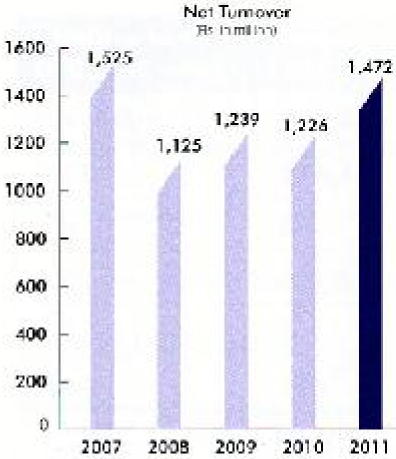
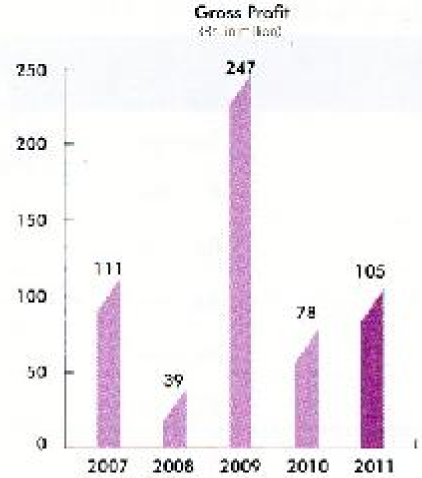
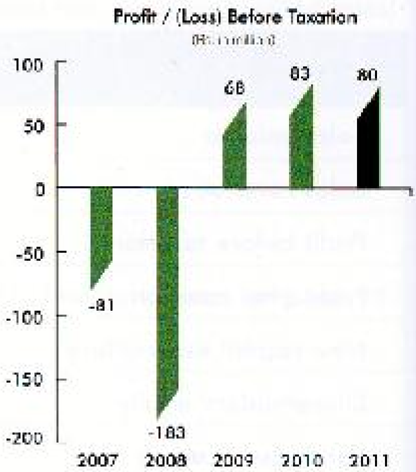
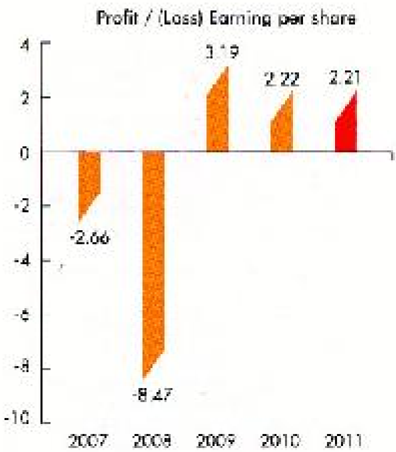
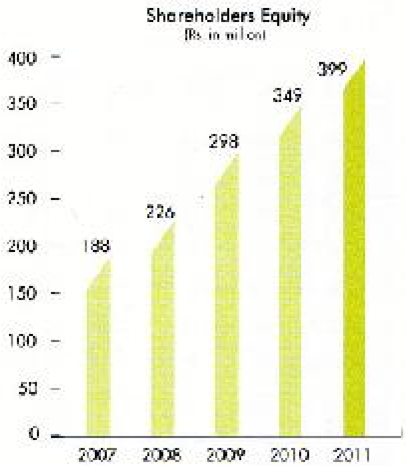
Key Financial Indicators

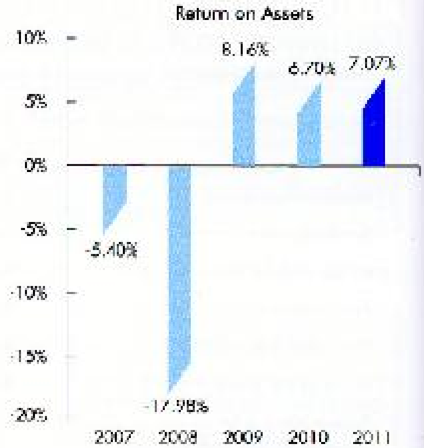


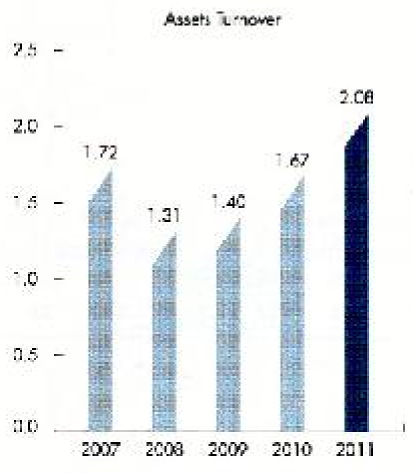


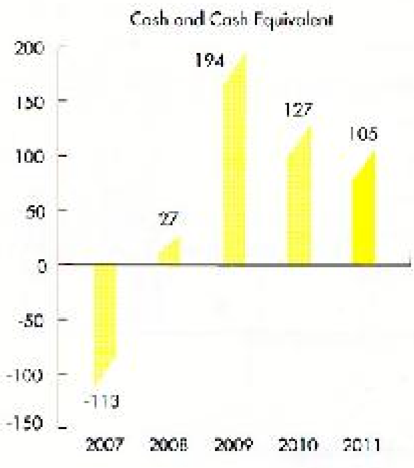












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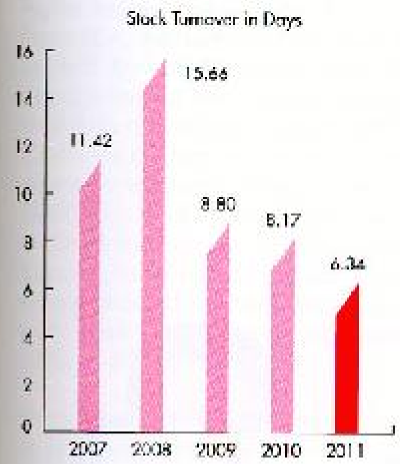
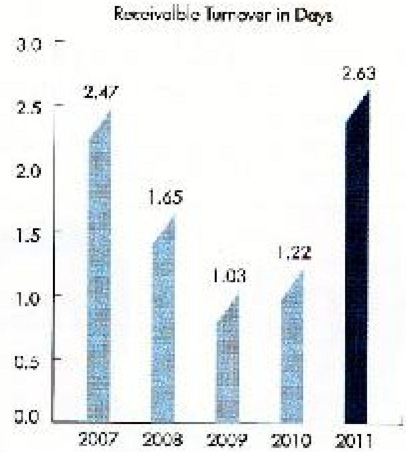
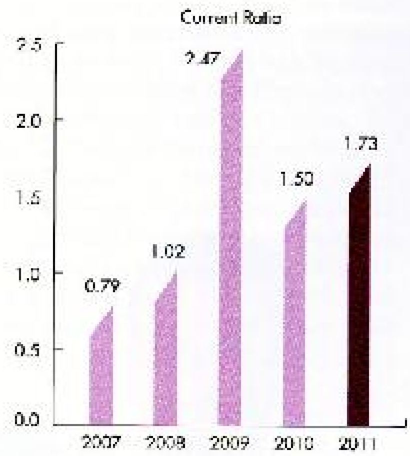
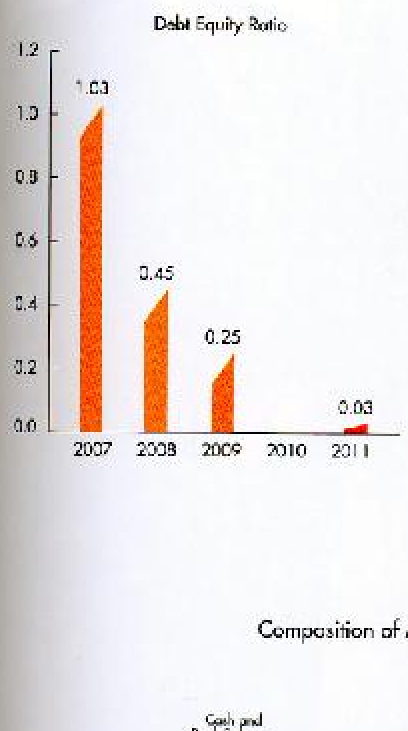
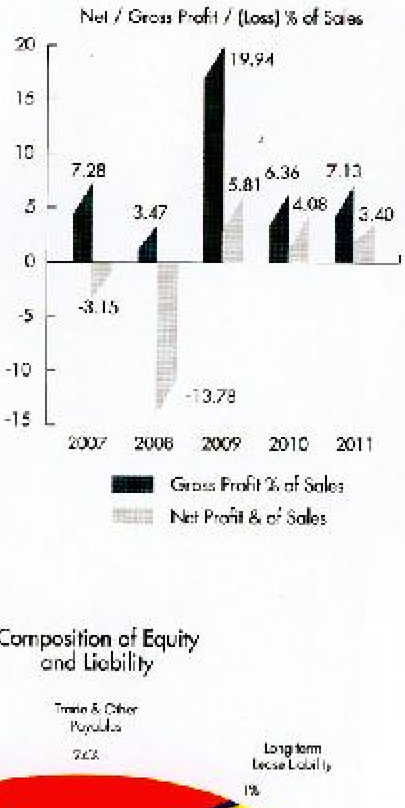

