

CRESCENT GROUP



CRESCENT JUTE  
PRODUCTS LTD.

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**Condensed Interim Financial Statements  
For The 3rd Quarter & Nine Months Ended  
31 March 2025 (Un-Audited)**

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CRESCENT JUTE  
PRODUCTS LTD.

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# CRESCENT JUTE PRODUCTS LTD. FINANCIAL STATEMENTS

FOR THE 3RD QUARTER & NINE MONTHS ENDED  
31 MARCH 2025 (UN-AUDITED)

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**CRESCENT JUTE  
PRODUCTS LTD.**

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## **COMPANY INFORMATION**

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### **BOARD OF DIRECTORS**

Mr. Khurram Mazhar Karim	Chairman - Non-Executive Director
Mr. Humayun Mazhar	Chief Executive Officer - Executive Director
(In alphabetic order)	
Mr. Muhammad Asif	Independent Director
Miss Rijah Khurram Mazhar	Non-Executive Director
Mr. Shahjahan Mazhar Karim	Non-Executive Director
Mr. Shameel Mazhar	Non-Executive Director
Mr. Shehryar Mazhar	Non-Executive Director

### **AUDIT COMMITTEE**

Mr. Muhammad Asif	Chairman
Mr. Shehryar Mazhar	Member
Mr. Shahjahan Mazhar Karim	Member

### **HUMAN RESOURCE & REMUNERATION COMMITTEE**

Mr. Shehryar Mazhar	Chairman
Mr. Muhammad Asif	Member
Miss Rijah Khurram Mazhar	Member

### **COMPANY SECRETARY / CFO**

Mr. Tahir Hussain

### **HEAD OF INTERNAL AUDIT**

Mr. Mohid Maqbool

### **AUDITORS**

M/s Rizwan & Company  
Chartered Accountants Islamabad  
Name of Engagement Partner: Mr. Rashid Iqbal (FCA)

### **LEGAL ADVISOR**

Mr. Shahid Mahmood Baig  
Advocate High Court

### **BANKERS**

B.R.R. Guardian Modaraba  
MCB Bank Limited  
Dubai Islamic Bank  
Habib Metropolitan Bank Limited

### **REGISTERED OFFICE**

1st Floor, 65-XX, Khayaban-e-Iqbal Road,  
Phase - III, DHA, Lahore - 54792, Pakistan.  
Tel: + 92-42-37186438-9

### **SHARE REGISTRAR**

**Corptec Associates (Pvt.) Ltd.**  
503-E, Johar Town, Lahore  
Tel : +92-42-35170336-7



**CRESCENT JUTE  
PRODUCTS LTD.**

## **DIRECTORS REPORT TO THE SHAREHOLDERS**

Accounts for the nine months ended March 31 2025 show a loss of Rupees 5.82million as compared to the loss of Rupees 5.52 million in the corresponding period of 2024. This loss is mainly attributed to the cost of minimum staff required for the managing the corporate and financial affairs of the company.

The management is in the process of implementing the closure plan approved by the BOD and Shareholders. There were two parts to this plan i.e., Disposal of Assets and Future Business plan. As far as the Disposal of Assets is concerned, all the payments against the disposal of assets have been received.

As we have reported previously that the liability of the Bank of Punjab has been settled. However, after the settlement of the Bank of Punjab's liability sufficient surplus funds were not available, therefore, the future business plan as approved by the shareholders in their meeting held in October 2011 cannot be implemented.

Furthermore, we are still in litigation with the Crescent Standard Modaraba over their claims. In view of the same, the management is exploring various options for alternate funding to pay the balance of outstanding liabilities. Currently, the company does not have funds for the future business plan and if a possibility comes up, we will put it up for approval to the Shareholders.

In the meanwhile, we remain focused on cost controls, early settlements of legal cases and every possible effort is being made to curtail and keep the expenses to a minimum level.

For and on behalf of the Board

**Humayun Mazhar Karim**  
Chief Executive Officer

**Khurram Mazhar Karim**  
Director

Lahore: April 28, 2025



CRESCENT JUTE  
PRODUCTS LTD.

