Bursshane LPG (Pakistan) Limited

Third Quarter Report 2024

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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
- Mr. Muhammad Ali Niazi
  Director
- Maj. Gen Rafi Ullah Khan (R)
  Independent Director
- Brig. (R) Rashid Siddiqi
  Independent Director
- Ms. Shahbano Hameed
  Director (NIT Nominee)
- Mr. Osman Malik
  Director (NBP 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
- Summit Bank Limited
- Sindh Bank Limited
- JS Bank Limited

Legal Advisors

- Mohsin Tayebaly & Co.

Tax Advisors

- Maavins Solutions

Auditors

- BDO Ebrahim & 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 March 31, 2024.

Financial Performance

During the period under review, the sales volume of the Company at 10,498 MTs, decreased by 6,378 MTs (37.79%) compared to the corresponding period due to reduced local LPG quota, higher prices of imported LPG and our liquidity issues. Net sales of the Company at Rs. 2,417.09 million decreased by Rs. 1,003.84 million (29.34%) due to reduction in sales volume during the period. The gross margins of the Company at Rs. 109.26 million (5.15% of sales value) was decreased by 54.00 million from comparative period of last year.

Administrative expenses decreased by Rs. 13.28 million (15.27%) compared to comparative period of previous year, mainly due to decrease in Litigation expenses pertaining to complaint lodged by Investigation and Intelligence (Inland Revenue) (I&I IR); and distribution & marketing expenses have also decreased by Rs. 7.37 million.

Loss before tax of the Company at Rs. 23.63 million, is increased by Rs. 33.11 million from last year. Financial costs have increased by 12.35 million due to higher KIBOR rates.

The Company's loss per share for the period under review is at Rs. 1.17 compared to earnings per share of Rs. 0.40 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 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 for same tax years on August 16, 2022, in which the additions made by the Deputy Commissioner Inland Revenue in the assessments made under section 122 through order dated June 14, 2022 has not been accepted by the learned Commissioner Inland Revenue (Appeals-II), Karachi who has been pleased to remand the matter back for both the years, as such no demand subsists for tax year 2018 and 2019. The Company has received further notices under section 124 / 129 of Income Tax Ordinance, 2001 on December 23, 2023 regarding audit for the same tax years in which FBR imposed taxes and the Company preferred an appeal against the orders which has been admitted by the Commissioner Inland Revenue (Appeals).

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 Board comprised of nine Directors while Maj. Gen (R) Abid Latif Khan has submitted his resignation and now there are eight Directors on the Board and its composition is as follows:

- Male: 7
- Female: 1

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

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
Mr. Muhammad Ali Niazi	-	Member

b) Human Resource and Remuneration Committee

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

Financial Highlights:

	(Rs. in '000)
Following are the key numbers of the results for the period:	
Net Sales	2,121,515
Gross Margins	109,256
Loss before Tax	23,629
Loss after Tax	26,273
Loss per share	1.17

Following is the appropriation:

Dividend declared	Cash	NIL
	Bonus	NIL

On behalf of the Board, we would like to thanks 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: April 30, 2024

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

	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
ASSETS		------- (Rupees in '000) -------	
NON-CURRENT ASSETS			
Property, plant and equipment	5	827,479	817,215
Intangible assets		301,819	309,407
Long-term investment		50,000	50,000
Long-term deposit		3,174	3,174
		1,182,472	1,179,796
CURRENT ASSETS			
Stores and spares - net		5,106	4,321
Stock-in-trade		16,048	26,348
Trade debts		88,168	101,847
Loans and advances		3,653	36,170
Deposits, prepayments and other receivables		32,588	43,529
Taxation - net		161,019	152,637
Cash and bank balances		12,157	20,154
		318,739	385,006
TOTAL ASSETS		1,501,211	1,564,802
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
90,000,000 (June 30, 2023: 90,000,000) ordinary shares of Rs. 10/-each		900,000	900,000
Issued, subscribed and paid-up capital			
22,488,890 (June 30, 2023: 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		(167,556)	(141,283)
		517,328	543,601
NON-CURRENT LIABILITIES			
Long-term loan	7	75,590	91,729
Lease liabilities	8	27,201	15,889
Deferred taxation - net		-	2,660
Cylinder and regulator deposits		481,163	479,457
		583,954	589,735
CURRENT LIABILITIES			
Loan from a subsidiary company		50,000	50,000
Trade and other payables		42,173	103,715
Short-term borrowings		154,000	153,701
Accrued mark-up		13,562	11,886
Un-claimed dividend		83,050	83,050
Short - term loan	6	24,578	-
Current portion of long - term loan	7	26,285	24,948
Current portion of lease liabilities	8	6,281	4,166
		399,929	431,466
TOTAL EQUITY AND LIABILITIES		1,501,211	1,564,802
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 NINE MONTHS ENDED MARCH 31, 2024