Stock Turnover in Days
11.42
15.66
8.80
8.17
6.34
2007 2008 2009 2010 2011

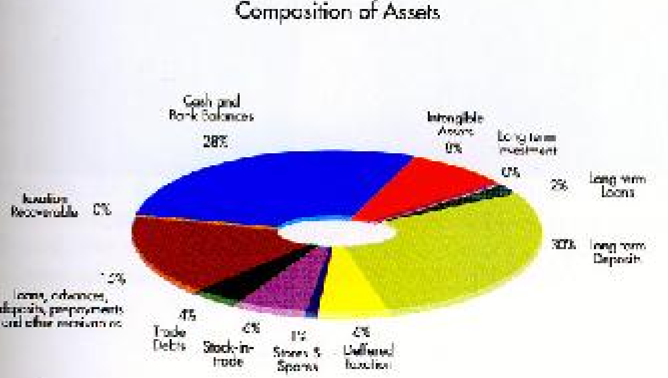

Receivable Turnover in Days
2.47
1.65
1.03
1.22
2.63
2007 2008 2009 2010 2011

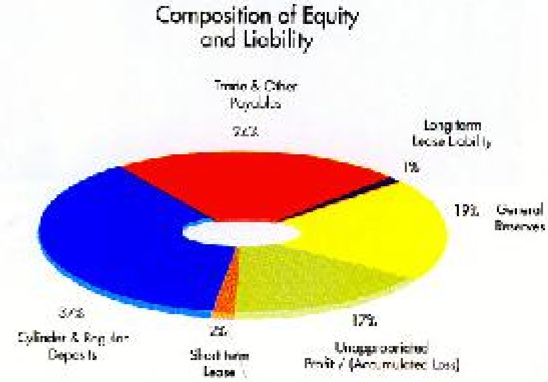

Current Ratio
0.79
1.02
2.47
1.50
1.73
2007 2008 2009 2010 2011


Debt Equity Ratio
1.03
0.45
0.25
0.03
2007 2008 2009 2010 2011


Current Assets / Current Liabilities
(Rs. in million)
183 233
167 164
267 108
203 135
204 118
2007 2008 2009 2010 2011
Current Assets
Current Liabilities


Net / Gross Profit / (Loss) % of Sales
7.28 -3.15
3.47 -13.78
19.94 5.81
6.36 4.08
7.13 3.40
2007 2008 2009 2010 2011
Gross Profit % of Sales
Net Profit & of Sales


Composition of Assets
Cash and Bank Balances
28%
Intangible Assets
0%
Long term investment
0%
2%
Long term Loans
30%
Long term Deposits
Taxation Recoverable 0%
Loans, advances, deposits, prepayments and other receivables
4%
Trade Debts
4%
Stock-in-trade
1%
Stores & Spares
4%
Deferred Taxation


Composition of Equity and Liability
Trade & Other Payables
Long term Lease Liability
1%
19%
General Reserves
17%
Unappropriated Profit / (Accumulated Loss)
2%
Short term Lease
Cylinder & Regulator Deposits

Executive Leadership Team

From Left to Right: Mr. Oan Hussain Ali, Mr. Agha Sajjad Nasir,
Mr. Ahmed Zahid Zaheer, Mr. Muhammad Khalid Dar

Leadership Profile

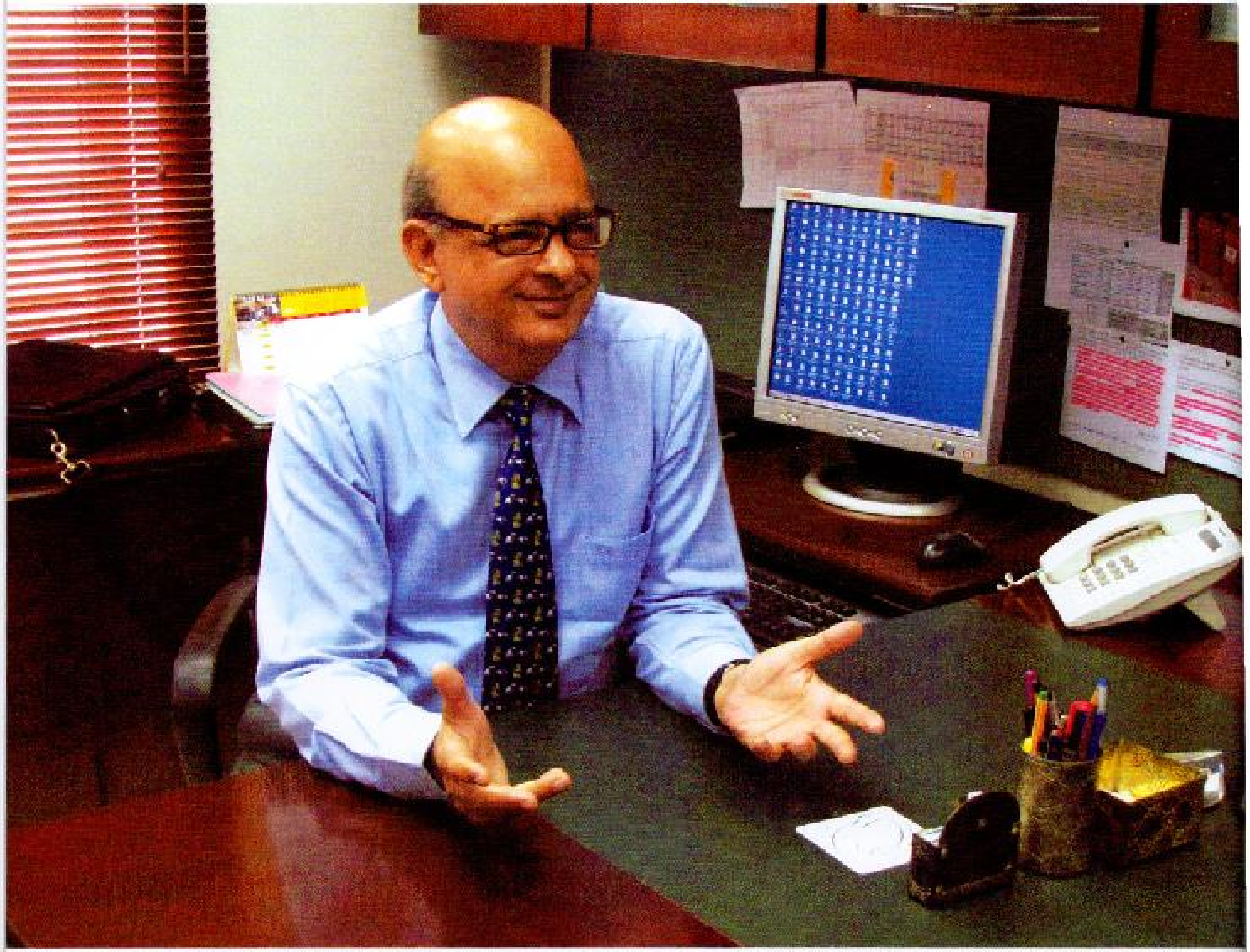
Agha Sajjad Nasir (Chief Executive Officer & General Manager)
Agha Sajjad holds a Bachelors degree in Mechanical Engineering from UET Lahore and a PGD in MBA from IBA, Karachi. He started his career with National Refinery, Karachi and as a Mechanical Engineer, Joined Kuwait National Petroleum Company, Kuwait as Mechanical Engineer with their engineering department at Mina Abdullah Refinery. Later he joined Burshane Pakistan limited and worked as Engineering and Safety Manager and then Operations Manager. Seconded to Shell Gas Terminal Lanka Limited, Sri Lanka as a Start up Leader responsible for the successful start up of Shell LPG storage terminal consisting of a conventional Buoy mooring for receipt from LPG Marine vessels, a 6km pipeline, Storage facility of 8000 tons and Filling facility for LPG tank trailers. Upon successful start of the project, Sajjad was appointed as Director Supply and Operations for Shell Gas Lanka and Shell Terminal Lanka Limited responsible for Supply, Terminal and Plant Operations, Primary and Secondary Distribution and Security in Sri Lanka. In recognition to his services as a leader and integral member of Sri Lanka Operations team he was awarded with Shell LPG Team Hero Award for the year 2002.In 2010 he was promoted as General Manager and CEO of BPL.

Oan Hussain Ali (Chief Financial Officer and Company Secretary)
A seasoned professional with over 12 years of diversified multicultural experience in the blue chip multinational companies of Pakistan & abroad. Oan is an Associate Chartered Certified Accountant, Associate Corporate Secretary and holds a degree in Commerce. He is also a member of the Institute of Internal Auditor – USA, Global Association of Risk Professionals and Pakistan Institute of Petroleum. In addition to his CFO & Company Secretary role, Oan before divestment has also been nominated by Shell Global to be appointed to Shell Global B2B- Accounting Network and LPG -Downstream Controls Network, where he was advising on global downstream business's accounting & auditing issues. Oan has also served as Head of Treasury and Controller since his appointment at Shell Gas in 2007.He is also part of BPL Executive Leadership Team, Burshane LPG Credit Steering Committee, Contracts & Procurement Tender Board & HSSE Steering Committee. Prior to joining Shell, He has worked in managerial positions with KPMG Pakistan, Deloitte Touché Tohmatsu Pakistan and Deloitte Saudi Arabia & Bahrain for Seven years, where he had managed the audits and accounting assignments of high profile multinational companies within Pakistan, GCC & Middle-East.

