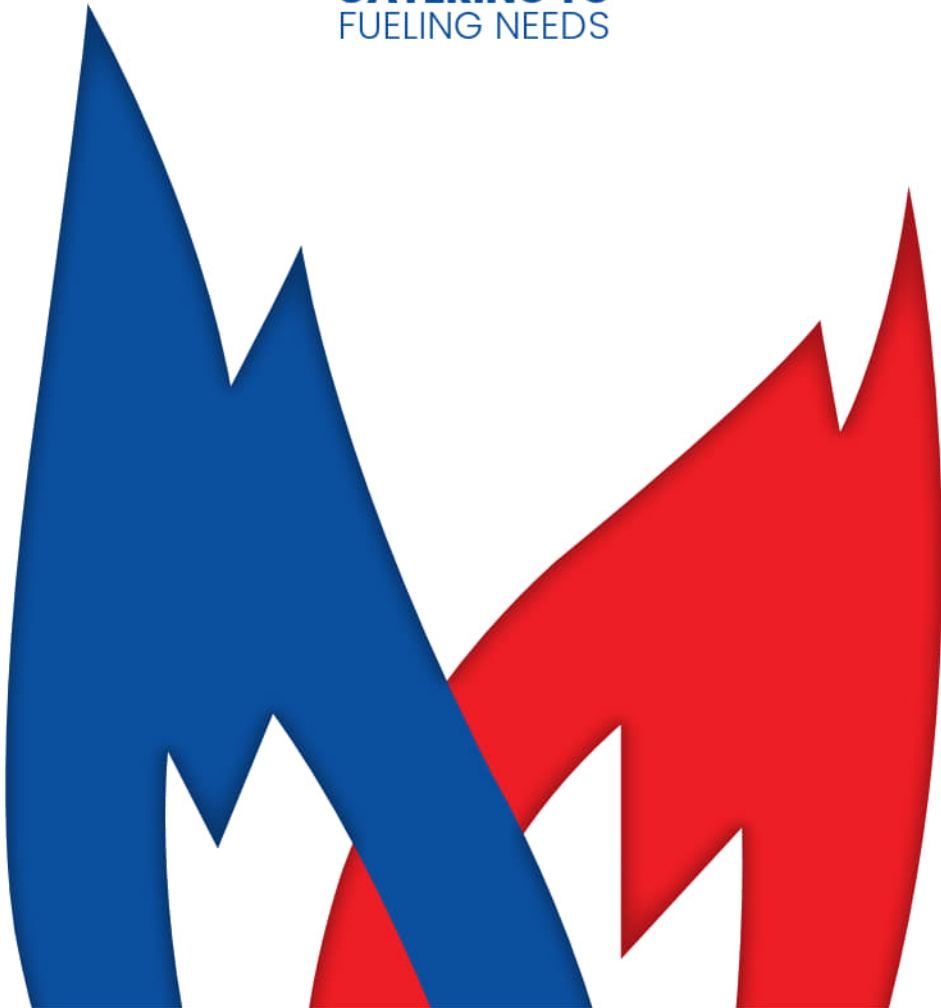




Half Year Ended December 31, 2024

**CATERING TO
FUELING NEEDS**





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Company's Information

Board of Directors

- Mr. Shaikh Abdus Sami
Chairman / Independent Director
- Mr. Asad Alam Khan
CEO / Director
- Mr. Saifee Zakiuddin
Director
- Mrs. Hamdia Fatin Niazi
Director
- Maj. Gen Abid Latif Khan (R)
Director
- Maj. Gen Rafi Ullah Khan (R)
Independent Director
- Brig. (R) Rashid Siddiqi
Independent Director
- Ms. Shahbano Hameed
Director (NIT Nominee)

Management

- Mr. Asad Alam Khan
Chief Executive Officer
- Mr. Saifee Zakiuddin
Director Finance
- Mr. Khurram Kasbati
Chief Financial Officer
- Mr. Irfan Javaid Warsi
General Manager - Commercial & Business
Development and Human Resources (HR)
- Mr. Amir Aziz
Head of Operations Distribution
& HSSE
- Mr. Daniyal Mughal
Company Secretary
& Financial Controller
- Mr. Asad Wasty
Head of Internal Audit

Bankers

- MCB Bank Limited
- Meezan Bank Limited
- National Bank of Pakistan
- Habib Bank Limited
- Faysal Bank Limited
- Bank Makramah Limited
- Sindh Bank Limited
- Bank Al Habib Limited
- JS Bank Limited

Legal Advisors

- Mohsin Tayebaly & Co.

Tax Advisors

- Maavins Solutions

Auditors

- Clarkson Hyde Saud Ansari & Co
Chartered Accountants

Shares Registrar

- THK Associates (Pvt.) Limited
Plot No.32-C,
Jami Commercial Street-2,
D.H.A., Phase-VII, Karachi.
UAN: +92 (021) 111-000-322
FAX: +92 (021) 35310190

Registered Office

- Suite 101, 1st Floor, Horizon Vista
Plot No. Commercial - 10, Block-4
Scheme No. 5, Clifton, Karachi – 75600
Tel : + 92 21 35898356, 35309870 & 73
UAN: +92 21 111 111 BPL (275)
Fax : + 92 21 3587 8353
www.burshane.com



Director's Report

The Directors of your Company are hereby presenting the financial information of the Company for the period ended December 31, 2024.

Financial Performance

During the period under review, the sales volume of the Company at 3,426 MTs, decreased by 4,082 MTs (54.37%) compared to the corresponding period due to reduced local LPG quota and higher prices of LPG import. Net sales of the Company at Rs. 688.90 million decreased by Rs. 789.37 million (53.40%) due to reduction in sales volume during the period. The gross margins of the Company at Rs. 28.24 million (4.10% of sales value) was decreased by 73.85 million from last year comparative period.

Administrative expenses decreased by Rs. 6.76 million (12.50%) compared to comparative period of previous year, mainly due to decrease in litigation expenses. Distribution & marketing expenses have also decreased by Rs. 2.54 million.

Financial costs have decreased by 4.91 million due to decline in KIBOR rates. Loss before tax of the Company at Rs. 44.40 million, is decreased by Rs. 47.88 million from last year comparative period.

The Company's loss per share for the period under review is at Rs. 2.05 compared to earnings per share of Rs. 0.11 per share in the preceding period.

Material Changes and Commitments

On January 06, 2022, the Company received a revised proposal for the restructuring of loan from NBP which has since been accepted and duly executed via offer letter No. NBP/ARG/ARW(S)/BLPL/2022/08. As per the aforementioned letter, the long-term loan and accrued mark-up on long-term loan are termed as Demand Finance-I and Demand Finance-II. The remaining outstanding loan of Rs 154 million has been restructured to running finance facility. In respect of Demand Finance - I, the Company has made a principal down payment of Rs. 25.44 million and the balance of Rs. 75 million to be re-paid in 20 quarterly installments starting from September 30, 2022 with a grace period of 1 year from the date of the drawdown. The facility carries mark-up at the rate of 3 months KIBOR + 2%, which will also be payable during the grace period. In respect of Demand Finance - II, the Company has made a principal down payment of Rs. 10.59 million and the balance of Rs. 95.29 million to be re-paid in 20 quarterly installments starting from September 30, 2022.

A complaint was filed by the Directorate of Investigation and Intelligence (Inland Revenue) (I & I – IR) on August 31, 2020, against the Company for alleged Tax evasion of approximately PKR 1.7 billion, with Special Court for Customs, Taxation and (Anti-Smuggling). Based on this complaint the court passed 2 orders against the Company and some of its directors. The orders were pertaining to freezing of Company's 9 bank accounts for 90 days and issuance of Non Bailable Arrest Warrants of its certain Directors. The Company immediately obtained Protective Bail from the High Court and subsequently from the Special Court which was later confirmed.

The Company also filed a Constitutional Petition with High Court against the order of the Special Court for freezing of 9 bank accounts. All banks have removed the freeze on Company's accounts on expiry of 90 days.



The Company had received notices under section 177(1) of Income Tax Ordinance, 2001 regarding audit for tax years 2018 and 2019. The Company has replied and submitted relevant details and documents timely through various letters to FBR. The Company has received further notices under section 122(5A) of the Income Tax Ordinance, 2001 demanded income tax liability amounting to Rs. 609.79 million and Rs. 617.30 million for the tax year 2018 and 2019 respectively. An appeal was preferred before the Commissioner Inland Revenue – Appeal (CIR-A) whereby the CIR-A remanded back the case to the concerned Officer Inland Revenue (OIR). Thereafter, remanded back proceeding was initiated by the learned OIR, that culminated on an order under section 124/129 of the Ordinance, whereby the demanded tax liability of Rs. 172.05 million and Rs. 87.75 million for the tax year 2018 and 2019 was created. Being aggrieved by the demand liability, the Company has appealed the demand before the Appellate Tribunal.