	Note	Quarter ended		Nine months ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
		(Rupees in '000)			
Gross sales		744,922	1,097,165	2,417,092	3,420,934
Sales tax		(101,674)	(129,908)	(295,577)	(429,786)
Sales - net		643,248	967,257	2,121,515	2,991,148
Cost of sales		(636,661)	(911,912)	(2,012,259)	(2,827,888)
Gross profit		6,587	55,345	109,256	163,260
Administrative expenses		(19,624)	(30,192)	(73,694)	(86,971)
Distribution and marketing expenses		(13,029)	(14,692)	(39,921)	(47,286)
Other income		17,253	9,217	38,249	26,737
Other operating expenses		(616)	(750)	(3,210)	(4,302)
Operating profit		(9,429)	18,928	30,680	51,438
Finance costs		(17,679)	(14,738)	(54,309)	(41,961)
(Loss) / profit before taxation		(27,108)	4,190	(23,629)	9,477
Taxation	10	(1,608)	(1,047)	(2,644)	(432)
(Loss) / profit for the period		(28,716)	3,143	(26,273)	9,045
(Loss) / earnings per share - basic and diluted (Rs.)		(1.28)	0.14	(1.17)	0.40

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 NINE MONTHS ENDED MARCH 31, 2024

	Quarter ended		Half year ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	---------- (Rupees in '000) ----------			
(Loss) / profit for the period	(28,716)	3,143	(26,273)	9,045
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(28,716)	3,143	(26,273)	9,045

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 NINE MONTHS ENDED MARCH 31, 2024

	Capital Reserves					Revenue Reserves			
	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	Total
	(Rupees in '000)								
Balance as at July 1, 2022 (Audited)	224,888	153,458	336,715	(30,477)	459,696	90,000	(165,132)	(75,132)	609,452
Profit for the period	-	-	-	-	-	-	9,045	9,045	9,045
Other comprehensive income for the interim period - net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	9,045	9,045	9,045
					-			-	
Balance as at March 31, 2023 (Un-audited)	224,888	153,458	336,715	(30,477)	459,696	90,000	(156,087)	(66,087)	618,497
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	-	-	-	-	-	-	(26,273)	(26,273)	(26,273)
Other comprehensive income for the interim period - net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	(26,273)	(26,273)	(26,273)
Balance as at March 31, 2024 (Un-audited)	224,888	153,458	336,715	(30,177)	459,996	90,000	(257,556)	(167,556)	517,328

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 NINE MONTHS ENDED MARCH 31, 2024

	Nine months ended	
	March 31, 2024	March 31, 2023
	------- (Rupees in '000) -------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(23,629)	9,477
Adjustments for non-cash and other items:		
Depreciation	38,671	37,092
Amortisation	7,588	7,588
Allowance for expected credit losses	560	1,370
Finance costs	54,309	41,961
Loss on sale of assets	(4,820)	(4,859)
Profit on saving accounts	(634)	(773)
Liability for cylinder deposits written back	(19,592)	(16,599)
	76,082	65,780
Decrease / (increase) in current assets		
Stores and spares - net	(785)	154
Stock-in-trade	10,300	(22,534)
Trade debts	13,119	(37,827)
Loans and advances	32,517	14,761
Deposits, prepayments and other receivables	10,941	83,332
	66,092	37,886
Decrease in current liabilities		
Trade and other payables - net	(61,542)	(59,427)
Cash flow used in operations	57,003	53,716
Finance costs paid	(40,644)	(35,384)
Taxes paid	(13,686)	(25,447)
Cylinder and regulator deposits - net	21,298	28,643
Net cash flows generated from operating activities	23,971	21,528
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	(29,748)	(27,428)
Proceeds from sale of the fixed assets	4,820	129
Interest received	634	773
Net cash flows used in investing activities	(24,294)	(26,526)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term loan repaid	(21,792)	(20,778)
Short-term loan received	128,820	155,000
Short-term loan paid	(104,242)	(200,000)
Payment of lease liabilities	(10,759)	(10,195)
Net cash flows used in financing activities	(7,973)	(75,973)
Net decrease in cash and cash equivalents	(8,296)	(80,971)
Cash and cash equivalents at beginning of the period	(133,547)	(54,765)
Cash and cash equivalents at end of the period	(141,843)	(135,736)
Cash and cash equivalents at end of the period comprise of:		
Cash and bank balances	12,157	2,942
Short-term borrowings	(154,000)	(138,678)
	(141,843)	(135,736)

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 NINE MONTHS ENDED MARCH 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.