Ahmed Zahid Zaheer - (Operations, Distribution & HSSE Manager)
Ahmed Zahid Zaheer, Joined the Company in 1998 and has worked in various roles in the organization, giving him a very diverse experience and expertise in the field of Operations, Distribution, HSSE, Sales & Marketing and Supply & Logistics in the LPG business. Ahmed is a Mechanical Engineer and a MBA in Marketing & Finance. He obtained both his degrees from (IIT), Chicago Illinois. Upon completing his education, he started his career with Motorola Inc USA, as an Engineer and in 1998, he joined Shell Pakistan Limited in their Retail Business. Ahmed moved to Shell Gas LPG Pakistan (then Burshane Pakistan Limited) as Supply & Logistics Officer, followed by roles of Plants & Engineering Manager, Regional Sales Manager, Industrial Sales Manager and Health Safety Security & Environment (HSSE) Manager. Early in 2010, in addition to being HSSE Manager, he was given the Operations & Distribution portfolio as well, and currently heads up the Operations, Distribution & HSSE functions.

Muhammad Khalid Dar - (National Sales Manager)
Joined the organization in 1977, he is a graduate from Punjab University having 33 years experience with this organization. Currently, as National Sales Manager Khalid is managing 104 distributors with 316 Point of Sales and 15 Industrial customers across Pakistan. Khalid successfully launched Shell Gas Brand in Punjab, KP & AJK and developed network of sales POS, this model is one of its kind in the country. He also purified/integrated the SNGPL and Burshane network and successfully converted into BPL (Shell Gas) Brand. He was nominated for Hero award in 2002 and achieved a 40% volume in 2005, highest in the history of the Company.

CHIEF EXECUTIVE'S MESSAGE



The year under review has been the year of Change Management where the Company managed huge external and internal changes successfully in a short span of time and yet kept the business continuity and staff morale high. The turn around strategy swiveled during the year due to challenging and unpredictable environment but was put back on track again with the commendable efforts of our Team. Despite the difficult Business conditions the Company performed well and with our structural cost reduction initiatives and ambitious business plans, the Company is well set to meet its stakeholder aspirations.

Statement of Compliance with the Code of Corporate Governance

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes one independent non-executive director, three non-executive directors, two executive directors and one director representing minority shareholders.

2. The directors have confirmed that none of them is serving as a director in more than ten 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 NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. All casual vacancies occurring in the Board were filled up by the directors within 30 days thereof.

5. The Company has prepared a 'Statement of General Business Principles', which has been approved by all the directors and signed by employees of the Company.

6. The Board has adopted a vision/mission 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 the Board met at least once in every quarter. Written notices of the Board meetings were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The members of the Board are well aware of their duties and responsibilities as outlined by corporate laws and listing regulations.

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

11. The Report of the Directors 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. It comprises of three members, all of whom are non-executive directors including the chairman of the committee.

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 appointed the internal auditor during the year, who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

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

19. 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.

20. The related party transactions, during the year, have been placed before the Audit Committee and approved by the Board of Directors along with pricing methods for such transactions.

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

Karachi
Dated: September 15, 2011

Agha Sajjad Nasir
Chief Executive

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A. F. FERGUSON & CO.

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

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Burshane LPG (Pakistan) Limited for the year ended June 30, 2011 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 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, 2011.

Karachi
Dated: September 27, 2011

A.F. Ferguson & Co.
Chartered Accountants

Financial Statements

For the year ended June 30, 2011

Burshane LPG (Pakistan) Limited

(Formerly Shell Gas LPG (Pakistan) Limited)

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A. F. FERGUSON & CO.

Auditors' Report to the Members

We have audited the annexed balance sheet of Burshane LPG (Pakistan) Limited as at June 30, 2011 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 account 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;

(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, 2011 and of the profit, changes in equity and its cash flows for the year then ended; and

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

Chartered Accountants
Karachi
Dated: September 21, 2011

Engagement Partner: Waqas A. Sheikh

Balance Sheet
As at June 30, 2011

	Note	2011	2010
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	4	**334,564**	387,181
Intangible assets	5	**31,390**	24,361
Long-term investment	6	**2**	2
Long-term loans	7	**7,961**	9,328
Long-term deposits	8	**107,185**	76,420
Deferred taxation	9	**21,623**	35,760
		502,725	533,052
Current assets			
Stores and spares	10	**3,114**	3,400
Stock-in-trade	11	**21,854**	25,645
Trade debts	12	**15,719**	5,525
Loans, advances, deposits, prepayments and other receivables	13	**57,021**	27,932
Taxation		**803**	13,159
Cash and bank balances	14	**105,320**	126,929
		203,831	202,590
Total assets		**706,556**	735,642
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**226,400**	226,400
General reserve		**90,000**	90,000
Unappropriated profit		**82,469**	32,365
		398,869	348,765
Non-current liabilities			
Obligations under finance lease	16	**10,435**	-
Cylinder and regulator deposits	17	**179,324**	252,139
		189,759	252,139
Current liabilities			
Current portion of obligations under finance lease	16	**3,203**	-
Trade and other payables	18	**114,725**	134,738
		117,928	134,738
		307,687	386,877
Contingencies and Commitments	19		
Total equity and liabilities		**706,556**	735,642

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

Khalid Mumtaz Malik
Chairman

Agha Sajjad Nasir
Chief Executive

Profit and Loss Account
For the year ended June 30, 2011

burshane

	Note	2011	2010
		(Rupees in '000)	
Gross sales		**1,724,249**	1,422,209
Sales tax		**(252,364)**	(196,515)
Net sales		**1,471,885**	1,225,694
Cost of product sold	20	**(1,366,763)**	(1,148,089)
Gross profit		**105,122**	77,605
Administrative expenses	21	**(59,758)**	(82,704)
Distribution and marketing expenses	22	**(53,116)**	(58,271)
Other operating income	23	**112,227**	185,252
Other operating expenses	24	**(20,655)**	(27,199)
Operating profit		**83,820**	94,683
Finance costs	25	**(3,924)**	(11,786)
Profit before taxation		**79,896**	82,897
Taxation	26	**(29,792)**	(32,567)
Profit for the year		**50,104**	50,330
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**50,104**	50,330
Earnings per share - basic and diluted	27	**2.21**	2.22

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

Khalid Mumtaz Malik
Chairman

Agha Sajjad Nasir
Chief Executive

Statement of Cash Flows
For the year ended June 30, 2011

	Note	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		(Rupees in '000)	
Cash generated from operations	32	91,948	186,585
Finance costs paid		(1,666)	(10,143)
Taxes paid		(3,299)	(366)
Long-term loans - net		1,367	(2,454)
Long-term deposits - net		(30,765)	(25,511)
Cylinder and regulator deposits - net		(72,815)	(148,331)
Net cash utilised in operating activities		(15,230)	(220)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(4,012)	(18,566)
Purchase of intangible asset		(12,167)	-
Proceeds from disposal of property, plant and equipment		5,045	14,043
Interest received on savings bank accounts		6,862	13,173
Net cash (utilised in)/generated from investing activities		(4,272)	8,650
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loan		-	(75,000)
Repayment of obligation under finance lease		(2,107)	-
Net cash utilised in financing activities		(2,107)	(75,000)
Net decrease in cash and cash equivalents		(21,609)	(66,570)
Cash and cash equivalents at beginning of the year		126,929	193,499
Cash and cash equivalents at end of the year	14	105,320	126,929

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

Khalid Mumtaz Malik
Chairman

Agha Sajjad Nasir
Chief Executive

Statement of Changes in Equity
For the year ended June 30, 2011

	Share capital	General reserve	Unappropriated profit / (Accumulated loss)	Total
	(Rupees in '000)			
Balance as at June 30, 2009	226,400	90,000	(17,965)	298,435
Total comprehensive income for the year	-	-	50,330	50,330
Balance as at June 30, 2010	226,400	90,000	32,365	348,765
Total comprehensive income for the year	-	-	50,104	50,104
Balance as at June 30, 2011	**226,400**	**90,000**	**82,469**	**398,869**

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

Khalid Mumtaz Malik
Chairman

Agha Sajjad Nasir
Chief Executive

1. THE COMPANY AND ITS OPERATIONS

Burshane LPG (Pakistan) Limited (the Company) [Formerly Shell Gas LPG (Pakistan) Limited] 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 adjacent to Pakistan Refinery Limited, Korangi Creek, Karachi.

Subsequent to sale of shares of the Company by Shell Petroleum Company Limited, United Kingdom to OPI Gas (Private) Limited, as explained in note 15.1, the name of the Company, with the approval of the Securities and Exchange Commission of Pakistan (SECP) dated February 8, 2011, has been changed to 'Burshane LPG (Pakistan) Limited.'

The principal activity of the Company is storing and marketing of Liquefied Petroleum Gas (LPG) throughout Pakistan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, except for adoption of new accounting policy as included in note 2.3.

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 the requirements of the Companies Ordinance, 1984 (the Ordinance), directives issued by Securities and Exchange Commission of Pakistan (SECP) and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) as notified under the provisions of the Ordinance. Wherever, the requirements of the Ordinance or directives issued by the SECP differ with the requirements of these standards, the requirements of the Ordinance or the requirements of the said directives have been followed.

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, amendments and interpretations to published standards that are effective in 2010 - 11

Following amendments and interpretations to existing standards are mandatory for the financial year beginning on or after July 1, 2010, but are either not currently relevant or do not have any significant effect on the Company's financial statements:

- IFRS 1 (Amendment) - 'First time adoption on Financial instrument disclosures';
- IFRS 1 (Amendment), 'First time adoption on additional exemptions';
- IFRS 2 (Amendment), 'Group cash-settled share-based payment transactions';
- IAS 32 (Amendment), 'Financial instruments: Presentation on classification of right issue';
- IFRIC 19, 'Extinguishing financial liabilities with equity instruments'; and
- Annual improvements 2009.