Business Ethics

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

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

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

Composition of Board:

The total number of directors are eight and their composition is as following:

- Male: 7
- Female: 1

Category	Name
Independent Director	Mr. Shaikh Abdus Sami
	Maj. Gen (R) Rafiullah Khan
	Brig. (R) Rashid Siddiqi
Non-Executive Directors	Mr. Muhammad Ali Niazi
	Ms. Shahbano Hameed
Executive Directors	Mr. Asad Alam Niazi
	Mr. Saiffee Zakiuddin
	Mr. Amir Aziz



The following Committees continued to function as per the requirements of the law and as directed by the Board.

a) Audit Committee

Maj. Gen Rafiullah Khan (R)	-	Chairman
Mr. Shaikh Abdus Sami	-	Member
Brig. (R) Rashid Siddiqi	-	Member
Mr. Muhammad Ali Niazi	-	Member

b) Human Resource and Remuneration Committee

Maj. Gen Rafiullah Khan (R)	-	Chairman
Mr. Asad Alam Niazi	-	Member
Mr. Saifee Zakiuddin	-	Member
Brig. (R) Rashid Siddiqi	-	Member
Mr. Muhammad Ali Niazi	-	Member

Financial Highlights:

(Rs. in '000)

Following are the key numbers of the results for the period:

Net Sales	688,900
Gross Margins	28,238
Loss before Tax	(44,397)
Loss after Tax	(46,119)
Loss per share	(2.05)

Following is the appropriation:

Dividend declared	Cash	NIL
	Bonus	NIL

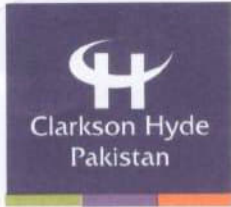
On behalf of the Board, we would like to thank our staff, business partners, customers and all other stakeholders for their continued support in ensuring sustainable growth of the Company and for making Burshane their brand of first choice.

Saifee Zakiuddin
Director

Asad Alam Niazi
Director / CEO

Karachi

Dated: March 26, 2025



Clarkson Hyde Saud Ansari
Chartered Accountants

Office No. 1501, 15th Floor, Caesar's Tower,
Plot No. ST-10, Shakra-e-Faisal, Karachi-75350
Tel: +92 21 32803221, 32803222
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Web: www.clarksonhydeglobal.pk

Offices in Islamabad & Lahore

Pakistan representative of **Clarkson Hyde Global**
Global Association of Auditors, Accountants,
Tax Specialists and Business Advisors

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of: **BURSHANE LPG (PAKISTAN) LIMITED**

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **BURSHANE LPG (PAKISTAN) LIMITED** (the Company) as at December 31, 2024, the related unconsolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matter

The figures of the unconsolidated condensed interim statement profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2024 and 2023 have not been reviewed as we were required to review only the cumulative figures for the half year ended December 31, 2024.

The financial statements of the Company for the year ended June 30, 2024 were audited and the unconsolidated condensed interim financial information for the half year ended December 31, 2023 was reviewed by BDO Ebrahim & Co., Chartered Accountants, who through their reports dated October 4, 2024 and February 26, 2024 expressed unmodified opinion and unmodified conclusion thereon, respectively.

The engagement partner on the review resulting in this independent auditor's review report is **SAUD ANSARI**.



Clarkson Hyde Saud Ansari

Chartered Accountants

Karachi.

Dated: March 24, 2024

UDIN: RR202410149uG3xhw7Pf



BURSHANE LPG (PAKISTAN) LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	———— (Rupees in '000) ————	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	790,612	816,745
Intangible assets		294,289	299,305
Long-term investment		50,000	50,000
Long-term deposit		3,174	3,174
		1,138,075	1,169,224
CURRENT ASSETS			
Stores and spares - net		6,725	6,038
Stock-in-trade		48,748	8,197
Trade debts	4	68,045	76,722
Loans and advances		25,726	19,746
Deposits, prepayments and other receivables		27,085	29,509
Taxation - net		165,763	162,412
Cash and bank balances		19,160	3,615
		361,252	306,239
		1,499,327	1,475,463
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
90,000,000 (June 30, 2024: 90,000,000) ordinary shares of Rs. 10/- each		900,000	900,000
Issued, subscribed and paid-up capital			
22,488,890 (June 30, 2024: 22,488,890) ordinary share of Rs. 10/- each		224,888	224,888
Capital reserve			
Revaluation surplus of property		336,715	336,715
Other reserves		123,281	123,281
Revenue reserves		(261,079)	(214,960)
		423,805	469,924
NON-CURRENT LIABILITIES			
Long-term loan	5	47,241	68,710
Lease liabilities	6	17,537	23,364
Cylinder and regulator deposits		472,115	478,068
		536,893	570,142
CURRENT LIABILITIES			
Loan from a subsidiary company		50,000	50,000
Trade and other payables	7	51,108	64,795
Short-term borrowings		154,000	154,000
Accrued mark-up		51,107	26,953
Un-claimed dividend		83,050	83,050
Short - term loan	8	83,693	13,388
Current portion of long - term loan	5	54,634	33,165
Current portion of lease liabilities	6	11,037	10,046
		538,629	435,397
		1,499,327	1,475,463
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	9		

The annexed notes from 1 to 14 form an integral part of these unconsolidated condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

BURSHANE LPG (PAKISTAN) LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Note	Quarter ended		Half year ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
(Rupees in '000)					
Sales - net	10	425,111	800,892	688,900	1,478,267
Cost of sales		(412,670)	(762,693)	(660,662)	(1,376,176)
Gross profit		12,441	38,199	28,238	102,091
Administrative expenses		(22,616)	(27,466)	(47,310)	(54,070)
Distribution and marketing expenses		(6,317)	(8,773)	(23,778)	(26,314)
Other income		20,848	12,528	33,029	20,996
Other operating expenses		(2,384)	(1,793)	(2,851)	(2,594)
		(10,469)	(25,504)	(40,910)	(61,982)
Operating profit		1,972	12,695	(12,672)	40,109
Finance costs		(15,854)	(18,379)	(31,725)	(36,630)
(Loss) / profit before levies and taxation		(13,882)	(5,684)	(44,397)	3,479
Levy		(1,063)	657	(1,722)	(1,036)
(Loss) / profit after levies and taxation		(14,945)	(5,027)	(46,119)	2,443
(Loss) / earnings per share - basic and diluted (Rs.)		(0.66)	(0.22)	(2.05)	0.11


The annexed notes from 1 to 14 form an integral part of these unconsolidated condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

BURSHANE LPG (PAKISTAN) LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Quarter ended		Half year ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in '000)			
(Loss) / profit for the period	(14,945)	(5,027)	(46,119)	2,443
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>(14,945)</u>	<u>(5,027)</u>	<u>(46,119)</u>	<u>2,443</u>

The annexed notes from 1 to 14 form an integral part of these unconsolidated condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

BURSHANE LPG (PAKISTAN) LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Half year ended	
	December 31, 2024	December 31, 2023
	———— (Rupees in '000) ————	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before levies and taxation	(44,397)	3,479
Adjustments for non-cash and other items:		
Depreciation	26,495	24,833
Amortisation	5,015	5,059
Allowance for expected credit losses	(151)	560
Finance costs	31,725	36,630
Gain on sale of assets	(4,170)	(4,820)
Profit on saving accounts	(180)	(395)
Liability for cylinder deposits written back	(16,531)	(13,061)
	42,203	48,806
(Increase) / decrease in current assets		
Stores and spares - net	(687)	270
Stock-in-trade	(40,551)	6,248
Trade debts	8,828	(23,238)
Loans and advances	(5,980)	3,897
Deposits, prepayments and other receivables	2,424	19,511
	(35,966)	6,688
Decrease in current liabilities		
Trade and other payables - net	(13,687)	(39,474)
Cash flow used in operations	(51,847)	19,499
Finance costs paid	(3,893)	(30,263)
Taxes paid	(5,073)	(13,421)
Cylinder and regulator deposits - net	10,578	13,175
Net cash flows used in operating activities	(50,235)	(11,010)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	(368)	(461)
Proceeds from sale of the fixed assets	4,175	4,820
Interest received	180	395
Net cash flows from investing activities	3,987	4,754
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term loan repaid	-	(13,279)
Short-term loan received	226,800	95,320
Short-term loan paid	(156,495)	(62,320)
Payment of lease liabilities - net	(8,512)	(5,460)
Net cash flows from financing activities	61,793	14,261
Net increase in cash and cash equivalents	15,545	8,005
Cash and cash equivalents at beginning of the period	(150,385)	(133,547)
Cash and cash equivalents at end of the period	(134,840)	(125,542)
Cash and cash equivalents at end of the period comprise of:		
Cash and bank balances	19,160	28,458
Short-term borrowings	(154,000)	(154,000)
	(134,840)	(125,542)