During the year 2014, the Company entered into a scheme of arrangement for amalgamation (scheme) of H.A.K.S Trading (Private) Limited (HTPL) and the Company. Under the scheme, 0.31 ordinary shares of the Company with a face value of Rs.10 each will be offered to the shareholders of HTPL for every one share of HTPL with a face value of Rs.10 each. The scheme was approved and adopted, subject to sanction by the Honourable High Court of Sindh (the Court), in the Extra Ordinary General Meeting of the shareholders of the Company held on September 03, 2014. The Court has granted approval of the scheme on February 20, 2015 which will become effective / operative once filed with the Securities and Exchange Commission of Pakistan (SECP).

2 BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated condensed interim financial statements are un-audited but subject to limited scope review by the statutory auditors as required under Section 237 of the Companies Act, 2017. These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2023.

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended March 31, 2024 and March 31, 2023 and notes forming part thereof have not been reviewed by the statutory auditors of the Company, as they are required to review only the cumulative figures for the quarters ended March 31, 2024 and March 31, 2023.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2023, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the quarters ended March 31, 2023.

2.2 Basis of measurement

These unconsolidated condensed interim financial statements have been prepared under the historical cost basis, except leasehold and freehold land which are recognized at revalued amount and lease liabilities and certain retirement benefits which are recognized at present values. These unconsolidated condensed interim financial statements has been prepared following accrual basis of accounting except for cash flows information.

2.3 Functional and presentation currency

These unconsolidated condensed interim financial statements have been presented in rupee or "Rs", which is the functional and presentation currency of the Company.

3 MATERIAL ACCOUNTING POLICIES AND CHANGES THEREIN

The accounting policies adopted and methods of computation followed in the preparation of these unconsolidated condensed interim financial statements are same as those for the preceding annual financial statements for the year ended June 30, 2023

3.1 Initial application of standards, amendments or an interpretation to existing standards

a) Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2023, but are considered not to be relevant or expected to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

The Company has adopted the narrow scope amendments to the International Accounting Standard (IAS1), Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they will impact the accounting policy information disclosed in the annual financial statements.

The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policies'. The amendments also provide guidance under what circumstance the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments had no effect on the interim condensed financial statements of the Company as they relate to disclosures of accounting polices in the annual financial statements rather than interim financial statements. The amendments are expected to be applicable for the accounting policy disclosures in the annual financial statements of the Company.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2024, but are considered not to be relevant or expected to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND FINANCIAL RISK MANAGEMENT

The preparation of unconsolidated condensed interim financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses, however, actual results may differ from these estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
		------- (Rupees in '000) -------	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets, at net book value	5.1	794,343	796,172
Right-of-use assets	5.2	33,136	21,043
		827,479	817,215
5.1 Operation fixed assets			
Additions - at cost, to operating fixed assets during the period were as follows:			
Furniture, fittings, electrical and other equipment		-	630
Plant & machinery		455	171
Office equipment		360	64
Cylinder and regulators		28,933	32,471
Vehicles - owned		-	106
Computers and related accessories		-	225
		29,748	33,667
5.2 Right-of-use assets			
Balance at the beginning of the period / year		21,043	29,776
Additions during the period / year		19,187	2,016
Deletions during the period / year		-	(1,232)
		40,230	30,560
Depreciation charged during the period / year		(7,094)	(9,517)
Balance at the end of the period / year		33,136	21,043

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

6 SHORT TERM LOAN			
Related party - unsecured			
Loan from Director	6.1	24,578	-

6.1 The loan was obtained from Burshane Petroleum (Private) Limited and Director amounting to Rs. 31.50 million (2023: Rs. 155 million) and Rs. 97.32 million (2023: 17 million) for purchase of LPG. During the reporting period, loan amounting to Rs. 104.24 million (2023: Rs. 217 million) was repaid. It carries rate of return of KIBOR + 2%.

	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
		------- (Rupees in '000) -------	
7 LONG-TERM LOAN			
Secured			
National Bank of Pakistan (NBP)	7.1	101,875	116,677
Current maturity of long-term loan		(26,285)	(24,948)
		75,590	91,729

7.1 During 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 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% to 6% per annum. This loan was secured by way of mortgage on leasehold land and charge on the Company's present and future current and fixed assets as well as personal guarantee of Chief Executive of the Company. In previous years, the Company negotiated several offer letters from NBP.