## **DIRECTORS REPORT TO THE SHAREHOLDERS**

### **ڈائریکٹرز رپورٹ بنام شیئر ہولڈرز**

31 مارچ 2025ء کو اختتام پذیر نو ماہی کے کھاتے سال 2025ء کی اسی مدت میں 5.52 ملین روپے خسارہ کی نسبت 5.82 ملین روپے کا خسارہ ظاہر ہوا۔ کمپنی کے کاروباری و مالیاتی امور کو چلانے کے لئے کم از کم درکار عملہ پر اخراجات کے باعث و دیگر اخراجات برداشت کرنے سے منسوب ہے

انتظامیہ بورڈ آف ڈائریکٹرز اور شیئر ہولڈرز کی منظوری سے کلوزر پلان کے اطلاقی عمل میں ہے۔ اس پلان کے دو حصے یعنی اثاثہ جات کی فروخت اور مستقبل کا کاروباری منصوبہ تھے۔ جہاں تک اثاثہ جات کی فروخت کا تعلق ہے ان کی فروخت کے متوازی تمام رقوم وصول کر لی گئی ہیں۔

جیسا کہ ہم پہلے مطلع کر چکے ہیں کہ بینک آف پنجاب کے واجبات ادا کئے جا چکے ہیں۔ البتہ، بینک آف پنجاب کے واجبات کی ادائیگی کے بعد معقول اضافی رقم دستیاب نہیں تھی لہذا اکتوبر 2011ء منعقدہ اجلاس میں شیئر ہولڈرز کے منظور شدہ مستقبل کے کاروباری منصوبے پر عمل درآمد نہیں ہو سکا۔

مزید برآں، کلیمز کی بابت کریڈنٹ اسٹینڈرڈ مضاربہ کے ساتھ ہماری قانونی چارہ جوئی جاری ہے۔ اس کے پیش نظر، انتظامیہ بقیہ واجبات کی ادائیگی کی غرض سے فنڈز کے لئے متبادل ذرائع تلاش کر رہی ہے۔ فی الوقت، مستقبل کے کاروباری منصوبے کے لئے کمپنی کے پاس فنڈز دستیاب نہیں اور امکانات روشن ہونے پر ہم منظوری کے لئے اسے شیئر ہولڈرز کے سامنے رکھیں گے۔

دوسری جانب ہم لاگت پر کنٹرول کرنے اور اخراجات کو روکنے اور کم از کم درجے پر رکھنے کے لئے ہر ممکن کوشش کر رہے ہیں۔

برائے/مخائب بورڈ آف ڈائریکٹرز

خرم مظہر کریم  
ڈائریکٹر

Hamayun Khan  
ہمایوں مظہر کریم  
چیف ایگزیکٹو آفیسر

لاہور: 28 اپریل، 2025ء



**CRESCENT JUTE  
PRODUCTS LTD.**

## **CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

### **AS AT 31 MARCH 2025 (UN-AUDITED)**

EQUITY AND LIABILITIES	NOTE	Un-audited	Audited
		31 March 2025	30 June 2024
SHARE CAPITAL AND RESERVES		RUPEES	RUPEES
Authorized share capital			
30 000 000 (30 June 2020: 30 000 000)			
ordinary shares of Rupees 10 each		300,000,000	300,000,000
Issued, subscribed and paid-up share capital		237,634,680	237,634,680
Capital reserves			
Share Premium		35,633,084	35,633,084
Revaluation reserve		-	-
Accumulated loss		(475,055,412)	(469,236,822)
Total equity		(201,787,648)	(195,969,058)
LIABILITIES			
Current Liabilities			
Trade and other payables		14,924,107	9,690,099
Accrued mark-up		79,864,414	79,864,414
Borrowings	4	110,106,234	110,106,234
Unclaimed dividend		337,312	337,312
Provision for taxation		324,581	120,571
		205,556,648	200,118,630
CONTINGENCIES AND COMMITMENTS	5	-	-
TOTAL ASSETS		3,769,000	4,149,572
ASSETS			
NON-CURRENT ASSETS			
Operating Fixed Assets	3	1,683,110	1,811,132
Investments at fair value through other comprehensive income		-	-
		1,683,110	1,811,132
CURRENT ASSETS			
Loans and advances		480,978	273,151
Security deposits		37,500	37,500
Prepayments		7,500	-
Other receivables		259,462	263,410
Short Term Investments		1,168,965	1,713,404
Cash and bank balances		131,484	50,975
		2,085,889	2,338,440
		2,085,889	2,338,440
TOTAL EQUITY AND LIABILITIES		3,769,000	4,149,572