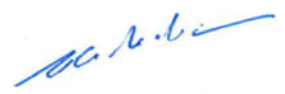
The annexed notes from 1 to 14 form an integral part of these unconsolidated condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

BURSHANE LPG (PAKISTAN) LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Capital Reserves				Revenue Reserves			Total	
	Issued, subscribed and paid-up capital	Reserve on amalgamation	Revaluation surplus of property	Actuarial loss on remeasurement of retirement and other service benefits	Sub total	General Reserve	Accumulated loss		Sub total
	(Rupees in '000)								
Balance as at July 1, 2023 (Audited)	224,888	153,458	336,715	(30,177)	459,996	90,000	(231,283)	(141,283)	543,601
Profit for the period	-	-	-	-	-	-	2,443	2,443	2,443
Other comprehensive income for the interim period - net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	2,443	2,443	2,443
Balance as at December 31, 2023 (Un-audited)	<u>224,888</u>	<u>153,458</u>	<u>336,715</u>	<u>(30,177)</u>	<u>459,996</u>	<u>90,000</u>	<u>(228,840)</u>	<u>(138,840)</u>	<u>546,044</u>
Balance as at July 1, 2024 (Audited)	224,888	153,458	336,715	(30,177)	459,996	90,000	(304,960)	(214,960)	469,924
Profit for the period	-	-	-	-	-	-	(46,119)	(46,119.00)	(46,119)
Other comprehensive income for the interim period - net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	(46,119)	(46,119)	(46,119)
Balance as at December 31, 2024 (Un-audited)	<u>224,888</u>	<u>153,458</u>	<u>336,715</u>	<u>(30,177)</u>	<u>459,996</u>	<u>90,000</u>	<u>(351,079)</u>	<u>(261,079)</u>	<u>423,805</u>

The annexed notes from 1 to 14 form an integral part of these unconsolidated condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

BURSHANE LPG (PAKISTAN) LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

1 LEGAL STATUS AND OPERATIONS

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise:

- International Accounting Standard (IAS) 34 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, and the directives issued under, the Companies Act, 2017.

Where the provisions of, and the directives issued under, the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of, and directives issued under, the Companies Act, 2017 have been followed.

These unconsolidated condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2024.

2.2 Basis of measurement

In these condensed interim unconsolidated financial statements, all items have been measured at their historical cost except for freehold land and leasehold land which are stated at their revalued amounts.

2.3 Functional and presentation currency

Items included in these unconsolidated condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These unconsolidated condensed interim financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

In preparing these unconsolidated condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in the Company's annual financial statements as at and for the year ended June 30, 2024.

2.5 Material accounting policies

The material accounting policies applied in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the annual unconsolidated financial statements of the Company for the year ended June 30, 2024.

Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'.

The change in accounting policy has been accounted for retrospectively in accordance with International Accounting Standard 8: "Accounting Policies, Changes in Accounting Estimates and Errors". However, there is no material impact on unconsolidated condensed interim financial statement, therefore it has not been accounted for retrospectively.

	Note	(Un-audited) December 31, 2024	(Audited) June 30, 2024
		----- (Rupees in '000) -----	
3	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets, at net book value	765,794	786,382
	Right-of-use assets	24,818	30,363
		<u>790,612</u>	<u>816,745</u>
3.1	Operation fixed assets		
	Additions - at cost, to operating fixed assets during the period were as follows:		
	Furniture, fittings, electrical and other equipment	268	289
	Plant & machinery	-	185
	Office equipment	-	155
	Cylinder and regulators	-	31,703
	Computers and related accessories	100	224
		<u>368</u>	<u>32,556</u>
3.2	Right-of-use assets		
	Balance at the beginning of the period / year	30,363	21,043
	Additions during the period / year	-	19,187
		30,363	40,230
	Depreciation charged during the period / year	(5,545)	(9,867)
	Balance at the end of the period / year	<u>24,818</u>	<u>30,363</u>

The right to use assets comprises of premises acquired on lease by the Company for its operations.

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	----- (Rupees in '000) -----	
4	TRADE DEBTS		
	Unsecured - considered good		
	Trade debtors	90,689	99,214
	Allowance for expected credit losses	(22,644)	(22,492)
		<u>68,045</u>	<u>76,722</u>

5 LONG-TERM LOAN

Secured

National Bank of Pakistan (NBP)	5.1	101,875	101,875
Current maturity of long-term loan		(54,634)	(33,165)
		<u>47,241</u>	<u>68,710</u>

5.1 In year 2015, long-term finance obtained, under conventional banking terms, by HTPL had been transferred to the Company at the time of amalgamation (the scheme). This loan was obtained as a demand finance facility under the agreement dated April 08, 2013 from National Bank of Pakistan (NBP) and was repayable in 9 semi-annual installments of Rs. 44.44 million latest by April 01, 2018 with a grace period of six months. The loan carried mark-up at rate of 6 months KIBOR plus 2.5% per annum.

On June 08, 2022 long term loan was restructured into Demand finance I, Demand finance II and short term borrowing, terms are as follows.

Facility	(Rupees in '000)	Repayment term	Markup rate
Demand Finance - I	74,996	20 quateraly installments	Interest free
Demand Finance - II	95,289	20 quateraly installments	3 MK + 2%
Running Finance	154,000	revolving nature	3 MK + 1.75%

Payments were made in accordance with the restructured terms until December 31, 2023. However, the Company has since defaulted on its payments as outlined in the restructuring agreement. The Company is currently engaged in negotiations with National Bank of Pakistan (NBP) for a revised restructuring plan.

6 LEASE LIABILITIES

Total lease liabilities	6.1	28,574	33,410
Current maturity of lease liabilities		(11,037)	(10,046)
		<u>17,537</u>	<u>23,364</u>

6.1 Reconciliation of total lease liabilities:

Balance at the beginning of the period / year		33,410	20,055
Additions during the period / year		-	19,187
Disposals during the period / year		-	-
Finance cost during the period / year		3,676	7,046
Payments / adjustment during the period / year		(8,512)	(12,878)
Balance at the end of the period / year	6.2	<u>28,574</u>	<u>33,410</u>

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	----- (Rupees in '000) -----	
6.2	Maturity analysis-contractual undiscounted cashflow		
	Within one year	11,037	10,046
	Later than one year but not later than five years	17,537	23,364
	More than five years	-	-
	Total undiscounted lease liability	28,574	33,410

7 TRADE AND OTHER PAYABLES

Creditors		3,788	14,145
Accrued liabilities		7,408	2,987
Advances from distributors / customers - unsecured		15,028	17,704
Workers' Welfare Fund		3,017	3,017
Withholding tax payable		4,648	5,487
Burshane LPG (Pakistan) Limited - Provident Fund		485	-
Sales tax payable		1,088	2,590
Other creditors	7.1	15,646	18,865
		51,108	64,795

7.1 This includes amount of Rs. 2 million payable to Securities Exchange Commission of Pakistan (SECP) as disclosed in note 9.1.1 to the financial statements.

8 SHORT TERM LOAN

Related party - unsecured			
Burshane Petroleum (Private) Limited	8.1	73,000	-
Chief Executive Officer	8.2	10,693	13,388
		83,693	13,388

8.1 This loan has been obtained for the purpose of purchasing LPG. The markup on this loan is calculated as 30% of the gross profit, after deducting hospitality charges.

8.2 This loan was acquired for the purchase of LPG. During the period, additional loan of Rs. 11.12 million was acquired and Rs. 13.82 million was repaid. This loan carries markup of 3 month KIBOR + 2% per annum.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

9.1.1 An inspection order dated August 04, 2020 under Section 221 of Companies Act, 2017 was issued by SECP against complaint received by the Commission wherein it was alleged that the CEO and Director Finance of the Company are involved in financial irregularities of the Companies Act, 2017, which include advance made to Roots International Brands Private Limited (RIBS), an associate company, and that the bank account was being used for illegal activities by CEO and Company's Director Finance who appears to have concealed the existence of such financial transactions.

On the conclusion of inspection, a report was issued on October 23, 2020 mentioning cognizance of offences under sections 204, 199(1), 199(2), 183(2), CEO and Director Finance of the Company, during the period from July 1, 2018 to June 30, 2020 and suggested that they are liable with regard to all the above non-compliances as the Board of Directors did not discuss or approve transactions with RIBS until June 26, 2020 and the predecessor auditors are liable for proceedings to be initiated under section 249 read with section 253 of the Act as they failed to highlight lack of disclosure of transactions with RIBS in notes to the financial statements for year ended June 30, 2019 especially in related parties note as required under IAS 24. The Auditor also failed to highlight the unsecured interest free loans extended without any agreement to a related party i.e., RIBS before June 03, 2019.