On September 20, 2021, the Company received a proposal via offer letter No. NBP/ARG/ARW(S)/BLPL/2021/770 supplemented by offer letter for the restructuring / rehabilitation scheme No. NBP/ARG/ARW(S)/BLPL/2022/08 dated January 06, 2022 and addendum to offer letter for the restructuring / rehabilitation scheme dated June 03, 2022 for the restructuring of loan from NBP which has since been accepted on June 08, 2022 by the Company's management.

However, the competent authority of NBP approved the acceptance of this offer by the Company and executed restructuring of long-term loan on June 08, 2022.

8 LEASE LIABILITIES			
Total lease liabilities	8.1	33,482	20,055
Current maturity of lease liabilities		(6,281)	(4,166)
		27,201	15,889
8.1 Reconciliation of total lease liabilities:			
Balance at the beginning of the period / year		20,055	28,175
Additions during the period / year		19,187	2,016
Disposals during the period / year		-	(2,922)
Finance cost during the period / year		4,999	4,575
Payments / adjustment during the period / year		(10,759)	(11,789)
Balance at the end of the period / year	8.2	33,482	20,055

	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
		------- (Rupees in '000) -------	
8.2	**Maturity analysis-contractual undiscounted cashflow**		
	Within one year	6,281	4,166
	Later than one year but not later than five years	27,201	15,889
	More than five years	-	-
	Total undiscounted lease liability	33,482	20,055

8.3 When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate 24.66% (June 30, 2023: 22.25%) 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

The Company has been imposed penalty of Rs. 2 million by SECP on October 11, 2022. However, the Company filed a Constitutional Petition with High Court challenging the constitutional as well as legal validity of the inspection order passed by SECP.

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 ejectment 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.

On February 10, 2021, 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 for same tax years on August 16, 2022, in which the additions made by the Deputy Commissioner Inland Revenue in the assessments made for the mentioned tax years under section 122 through order dated June 14, 2022 has not been accepted by the learned Commissioner Inland Revenue (Appeals-II), Karachi who has been pleased to remand the matter back for both the years, as such no demand subsists for tax year 2018 and 2019.

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.

9.1.7 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 and no adverse order has been passed.

9.2 Commitments

This includes post-dated cheques issued amounted to Rs. 23.89 million (June 30, 2023: Rs. 22.45 million).

10 TAXATION

	Quarter ended		Nine months ended	
	March 31, 2024 Un-audited	March 31, 2023 Un-audited	March 31, 2024 Un-audited	March 31, 2023 Un-audited
	Rupees in 000's			
Current	(1,608)	(2,745)	(5,304)	(8,552)
Prior	-	-	-	92
Deferred	-	1,698	2,660	8,028
	(1,608)	(1,047)	(2,644)	(432)

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

		Nine months ended	
		March 31, 2024	March 31, 2023
		------- (Rupees in '000) -------	
Nature of relationship	Nature of transactions	(Un-audited)	
Subsidiary			
Burshane Auto Gas (Private) Limited	Expenses incurred on behalf of the Company	225	369
Staff retirement benefit / contribution plans			
Burshane LPG (Pakistan) Limited: Provident Fund	Company's contribution for the period	3,343	2,290
	Loan received during the period	-	900
	Loan repaid during the period	-	900
Associate companies / other related parties			
Burshane Petroleum (Private) Limited [Formerly Darian International (Private) Limited]	Short term Loan - received	31,500	155,000
	Short term Loan - paid	31,500	200,000
	Interest expense on short term loan	553	2,731
	Interest paid on short term loan	553	2,731

		Nine months ended	
		March 31, 2024	March 31, 2023
		------- (Rupees in '000) ------- (Un-audited)	
Director			
Mr. Asad Alam Niazi	Short term Loan - received	97,320	-
	Short term Loan - paid	72,742	-
	Interest expense on short term loan	3,144	-
	Interest paid on short term loan	1,656	-
Key management personnel			
Chief Executive Officer	Managerial remuneration and other benefits	20,343	20,493
	Contribution to retirement and other service benefits	2,700	1,510
Executive Director	Managerial remuneration and other benefits	7,940	7,940
	Advance given against salary	525	-
Directors	Fee for attending meetings	2,550	2,300

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:

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
Nature of relationship	**Nature of balances**	------- (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	821	596
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	-	333
Director			
Mr. Asad Alam Niazi	Short-term loan	24,578	-
	Markup payable	1,488	-