The annexed notes form an integral part of these condensed interim financial statements

  
**Humayun Mazhar**  
Chief Executive Officer

  
**Khurram Mazhar Karim**  
Director

  
**Tahir Hussain**  
Chief Financial Officer



**CRESCENT JUTE  
PRODUCTS LTD.**

## **CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**

**FOR THE NINE MONTHS ENDED 31 MARCH 2025 (Un-Audited)**

Note	Nine months ended		Quarter ended		
	31 March 2025	31 March 2024	31 March 2025	31 March 2024	
-----RUPEES-----					
INCOME- Others	6	(530,459)	(70,683)	(322,395)	126,696
ADMINISTRATIVE EXPENSES		(5,278,967)	(5,436,098)	(1,662,055)	(1,504,915)
OTHER EXPENSES		-	-	-	-
FINANCE COST		(9,164)	(6,674)	(3,132)	(816)
PROFIT / (LOSS) BEFORE TAXATION		(5,818,590)	(5,513,455)	(1,987,582)	(1,379,035)
TAXATION		-	(6,718)	-	(1,179)
PROFIT / (LOSS) AFTER TAXATION		(5,818,590)	(5,520,173)	(1,987,582)	(1,380,214)
PROFIT / (LOSS) PER SHARE - BASIC AND DILUTED		(0.24)	(0.23)	(0.08)	(0.06)

The annexed notes form an integral part of these condensed interim financial statements.

**Humayun Mazhar**  
Chief Executive Officer

**Khurram Mazhar Karim**  
Director

**Tahir Hussain**  
Chief Financial Officer



CRESCENT JUTE  
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## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 31 MARCH 2025 (UN-AUDITED)

	Nine month ended		Quarter ended	
	31 ,March 2025	31 ,March 2024	31 ,March 2025	31 March 2024
	(RUPEES)			
LOSS AFTER TAXATION	(5,818,590)	(5,818,590)	(1,987,582)	(1,380,214)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(5,818,590)	(5,818,590)	(1,987,582)	(1,380,214)

The annexed notes form an integral part of this condensed interim financial information.

**Humayun Mazhar**  
Chief Executive Officer

**Khurram Mazhar Karim**  
Director

**Tahir Hussain**  
Chief Financial Officer





**CRESCENT JUTE  
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## **CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

### **FOR THE NINE MONTHS ENDED 31 MARCH 2025 (UN-AUDITED)**

	SHARE CAPITAL	CAPITAL RESERVES		Sub total	ACCUMULAT ED LOSS	TOTAL EQUITY
		Share premium	Fair value reserve on FVTOCI investments			
(RUPEES)						
Balance as at 30 June 2023 - (Audited)	237,634,680	35,767,584	(134,500)	35,633,084	(461,854,156)	(188,586,391)
Profit for the nine months ended 31 March 2024	-	-	-	-	(5,520,173)	(5,520,173)
Other comprehensive income for the nine months ended 31 March 2023	-	-	-	-	-	-
Total comprehensive income for the nine months ended 31 March 2024	-	-	-	-	(5,520,173)	(5,520,173)
Balance as at 31 March 2024 - (Un-audited)	237,634,680	35,767,584	(134,500)	35,633,084	(467,374,329)	(194,106,564)
Profit for the year ended 30 June 2024	-	-	-	-	(1,862,493)	(1,862,493)
Other comprehensive income for the year ended 30 June 2024	-	-	-	-	-	-
Total comprehensive income for the year ended 30 June 2024	-	-	-	-	(1,862,493)	(1,862,493)
Balance as at 30 June 2024 - (Audited)	237,634,680	35,767,584	(134,500)	35,633,084	(469,236,822)	(195,969,057)
Profit for the nine months ended 31 March 2025	-	-	-	-	(5,818,590)	(5,818,590)
Other comprehensive income for the nine months ended 31 March 2025	-	-	-	-	-	-
Total comprehensive income for the nine months ended 31 March 2025	-	-	-	-	(5,818,590)	(5,818,590)
Balance as at 31 March 2025 - (Un-audited)	237,634,680	35,767,584	(134,500)	35,633,084	(475,055,412)	(201,787,647)

The annexed notes form an integral part of this condensed interim financial information.