The Company has provided the comments on findings to SECP, that the non-compliance was not intentional but was omission by mistake. The Company had advanced certain amount to RIBS, However, the Company has received all the monies back with mark up and therefore there is no financial loss to the Company. The Board has subsequently ratified all these transactions with RIBS, and therefore to an extent the non-compliance has been addressed. It was merely an oversight of SECP compliance regulations. It has further been resolved in the Board that extra care shall be taken in future to ensure that non-compliance should not takes place.

On October 11, 2022, the Company was imposed a penalty of Rs. 2 million by the SECP. Subsequently, the Company filed a Constitutional Petition with the High Court, challenging both the constitutional and legal validity of the inspection order issued by SECP. On September 11, 2024, the Sindh High Court dismissed the petition on the grounds that it was filed on invalid grounds. Following this order, the Company has decided not to challenge the case in any other forum and to proceed with the payment of the imposed penalty.

9.1.2 On July 31, 2015, the Company received a show cause notice under Punjab Rented Premises Act, 2009, by the landlords of the property measuring 51-Kanals-03-Marlas, or thereabouts bearing Square No. 94, Killa no. 1, 2, 3, 4, 5, 6 & 7, tehsil Faisalabad, near Abbaspur railway station. The Company uses this land for LPG storage and filing plant of Faisalabad. The landlords filed an ejection petition against the Company and the Company has filed defending argument in the rent tribunal Faisalabad and case is under hearing stage.

9.1.3 The Special Sales Tax Reference Application (STRA) has been filed by the Commissioner Inland Revenue, Zone-IV, Large Taxpayers Unit Karachi in the High Court of Sindh at Karachi on December 18, 2019. During the year ended June 30, 2018, tax authorities issued Order dated May 25, 2018 and charged sales tax under section 8B of Sales Tax Act, 1990, raising sales tax demand and imposing penalties aggregating to Rs. 133.11 million and also default surcharge for tax periods from July 2014 to March 2018. Against the said Order, the Company filed appeal before Commissioner (Appeals-I), Karachi who vide Order dated July 03, 2018 vacated the whole principal amount of sales tax of Rs. 65.57 million and reduced the imposition of penalties from Rs. 67.54 million to Rs. 0.50 million only. However, the liability on account of default surcharge was maintained.

The Order of the Commissioner (Appeal) was challenged before the Hon'ble Appellate Tribunal Inland Revenue, Karachi who vide Order dated August 28, 2019 reduced the substantial amount of default surcharge to Rs. 1.34 million and maintained the amount of penalty Rs. 0.50 million.

9.1.4 The captioned Special Sales Tax Reference Application (STRA) is filed by the Commissioner Inland Revenue, Zone-IV, Large Taxpayers Unit Karachi in the High Court of Sindh at Karachi. On September 28, 2018, tax authorities levied sales tax under section 8B of Sales Tax Act, 1990, raising sales tax demand along with the levy of penalty aggregating to Rs. 7.90 million for tax periods from April 2018 to May 2018.

Against the Order, the Company filed appeal before Commissioner (Appeals-I), Karachi, who vide Order dated October 31, 2018 vacated the whole principal amount of sales tax of Rs. 7.67 million. However, the liability on account of default surcharge and penalty was maintained.

The Order of the Commissioner (Appeal) was challenged before the Hon'ble Appellate Tribunal Inland Revenue, Karachi who vide Order dated August 28, 2019 reduced the substantial amount of default surcharge to Rs. 0.16 million and maintained the amount of penalty Rs. 0.23 million. The Company has paid the reduced amount of default surcharge and penalty without pursuing the matter further.

- 9.1.5 The Company has filed Special Federal Excise Duty (FED) Ref. Application before the Hon'ble High Court of Sindh against the Appellate order dated April 02, 2012 of the Appellate Tribunal IR. The tax authorities at Large Taxpayers Office established a demand towards FED on the payment of license fee paid/payable by the Company in relation with the software / IT services acquired from the non-resident parent company under the tariff heading "franchise service" as per First Schedule to Federal Excise Act, 2005. At that time, Burshane LPG (Pakistan) Limited was a subsidiary of Shell Group, operating under the name of Shell LPG Pakistan Limited. The scope of services under the head 'franchise services' was not clear when the Federal Excise Act was promulgated in the year 2005 and then the jurisdictional issues also made the matter more complicated when the franchise services were subjected to Provincial sales tax by promulgation of Sindh Sales Tax on Services Act, 2011 effective July 01, 2011.

Software licensing does not fall under the service classification "franchise services" and this aspect has been settled at the Appellate Tribunal level in reported judgments, also. Hence, the Company has a strong arguable case to defend its position that the impugned demand of FED may not be warranted.

- 9.1.6 A complaint was filed by the Directorate of Investigation and Intelligence (Inland Revenue) (I & I - IR) on August 31, 2020, against the Company for alleged Tax evasion of approximately Rs. 1.78 billion, with Special Court for Customs, Taxation and (Anti-Smuggling). Based on this complaint the court passed 2 orders against the Company and some of its directors. The orders were pertaining to freezing of the Company's 9 bank accounts for 90 days and issuance of non bailable arrest warrants of its certain Directors. The Company immediately obtained Protective Bail from the High Court and subsequently from the Special Court which was later confirmed.

The Company also filed a Constitutional Petition with High Court against the order of the Special Court for freezing of 9 bank accounts. All banks have removed the freeze on the Company's accounts on expiry of 90 days.

The Company had received notices under section 177(1) of Income Tax Ordinance, 2001 regarding audit for tax years 2018 and 2019. The Company has replied and submitted relevant details and documents timely through various letters to FBR. The Company has received further notices under section 122(5A) of the Income Tax Ordinance, 2001 demanded income tax liability amounting to Rs. 609.79 million and Rs. 617.30 million for the tax year 2018 and 2019 respectively. An appeal was preferred before the Commissioner Inland Revenue – Appeal (CIR-A) whereby the CIR-A remanded back the case to the concerned Officer Inland Revenue (OIR). Thereafter, remanded back proceeding was initiated by the learned OIR, that culminated on an order under section 124/129 of the Ordinance, whereby the demanded tax liability of Rs. 172.05 million and Rs. 87.75 million for the tax year 2018 and 2019 was created. Being aggrieved by the demand liability, the Company has appealed the demand before the Appellate Tribunal.

The Director of Intelligence and Investigation, Inland Revenue had appeared on TV in Kamran Khan's News show on September 23, 2020, and there he discussed the case in a manner whereby Company's reputation was damaged and tried to conduct a media trial of the Company and its Directors. Additionally, the Director of Intelligence and Investigation, Inland Revenue also disclosed our tax and assets details, hence breached privacy and confidentiality laws. The Company has filed a law suit for damages against the Director General, the Director of South Region and the Deputy Director, (the Complainant) of the Directorate of I&I, Inland Revenue for a sum of Rs. 1 billion. The Company is in process to these notices.

9.2 Commitments

This includes post-dated cheques issued amounted to Rs. 11.47 million (June 30, 2024: Rs. 22.12 million).

10 SALES - NET

	Quarter ended		Half year ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Un-audited	Un-audited	Un-audited	Un-audited
	Rupees in 000's			
Gross sales				
Liquefied Petroleum Gas (LPG)	508,533	896,525	821,476	1,677,594
Low Pressure Regulators (LPR)	16	72	47	103
	508,549	896,597	821,523	1,677,697
Sales tax	(76,296)	(92,422)	(124,031)	(193,903)
Sales return	(6,800)	(3,283)	(8,208)	(5,527)
Advance tax	(342)	-	(384)	-
	(83,438)	(95,705)	(132,623)	(199,430)
	425,111	800,892	688,900	1,478,267

11 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

11.1 The related parties include the former holding company, subsidiary company, staff retirement benefit / contribution plans, associate companies / other related parties, Directors and other Key Management Personnel. All transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company.