11.2.3 Following are the related parties with whom the Company had entered into transactions or has arrangement / agreement in place:

Name	Basis of relationship	% of shareholding in the Company
Burshane Auto Gas (Private) Limited	Subsidiary Company	100
Burshane Trading (Private) Limited	Subsidiary Company	100
AAK Commodities (Private) Limited [Formerly Alsaa & AAK Commodities (Private) Limited]	Common directorship	Nil
A & S Corporation (Private) Limited	Common directorship	Nil
Norinco International Thatta (Private) Limited	Common directorship	Nil
AN Energy (Private) Limited	Common directorship	Nil
AN Developers (Private) Limited	Common directorship	Nil
Burshane Petroleum (Private) Limited [Formerly Darian International (Private) Limited]	Common directorship	Nil
Khan International Brands (Private) Limited	Common directorship	Nil
Macter International Limited	Common directorship	Nil
Sana Industries Limited	Common directorship	Nil
Leather Up Limited	Common directorship	Nil
Burshane LPG (Pakistan) Limited:		
Gratuity Fund	Staff Retirement Benefit Plan	Nil
Pension Fund	Staff Retirement Contribution Plan	Nil
Provident Fund	Staff Retirement Benefit Plan	Nil

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 date (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			
	Level 1	Level 2	Level 3	Total
	---------- (Rupees in '000) ----------			
March 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
	-	586,088	-	586,088
June 30, 2023 (Audited):				
Assets measured at fair value				
Property, plant and equipment				
Freehold land	-	16,800	-	16,800
Leasehold land	-	569,288	-	569,288
	-	586,088	-	586,088

13 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on **April 30, 2024** by the Board of Directors of the Company.

14 GENERAL

14.1 Figures have been rounded off to the nearest thousands, unless stated otherwise.

14.2 Certain corresponding figures have been reclassified for better presentation.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

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

	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
ASSETS		------- (Rupees in '000) -------	
NON-CURRENT ASSETS			
Property, plant and equipment	5	827,479	817,215
Intangible assets		301,819	309,407
Long-term deposit		3,174	3,174
		1,132,472	1,129,796
CURRENT ASSETS			
Stores and spares - net		5,106	4,321
Stock-in-trade		16,048	26,348
Trade debts		88,168	101,847
Loans and advances		3,653	36,170
Deposits, prepayments and other receivables		31,766	42,933
Taxation - net		161,120	152,705
Cash and bank balances		12,933	20,853
		318,794	385,177
TOTAL ASSETS		1,451,266	1,514,973
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
90,000,000 (June 30, 2023: 90,000,000) ordinary shares of Rs. 10/-each		900,000	900,000
Issued, subscribed and paid-up capital			
22,488,890 (June 30, 2023: 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		(167,507)	(141,310)
		517,383	543,580
NON-CURRENT LIABILITIES			
Long-term loan	7	75,590	91,729
Lease liabilities	8	27,201	15,889
Deferred taxation - net		-	2,660
Cylinder and regulator deposits		481,163	479,457
		583,954	589,735
CURRENT LIABILITIES			
Trade and other payables		42,173	103,907
Short-term borrowings		154,000	153,701
Accrued mark-up		13,562	11,886
Un-claimed dividend		83,050	83,050
Short - term loan	6	24,578	-
Current portion of long - term loan	7	26,285	24,948
Current portion of lease liabilities	8	6,281	4,166
		349,929	381,658
TOTAL EQUITY AND LIABILITIES		1,451,266	1,514,973
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 NINE MONTHS ENDED MARCH 31, 2024

	Note	Quarter ended		Nine months ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
		(Rupees in '000)			
Gross sales		744,922	1,097,165	2,417,092	3,420,934
Sales tax		(101,674)	(129,908)	(295,577)	(429,786)
Sales - net		643,248	967,257	2,121,515	2,991,148
Cost of sales		(636,661)	(911,912)	(2,012,259)	(2,827,888)
Gross profit		6,587	55,345	109,256	163,260
Administrative expenses		(19,657)	(30,342)	(73,727)	(87,121)
Distribution and marketing expenses		(13,029)	(14,692)	(39,921)	(47,286)
Other income		17,298	9,271	38,358	26,791
Other operating expenses		(616)	(750)	(3,210)	(4,302)
Operating profit		(9,417)	18,832	30,756	51,342
Finance costs		(17,679)	(14,738)	(54,309)	(41,961)
(Loss) / profit before taxation		(27,096)	4,094	(23,553)	9,381
Taxation	10	(1,608)	(1,047)	(2,644)	(432)
(Loss) / profit for the period		(28,704)	3,047	(26,197)	8,949
(Loss) / earnings per share - basic and diluted (Rs.)		(1.28)	0.14	(1.16)	0.40