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

Following new standards and amendments have been issued but are not effective for the financial year beginning July 1, 2010 and have not been early adopted by the Company:

- IAS 1 (Amendment), 'Financial statement presentation' (effective for periods beginning on or after July 1, 2012). This amendment changes the disclosure of items presented in other comprehensive income (OCI) in the statement of comprehensive income. The IASB originally proposed that all entities should present profit or loss and OCI together in a single statement of comprehensive income. The proposal has been withdrawn and IAS 1 will still permit profit or loss and OCI to be presented in either a single statement or in two consecutive statements.

- IAS 19 (Revised 2011), 'Employee benefits' (effective for periods beginning on or after January 1, 2013). This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. The changes will affect most entities that apply IAS 19. They could significantly change a number of performance indicators and might also significantly increase the volume of disclosures.

- IFRS 7, (Amendment), 'Financial instruments: Disclosures' (effective for periods beginning on or after January 1, 2011). The amendment emphasizes the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instrument. The amendment will only affect the disclosures in the Company's financial statements.

- IFRS 7 (Amendment), 'Financial instruments: Derecognition' (effective for periods beginning on or after July 1, 2011). These amendments are a part of IASBs comprehensive review of off balance sheet activities. The amendments will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial asset.

- IFRS 9, 'Financial instruments', on 'Classification and measurement' of financial assets (effective for periods beginning on or after January 1, 2013). This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

- IFRS 9, 'Financial instruments', on 'Classification and measurement' of financial liabilities (effective for periods beginning on or after January 1, 2013). These are further addition of IFRS 9 dealing with financial liabilities. The additions, which are part of the IASB's plan to replace IAS 39, retain most of the IAS 39 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change in the additions is that in cases where the fair value option is taken for financial liabillities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

- IFRS 12, 'Disclosure of interests in other entities' (effective for periods beginning on or after January 1, 2013). This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

- IFRS 13, 'Fair value measurement' (effective for periods beginning on or after January 1, 2013). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs.

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

2.2 Property, plant and equipment

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

Capital work-in-progress consists of expenditure incurred in respect of tangible assets in the course of their construction and installation, including financial charges on borrowings for financing the project until such project are completed or become operational. Transfers are made to relevant assets category as and when assets are available for use.

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

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

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as an income or expense in the profit and loss account.

2.3 Leased assets

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

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

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

2.4 Intangible assets

An intangible asset is recognised if it is probable that the future economic benefits attributable to the asset will flow to the Company and that the cost of such asset can also be measured reliably.

Costs that are directly associated with identifiable computer software and have probable economic benefits exceeding one year, are recognised as intangible asset. Costs include the purchase cost of software, implementation cost and related overhead cost. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses thereon.

Expenditure which enhances or extends the performance of computer software beyond its original specification and useful life is recognised as a capital improvement and added to the original cost of the software.

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

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

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

2.5 Impairment of non-financial assets

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

2.6 Financial instruments

2.6.1 Financial assets

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

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

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

(b) Loans and receivables

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

(c) Available-for-sale financial assets

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

(d) Held to maturity

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

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

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

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

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

2.6.2 Financial liabilities

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

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

2.6.3 Offsetting of financial assets and liabilities

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

2.7 Stores and spares

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

2.8 Stock-in-trade

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

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

2.9 Trade debts and other receivables

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

2.10 Cash and cash equivalents

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

2.11 Share capital

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

2.12 Retirement and other service benefits

2.12.1 Defined benefit plans

The Company operates:

- an approved defined benefit gratuity scheme for all permanent employees. The scheme provides for a graduated scale of benefits dependent on the length of service of the employee on terminal date, subject to the completion of minimum qualifying period of service. Gratuity is based on employee's last drawn salary; and

- an approved defined benefit pension scheme for management staff. The scheme provides pension based on the employees' last drawn salary subject to the completion of minimum qualifying period of service. Pensions are payable for life and thereafter to surviving spouses and/or dependent children.

Both the above schemes are funded and contributions to them are made monthly on the basis of actuarial valuation and in line with the provisions of the Income Tax Ordinance, 2001. Actuarial valuations of these schemes are carried out at appropriate regular intervals.

The latest valuations of the above schemes were carried out as at June 30, 2011, using the "Projected Unit Credit Method".

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

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

2.12.2 Defined contribution plan

The Company operates a recognised contributory provident fund for all permanent employees. Equal monthly contributions are made, both by the Company and the employees at the rate of 4.25% per annum of the 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.

Provisions are made to cover the obligations under the scheme on the basis of actuarial valuation and are charged to the profit and loss account. The most recent valuation was carried out as of June 30, 2010 using the "Projected Unit Credit Method". The amount recognised in the balance sheet represents the present value of defined benefit obligations.

2.13 Borrowings

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

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

2.14 Trade and other payables

These are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Exchange gains and losses arising in respect of liabilities in foreign currency are added to the carrying amount of the respective liability.

2.15 Provisions

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

2.16 Taxation

2.16.1 Current

Provision for current taxation is based on taxable income at the current rates of taxation, after taking into account tax credits and rebates available, if any.

2.16.2 Deferred

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

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

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

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

2.17 Foreign currencies

The financial statements are presented in Pakistan Rupees which is the Company's functional currency.

Transactions in foreign currencies are translated into Pakistan Rupees using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange which approximate those prevailing at the balance sheet date. Exchange differences are included in the profit and loss account.

2.18 Revenue recognition

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

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

- Return on deposits is recognised on accrual basis.

- Storage and handling charges recovered are accounted for on accrual basis after netting off the relevant 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 Income taxes

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

3.4 Provision for retirement and other service benefits

The present value of these obligations depend on a number of factors that are determined on actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of these obligations. The present values of these obligations and the underlying assumptions are disclosed in notes 29.1.4 and 29.1.6 respectively.

4. PROPERTY, PLANT AND EQUIPMENT

	2011	2010
	(Rupees in '000)	
Operating assets (note 4.1)	332,632	387,181
Capital work-in-progress (note 4.2)	1,932	-
	334,564	387,181

4.1 Operating assets

	Owned Assets												Leased Assets	
		Building on												
	Freehold land	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
	(Rupees in '000)													
As at July 1, 2009														
Cost	5,618	4,807	91,107	6,616	48,506	45,987	8,954	655,167	64,489	43,753	3,879	15,874	-	1,033,737
Accumulated depreciation	-	(2,138)	(17,066)	(6,545)	(24,550)	(40,453)	(8,446)	(405,961)	(61,333)	(34,789)	(2,659)	(14,243)	-	(618,165)
Net book value	5,618	2,669	74,041	71	23,956	5,534	508	234,206	3,156	8,964	1,220	1,631	-	415,574
Year ended June 30, 2010														
Opening net book value	5,618	2,669	74,041	71	23,956	5,534	508	234,206	3,156	8,964	1,220	1,631	-	415,574
Additions including transfers (note 4.2)	-	759	782	-	17,299	7,884	11,729	1,489		19,653	10	14	-	59,612
Disposals (note 4.1.3)														
Cost	-	-	-	-	-	-	(155)	(10,276)	(11,453)	(689)	-	-	-	(22,617)
Accumulated Depreciation	-	-	-	-	-	-	89	4,554	11,238	685	-	-	-	16,666
	-	-	-	-	-	-	-	(5,722)	(215)	(4)	-	-	-	(5,941)
Write-offs (note 4.1.2)														
Cost	-	-	-	-	-	-	-	(151,863)	-	-	-	-	-	(151,863)
Accumulated Depreciation	-	-	-	-	-	-	-	141,454	-	-	-	-	-	141,454
	-	-	-	-	-	-	-	(10,409)	-	-	-	-	-	(10,409)
Depreciation charge (note 4.1.1)	-	(258)	(4,661)	(63)	(1,512)	(1,957)	(882)	(55,141)	(2,271)	(3,493)	(308)	(710)	-	(71,655)
Closing net book value	5,618	3,170	70,162	8	39,535	15,461	11,355	214,423	670	25,121	922	955	-	387,181
As at July 1, 2010														
Cost	5,618	5,566	91,885	6,616	65,997	57,871	20,494	529,520	53,016	42,717	3,889	15,883	-	918,882
Accumulated depreciation	-	(2,396)	(21,723)	(6,608)	(26,462)	(42,410)	(9,139)	(315,097)	(52,346)	(17,596)	(2,967)	(14,928)	-	(531,701)
Net book value	5,618	3,170	70,162	8	39,535	15,461	11,355	214,423	670	25,121	922	955	-	387,181
Year ended June 30, 2011														
Opening net book value	5,618	3,170	70,162	8	39,535	15,461	11,355	214,423	670	25,121	922	955	-	387,181
Additions including transfers (note 4.2)	-	287	-	-	64	69	204	295	84	272	7	176	16,039	17,521
Disposals (note 4.1.3)														
Cost	-	-	-	-	(10)	-	-	(427)	(10,745)	-	-	-	-	(11,180)
Accumulated Depreciation	-	-	-	-	8	-	-	120	10,571	-	-	-	-	10,699
	-	-	-	-	(2)	-	-	(307)	(174)	-	-	-	-	(481)
Write-offs (note 4.1.2)														
Cost	-	-	-	-	-	-	-	(74,708)	-	-	-	-	-	(74,708)
Accumulated Depreciation	-	-	-	-	-	-	-	71,347	-	-	-	-	-	71,347
	-	-	-	-	-	-	-	(3,361)	-	-	-	-	-	(3,361)
Depreciation charge (note 4.1.1)	-	(276)	(4,427)	(8)	(4,025)	(1,637)	(1,068)	(47,497)	(532)	(5,170)	(337)	(375)	(2,626)	(65,258)
Closing net book value	5,618	3,181	65,735		35,373	13,893	10,491	163,557	-	20,223	592	756	13,413	332,632
As at June 30, 2011														
Cost	5,618	5,853	91,889	6,616	65,852	57,940	20,698	454,654	42,357	62,989	3,896	16,084	16,039	850,515
Accumulated depreciation		(2,672)	(26,154)	(6,616)	(30,479)	(44,047)	(10,207)	(291,327)	(42,357)	(42,766)	(3,304)	(15,328)	(2,626)	(517,883)
Net book value	5,618	3,181	65,735	-	35,373	13,893	10,491	163,557	-	20,223	592	756	13,413	332,632
Annual rate of depreciation (%)	-	5	5	5	5	10	15	10	20 - 25	10-15	15	33.33	33.33	