11.2 Details of transactions with related parties during the reporting period, other than those which have been disclosed elsewhere in these unconsolidated condensed interim financial statements, are as follows:

11.2.1 Transactions with related parties

Nature of relationship	Nature of transactions	Half year ended	
		December 31, 2024	December 31, 2023
		----- (Rupees in '000) ----- (Un-audited)	
Subsidiary			
Burshane Auto Gas (Private) Limited	Expenses incurred on behalf of the Company	248	-
Staff retirement benefit / contribution plans			
Burshane LPG (Pakistan) Limited: Provident Fund	Company's contribution for the period	1,210	2,230
Associate companies / other related parties			
Burshane Petroleum (Private) Limited [Formerly Darian International (Private) Limited]	Short term Loan - received	212,000	31,500
	Short term Loan - paid	139,000	31,500
	Interest expense on short term loan	4,381	553
	Interest paid on short term loan	2,180	553
Directors			
	Short term Loan - received	14,800	63,820
	Short term Loan - paid	17,495	30,820
	Interest expense on short term loan	2,754	2,174
	Interest paid on short term loan	1,562	1,656

Nature of relationship	Nature of transactions	Half year ended	
		December 31, 2024	December 31, 2023
		----- (Rupees in '000) ----- (Un-audited)	
Key management personnel			
Chief Executive Officer	Managerial remuneration and other benefits	-	13,587
	Contribution to retirement and other service benefits	-	900
Executive Directors	Managerial remuneration and other benefits	2,700	5,292
	Advance given against salary	-	700
Directors	Fee for attending meetings	1,450	1,850

11.2.2 Balances with related parties

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

Nature of relationship	Nature of balances	(Un-audited)	(Audited)
		December 31, 2024	June 30, 2024
		----- (Rupees in '000) -----	
Subsidiary			
Burshane Auto Gas (Private) Limited	Investment in a subsidiary company	50,000	50,000
	Loan payable to a subsidiary company	50,000	50,000
	Receivable against expenses	1,069	821
Associated Companies / Other Related Parties			
Burshane Petroleum (Private) Limited [Formerly Darian International (Private) Limited]	Receivable against use of name "Burshane"	9,000	9,000
	Markup payable	2,201	-
Director			
Mr. Asad Alam Niazi	Short-term loan	10,693	13,388
	Markup payable	3,849	2,657
Key management personnel	Advance to Chief Financial Officer	-	300

12 FAIR VALUE MEASUREMENT

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

12.1 Fair value of hierarchy

At the reporting date, the Company's all assets and liabilities are carried at amortised cost except for those mentioned below:

The Company's freehold land and leasehold land are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent impairment losses, if any. The fair value measurement of the Company's free hold land at February 15, 2022 and leasehold land as at June 14, 2022 was carried out by M/s. K. G. Traders (Private) Limited and M/s. Luckyhiya Associate (Private) Limited.

The valuation techniques and inputs used to develop fair value measurement of aforementioned assets are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

	Fair value measurement			Total
	Level 1	Level 2	Level 3	
	----- (Rupees in '000) -----			
December 31, 2024 (Un-audited):				
Assets measured at fair value				
Property, plant and equipment				
Freehold land	-	16,800	-	16,800
Leasehold land	-	569,288	-	569,288
	-	<u>586,088</u>	-	<u>586,088</u>
June 30, 2024 (Audited):				
Assets measured at fair value				
Property, plant and equipment				
Freehold land	-	16,800	-	16,800
Leasehold land	-	569,288	-	569,288
	-	<u>586,088</u>	-	<u>586,088</u>

13 SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

13.1 For the tax year 2016, a notice dated June 25, 2018 was issued to the Company to provide certain information / details for audit proceedings. The notice was duly complied.

Show cause notice dated June 13, 2019 was issued to amend assessment u/s 122(9) read with section 214C of the Income Tax Ordinance, 2001 which was duly responded on all the points. Subsequently, order dated August 29, 2019 passed by the DCIR raising null tax demand due to applicability of minimum tax.

The Company filed appeal to the Commissioner (Appeals) against the aforesaid order dated August 29, 2019. The said appeal was heard and order passed wherein the Commissioner (Appeals) has confirmed the certain additions made by the DCIR, whereas, he has annulled / deleted certain additions i.e. (rent, advertising expenses and financial charges - profit on debt) as such. Further, the Commissioner (Appeals) has also directed the Officer to allow credit of actual taxes paid of Rs. 23.45 million subject to due verification. Appeal effect under section 124 to be filed.

Monitoring of WHT was conducted by the DCIR by issuing a notice under section 176 dated March 28, 2018 which was duly responded. Thereafter, a show-cause notice dated February 13, 2019 was issued under section 161(1A) confronting on non-withholding of taxes on certain payments. Response was duly filed and accordingly order dated March 15, 2019 was passed under section 161 / 205 by the ACIR wherein the total tax demand of Rs. 2.05 million was raised which comprised the defaulted amount of Rs. 1.552 million; default surcharge of Rs. 0.49 million. Against the Order, the Company filed an appeal before the Commissioner (Appeals-I) which was heard and appellate order passed dated May 15, 2019 wherein Commissioner (Appeals-I) remanded back the Order of DCIR with the directions to verify supporting documentary evidences in respect of expenses claimed to be furnished by appellant company within seven days time. Following the underlying directions of Commissioner (Appeals-I) the Company has filed the details of expenses / payments in question vide our letter no. KT-AA-3707 dated May 22, 2019 to the DCIR for onward proceedings.

The Company filed application dated March 25, 2021 for approval for revision of return under clause (ba) of subsection 6 of section 114 of Income Tax Ordinance, 2001, for charging minimum tax u/s 113 at the rate 0.2% instead of 1%. The commissioner audit vide his letter dated May 07, 2021 rejected the request of the Company for granting permission for revision of return. The Company has filed a petition in the Hon'ble High Court of Sindh with prayer to direct the Commissioner Inland Revenue to allow revision of return of income for the tax year 2016. The Court ruled in favor of the Company. Consequently, the Commissioner Inland Revenue, through a letter dated March 03, 2025, granted permission to revise the return for the mentioned tax year.

14 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on **March 26, 2025** by the Board of Directors of the Company.

15 GENERAL


- 15.1 Figures have been rounded off to the nearest thousands, unless stated otherwise.
- 15.2 Certain corresponding figures have been reclassified for better presentation. However, there are no material reclassifications to report.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

BURSHANE LPG (PAKISTAN) LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	———— (Rupees in '000) ————	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	790,612	816,745
Intangible assets		294,289	299,305
Long-term deposit		3,174	3,174
		1,088,075	1,119,224
CURRENT ASSETS			
Stores and spares - net		6,725	6,038
Stock-in-trade		48,748	8,197
Trade debts	4	68,045	76,722
Loans and advances		25,726	19,746
Deposits, prepayments and other receivables		26,016	28,696
Taxation - net		165,876	162,520
Cash and bank balances		20,012	4,407
		361,148	306,326
		1,449,223	1,425,550
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
90,000,000 (June 30, 2024: 90,000,000) ordinary shares of Rs. 10/- each		900,000	900,000
Issued, subscribed and paid-up capital			
22,488,890 (June 30, 2024: 22,488,890) ordinary share of Rs. 10/- each		224,888	224,888
Capital reserve			
Revaluation surplus of property		336,715	336,715
Other reserves		123,287	123,287
Revenue reserves		(261,204)	(215,122)
		423,686	469,768
NON-CURRENT LIABILITIES			
Long-term loan	5	47,241	68,710
Lease liabilities	6	17,537	23,364
Cylinder and regulator deposits		472,115	478,068
		536,893	570,142
CURRENT LIABILITIES			
Trade and other payables	7	51,123	65,038
Short-term borrowings		154,000	154,000
Accrued mark-up		51,107	26,953
Un-claimed dividend		83,050	83,050
Short - term loan	8	83,693	13,388
Current portion of long - term loan	5	54,634	33,165
Current portion of lease liabilities	6	11,037	10,046
		488,644	385,640
		1,449,223	1,425,550
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	9		

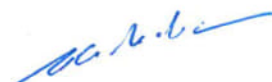
The annexed notes from 1 to 14 form an integral part of these consolidated condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

BURSHANE LPG (PAKISTAN) LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Quarter ended		Half year ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in '000)			
Sales - net	425,111	800,892	688,900	1,478,267
Cost of sales	(412,670)	(762,115)	(660,662)	(1,375,598)
Gross profit	12,441	38,777	28,238	102,669
Administrative expenses	(22,626)	(27,466)	(47,328)	(54,070)
Distribution and marketing expenses	(6,317)	(9,351)	(23,778)	(26,892)
Other income	20,865	12,592	33,084	21,060
Other operating expenses	(2,384)	(1,793)	(2,851)	(2,594)
	(10,462)	(26,018)	(40,873)	(62,496)
Operating profit	1,979	12,759	(12,635)	40,173
Finance costs	(15,854)	(18,379)	(31,725)	(36,630)
(Loss) / profit before levies and taxation	(13,875)	(5,620)	(44,360)	3,543
Levy	(1,063)	657	(1,722)	(1,036)
(Loss) / profit after levies and taxation	(14,938)	(4,963)	(46,082)	2,507
(Loss) / earnings per share - basic and diluted (Rs.)	(0.66)	(0.22)	(2.05)	0.11

The annexed notes from 1 to 14 form an integral part of these consolidated condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

BURSHANE LPG (PAKISTAN) LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Quarter ended		Half year ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in '000)			
(Loss) / profit for the period	(14,938)	(4,963)	(46,082)	2,507
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>(14,938)</u>	<u>(4,963)</u>	<u>(46,082)</u>	<u>2,507</u>

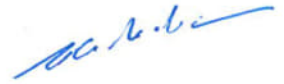
The annexed notes from 1 to 14 form an integral part of these consolidated condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