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 NINE MONTHS ENDED MARCH 31, 2024

	Quarter ended		Half year ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	---------- (Rupees in '000) ----------			
(Loss) / profit for the period	(28,704)	3,047	(26,197)	8,949
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(28,704)	3,047	(26,197)	8,949

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 NINE MONTHS ENDED MARCH 31, 2024

	Capital Reserves					Revenue Reserves			
	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	Total
	(Rupees in '000)								
Balance as at July 1, 2022 (Audited)	224,888	153,458	336,715	(30,471)	459,702	90,000	(164,895)	(74,895)	609,695
Profit for the period	-	-	-	-	-	-	8,949	8,949	8,949
Other comprehensive income for the interim period - net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	8,949	8,949	8,949
					-			-	
Balance as at March 31, 2023 (Un-audited)	224,888	153,458	336,715	(30,471)	459,702	90,000	(155,946)	(65,946)	618,644
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	-	-	-	-	-	-	(26,197)	(26,197)	(26,197)
Other comprehensive income for the interim period - net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	(26,197)	(26,197)	(26,197)
Balance as at March 31, 2024 (Un-audited)	224,888	153,458	336,715	(30,171)	460,002	90,000	(257,507)	(167,507)	517,383

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 NINE MONTHS ENDED MARCH 31, 2024

	Nine months ended	
	March 31, 2024	March 31, 2023
	------- (Rupees in '000) -------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(23,553)	9,381
Adjustments for non-cash and other items:		
Depreciation	38,671	37,092
Amortisation	7,588	7,588
Allowance for expected credit losses	560	1,370
Finance costs	54,309	41,961
Loss on sale of assets	(4,820)	(4,859)
Profit on saving accounts	(634)	(773)
Liability for cylinder deposits written back	(19,592)	(16,599)
	76,082	65,780
Decrease / (increase) in current assets		
Stores and spares - net	(785)	154
Stock-in-trade	10,300	(22,534)
Trade debts	13,119	(37,827)
Loans and advances	32,517	14,761
Deposits, prepayments and other receivables	11,167	83,706
	66,318	38,260
Decrease in current liabilities		
Trade and other payables - net	(61,734)	(59,639)
Cash flow used in operations	57,113	53,782
Finance costs paid	(40,644)	(35,384)
Taxes paid	(13,719)	(25,468)
Cylinder and regulator deposits - net	21,298	28,643
Net cash flows generated from operating activities	24,048	21,573
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	(29,748)	(27,428)
Proceeds from sale of the fixed assets	4,820	129
Interest received	634	773
Net cash flows used in investing activities	(24,294)	(26,526)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term loan repaid	(21,792)	(20,778)
Short-term loan received	128,820	155,000
Short-term loan paid	(104,242)	(200,000)
Payment of lease liabilities	(10,759)	(10,195)
Net cash flows used in financing activities	(7,973)	(75,973)
Net decrease in cash and cash equivalents	(8,219)	(80,926)
Cash and cash equivalents at beginning of the period	(132,848)	(54,129)
Cash and cash equivalents at end of the period	(141,067)	(135,055)
Cash and cash equivalents at end of the period comprise of:		
Cash and bank balances	12,933	3,623
Short-term borrowings	(154,000)	(138,678)
	(141,067)	(135,055)

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 NINE MONTHS ENDED MARCH 31, 2024

1 LEGAL STATUS AND OPERATIONS

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 are un-audited and do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Group for the year ended June 30, 2023.

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 which comprise of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Group for the year ended June 30, 2023, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the nine months ended March 31, 2023.

2.2 Basis of measurement

These consolidated condensed interim financial statements have been prepared under the historical cost basis, except leasehold and freehold land which are recognized at revalued amount and lease liabilities and certain retirement benefits which are recognized at present values. These consolidated condensed interim financial statements has been prepared following accrual basis of accounting except for cash flows information.

2.3 Functional and presentation currency

These consolidated condensed interim financial statements have been presented in rupee or "Rs", which is the functional and presentation currency of the Group.

3 MATERIAL ACCOUNTING POLICIES AND CHANGES THEREIN

The accounting policies adopted and methods of computation followed in the preparation of these consolidated condensed interim financial statements are same as those for the preceding annual financial statements for the year ended June 30, 2023

3.1 Initial application of standards, amendments or an interpretation to existing standards

a) Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2023, but are considered not to be relevant or expected to have any significant effect on the Holding Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

The Group has adopted the narrow scope amendments to the International Accounting Standard (IAS1), Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they will impact the accounting policy information disclosed in the annual financial statements.