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

	2011	2010
	(Rupees in '000)	
Cost of product sold (note 20)	31,744	27,380
Administrative expenses (note 21)	2,838	6,884
Distribution and marketing expenses (note 22)	33,646	37,394
	68,228	71,658

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

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

Description and method of disposal	Particulars of purchasers	Cost	Accumulated depreciation	Net book value	Sale proceeds
		(Rupees in '000)			
Cylinder and regulators					
Negotiation	Zain Traders	427	120	307	350
Vehicles					
As per Company Policy	Mr. Raza Jamali (ex - Employee)	2,299	2,251	48	758
"	Mr. Sameer Amin (ex - Executive Director)	2,299	2,251	48	730
"	Mr. Agha Sajjad (CEO)	2,299	2,251	48	672
"	Mr. Mohib ul Hassan	1,354	1,326	28	470
Bid	Mr. Waseem Mir	726	726	-	538
"	Mr.Zahid Qadri	883	883	-	759
"	Mr. Imran Sheikh	883	883	-	744
		10,743	10,571	172	4,671
Aggregate amount of assets disposed off, having net book value less than Rs. 50 thousand each		10	8	2	24
		11,180	10,699	481	5,045
2010		22,607	16,666	5,941	14,043

4.2 CAPITAL WORK-IN-PROGRESS

	Balance at beginning of the year	Additions	Transfers	Balance at end of the year
	(Rupees in '000)			
Year ended June 30, 2010				
Buildings	1,105	436	(1,541)	-
Plant and machinery	11,168	6,124	(17,292)	-
Tanks, pipelines and fittings	7,162	722	(7,884)	-
Cylinder and regulators	319	1,170	(1,489)	-
Furniture, fittings, electrical and fire fighting equipment	19,466	11,916	(31,382)	-
Office machines	1,810	(1,800)	(10)	-
Personal computers	16	(2)	(14)	-
	41,046	18,566	(59,612)	-
Year ended June 30, 2011				
Buildings	-	799	(287)	512
Plant and machinery	-	64	(64)	-
Tanks, pipelines and fittings	-	69	(69)	-
Cylinder and regulators	-	921	(299)	622
Vehicles	-	84	(84)	-
Furniture, fittings, electrical and fire fighting equipment	-	1,239	(476)	763
Office machines	-	30	(7)	23
Personal computers	-	208	(196)	12
	-	3,414	(1,482)	1,932

5. INTANGIBLE ASSETS

	Computer software	Rights under supply contract (note 5.1)	Trademarks (note 5.2)	Total
As at July 1, 2009	(Rupees in '000)			
Cost	1,980	64,206	-	66,186
Accumulated amortisation	(1,552)	(35,540)	-	(37,092)
Net book value	428	28,666	-	29,094
Year ended June 30, 2010				
Opening net book value	428	28,666	-	29,094
Amortisation charge (note 20)	(147)	(4,586)	-	(4,733)
Net book value	281	24,080	-	24,361
As at July 1, 2010				
Cost	1,980	64,206	-	66,186
Accumulated amortisation	(1,699)	(40,126)	-	(41,825)
Net book value	281	24,080	-	24,361
Year ended June 30, 2011				
Opening net book value	281	24,080	-	24,361
Additions at cost	3,567	-	8,600	12,167
Write-off				
Cost	(1,246)	-	-	(1,246)
Accumulated amortisation	1,246	-	-	1,246
	-	-	-	-
Amortisation charge (note 20)	(552)	(4,586)	-	(5,138)
Net book value	3,296	19,494	8,600	31,390
As at June 30, 2011				
Cost	4,301	64,206	8,600	77,107
Accumulated amortisation	(1,005)	(44,712)	-	(45,717)
Net book value	3,296	19,494	8,600	31,390
Annual rate of amortisation (%)	**20**	**7.14**	-	

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

5.2 This represents consideration paid to the OPI Gas (Private) Limited, the Parent Company, for the acquisition of rights and title to "Burshane" trademarks. These trade marks are considered to have an indefinite useful life, and therefore have not been amortised.

6. LONG-TERM INVESTMENT

	2011	2010
	(Rupees in '000)	
Available-for-sale, unquoted wholly owned subsidiary - at cost		
Burshane Pakistan (Private) Limited; 200 (2010: 200) ordinary shares of Rs. 10 each	2	2

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

7. LONG TERM LOANS - secured, considered good

	2011	2010
	(Rupees in '000)	
Chief Executive / Executive Director	448	2,396
Executives	3,092	755
Employees	9,700	12,023
	13,240	15,174
Less:		
Recoverable within one year shown under current assets (note 13)		
- Chief Executive / Executive Director	423	353
- Executives	1,346	1,518
- Employees	3,510	3,975
	5,279	5,846
	7,961	9,328

7.1 Reconciliation of carrying amount of loans:

	2011				2010			
	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	2,396	755	12,023	15,174	2,193	1,062	8,583	11,838
Add: Disbursements	850	6,149	5,135	12,134	1,050	1,541	7,120	9,711
Less: Repayments	(2,798)	(3,812)	(7,458)	(14,068)	(847)	(1,848)	(3,680)	(6,375)
Balance at end of the year	448	3,092	9,700	13,240	2,396	755	12,023	15,174

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

7.3 The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 4,428 thousand (2010: Rs. 4,085 thousand) respectively.

8. LONG-TERM DEPOSITS

Includes deposits aggregating Rs. 105,625 thousand (2010: Rs. 75,370 thousand) placed with suppliers of liquefied petroleum gas as per terms of respective supply agreements.

9. DEFERRED TAXATION

	2011	2010
	(Rupees in '000)	
Deferred tax asset arising due to:		
Carried forward tax losses (note 9.1)	42,887	80,311
Recoupable minimum turnover tax (note 9.1)	15,642	-
Obligations under finance lease	4,773	-
Provision for doubtful trade debts and slow moving stores and spares	3,230	3,230
	66,532	83,541
Deferred tax liability arising due to:		
Accelerated depreciation allowance	(44,909)	(47,781)
	21,623	35,760

9.1 Deferred income tax asset is recognised on recoupable minimum turnover tax and tax losses available for carry-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. Tax losses available for carry-forward on which the deferred income tax asset has been recognised as at June 30, 2011 amounts to Rs. 122,534 thousand (2010: Rs. 229,460 thousand).

	2011	2010
	(Rupees in '000)	
10. STORES AND SPARES		
Stores	1,715	1,584
Spares	1,525	1,942
	3,240	3,526
Less: Provision for obsolete items	(126)	(126)
	3,114	3,400
11. STOCK IN TRADE		
Liquified petroleum gas (note 11.1)	12,494	15,897
Low pressure regulators	9,360	9,748
	21,854	25,645

11.1 Includes stock held with third parties amounting to Rs. 4,585 thousand (2010: Rs. 5,469 thousand).

11.2 Stock held on behalf of third parties amounts to Rs. 3,714 thousand (2010: Rs. 340 thousand).

	2011	2010
	(Rupees in '000)	
12. TRADE DEBTS - unsecured		
Considered good	15,719	5,525
Considered doubtful	9,102	9,102
	24,821	14,627
Less: Provision for impairment	(9,102)	(9,102)
	15,719	5,525

12.1 As at June 30, 2011 trade debts aggregating Rs. 1,495 thousand (2010: Rs. 711 thousand) were past due but not impaired. These relate to various customers for which there is no recent history of default, the aging analysis of these trade debts is as follows:

	2011	2010
	(Rupees in '000)	
Upto 1 month	787	546
1 to 6 months	134	165
More than 6 months	574	-
	1,495	711

12.2 As at June 30, 2011, trade debts aggregating Rs. 9,102 thousand (2010: Rs. 9,102 thousand) were impaired being past due for more than six months, and hence provided for.

	2011	2010
	(Rupees in '000)	
13. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Loans and advances - secured, considered good		
Loans due from (note 7)		
- Chief Executive / Executive Director	423	353
- Executives	1,346	1,518
- Employees	3,510	3,975
	5,279	5,846
Advances to		
- Executives (note 13.1)	253	253
- Contractors and Suppliers	15,413	1,821
	20,945	7,920
Short-term deposits	163	1,535
Short-term prepayments	5,723	2,843
Due from related parties (note 13.2)	13,834	1,972
Receivable from Pension fund (note 29.1.1)	11,599	12,259
Others	4,800	1,446
	57,064	27,975
Less: Provision for impairment	(43)	(43)
	57,021	27,932

13.1 The maximum aggregate amount due from executives at the end of any month was Rs. 253 thousand (2010: Rs. 253 thousand).