**Humayun Mazhar**  
Chief Executive Officer

**Khurram Mazhar Karim**  
Director

**Tahir Hussain**  
Chief Financial Officer



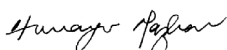
**CRESCENT JUTE  
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## **CONDENSED INTERIM STATEMENT OF CASH FLOWS**

**FOR THE NINE MONTHS ENDED 31 MARCH 2025 (UN-AUDITED)**

	Nine months ended	
	31 March 2025	31 March 2024
	RUPEES	RUPEES
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	(5,818,590)	(5,513,455)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	128,022	144,644
Dividend Income	-	(2,677)
Profit on bank deposits	(13,979)	(29,621)
Exchange gain	-	-
Gain on sale of property, plant & equipment	-	-
Net un-realized (gain) / loss on remeasurement of investments at fair value through profit or loss	544,438	102,981
Profit on sale of investment	-	-
Finance cost	9,164	6,674
	<u>(5,150,945)</u>	<u>(5,291,454)</u>
<b>Working capital changes</b>		
(Increase) / decrease in prepayments and other receivables	(7,500)	(17,276)
(Increase) / decrease in Loans & advances	3,948	6,664
Increase / (decrease) in accrued liabilities and other payables	5,234,007	5,211,597
	<u>5,230,455</u>	<u>5,200,985</u>
<b>Cash (utilized in) / generated from operations</b>	<u>79,510</u>	<u>(90,469)</u>
Finance cost paid	(9,164)	(6,674)
Income tax paid	(3,816)	(6,718)
<b>Net cash (utilized in) / generated from operating activities</b>	<u>66,530</u>	<u>(103,861)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Profit on bank deposits received	13,979	29,621
Dividends received	-	2,677
Proceeds from sale of investment	-	-
<b>Net cash from investing activities</b>	<u>13,979</u>	<u>32,298</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowings-net	-	-
<b>Net cash from / (used in) financing activities</b>	<u>-</u>	<u>-</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>80,509</u>	<u>(71,563)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>50,975</u>	<u>110,324</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>131,484</u>	<u>38,761</u>

The annexed notes form an integral part of these condensed interim financial statements.



**Humayun Mazhar**  
Chief Executive Officer



**Khurram Mazhar Karim**  
Director



**Tahir Hussain**  
Chief Financial Officer



**CRESCENT JUTE  
PRODUCTS LTD.**

## **SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDED 31 MARCH 2025 (UN-AUDITED)**

### **1 THE COMPANY AND ITS OPERATIONS**

- 1.1 Crescent Jute Products Limited (the Company) is a public limited company incorporated in Pakistan on 19 September 1964 under the Companies Act, 1913 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited (PSX). Its registered office is situated at 1st Floor, 65-XX, Khayaban-e-Iqbal Road, Phase-III, DHA, Lahore while a liaison office is situated at 8th floor, Main Habib Bank Limited Building, Faisalabad. The Company was engaged in manufacturing and sale of jute products including jute bags.

Executive Director, Corporate Supervision Department, Company Law Division, Securities and Exchange Commission of Pakistan (SECP) has issued Order under section 309 read with section 305 of the repealed Companies Ordinance, 1984 and in exercise of the powers conferred on him under Section 309 of the repealed Companies Ordinance, 1984 have authorized the Registrar, Company Registration Office, SECP, Lahore to present a petition before Lahore High Court, Lahore for winding up of the Company on the ground that the Company's business has been suspended since May 02, 2011. The Company's appeal before the Appellate Bench, SECP against the aforesaid Order was unsuccessful and afterwards the Company appealed against the aforesaid Order in Lahore High Court, Lahore. That appeal was later withdrawn on March 29, 2018 by the Company and a writ petition was filed by the Company against the above mentioned Order which was dismissed by the High Court, Lahore on October 26, 2021. The Company filed intra Court appeal on January 11, 2022 against the impugned order of SECP which has been accepted by the honorable Lahore High Court, Lahore vide Order dated January 19, 2022 and suspended the operation of the Impugned Order till the date of next hearing. The legal advisor has advised that the matter is pending in the Lahore High Court, Lahore and there are fair chances that the matter will be decided in favour of the Company. However, they have further advised that in case of non-acceptance of the Intra Court Appeal, the SECP can initiate winding up proceedings against the Company. Moreover, the trading in the shares of the company has been restored with effect from June 03, 2024 vide PSX Notice no PSX/N-520 dated 31-May, 2024 while keeping the Company in the Non Compliant segment. The first notice for the suspension in the trading of shares was issued by PSX on 18 December 2017.