The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policies'. The amendments also provide guidance under what circumstance the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments had no effect on the interim condensed financial statements of the Holding Company as they relate to disclosures of accounting polices in the annual financial statements rather than interim financial statements. The amendments are expected to be applicable for the accounting policy disclosures in the annual financial statements of the Holding Company.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Holding Company's accounting periods beginning on or after July 1, 2024, but are considered not to be relevant or expected to have any significant effect on the Holding Company's operations and are, therefore, not detailed in these condensed interim financial statements.

4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND FINANCIAL RISK MANAGEMENT

The preparation of consolidated condensed interim financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses, however, actual results may differ from these estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
		------- (Rupees in '000) -------	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets, at net book value	5.1	794,343	796,172
Right-of-use assets	5.2	33,136	21,043
		827,479	817,215
5.1 Operation fixed assets			
Additions - at cost, to operating fixed assets during the period were as follows:			
Furniture, fittings, electrical and other equipment		-	630
Plant & machinery		455	171
Office equipment		360	64
Cylinder and regulators		28,933	32,471
Vehicles - owned		-	106
Computers and related accessories		-	225
		29,748	33,667
5.2 Right-of-use assets			
Balance at the beginning of the period / year		21,043	29,776
Additions during the period / year		19,187	2,016
Deletions during the period / year		-	(1,232)
		40,230	30,560
Depreciation charged during the period / year		(7,094)	(9,517)
Balance at the end of the period / year		33,136	21,043

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

6 SHORT TERM LOAN			
Related party - unsecured			
Loan from Director	6.1	24,578	-

6.1 The loan was obtained from Burshane Petroleum (Private) Limited and Director amounting to Rs. 31.50 million (2023: Rs. 155 million) and Rs. 97.32 million (2023: 17 million) for purchase of LPG. During the reporting period, loan amounting to Rs. 104.24 million (2023: Rs. 217 million) was repaid. It carries rate of return of KIBOR + 2%.

	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
		------- (Rupees in '000) -------	
7 LONG-TERM LOAN			
Secured			
National Bank of Pakistan (NBP)	7.1	101,875	116,677
Current maturity of long-term loan		(26,285)	(24,948)
		75,590	91,729

7.1 During 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 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% to 6% per annum. This loan was secured by way of mortgage on leasehold land and charge on the Holding Company's present and future current and fixed assets as well as personal guarantee of Chief Executive of the Holding Company. In previous years, the Holding Company negotiated several offer letters from NBP.

On September 20, 2021, the Holding Company received a proposal via offer letter No. NBP/ARG/ARW(S)/BLPL/2021/770 supplemented by offer letter for the restructuring / rehabilitation scheme No. NBP/ARG/ARW(S)/BLPL/2022/08 dated January 06, 2022 and addendum to offer letter for the restructuring / rehabilitation scheme dated June 03, 2022 for the restructuring of loan from NBP which has since been accepted on June 08, 2022 by the Holding Company's management.

However, the competent authority of NBP approved the acceptance of this offer by the Holding Company and executed restructuring of long-term loan on June 08, 2022.

	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
		------- (Rupees in '000) -------	
8 LEASE LIABILITIES			
Total lease liabilities	8.1	33,482	20,055
Current maturity of lease liabilities		(6,281)	(4,166)
		27,201	15,889
8.1 Reconciliation of total lease liabilities:			
Balance at the beginning of the period / year		20,055	28,175
Additions during the period / year		19,187	2,016
Disposals during the period / year		-	(2,922)
Finance cost during the period / year		4,999	4,575
Payments / adjustment during the period / year		(10,759)	(11,789)
Balance at the end of the period / year	8.2	33,482	20,055

	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
		------- (Rupees in '000) -------	
8.2	**Maturity analysis-contractual undiscounted cashflow**		
	Within one year	6,281	4,166
	Later than one year but not later than five years	27,201	15,889
	More than five years	-	-
	Total undiscounted lease liability	33,482	20,055

8.3 When measuring lease liabilities, the Holding Company discounted lease payments using its incremental borrowing rate 24.66% (June 30, 2023: 22.25%) 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 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 Holding 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.

The Holding Company has been imposed penalty of Rs. 2 million by SECP on October 11, 2022. However, the Holding Company filed a Constitutional Petition with High Court challenging the constitutional as well as legal validity of the inspection order passed by SECP.