13.2 Includes Rs. 12,000 thousand (2010: Nil) receivable from OPI Gas (Private) Limited, the Parent Company, paid in respect of 'Business Support Fee', which has been subsequently waived by the Parent Company.

	2011	2010
	(Rupees in '000)	
14. CASH AND BANK BALANCES		
Cash in hand	327	152
With banks in:		
- savings accounts	79,133	100,048
- current accounts	25,860	26,729
	104,993	126,777
	105,320	126,929

15. SHARE CAPITAL

Authorised capital

2011	2010		2011	2010
(Number of Shares)			(Rupees in '000)	
30,000,000	30,000,000	Ordinary shares of Rs. 10 each	**300,000**	300,000

Issued, subscribed and paid up capital

2011	2010		2011	2010
(Number of Shares)				
20,032,920	20,032,920	Ordinary shares of Rs. 10 each fully paid up in cash	**200,329**	200,329
76,820	76,820	Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	**768**	768
2,530,304	2,530,304	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	**25,303**	25,303
22,640,044	22,640,044		**226,400**	226,400

15.1 During the year, the Shell Petroleum Company Limited, United Kingdom (Shell) sold its entire 67.91% shareholding in the Company to OPI Gas (Private) Limited (OPI) under an agreement dated June 16, 2010. The transaction was completed on November 22, 2010 on approval of transfer of shares by Shell to OPI. As at June 30, 2011 the OPI held 15,671,268 (2010: Nil) ordinary shares of Rs. 10 each.

16. OBLIGATIONS UNDER FINANCE LEASE

	2011	2010
	(Rupees in '000)	
Recognised during the year	**15,441**	-
Less: Principal re-paid during the year	**(2,107)**	-
	13,334	-
Add: Finance cost accrued during the year	**304**	-
Present value of minimum lease payments	**13,638**	-
Less: Current portion shown under current liabilities	**(3,203)**	-
	10,435	-

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

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

	June 30, 2011			June 30, 2010
	Minimum lease payments	Finance costs	Present value of minimum lease payments	Present value of minimum lease payments
Year ended June 30:	(Rupees in '000)			
- 2012	4,590	1,387	3,203	-
- 2013	4,186	1,173	3,013	-
- 2014	4,186	777	3,409	-
- 2015	4,340	327	4,013	-
	17,302	3,664	13,638	-

17. CYLINDER AND REGULATOR DEPOSITS

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

18. TRADE AND OTHER PAYABLES

	2011	2010
	(Rupees in '000)	
Creditors (note 18.1)	65,675	96,356
Accrued liabilities	13,918	8,682
Payable to gratuity fund (note 29.1.1)	3,602	1,216
Workers' profits participation fund	4,045	4,457
Workers' welfare fund	2,231	1,782
Sales tax payable	4,990	2,644
Retention money	102	102
Advances from distributors / customers	11,394	10,450
Dividends		
- unclaimed	168	168
- unpaid	640	640
	808	808
Excess advance received from Shell Petroleum Company Limited against right issue	5,722	5,722
Others	2,238	2,519
	114,725	134,738

18.1 Includes due to related parties amounting to Rs. 326 thousand (2010: Rs. 47,493 thousand).

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

The Company entered into an LPG Debranding Agreement (the Agreement) with Shell Brands International AG (Shell AG) on October 27, 2010. The Agreement has been entered with an objective of phasing out the use of LPG trademarks and manifestations owned by Shell, subsequent to the sale of shares by Shell as referred to in note 15.1. As per the terms of the Agreement, it is the Company's obligation to cease the use of aforesaid trademarks and manifestations embossed / printed on its assets, according to the timelines set out in the Agreement. In the event of delay in fulfillment of such debranding 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. The actual debranding cost shall be borne by OPI Gas (Private) Limited, the new Parent Company, which is also a guarantor under the Agreement. The parties to the Agreement are currently in the process of complying with the debranding activities to be undertaken under the Agreement and the Company is confident that no fee shall be required to be paid for the debranding obligations under the Agreement.

19.2 Commitments

Capital commitments contracted for but not incurred as at June 30, 2011 amounts to Rs.1,560 thousand (2010: Nil).

20. COST OF PRODUCT SOLD

	2011	2010
	(Rupees in '000)	
Cost of LPG sold:		
Opening stock (note 11)	15,897	15,569
Purchases	1,273,871	1,057,341
	1,289,768	1,072,910
Less: Closing stock (note 11)	(12,494)	(15,897)
	1,277,274	1,057,013
Salaries, wages and other employee benefits (note 20.1)	29,593	29,731
Cost of low pressure regulators sold	387	446
Stores and spares consumed	3,242	4,772
Repairs and maintenance	1,006	3,253
Traveling, conveyance and vehicle expenses	2,228	2,846
Rent, rates and electricity	3,676	3,711
Communication expenses	3,117	4,679
Printing and stationery	105	179
Insurance	3,983	3,462
Depreciation (note 4.1.1)	31,744	27,380
Amortisation (note 5)	5,138	4,733
Security expenses	2,589	1,463
Sundry expenses	2,681	4,421
	1,366,763	1,148,089

20.1 Salaries, wages and other employee benefits include Rs. 1,110 thousand (2010: Rs. 901 thousand) in respect of staff retirement benefits.

21. ADMINISTRATIVE EXPENSES

	2011	2010
	(Rupees in '000)	
Salaries, wages and other employee benefits (note 21.1)	31,603	31,823
Repairs and maintenance	433	773
Travelling, conveyance and vehicle expenses	2,632	3,237
Rent, rates and electricity	887	854
Communication expenses	5,272	4,960
Printing and stationery	1,015	586
Insurance	1,000	757
Service cost from Shell group companies	10,795	28,828
Advertisement and publicity	194	633
Depreciation (note 4.1.1)	2,838	6,884
Security expenses	147	526
Sundry expenses	2,942	2,843
	59,758	82,704

21.1 Salaries, wages and other employee benefits include Rs. 2,927 thousand (2010: Rs. 3,075 thousand) in respect of staff retirement benefits.

22. DISTRIBUTION AND MARKETING EXPENSES

	2011	2010
	(Rupees in '000)	
Salaries, wages and other employee benefits (note 22.1)	10,495	8,232
Repairs and maintenance	136	349
Travelling, conveyance and vehicle expenses	1,137	1,507
Rent, rates and electricity	986	980
Communication expenses	1,287	2,038
Printing and stationery	136	122
Insurance	569	493
Freight and octroi	3,151	5,746
Advertisement and publicity	1,149	824
Depreciation (note 4.1.1)	33,646	37,394
Security expenses	216	352
Sundry expenses	208	234
	53,116	58,271

22.1 Salaries, wages and other employee benefits include Rs. 1,137 thousand (2010: Rs. 258 thousand) in respect of staff retirement benefits.

23. OTHER OPERATING INCOME

	2011	2010
	(Rupees in '000)	
Income from financial assets		
Income from savings bank accounts	6,862	13,173
Income from non-financial assets		
Tanks rental income	1,679	2,298
Cylinder rental income	2,489	-
Gain on disposal of operating assets	4,564	8,102
	8,732	10,400
Others		
Scrap sales	3,096	-
Liabilities written back	14,773	8,626
Liability for cylinder deposits written back (note 23.1)	74,708	151,860
Miscellaneous	4,056	1,193
	112,227	185,252

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

24. OTHER OPERATING EXPENSES

	2011	2010
	(Rupees in '000)	
Directors' fees	120	132
Auditors' remuneration (note 24.1)	1,495	939
Workers' profits participation fund	4,351	4,457
Workers' welfare fund	2,257	1,782
Legal and professional charges	2,782	1,917
Operating assets written off (note 4.1)	3,361	10,406
Other receivables written off	-	849
Exchange loss - net	205	2,715
Others	6,084	4,002
	20,655	27,199

24.1 Auditors' remuneration

	2011	2010
	(Rupees in '000)	
Fee for:		
- statutory audit	450	400
- half yearly review	150	150
- review of compliance with the code of corporate governance	50	50
- audit of provident, pension and gratuity funds	275	75
- special certifications and other advisory services	350	15
	1,275	690
Out of pocket expenses	220	249
	1,495	939

25. FINANCE COSTS

	2011	2010
Mark-up on long term finance	-	10,086
Finance charges on liabilities against assets subject to finance lease	1,970	-
Interest on workers' profits participation fund	519	293
Bank charges	1,435	1,407
	3,924	11,786

26. TAXATION

	2011	2010
Current:		
- for the year (note 26.1)	15,642	6,129
- for prior years	13	(9,437)
	15,655	(3,308)
Deferred	14,137	35,875
	29,792	32,567

26.1 This represents minimum turnover tax charged at the rate of 1% (2010: 0.5%) of turnover under section 113 of the Income Tax Ordinance (ITO), 2001.

26.2 Reconciliation of income tax expense for the year

	2011	2010
	(Rupees in '000)	
Profit before taxation	**79,896**	82,897
Tax at the applicable tax rate of 35% (2010: 35%)	**27,964**	29,014
Minimum turnover tax at the rate of 1% (2010: 0.5%) of turnover	**15,642**	6,129
Deferred tax asset on recoupable minimum turnover tax, net	**(15,642)**	5,649
Tax effect of:		
- Prior year tax charge/(reversal)	**13**	(9,437)
- Permanent differences	**1,605**	1,605
- Others	**210**	(393)
	29,792	32,567

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.