### **1.2 Non-going concern basis of accounting**

Shortage of working capital and reduction in demand of finished goods resulted in the closure of Company's operations since 02 May 2011. The Company in its Annual General Meeting on 31 October 2011 decided to dispose of the property, plant and equipment of the Company. Whole of the property, plant and equipment have been disposed of uptill 30 June 2021. During the period ended 31 March 2024, the Company has suffered accumulated loss of Rupees 475.055 million as on 31 March 2025 which has turned equity into negative balance of Rupees 201.788 million.

In view of the aforesaid reasons, the Company is not considered a going concern. These condensed interim financial statements have been prepared using the non-going concern basis of accounting on the basis of estimated realizable / settlement values of the assets and liabilities respectively.



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## **2 SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the audited financial statements of the Company for the year ended 30 June 2024.

### **2.1 Basis of preparation**

#### **2.1.1 Statement of compliance**

- a) These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Circular No. 3/2017 dated February 07, 2017 issued by the Institute of Chartered Accountants of Pakistan (ICAP.), for companies that are not considered a going concern. The accounting and reporting standards applicable in Pakistan comprise of:- International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed. b) These condensed interim financial statements have been subjected to limited scope review by the auditors of the company, as required under section 237 of the Companies Act, 2017. These condensed interim financial statements do not include all the information required for full financial statements, and should be read in conjunction with the Company's audited financial statements for the year ended 30 June 2024.

	<b>Un-audited 31 March 2025 RUPEES</b>	<b>Audited 30 June 2024 RUPEES</b>
<b>3. OPERATING FIXED ASSETS</b>		
Opening book value	1,811,132	2,003,991
<b>Less:</b>		
Book value of property, plant & equipment deleted during the period / year	-	-
Depreciation charged during the period / year	128,022	192,859
	<u>128,022</u>	<u>192,859</u>
	<u>1,683,110</u>	<u>1,811,132</u>
<b>4. BORROWINGS</b>		
<b>From banking company and financial institution - secured</b>		
B.R.R. Guardian Modaraba (Note 4.1)	33,810,398	33,810,398
<b>Unsecured</b>		
<b>Related party</b>		
Crescent Ventures (Private) Limited (Note 4.2)	3,073,795	3,073,795
<b>Others</b>		
Innovative Investment Bank Limited (Note 4.3)	18,083,326	18,083,326
Crescent Jute Mills Limited (Note 4.4)	55,138,715	55,138,715
	<u>110,106,234</u>	<u>110,106,234</u>



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- 4.1 This facility was obtained from B.R.R. Guardian Modaraba which was repayable upto 30 June 2012, but the Company could not pay the balance uptill the expiry of the prescribed date. This facility was secured with demand promissory notes of Rupees 49.5 million, pledge of stocks of raw jute and hessian cloth and in case of default carried mark-up at the rate of 18% (2023: 18 %) per annum on the outstanding balance. As per agreement, B.R.R. Guardian Modaraba agreed to waive off mark-up on default amounting to Rupees 15.29 million subject to liquidation of entire murabaha facility by June 30, 2012. However as the Company failed to pay the entire facility uptill agreed date, the waiver of the above mentioned mark-up was withdrawn by B.R.R. Guardian Modaraba.

B.R.R. Guardian Modaraba filed a suit in Modaraba Tribunal/Banking Court Lahore against the Company for the recovery of above-mentioned principal amount and mark-up amounting to Rupees 15.29 million previously waived off by B.R.R. Guardian Modaraba. The case has been decided against the Company. The Company filed an appeal in Lahore High Court, Lahore against the Order of Modaraba Tribunal. Moreover B.R.R. Guardian Modaraba has obtained a decree for the attachment of the freehold land, previously held by the Company, from the Banking Court, Lahore against the principal and mark-up mentioned above. Furthermore B.R.R. Guardian Modaraba has filed an execution petition before the Modaraba Tribunal. The Company has filed an objection petition against the decree and execution petition mentioned above. The Division Bench of Lahore High Court Lahore, vide order dated March 09, 2022 accepted the Appeal and set aside the judgment and decree. The Learned Banking Court on application for seeking de-attachement of aforesaid immovable property has passed the decree on March 22, 2022 to de-attach the above mentioned immovable property. Moreover as per the advice of the legal counsel of the Company, further mark-up is not being charged on the principal amount from the financial year ended June 30, 2019 as the case is currently pending before the Modaraba Tribunal/Banking Court, Lahore and at the most B.R.R. Guardian Modaraba can be granted cost of funds when the matter is decided by the honourable Modaraba Tribunal/Banking Court, Lahore.