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 filing plant of Faisalabad. The landlords filed an ejectment 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 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 Holding 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 non bailable 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.

On February 10, 2021, the Holding 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 Holding Company has received further notices for same tax years on August 16, 2022, in which the additions made by the Deputy Commissioner Inland Revenue in the assessments made for the mentioned tax years under section 122 through order dated June 14, 2022 has not been accepted by the learned Commissioner Inland Revenue (Appeals-II), Karachi who has been pleased to remand the matter back for both the years, as such no demand subsists for tax year 2018 and 2019.

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 Holding Company is in process to these notices.

9.1.7 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 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 and no adverse order has been passed.

9.2 Commitments

This includes post-dated cheques issued amounted to Rs. 23.89 million (June 30, 2023: Rs. 22.45 million).

10 TAXATION

	Quarter ended		Nine months ended	
	March 31, 2024 Un-audited	March 31, 2023 Un-audited	March 31, 2024 Un-audited	March 31, 2023 Un-audited
	Rupees in 000's			
Current	(1,608)	(2,745)	(5,304)	(8,552)
Prior	-	-	-	92
Deferred	-	1,698	2,660	8,028
	(1,608)	(1,047)	(2,644)	(432)

11 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

11.1 The related parties include the former holding 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

		Nine months ended	
		March 31, 2024	March 31, 2023
		------- (Rupees in '000) -------	
Nature of relationship	Nature of transactions	(Un-audited)	
Staff retirement benefit / contribution plans			
Burshane LPG (Pakistan) Limited: Provident Fund	Company's contribution for the period	3,343	2,290
	Loan received during the period	-	900
	Loan repaid during the period	-	900
Associate companies / other related parties			
Burshane Petroleum (Private) Limited [Formerly Darian International (Private) Limited]	Short term Loan - received	31,500	155,000
	Short term Loan - paid	31,500	200,000
	Interest expense on short term loan	553	2,731
	Interest paid on short term loan	553	2,731

		Nine months ended	
		March 31, 2024	March 31, 2023
		------- (Rupees in '000) ------- (Un-audited)	
Director			
Mr. Asad Alam Niazi	Short term Loan - received	97,320	-
	Short term Loan - paid	72,742	-
	Interest expense on short term loan	3,144	-
	Interest paid on short term loan	1,656	-
Key management personnel			
Chief Executive Officer	Managerial remuneration and other benefits	20,343	20,493
	Contribution to retirement and other service benefits	2,700	1,510
Executive Director	Managerial remuneration and other benefits	7,940	7,940
	Advance given against salary	525	-
Directors	Fee for attending meetings	2,550	2,300

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:

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
Nature of relationship	**Nature of balances**	------- (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	-	333
Director			
Mr. Asad Alam Niazi	Short-term loan	24,578	-
	Markup payable	1,488	-

11.2.3 Following are the related parties with whom the Holding Company had entered into transactions or has arrangement / agreement in place:

Name	Basis of relationship	% of shareholding in the Company
AAK Commodities (Private) Limited [Formerly Alsaa & AAK Commodities (Private) Limited]	Common directorship	Nil
A & S Corporation (Private) Limited	Common directorship	Nil
Norinco International Thatta (Private) Limited	Common directorship	Nil
AN Energy (Private) Limited	Common directorship	Nil
AN Developers (Private) Limited	Common directorship	Nil
Burshane Petroleum (Private) Limited [Formerly Darian International (Private) Limited]	Common directorship	Nil
Khan International Brands (Private) Limited	Common directorship	Nil
Macter International Limited	Common directorship	Nil
Sana Industries Limited	Common directorship	Nil
Leather Up Limited	Common directorship	Nil
Burshane LPG (Pakistan) Limited:		
Gratuity Fund	Staff Retirement Benefit Plan	Nil
Pension Fund	Staff Retirement Contribution Plan	Nil
Provident Fund	Staff Retirement Benefit Plan	Nil

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 date (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			
	Level 1	Level 2	Level 3	Total
	---------- (Rupees in '000) ----------			
March 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
	-	586,088	-	586,088
June 30, 2023 (Audited):				
Assets measured at fair value				
Property, plant and equipment				
Freehold land	-	16,800	-	16,800
Leasehold land	-	569,288	-	569,288
	-	586,088	-	586,088

13 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on **April 30, 2024** by the Board of Directors of the Holding Company.

14 GENERAL

14.1 Figures have been rounded off to the nearest thousands, unless stated otherwise.

14.2 Certain corresponding figures have been reclassified for better presentation.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**