	2011	2010
	(Rupees in '000)	
Profit for the year	50,104	50,330
	Number of Shares	
Weighted average number of ordinary shares in issue (in thousands)	22,640	22,640
	Rupees	
Earnings per share - Basic and diluted	2.21	2.22

28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2011				2010			
	Chief Executive	Executive Director	Executives	Total	Chief Executive	Executive Director	Executives	Total
	(Rupees in '000)							
Managerial remuneration	2,492	1,554	9,477	13,523	3,057	1,539	9,822	14,418
Bonus	2,062	896	4,369	7,327	1,510	671	4,049	6,230
Company's contribution to gratuity, pension and provident funds	180	114	699	993	221	111	722	1,054
Housing, utilities and conveyance	1,371	893	5,602	7,866	1,868	961	6,140	8,969
Medical, leave fare, etc.	494	372	1,641	2,507	2,109	404	2,149	4,662
	6,599	3,829	21,788	32,216	8,765	3,686	22,882	35,333
Number of persons (including those who worked part of the year)	1	2	10	12	1	1	12	14

28.1 Aggregate amount charged for the year in respect of fees to two directors is Rs. 120 thousand (2010: two directors, Rs. 132 thousand).

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

29. EMPLOYEE BENEFITS

29.1 The details of defined benefit schemes are as follows:

	Pension Fund		Gratuity Fund	
	2011	2010	2011	2010
	(Rupees in '000)			
29.1.1 Balance sheet reconciliation				
Fair value of plan assets	84,529	81,818	13,876	14,883
Present value of defined benefit obligations	(81,323)	(65,470)	(31,135)	(21,601)
Funded status	3,206	16,348	(17,259)	(6,718)
Unrecognised net actuarial (gain)/loss	8,393	(4,163)	13,657	5,488
Past service cost - non vested	-	74	-	14
Recognised asset/(liability)	11,599	12,259	(3,602)	(1,216)
29.1.2 Movement in net assets/(liability) recognised				
Net asset/(liability) at beginning of the year	12,259	12,809	(1,216)	474
Expense recognised	(660)	(550)	(2,386)	(1,690)
Net asset/(liability) at end of the year	11,599	12,259	(3,602)	(1,216)
29.1.3 Movement in fair value of plan assets				
Fair value as at beginning of the year	81,818	78,784	14,883	14,533
Expected return on planned assets	11,494	11,030	2,205	2,035
Actuarial (losses)/gains	(4,019)	(283)	(1,479)	83
Employees contributions	571	638	-	-
Benefits paid	(5,335)	(8,351)	(1,733)	(1,768)
Fair value as at end of the year	84,529	81,818	13,876	14,883
29.1.4 Movement in defined benefit obligation				
Obligation as at beginning of the year	65,470	60,302	21,601	16,763
Current service cost	3,859	3,620	1,397	1,144
Interest cost	8,792	8,442	2,903	2,347
Past service cost - vested	-	156	-	155
Past service cost - not vested	-	74	-	14
Actuarial losses	8,537	1,227	6,967	2,946
Benefits paid	(5,335)	(8,351)	(1,733)	(1,768)
Obligations as at end of the year	81,323	65,470	31,135	21,601
29.1.5 Charge for the year				
Current service cost	3,859	3,620	1,397	1,144
Interest cost	8,792	8,442	2,903	2,347
Expected return on plan assets	(11,494)	(11,030)	(2,205)	(2,035)
Employees contributions	(571)	(638)	-	-
Past service cost vested	74	156	14	155
Recognition of actuarial gain	-	-	277	79
Expense for the year	660	550	2,386	1,690

29.1.6 Principal actuarial assumptions used in the actuarial valuation carried out as of June 30, 2011 using the 'Projected Unit Credit Method' are as follows:

	Pension Fund 2011	Pension Fund 2010	Gratuity Fund 2011	Gratuity Fund 2010
	(Rupees in '000)			
Discount rate and expected return on plan assets	14%	14%	14%	14%
Future salary increases	14%	14%	14%	14%
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

	Pension Fund 2011	Pension Fund 2010	Gratuity Fund 2011	Gratuity Fund 2010
	(Rupees in '000)			
29.1.7 Actual return on plan assets	7,475	10,747	726	2,118

29.1.8 Plan assets comprised of the following:

	2011 Rupees in '000	2011 %	2010 Rupees in '000	2010 %
Debt	**89,148**	90.6	**86,939**	89.9
Equity	**5,735**	5.8	**6,033**	6.2
Cash and bank balances	**3,522**	3.6	**3,729**	3.9
	98,405		**96,701**	

29.1.9 Comparison for five years:

	2011	2010	2009	2008	2007
	(Rupees in '000)				
Fair value of plan assets	**98,405**	96,701	93,317	121,274	96,860
Present value of defined benefit obligation	**(112,458)**	(87,071)	(77,065)	(80,646)	(67,458)
(Deficit)/Surplus	**(14,053)**	9,630	16,252	40,628	29,402

29.1.10 Experience adjustment on plan assets and obligation:

	2011	2010	2009	2008	2007
Pension Fund					
Fair value of plan assets	**84,529**	81,818	78,784	105,076	79,123
Present value of obligation	**(81,323)**	(65,470)	(60,302)	(65,444)	(57,293)
Funding surplus	**3,206**	16,348	18,482	39,632	21,830
Actuarial gain /(loss) on assets	**(4,019)**	(283)	(12,256)	985	(11,403)
Actuarial gain /(loss) on obligation	**(8,537)**	(1,227)	11,059	(2,866)	(5,789)
Gratuity Fund					
Fair value of plan assets	**13,876**	14,883	14,533	16,198	17,737
Present value of obligation	**(31,135)**	(21,601)	(16,763)	(15,202)	(10,165)
Funding (deficit)/surplus	**(17,259)**	(6,718)	(2,230)	996	7,572
Actuarial gain /(loss) on assets	**(1,479)**	83	(2,261)	(2,706)	180
Actuarial gain /(loss) on obligation	**(6,967)**	(2,946)	25	(3,778)	268

29.1.11 In addition, Nil (2010: Rs. 1 thousand) and Nil (2010: Rs. 5 thousand) have been charged in these financial statements in respect of contribution made to the Shell Pakistan Limited Gratuity Fund and Shell Pakistan Limited Pension Fund Trust (Pvt.) Limited respectively, on behalf of employees on secondment from Shell Pakistan Limited.

29.2 Defined contribution scheme

An amount of Rs. 1,908 thousand (2010: Rs. 2,027 thousand) has been charged during the year in respect of contributory Provident Fund Scheme maintained by the Company. In addition, Nil (2010: Rs. 14 thousand) has been charged in these financial statements in respect of payment to Shell Pakistan Limited Provident Fund, on behalf of employees on secondment from Shell Pakistan Limited.

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	2011	2010
		(Rupees in '000)	
Parent			
OPI Gas (Private) Limited	Purchase of trademark	8,600	-
	Business Support Fee	21,000	-
	Waiver of Business Support Fee	(21,000)	-
Related parties by virtue of common directorship			
Pakistan Refinery Limited	Purchases of LPG	40,270	110,442
Staff retirement benefit funds			
Burshane LPG (Pakistan) Limited Provident Fund	Contribution - net	1,908	2,027
Other related parties			
Shell International Petroleum Company Limited	Service charges	10,795	28,828
	Recovery of expenses incurred on behalf of related parties	-	1,541
Shell Information Technology International	Group infrastructure desktop charges	5,607	9,335
Pearl Continental Hotel	Food and accommodation charges	302	-

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

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

31. CAPACITY

	Installed Daily Filling Capacity		Actual Average Daily Utilisation		Remarks
	2011	2010	2011	2010	
	Metric Tons				
LPG	125	125	52.50	67.53	Production planned as per LPG available and market demand

32. CASH GENERATED FROM OPERATIONS

	2011	2010
	(Rupees in '000)	
Profit before taxation	79,896	82,897
Adjustment for non cash charges and other items:		
Depreciation	68,228	71,658
Amortisation	5,138	4,733
Operating assets written off	3,361	10,406
Gain on disposal of operating assets	(4,564)	(8,102)
Interest income on savings bank accounts	(6,862)	(13,173)
Finance costs	1,970	10,086
Working capital changes (note 32.1)	(55,219)	28,080
	91,948	186,585

32.1 Working capital changes

	2011	2010
(Increase)/Decrease in current assets		
Stores and spares	286	776
Stock-in-trade	3,791	118
Trade debts	(10,194)	(2,829)
Loans, advances, deposits, prepayments and other receivables	(29,089)	3,379
	(35,206)	1,444
(Decrease)/Increase in current liabilities		
Trade and other payables - net	(20,013)	26,636
	(55,219)	28,080

33. FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

33.1 Financial assets as per balance sheet

	2011	2010
	(Rupees in '000)	
- Loans and receivables		
Long term loans	7,961	9,328
Long term deposits	1,560	1,050
Trade debts	15,719	5,525
Loans, deposits and other receivables	24,033	10,756
Cash and bank balances	105,320	126,929
	154,593	153,588
- Available for sale		
Long term investments	2	2
	154,595	153,590

33.2 Financial liabilities as per balance sheet

	2011	2010
- Financial liabilities measured at amortised cost		
Obligations under finance lease	13,638	-
Cylinder and regulator deposits	179,324	252,139
Trade and other payables	87,655	107,659
	280,617	359,798

34. FINANCIAL RISK MANAGEMENT

34.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to share holders.