BURSHANE LPG (PAKISTAN) LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Half year ended	
	December 31, 2024	December 31, 2023
	———— (Rupees in '000) ————	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before levies and taxation	(44,360)	3,479
Adjustments for non-cash and other items:		
Depreciation	26,495	24,833
Amortisation	5,015	5,059
Allowance for expected credit losses	(151)	560
Finance costs	31,725	36,630
Gain on sale of assets	(4,170)	(4,820)
Profit on saving accounts	(235)	(395)
Liability for cylinder deposits written back	(16,531)	(13,061)
	42,148	48,806
(Increase) / decrease in current assets		
Stores and spares - net	(687)	270
Stock-in-trade	(40,551)	6,248
Trade debts	8,828	(23,238)
Loans and advances	(5,980)	3,897
Deposits, prepayments and other receivables	2,680	19,511
	(35,710)	6,688
Decrease in current liabilities		
Trade and other payables - net	(13,915)	(39,474)
Cash flow used in operations	(51,837)	19,499
Finance costs paid	(3,893)	(30,263)
Taxes paid	(5,078)	(13,421)
Cylinder and regulator deposits - net	10,578	13,175
Net cash flows used in operating activities	(50,230)	(11,010)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	(368)	(461)
Proceeds from sale of the fixed assets	4,175	4,820
Interest received	235	395
Net cash flows from investing activities	4,042	4,754
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term loan repaid	-	(13,279)
Short-term loan received	226,800	95,320
Short-term loan paid	(156,495)	(62,320)
Payment of lease liabilities - net	(8,512)	(5,460)
Net cash flows from financing activities	61,793	14,261
Net increase in cash and cash equivalents	15,605	8,005
Cash and cash equivalents at beginning of the period	(149,593)	(133,547)
Cash and cash equivalents at end of the period	(133,988)	(125,542)
Cash and cash equivalents at end of the period comprise of:		
Cash and bank balances	20,012	28,458
Short-term borrowings	(154,000)	(154,000)
	(133,988)	(125,542)

The annexed notes from 1 to 14 form an integral part of these consolidated condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

BURSHANE LPG (PAKISTAN) LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Capital Reserves				Revenue Reserves			Total	
	Issued, subscribed and paid-up capital	Reserve on amalgamation	Revaluation surplus of property	Actuarial loss on remeasurement of retirement and other service benefits	Sub total	General Reserve	Accumulated loss		Sub total
	(Rupees in '000)								
Balance as at July 1, 2023 (Audited)	224,888	153,458	336,715	(30,171)	460,002	90,000	(231,310)	(141,310)	543,580
Profit for the period	-	-	-	-	-	-	2,507	2,507	2,507
Other comprehensive income for the interim period - net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	2,507	2,507	2,507
Balance as at December 31, 2023 (Un-audited)	<u>224,888</u>	<u>153,458</u>	<u>336,715</u>	<u>(30,171)</u>	<u>460,002</u>	<u>90,000</u>	<u>(228,803)</u>	<u>(138,803)</u>	<u>546,087</u>
Balance as at July 1, 2024 (Audited)	224,888	153,458	336,715	(30,171)	460,002	90,000	(305,122)	(215,122)	469,768
Profit for the period	-	-	-	-	-	-	(46,082)	(46,082.00)	(46,082)
Other comprehensive income for the interim period - net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	(46,082)	(46,082)	(46,082)
Balance as at December 31, 2024 (Un-audited)	<u>224,888</u>	<u>153,458</u>	<u>336,715</u>	<u>(30,171)</u>	<u>460,002</u>	<u>90,000</u>	<u>(351,204)</u>	<u>(261,204)</u>	<u>423,686</u>

The annexed notes from 1 to 14 form an integral part of these consolidated condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

BURSHANE LPG (PAKISTAN) LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

1 LEGAL STATUS AND OPERATIONS OF THE GROUP

The Group consists of Burshane LPG (Pakistan) Limited (note 1.1) and its subsidiary companies i.e. Burshane Auto Gas (Private) Limited (note 1.2.1) and Burshane Trading (Private) Limited (note 1.2.2).

1.1 The Holding Company

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

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

1.2 Subsidiary Companies

1.2.1 Burshane Auto Gas (Private) Limited (the Subsidiary Company) was incorporated on September 26, 2014 under the repealed Companies Ordinance, 1984, now Companies Act, 2017. The Subsidiary Company will mainly be engaged in opening and managing petrol pumps and Liquefied Petroleum Gas (LPG) outlets. The registered office of the Subsidiary Company is situated at Suit No.101, 1st Floor, Horizon Vista, Commercial - 10, Block 04, Clifton, Karachi. The Subsidiary Company has not commenced its operations and is in the start-up phase. the Holding Company holds 99.99% voting rights and is committed to provide financial support to the Subsidiary Company as and when required.

1.2.2 Burshane Trading (Private) Limited (BTPL) was incorporated on October 13, 2014 under the repealed Companies Ordinance, 1984, now Companies Act, 2017, for setting up trading operations particularly in coal and other energy related products. The registered office of BTPL is situated at Suite 101, 1st Floor, Horizon Vista, Plot No. Commercial Block-4, Scheme No. 5, Clifton, Karachi. No share capital has been issued and no transactions were undertaken by BTPL during the year.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise:

- International Accounting Standard (IAS) 34 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, and the directives issued under, the Companies Act, 2017.

Where the provisions of, and the directives issued under, the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of, and directives issued under, the Companies Act, 2017 have been followed.

These consolidated condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Holding Company's annual financial statements for the year ended June 30, 2024.

2.2 Basis of measurement

In these condensed interim consolidated financial statements, all items have been measured at their historical cost except for freehold land and leasehold land which are stated at their revalued amounts.

2.3 Functional and presentation currency

Items included in these consolidated condensed interim financial statements are measured using the currency of the primary economic environment in which the Holding Company operates. These consolidated condensed interim financial statements are presented in Pak Rupees which is the Group's functional and presentation currency.

2.4 Use of estimates and judgments

In preparing these consolidated condensed interim financial statements, the significant judgments made by management in applying the Holding Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in the Holding Company's annual financial statements as at and for the year ended June 30, 2024.

2.5 Material accounting policies

The material accounting policies applied in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the annual consolidated financial statements of the Holding Company for the year ended June 30, 2024.

Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Holding Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'.

The change in accounting policy has been accounted for retrospectively in accordance with International Accounting Standard 8: "Accounting Policies, Changes in Accounting Estimates and Errors". However, there is no material impact on consolidated condensed interim financial statement, therefore it has not been accounted for retrospectively.

	Note	(Un-audited) December 31, 2024	(Audited) June 30, 2024
		----- (Rupees in '000) -----	
3	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets, at net book value	765,794	786,382
	Right-of-use assets	24,818	30,363
		<u>790,612</u>	<u>816,745</u>
3.1	Operation fixed assets		
	Additions - at cost, to operating fixed assets during the period were as follows:		
	Furniture, fittings, electrical and other equipment	268	289
	Plant & machinery	-	185
	Office equipment	-	155
	Cylinder and regulators	-	31,703
	Computers and related accessories	100	224
		<u>368</u>	<u>32,556</u>
3.2	Right-of-use assets		
	Balance at the beginning of the period / year	30,363	21,043
	Additions during the period / year	-	19,187
		30,363	40,230
	Depreciation charged during the period / year	(5,545)	(9,867)
	Balance at the end of the period / year	<u>24,818</u>	<u>30,363</u>

The right to use assets comprises of premises acquired on lease by the Company for its operations.

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	----- (Rupees in '000) -----	
4	TRADE DEBTS		
	Unsecured - considered good		
	Trade debtors	90,689	99,214
	Allowance for expected credit losses	(22,644)	(22,492)
		<u>68,045</u>	<u>76,722</u>

5 LONG-TERM LOAN

Secured

National Bank of Pakistan (NBP)	5.1	101,875	101,875
Current maturity of long-term loan		(54,634)	(33,165)
		<u>47,241</u>	<u>68,710</u>

5.1 In year 2015, long-term finance obtained, under conventional banking terms, by HTPL had been transferred to the Holding Company at the time of amalgamation (the scheme). This loan was obtained as a demand finance facility under the agreement dated April 08, 2013 from National Bank of Pakistan (NBP) and was repayable in 9 semi-annual installments of Rs. 44.44 million latest by April 01, 2018 with a grace period of six months. The loan carried mark-up at rate of 6 months KIBOR plus 2.5% per annum.

On June 08, 2022 long term loan was restructured into Demand finance I, Demand finance II and short term borrowing, terms are as follows.