- 4.2 This represents interest free loan obtained from Crescent Ventures (Private) Limited, a related party. This loan is obtained to meet day to day expenses of the Company and is repayable on demand.
- 4.3 This represents interest free loan obtained from Innovative Investment Bank Limited with sixty equal monthly installments commenced on January 01, 2009 uptill December 01, 2013. According to the loan agreement, in case the Company fails to pay any one of the installment, the entire outstanding amount on that date would be reinstated and immediately become due carrying mark-up at the rate of 14% (2023: 14%) per annum. Due to non-payment of installments within due period, entire outstanding amount of the loan has become immediately due.
- 4.4 This represents interest free loan obtained from Crescent Jute Mills Limited (CJML) with whom the Company had approved the scheme of merger in the annual general meeting held on October 31, 2005. The time limit allowed in the scheme of merger has lapsed on January 01, 2008 and no agreement for further period has been executed by the Company with CJML. However, CJML showed its interest to convert this loan into equity on November 28, 2008. But the matter is still pending on behalf of the Company.



**CRESCENT JUTE  
PRODUCTS LTD.**

## **5 CONTINGENCIES AND COMMITMENTS**

### **5.1 Contingencies**

- i) For tax year 2022, the company did not work out the tax provision as required under Section 113 C (Alternative Corporate tax) of the Income Tax Ordinance, 2001. The tax return has been assessed under Section 120 – Order to make self assessment and accepted by the tax authorities. In case the company's tax return is selected for audit the tax authorities may revise the tax return and raise tax demand for the omitted tax liability of Rs 8.75 Million.
- ii) The Commissioner Inland Revenue raised demand for sales tax amounting to Rupees 34.022 million (2023: Rupees 34.022 million) along with additional tax and penalty in respect of sales tax not charged on sale of fixed assets, sale of scrap, disputed inputs claimed, etc. The Company filed appeals before the Appellate Tribunal Inland Revenue and subsequently in Lahore High Court, Lahore which were decided against the Company. Afterwards, the Company filed an appeal in Supreme Court of Pakistan in 2012 against the decision of the Lahore High Court, Lahore. Moreover, the Company also approached Federal Board of Revenue (FBR) for a decision by Alternate Dispute Resolution Committee (the Committee). The Committee has given its recommendations in favour of the company. However, on 10 February 2020, Supreme Court of Pakistan dismissed the appeal. Then the Company filed review petition on 10 March 2020 in Supreme Court of Pakistan against this judgment. The honorable Supreme Court in its order dated September 30, 2021 disposed of the review petition in terms that the judgment under review shall not prejudice the rights of the petitioner arising out of the legislative amendments introduced in sub-section (4) of Section 47-A of the Sales Tax Act, 1990. Based on the advice of the legal counsel, no provision has been made in these condensed interim financial statements as the management is of the view that after decision of the honorable supreme court the recommendations made by the ADRC shall be treated to be an order passed by the FBR under the Sales Tax Act, 1990.
- iii) Deputy Commissioner Inland Revenue, Lahore ordered on June 19, 2017 for recovery of sales tax amounting to Rupees 934,414 along with penalty of Rupees 97,962. The Company filed an appeal against this order to Commissioner Inland Revenue (Appeals), Lahore on July 14, 2017. However on June 20, 2018 the appeal was disposed of by Commissioner Inland Revenue (Appeals), Lahore and the case was remanded back to Deputy Commissioner Inland Revenue, Lahore. Based on the advice of legal counsel, the management is of the view that there are strong grounds about the decision of the case in favour of the Company. Therefore, the related provision is not made in these condensed interim financial statements.
- iv) As per press release of Supreme Court of Pakistan dated May 17, 2018, a two member bench, headed by Chief Justice of Pakistan, heard Suo Moto Case No. 26 of 2007 with HR Cases and Constitution Petition No. 64 of 2009 regarding Deadbeats got loans of Rupees 54 billion written off. The case was heard on May 13, 2018 at Supreme Court of Pakistan and the Bench passed the order recommending action against 222 individuals / companies identified in the Report of the Commission constituted by the honorable Supreme Court (Page No. 107 of Vol-I of the Commission's Report) on account of the fact that the loans were not written off in accordance with law. The case was adjourned several times uptill the end of the financial year 30 June 2024.