Risk management is carried out by the Company's finance and treasury department under policies approved by the Board of Directors.

(a) Market risk

(i) Currency risk

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

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. The Company primarily has foreign currency exposure in USD, Euro and GBP. The Company does not hedge its foreign exchange risk exposure. Risk is, however, managed by close monitoring of foreign exchange markets and expected currency movements and adjusting timing of payments accordingly.

As at June 30, 2011 had the exchange rates of USD, Euro and GBP depreciated or appreciated against the currency with all other variables held constant, the change in post tax profit/(loss), mainly as a result of foreign exchange gains/(losses) on translation of foreign currency denominated payables, would have been as follows:

Currency	June 30, 2011		June 30, 2010	
	% change	Impact	% change	Impact
		(Rupees in '000)		(Rupees in '000)
USD	5	85	5	1,119
Euro	5	222	5	139
GBP	5	27	5	56

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company has no significant interest bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

The Company's interest rate risk arises from borrowings. Borrowings at variable rates expose the Company to cash flow interest rate risk. Borrowings at fixed rates expose the Company to fair value interest rate risk. As at year end the Company has obligations under finance lease.

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

As at June 30, 2011, the impact on post tax profit for the year of a 1% shift would have been a maximum increase/decrease of Rs. 89 thousand (2010: Rs. Nil), mainly as a result of lower/higher finance cost on finance lease.

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

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

	2011	2010
	(Rupees in '000)	
Long-term loans	7,961	9,328
Long-term deposits	1,560	1,050
Trade debts	14,224	4,814
Loans, deposits and other receivables	24,033	10,756
Bank balances	104,993	126,777
	152,771	152,725

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

Rating Agency	Rating				2011	2010
	Short term		Long term		(Rupees in '000)	
	2011	2010	2011	2010		
S&P	A1	A1	A+	A+	14	312
JCR-VIS	A1+	A1+	AA+	AA+	767	3,495
PACRA	A1+	A1+	AA+	AA+	100,530	118,261
JCR-VIS	A1+	A1+	AAA	AAA	434	1,579
PACRA	A1+	A1+	AAA	AAA	523	509
PACRA	A1+	A1+	AA	AA	2,711	2,610
JCR-VIS	A1+	A1+	AA+	AA+	14	11
					104,993	126,777

(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, 2011			As at June 30, 2010		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
	(Rupees in '000)					
Financial liabilities						
Obligations under finance lease	3,203	10,435	13,638	-	-	-
Cylinder and regulator deposits	-	179,324	179,324	-	252,139	252,139
Trade and other payables	87,655	-	87,655	107,659	-	107,659
	90,858	189,759	280,617	107,659	252,139	359,798

34.2 Capital risk management

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

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

35. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

Subsequent to the year end, the Board of Directors of the Company in their meeting held on September 15, 2011 have proposed a final cash dividend of Re. 1.00 (10%) (2010 : Nil) per share amounting to Rs. 22,640 thousand (2010 : Nil). The approval of the members for the final cash dividend will be obtained in the Annual General meeting to be held on October 25, 2011. The financial statements for the year ended June 30, 2011 do not include the effect of this appropriation which will be accounted for in the financial statements for the year ending June 30, 2012.

36. GENERAL

These financial statements have been rounded to the nearest thousand.

37. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison.

38. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 15, 2011 by the Board of Directors of the Company.

Attendance at Board Meetings
For the year ended June 30, 2011

Name of Directors	Total No. of Board Meeting*	No. of Meeting Attended
Mr. Zaiviji Ismail	3	3
Mr. Adam Harrison	3	2
Mr. Rafi Haroon Basheer	3	3
Mr. Sameer Amin	1	1
Mr. Agha Sajjad Nasir	6	6
Ms. Khurshid Bhaimia	6	6
Mr. Oan Hussain Ali	5	5
Mr. Khalid Mumtaz Malik	4	4
Mr. Muhammad Akhtar Bawani	4	4
Mr. Anwar Moin	4	3
Mr. Istaqbal Mehdi	1	0
Mr. Wazir Ali Khoja	5	0

*held during the period concerned Director was on the Board

Pattern of Shareholding
For the year ended June 30, 2011

No. of Shareholders	Having Shares From	To	Shares held	Percentage %
323	1	100	15,368	0.0679
336	101	500	109,025	0.4816
164	501	1,000	142,273	0.6284
198	1,001	5,000	488,109	2.1560
23	5,001	10,000	157,662	0.6964
5	10,001	15,000	55,015	0.2430
3	15,001	20,000	53,328	0.2355
8	20,001	25,000	175,890	0.7769
2	25,001	30,000	57,185	0.2526
1	30,001	35,000	30,001	0.1325
1	35,001	40,000	39,505	0.1745
1	80,001	85,000	81,877	0.3616
1	100,001	105,000	103,460	0.4570
1	145,001	150,000	146,030	0.6450
2	195,001	200,000	399,588	1.7650
1	380,001	385,000	380,569	1.6810
1	400,001	405,000	400,751	1.7701
1	525,001	530,000	525,589	2.3215
1	545,001	550,000	548,499	2.4227
1	745,001	750,000	745,325	3.2921
1	780,001	785,000	781,738	3.4529
1	1,530,001	1,535,000	1,534,033	6.7758
1	15,665,001	15,670,000	15,669,224	69.2102
1,077		Company Total	22,640,044	100.0000

Category of Shareholders	No of Folio	Balance Share	Percentage %
DIRECTORS, CEO & CHILDREN	3	828,642	3.6601
ASSOCIATED COMPANIES	2	1,5671,268	69.2192
NIT & ICP	3	1,583,027	6.9922
BANKS, DFI & NBFI	4	1,877,018	8.2907
MODARABAS & MUTUAL FUNDS	1	24,000	0.1060
GENERAL PUBLIC (LOCAL)	1037	2,085,503	9.2116
GENERAL PUBLIC (FORGEIN)	8	530,315	2.3424
OTHERS	17	35,196	0.1555
EXECUTIVE	2	5,075	0.0224
Company Total	1077	2,264,0044	100.0000

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Financial Statements

For the year ended June 30, 2011

Burshane Pakistan (Private) Limited

Auditors' Report to the Members

We have audited the annexed balance sheet of Burshane Pakistan (Private) Limited as at June 30, 2011, together with the notes forming part thereof, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

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

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

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, together with the notes forming part thereof conforms with the approved accounting standards as applicable in Pakistan, and, gives the information required by the Companies Ordinance, 1984, in the manner so required and gives a true and fair view of the state of the Company's affairs as at June 30, 2011; and

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

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

Chartered Accountants
Karachi
Date: September 21, 2011

Engagement Partner: Waqas A. Sheikh

Balance Sheet
As at June 30, 2011

	2011	2010
	(Rupees)	
EQUITY		
Authorised capital		
100,000 ordinary shares of Rs. 10 each	**1,000,000**	1,000,000
Issued, subscribed and paid-up capital		
202 ordinary shares of Rs. 10 each fully paid in cash	**2,020**	2,020
ASSETS		
Current Assets		
Cash in hand	**2,020**	2,020

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

Agha Sajjad Nasir
Chief Executive

Oan Hussain Ali
Director

Notes to the Balance Sheet
For the year ended June 30, 2011

1. LEGAL STATUS AND OPERATIONS

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

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

2. BASIS OF PREPARATION

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

2.2 These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance) and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) as notified under the provisions of the Ordinance. Wherever, the requirements of the Ordinance or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of the Ordinance or the requirements of the said directives have been followed.

3. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 15, 2011 by the Board of Directors of the Company.

Agha Sajjad Nasir Chief Executive	**Oan Hussain Ali** Director

Form of Proxy

The Company Secretary
Burshane LPG (Pakistan) Limited
(formerly Shell Gas LPG (Pakistan) Limited)
Adjacent to Pakistan Refinery Limited
Korangi Creek, Karachi
Pakistan

I/We, ____________________ of ____________, PAKISTAN, being a Member of Burshane LPG (Pakistan) Limited (formerly Shell Gas LPG (Pakistan) Limited) holding __________ ordinary shares HEREBY APPOINT ________________ of ___________ or failing him/her _____________ of _______________ as my/our Proxy in my/our absence to attend and to vote and act instead of me/us at the ANNUAL GENERAL MEETING of the Company to be held at **PEARL CONTINENTAL HOTELS KARACHI** on **TUESDAY THE 25th DAY** of **OCTOBER 2011** at **08:00 AM** and at any adjournment thereof.

As witness my/our hand(s) this _________ day of ____________ 2011

Signed in the presence of:

____

(Signature of Witness 1)
Name:
C.N.I.C./ Passport Number:
Signed by:
Address:

____

(Signature of Witness 2)
Name:
C.N.I.C./ Passport Number:
Signed by:
Address:

Signature
Shareholder's
Folio No.

Notes:

1. The Member is requested:

   (a) to affix Revenue Stamps of the place indicated above - Rs.10/- per person authorized;

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

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

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

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

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

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

   For CDC Account Holders / Corporate Entities

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

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

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

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

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

Burshane LPG (Pakistan) Limited
(formerly Shell Gas LPG (Pakistan) Limited)
Adjacent to Pakistan Refinery Limited
Korangi Creek
Karachi-75190
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