Facility	(Rupees in '000)	Repayment term	Markup rate
Demand Finance - I	74,996	20 quateraly installments	Interest free
Demand Finance - II	95,289	20 quateraly installments	3 MK + 2%
Running Finance	154,000	revolving nature	3 MK + 1.75%

Payments were made in accordance with the restructured terms until December 31, 2023. However, the Holding Company has since defaulted on its payments as outlined in the restructuring agreement. The Holding Company is currently engaged in negotiations with National Bank of Pakistan (NBP) for a revised restructuring plan.

6 LEASE LIABILITIES

Total lease liabilities	6.1	28,574	33,410
Current maturity of lease liabilities		(11,037)	(10,046)
		<u>17,537</u>	<u>23,364</u>

6.1 Reconciliation of total lease liabilities:

Balance at the beginning of the period / year		33,410	20,055
Additions during the period / year		-	19,187
Disposals during the period / year		-	-
Finance cost during the period / year		3,676	7,046
Payments / adjustment during the period / year		(8,512)	(12,878)
Balance at the end of the period / year	6.2	<u>28,574</u>	<u>33,410</u>

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	----- (Rupees in '000) -----	
6.2	Maturity analysis-contractual undiscounted cashflow		
	Within one year	11,037	10,046
	Later than one year but not later than five years	17,537	23,364
	More than five years	-	-
	Total undiscounted lease liability	28,574	33,410

7 TRADE AND OTHER PAYABLES

Creditors		3,803	14,145
Accrued liabilities		7,408	2,987
Advances from distributors / customers - unsecured		15,028	17,704
Workers' Welfare Fund		3,017	3,017
Withholding tax payable		4,648	5,487
Burshane LPG (Pakistan) Limited - Provident Fund		485	-
Sales tax payable		1,088	2,590
Other creditors	7.1	15,646	18,865
		51,123	64,795

7.1 This includes amount of Rs. 2 million payable to Securities Exchange Commission of Pakistan (SECP) as disclosed in note 9.1.1 to the financial statements.

8 SHORT TERM LOAN

Related party - unsecured			
Burshane Petroleum (Private) Limited	8.1	73,000	-
Chief Executive Officer	8.2	10,693	13,388
		83,693	13,388

8.1 This loan has been obtained for the purpose of purchasing LPG. The markup on this loan is calculated as 30% of the gross profit, after deducting hospitality charges.

8.2 This loan was acquired for the purchase of LPG. During the period, additional loan of Rs. 11.12 million was acquired and Rs. 13.82 million was repaid. This loan carries markup of 3 month KIBOR + 2% per annum.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

9.1.1 An inspection order dated August 04, 2020 under Section 221 of Companies Act, 2017 was issued by SECP against complaint received by the Commission wherein it was alleged that the CEO and Director Finance of the Holding Company are involved in financial irregularities of the Companies Act, 2017, which include advance made to Roots International Brands Private Limited (RIBS), an associate company, and that the bank account was being used for illegal activities by CEO and the Holding Company's Director Finance who appears to have concealed the existence of such financial transactions.

On the conclusion of inspection, a report was issued on October 23, 2020 mentioning cognizance of offences under sections 204, 199(1), 199(2), 183(2), CEO and Director Finance of the Holding Company, during the period from July 1, 2018 to June 30, 2020 and suggested that they are liable with regard to all the above non-compliances as the Board of Directors did not discuss or approve transactions with RIBS until June 26, 2020 and the predecessor auditors are liable for proceedings to be initiated under section 249 read with section 253 of the Act as they failed to highlight lack of disclosure of transactions with RIBS in notes to the financial statements for year ended June 30, 2019 especially in related parties note as required under IAS 24. The Auditor also failed to highlight the unsecured interest free loans extended without any agreement to a related party i.e., RIBS before June 03, 2019.

The Holding Company has provided the comments on findings to SECP, that the non-compliance was not intentional but was omission by mistake. The Company had advanced certain amount to RIBS, However, the Holding Company has received all the monies back with mark up and therefore there is no financial loss to the Holding Company. The Board has subsequently ratified all these transactions with RIBS, and therefore to an extent the non-compliance has been addressed. It was merely an oversight of SECP compliance regulations. It has further been resolved in the Board that extra care shall be taken in future to ensure that non-compliance should not takes place.

On October 11, 2022, the Holding Company was imposed a penalty of Rs. 2 million by the SECP. Subsequently, the Holding Company filed a Constitutional Petition with the High Court, challenging both the constitutional and legal validity of the inspection order issued by SECP. On September 11, 2024, the Sindh High Court dismissed the petition on the grounds that it was filed on invalid grounds. Following this order, the Holding Company has decided not to challenge the case in any other forum and to proceed with the payment of the imposed penalty.

9.1.2 On July 31, 2015, the Holding Company received a show cause notice under Punjab Rented Premises Act, 2009, by the landlords of the property measuring 51-Kanals-03-Marlas, or thereabouts bearing Square No. 94, Killa no. 1, 2, 3, 4, 5, 6 & 7, tehsil Faisalabad, near Abbaspur railway station. The Holding Company uses this land for LPG storage and filling plant of Faisalabad. The landlords filed an ejection petition against the Holding Company and the Holding Company has filed defending argument in the rent tribunal Faisalabad and case is under hearing stage.

9.1.3 The Special Sales Tax Reference Application (STRA) has been filed by the Commissioner Inland Revenue, Zone-IV, Large Taxpayers Unit Karachi in the High Court of Sindh at Karachi on December 18, 2019. During the year ended June 30, 2018, tax authorities issued Order dated May 25, 2018 and charged sales tax under section 8B of Sales Tax Act, 1990, raising sales tax demand and imposing penalties aggregating to Rs. 133.11 million and also default surcharge for tax periods from July 2014 to March 2018. Against the said Order, the Holding Company filed appeal before Commissioner (Appeals-I), Karachi who vide Order dated July 03, 2018 vacated the whole principal amount of sales tax of Rs. 65.57 million and reduced the imposition of penalties from Rs. 67.54 million to Rs. 0.50 million only. However, the liability on account of default surcharge was maintained.

The Order of the Commissioner (Appeal) was challenged before the Hon'ble Appellate Tribunal Inland Revenue, Karachi who vide Order dated August 28, 2019 reduced the substantial amount of default surcharge to Rs. 1.34 million and maintained the amount of penalty Rs. 0.50 million.

9.1.4 The captioned Special Sales Tax Reference Application (STRA) is filed by the Commissioner Inland Revenue, Zone-IV, Large Taxpayers Unit Karachi in the High Court of Sindh at Karachi. On September 28, 2018, tax authorities levied sales tax under section 8B of Sales Tax Act, 1990, raising sales tax demand along with the levy of penalty aggregating to Rs. 7.90 million for tax periods from April 2018 to May 2018.

Against the Order, the Holding Company filed appeal before Commissioner (Appeals-I), Karachi, who vide Order dated October 31, 2018 vacated the whole principal amount of sales tax of Rs. 7.67 million. However, the liability on account of default surcharge and penalty was maintained.

The Order of the Commissioner (Appeal) was challenged before the Hon'ble Appellate Tribunal Inland Revenue, Karachi who vide Order dated August 28, 2019 reduced the substantial amount of default surcharge to Rs. 0.16 million and maintained the amount of penalty Rs. 0.23 million. The Holding Company has paid the reduced amount of default surcharge and penalty without pursuing the matter further.

- 9.1.5 The Holding Company has filed Special Federal Excise Duty (FED) Ref. Application before the Hon'ble High Court of Sindh against the Appellate order dated April 02, 2012 of the Appellate Tribunal IR. The tax authorities at Large Taxpayers Office established a demand towards FED on the payment of license fee paid/payable by the Holding Company in relation with the software / IT services acquired from the non-resident parent company under the tariff heading "franchise service" as per First Schedule to Federal Excise Act, 2005. At that time, Burshane LPG (Pakistan) Limited was a subsidiary of Shell Group, operating under the name of Shell LPG Pakistan Limited. The scope of services under the head 'franchise services' was not clear when the Federal Excise Act was promulgated in the year 2005 and then the jurisdictional issues also made the matter more complicated when the franchise services were subjected to Provincial sales tax by promulgation of Sindh Sales Tax on Services Act, 2011 effective July 01, 2011.

Software licensing does not fall under the service classification "franchise services" and this aspect has been settled at the Appellate Tribunal level in reported judgments, also. Hence, the Holding Company has a strong arguable case to defend its position that the impugned demand of FED may not be warranted.

- 9.1.6 A complaint was filed by the Directorate of Investigation and Intelligence (Inland Revenue) (I & I - IR) on August 31, 2020, against the Company for alleged Tax evasion of approximately Rs. 1.78 billion, with Special Court for Customs, Taxation and (Anti-Smuggling). Based on this complaint the court passed 2 orders against the Holding Company and some of its directors. The orders were pertaining to freezing of the Holding Company's 9 bank accounts for 90 days and issuance of nonailable arrest warrants of its certain Directors. The Holding Company immediately obtained Protective Bail from the High Court and subsequently from the Special Court which was later confirmed.