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The name of the Company, under the heading of National Bank of Pakistan (NBP), is included in the list of 222 individuals / companies. On August 10, 2018, NBP through a letter demanded Rupees 25.858 million (US Dollars 212,654.94) against the principal and mark-up balances of FE-25 loan along with mark-up on other adjusted loans. The company has filed suit against NBP's illegal and time barred claim, which is presently pending adjudication before the Lahore High Court, Lahore. The legal advisors have advised that there is no scope of any loss to the company in this matter. A writ petition was filed by the Company against Bank's threat of indulging NAB, which was allowed by Lahore High Court, Lahore on December 24, 2018. However, NAB has challenged this judgment of Lahore High Court, Lahore before Supreme Court of Pakistan on March 09, 2019 vide CPLA No 1247, said CPLA has also been dismissed as withdrawn on November 28, 2023. Further, on May 08, 2021, a suit was also filed by NBP in the Banking Court, Lahore against the Company claiming recovery of US Dollars 211,051.22 against principal and mark-up balances of FE-25 loan. The Company denies any of the claims made by NBP. The case is pending before the Banking Court, Lahore and the company has a very good case in this matter as advised by the legal advisors. Based on advice of legal counsel, no provision has been made in these financial statements as the management believes the Company has strong grounds about the decision of the cases in favour of the Company.

- v) The Bank of Punjab and the Company agreed an out of court settlement regarding the outstanding liabilities and a memorandum of understanding (settlement document) regarding the settlement of outstanding dues was signed by both the parties on May 21, 2021. According to the settlement document, the Bank agreed to receive rupees 138,615,841 against all outstanding principal and liabilities, and to waive off all the accrued mark-up. Subsequent to year ended June 30, 2021 the BOP issued No Liability Certificate to the company and the accrued mark up was written back in the financial statement in the year 2022. A writ petition was filed by the Company against Bank of Punjab threat of indulging NAB, which writ petition was allowed by Lahore High Court on December 12, 2018. NAB has challenged this judgement of Lahore High Court before the Supreme Court of Pakistan vide CPLA no 1250. As the Dispute amongst BOP and the Company has been settled, hence this CPLA has also been dismissed as withdrawn on November 28, 2023.

## 5.2 Commitments

There was no capital or other commitment as at March 31, 2025 (30 June 2024: Rupees Nil).

(Un-audited)		(Un-audited)	
Nine Months ended		Quarter ended	
31 March 2025	31 March 2024	31 March 2025	31 March 2024

------(RUPEES)-----

## 6. OTHER INCOME

### Income from financial assets

Profit on deposits with banks	13,979	29,621	-	5,898
Dividend income	-	2,677	-	-
Un-realized gain on	(544,438)	(102,981)	(322,395)	120,798
remeasurement of Profit on				
Sale of Investment	-	-	-	-
	(530,459)	(70,683)	(322,395)	126,696



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**7. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise associated companies, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions and balances with related parties is as follows:

(Un-audited)		(Un-audited)	
Nine Month ended		Quarter ended	
31 March 2025	31 March 2024	31 March 2025	31 March 2024

**i) Transactions**

------(RUPEES)-----

**Associated companies**

Interest free loan received	-	-	-	-
Interest free loan repaid	-	-	-	-
Expenses paid and reimbursed	-	20,960	-	20,960

**Loan repaid to sponsor**

-

Remuneration and meeting  
fee paid to directors and  
executive

45,000	37,500	15,000	37,500
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**Un-audited  
31 March  
2025  
RUPEES**

**Audited  
30 June  
2024  
RUPEES**

**ii) Period end balances**

Borrowings		3,073,795	3,073,795
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**8. FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 31 March 2025

**9. DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on April 28, 2025

**10. CORRESPONDING FIGURES**

In order to comply with the requirements of IAS 34, the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

**11 GENERAL**

Figures have been rounded off to the nearest Rupee unless otherwise stated.

  
**Humayun Mazhar**  
Chief Executive Officer

  
**Khurram Mazhar Karim**  
Director

  
**Tahir Hussain**  
Chief Financial Officer



## BOOK POST

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