The Holding Company also filed a Constitutional Petition with High Court against the order of the Special Court for freezing of 9 bank accounts. All banks have removed the freeze on the Holding Company's accounts on expiry of 90 days.

The Holding Company had received notices under section 177(1) of Income Tax Ordinance, 2001 regarding audit for tax years 2018 and 2019. The Holding Company has replied and submitted relevant details and documents timely through various letters to FBR. The Holding Company has received further notices under section 122(5A) of the Income Tax Ordinance, 2001 demanded income tax liability amounting to Rs. 609.79 million and Rs. 617.30 million for the tax year 2018 and 2019 respectively. An appeal was preferred before the Commissioner Inland Revenue – Appeal (CIR-A) whereby the CIR-A remanded back the case to the concerned Officer Inland Revenue (OIR). Thereafter, remanded back proceeding was initiated by the learned OIR, that culminated on an order under section 124/129 of the Ordinance, whereby the demanded tax liability of Rs. 172.05 million and Rs. 87.75 million for the tax year 2018 and 2019 was created. Being aggrieved by the demand liability, the Company has appealed the demand before the Appellate Tribunal.

The Director of Intelligence and Investigation, Inland Revenue had appeared on TV in Kamran Khan's News show on September 23, 2020, and there he discussed the case in a manner whereby the Group's reputation was damaged and tried to conduct a media trial of the Company and its Directors. Additionally, the Director of Intelligence and Investigation, Inland Revenue also disclosed our tax and assets details, hence breached privacy and confidentiality laws. The Company has filed a law suit for damages against the Director General, the Director of South Region and the Deputy Director, (the Complainant) of the Directorate of I&I, Inland Revenue for a sum of Rs. 1 billion. The Company is in process to these notices.

9.2 Commitments

This includes post-dated cheques issued amounted to Rs. 11.47 million (June 30, 2024: Rs. 22.12 million).

10 SALES - NET

	Quarter ended		Half year ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Un-audited	Un-audited	Un-audited	Un-audited
	Rupees in 000's			
Gross sales				
Liquefied Petroleum Gas (LPG)	508,533	896,525	821,476	1,677,594
Low Pressure Regulators (LPR)	16	72	47	103
	508,549	896,597	821,523	1,677,697
Sales tax	(76,296)	(92,422)	(124,031)	(193,903)
Sales return	(6,800)	(3,283)	(8,208)	(5,527)
Advance tax	(342)	-	(384)	-
	(83,438)	(95,705)	(132,623)	(199,430)
	425,111	800,892	688,900	1,478,267

11 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

11.1 The related parties include the subsidiary company, staff retirement benefit / contribution plans, associate companies / other related parties, Directors and other Key Management Personnel. All transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Holding Company.

11.2 Details of transactions with related parties during the reporting period, other than those which have been disclosed elsewhere in these consolidated condensed interim financial statements, are as follows:

11.2.1 Transactions with related parties

Nature of relationship	Nature of transactions	Half year ended	
		December 31, 2024	December 31, 2023
		----- (Rupees in '000) ----- (Un-audited)	
Staff retirement benefit / contribution plans			
Burshane LPG (Pakistan) Limited: Provident Fund	Company's contribution for the period	1,210	2,230
Associate companies / other related parties			
Burshane Petroleum (Private) Limited [Formerly Darian International (Private) Limited]	Short term Loan - received	212,000	31,500
	Short term Loan - paid	139,000	31,500
	Interest expense on short term loan	4,381	553
	Interest paid on short term loan	2,180	553
Directors			
	Short term Loan - received	14,800	63,820
	Short term Loan - paid	17,495	30,820
	Interest expense on short term loan	2,754	2,174
	Interest paid on short term loan	1,562	1,656

Nature of relationship	Nature of transactions	Half year ended	
		December 31, 2024	December 31, 2023
		----- (Rupees in '000) ----- (Un-audited)	
Key management personnel			
Chief Executive Officer	Managerial remuneration and other benefits	-	13,587
	Contribution to retirement and other service benefits	-	900
Executive Directors	Managerial remuneration and other benefits	2,700	5,292
	Advance given against salary	-	700
Directors	Fee for attending meetings	1,450	1,850

11.2.2 Balances with related parties

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

Nature of relationship	Nature of balances	(Un-audited)	(Audited)
		December 31, 2024	June 30, 2024
		----- (Rupees in '000) -----	
Associated Companies / Other Related Parties			
Burshane Petroleum (Private) Limited [Formerly Darian International (Private) Limited]	Receivable against use of name "Burshane"	9,000	9,000
	Markup payable	2,201	-
Director Mr. Asad Alam Niazi	Short-term loan	10,693	13,388
	Markup payable	3,849	2,657
Key management personnel	Advance to Chief Financial Officer	-	300

12 FAIR VALUE MEASUREMENT

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

12.1 Fair value of hierarchy

At the reporting date, the Holding Company's all assets and liabilities are carried at amortised cost except for those mentioned below:

The Holding Company's freehold land and leasehold land are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent impairment losses, if any. The fair value measurement of the Holding Company's free hold land at February 15, 2022 and leasehold land as at June 14, 2022 was carried out by M/s. K. G. Traders (Private) Limited and M/s. Luckyhiya Associate (Private) Limited.

The valuation techniques and inputs used to develop fair value measurement of aforementioned assets are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

	Fair value measurement			Total
	Level 1	Level 2	Level 3	
	----- (Rupees in '000) -----			
December 31, 2024 (Un-audited):				
Assets measured at fair value				
Property, plant and equipment				
Freehold land	-	16,800	-	16,800
Leasehold land	-	569,288	-	569,288
	-	<u>586,088</u>	-	<u>586,088</u>
June 30, 2024 (Audited):				
Assets measured at fair value				
Property, plant and equipment				
Freehold land	-	16,800	-	16,800
Leasehold land	-	569,288	-	569,288
	-	<u>586,088</u>	-	<u>586,088</u>

13 SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

- 13.1 For the tax year 2016, a notice dated June 25, 2018 was issued to the Holding Company to provide certain information / details for audit proceedings. The notice was duly complied.

Show cause notice dated June 13, 2019 was issued to amend assessment u/s 122(9) read with section 214C of the Income Tax Ordinance, 2001 which was duly responded on all the points. Subsequently, order dated August 29, 2019 passed by the DCIR raising null tax demand due to applicability of minimum tax.

The Holding Company filed appeal to the Commissioner (Appeals) against the aforesaid order dated August 29, 2019. The said appeal was heard and order passed wherein the Commissioner (Appeals) has confirmed the certain additions made by the DCIR, whereas, he has annulled / deleted certain additions i.e. (rent, advertising expenses and financial charges - profit on debt) as such. Further, the Commissioner (Appeals) has also directed the Officer to allow credit of actual taxes paid of Rs. 23.45 million subject to due verification. Appeal effect under section 124 to be filed.

Monitoring of WHT was conducted by the DCIR by issuing a notice under section 176 dated March 28, 2018 which was duly responded. Thereafter, a show-cause notice dated February 13, 2019 was issued under section 161(1A) confronting on non-withholding of taxes on certain payments. Response was duly filed and accordingly order dated March 15, 2019 was passed under section 161 / 205 by the ACIR wherein the total tax demand of Rs. 2.05 million was raised which comprised the defaulted amount of Rs. 1.552 million; default surcharge of Rs. 0.49 million. Against the Order, the Holding Company filed an appeal before the Commissioner (Appeals-I) which was heard and appellate order passed dated May 15, 2019 wherein Commissioner (Appeals-I) remanded back the Order of DCIR with the directions to verify supporting documentary evidences in respect of expenses claimed to be furnished by appellant company within seven days time. Following the underlying directions of Commissioner (Appeals-I) the Company has filed the details of expenses / payments in question vide our letter no. KT-AA-3707 dated May 22, 2019 to the DCIR for onward proceedings.

The Holding Company filed application dated March 25, 2021 for approval for revision of return under clause (ba) of subsection 6 of section 114 of Income Tax Ordinance, 2001, for charging minimum tax u/s 113 at the rate 0.2% instead of 1%. The commissioner audit vide his letter dated May 07, 2021 rejected the request of the Holding Company for granting permission for revision of return. The Holding Company has filed a petition in the Hon'ble High Court of Sindh with prayer to direct the Commissioner Inland Revenue to allow revision of return of income for the tax year 2016. The Court ruled in favor of the Holding Company. Consequently, the Commissioner Inland Revenue, through a letter dated March 03, 2025, granted permission to revise the return for the mentioned tax year.

14 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on **March 26, 2025** by the Board of Directors of the Holding Company.

15 GENERAL


- 15.1 Figures have been rounded off to the nearest thousands, unless stated otherwise.
- 15.2 Certain corresponding figures have been reclassified for better presentation. However, there are no material reclassifications to report.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR