

CRESCENT GROUP



CRESCENT JUTE
PRODUCTS LTD.

**Condensed Interim Financial Statements
For The 3rd Quarter & Nine Months Ended
31 March 2023 (Un-Audited)**



**CRESCENT JUTE
PRODUCTS LTD.**

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FOR THE NINE MONTHS ENDED 31 MARCH 2023**

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**CRESCENT JUTE
PRODUCTS LTD.**

COMPANY INFORMATION

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Khurram Mazhar Karim	Chairman - Non-Executive Director
Mr. Humayun Mazhar (In alphabetic order)	Chief Executive Officer - Executive 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
Mr. Muhammad Asif	Independent 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. Muhammad Shoab Nasir Khan

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 2023 show a loss of Rupees 8.50 million as compared to the profit of Rupees 54.52 million in the corresponding period of 2022. 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.

We are pleased to report 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 concerned financial institutions over their claims, although, our legal counselors have their optimistic view for a favourable outcome in all our cases under litigation process. In view of the same, the management is exploring various options for alternate funding to pay the balance of outstanding liabilities, and implementing of the business plan from any surplus funds. 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 and every possible effort is being made to curtail it, and keep the expenses to a minimum level.

For and on behalf of the Board

(Humayun Mazhar)
Chief Executive Officer

Khurram Mazhar Karim
Director

Lahore: April 27, 2023



CRESCENT JUTE
PRODUCTS LTD.

DIRECTORS REPORT TO THE SHAREHOLDERS

ڈائریکٹرز رپورٹ بنام شیئر ہولڈرز

31 مارچ 2023ء کو اختتام پذیر نو ماہی کے کھاتے سال 2022ء کی اسی مدت کے دوران 54.52 ملین روپے منافع کی نسبت 8.50 ملین روپے کا خسارہ ظاہر کرتے ہیں۔ اس خسارے کو کمپنی کے کاروباری و مالیاتی امور کو چلانے کے لئے درکار کم از کم عملے کے اخراجات سے منسوب کیا جاتا ہے۔

انتظامیہ BOD اور شیئر ہولڈرز کے منظوری شدہ کلوزر پلان پر عمل درآمد کر رہی ہے۔ اس پلان کے دو حصے یعنی اثاثہ جات کی فروخت اور فیوچر بزنس پلان ہیں۔ جہاں تک اثاثہ جات کی فروخت کا تعلق ہے اثاثہ جات کی فروخت کی بابت تمام رقوم وصول کر لی گئی ہیں۔

ہم بصد مسرت رپورٹ کرتے ہیں کہ بینک آف پنجاب کے تمام تر واجبات ادا کر دیئے گئے ہیں۔ البتہ، بینک آف پنجاب کے واجبات کی ادائیگی کے بعد معقول اضافی فنڈز دستیاب نہیں تھے لہذا اکتوبر 2011ء کو منعقدہ اجلاس میں شیئر ہولڈرز کی جانب سے منظور شدہ کاروباری منصوبے پر عمل درآمد نہیں ہو سکا۔

مزید یہ کہ، دعووں کی بابت متعلقہ مالیاتی اداروں کے ساتھ ہماری قانونی چارہ جوئی جاری ہے۔ اگرچہ ہمارے وکلاء زیر التوا تمام مقدمات میں موافق نتائج کے لئے پر امید ہیں۔ مذکورہ بالا کی روشنی میں، انتظامیہ متبادل فنڈنگ کے لئے متعدد آپشنز تسخیر کر رہی ہے تاکہ اضافی فنڈز سے واجبات کی ادائیگی کی جاسکے اور کاروباری منصوبے پر عمل درآمد کیا جاسکے۔ فی الوقت، کمپنی کے پاس فیوچر بزنس پلان پر عمل درآمد کے لئے فنڈز دستیاب نہیں اور امکانات ظاہر ہونے کی صورت میں ہم منظوری کے لئے اسے شیئر ہولڈرز کے سامنے رکھیں گے۔

دوسری جانب ہم اخراجات کو کنٹرول کرنے پر توجہ دے رہے ہیں اور اس سے نبرد آزما ہونے اور اخراجات کو کم از کم سطح پر رکھنے کے لئے ہر ممکن کوشش کی جا رہی ہے۔

برائے/مخانب بورڈ آف ڈائریکٹرز

Humayun Farhan

ہمایوں مظہر
چیف ایگزیکٹو آفیسر

لاہور، 27 اپریل 2023ء

خرم مظہر کریم
ڈائریکٹر



CRESCENT JUTE
PRODUCTS LTD.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023 (UN-AUDITED)

		Un-Audited 31 March 2023	Audited 30 June 2022
	NOTE	RUPEES	RUPEES
ASSETS			
NON-CURRENT ASSETS			
Operating Fixed Assets	3	2,058,564	2,222,280
Investments at fair value through other comprehensive income		-	-
		<u>2,058,564</u>	<u>2,222,280</u>
CURRENT ASSETS			
Loans and advances		462,885	241,187
Security deposits		37,500	37,500
Prepayments		65,453	10,875
Other receivables		199,870	149,462
Short Term Investments		1,345,675	2,609,003
Cash and bank balances		249,154	14,956,746
		<u>2,360,537</u>	<u>18,004,773</u>
		2,360,537	18,004,773
TOTAL ASSETS		<u>4,419,102</u>	<u>20,227,052</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
30 000 000 (30 June 2020: 30 000 000) ordinary shares of Rupees 10 each		<u>300,000,000</u>	<u>300,000,000</u>
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		(461,188,437)	(452,692,416)
Total equity		<u>(187,920,673)</u>	<u>(179,424,652)</u>
LIABILITIES			
Current Liabilities			
Trade and other payables		581,028	7,750,461
Accrued mark-up		81,764,896	79,864,414
Borrowings	4	109,346,234	111,493,676
Unclaimed dividend		337,312	337,312
Provision for taxation		310,305	205,841
		<u>192,339,775</u>	<u>199,651,704</u>
CONTINGENCIES AND COMMITMENTS			
	5	-	-
TOTAL EQUITY AND LIABILITIES		<u>4,419,102</u>	<u>20,227,052</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.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTH ENDED 31 MARCH 2023 (Un-audited)

NOTE	Nine months ended		Quarter ended		
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	
	-----RUPEES-----				
INCOME- Others	6	400,164	64,576,853	(245,668)	187,645
ADMINISTRATIVE EXPENSES		(6,856,968)	(8,144,490)	(1,752,921)	(2,812,972)
OTHER EXPENSES		-	-	-	-
FINANCE COST		(1,934,754)	(1,907,507)	(626,856)	(626,597)
PROFIT / (LOSS) BEFORE TAXATION		(8,391,558)	54,524,856	(2,625,445)	(3,251,924)
TAXATION		(104,463)	(4,619)	(2,598)	(309)
PROFIT / (LOSS) AFTER TAXATION		(8,496,021)	54,520,237	(2,628,043)	(3,252,233)
PROFIT / (LOSS) PER SHARE - BASIC AND DILUTED		(0.36)	2.29	(0.11)	(0.14)

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 COMPREHENSIVE INCOME
FOR THE NINE MONTH ENDED 31 MARCH 2023 (Un-audited)

NINE MONTH ENDED		QUARTER ENDED	
March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
----- (RUPEES) -----			

LOSS AFTER TAXATION **(8,496,021)** 54,520,237 **(2,628,043)** (3,252,233)

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

(8,496,021) 54,520,237 **(2,628,043)** (3,252,233)

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
PRODUCTS LTD.**

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 31 MARCH 2023 (Un-audited)

	CAPITAL RESERVES			Accumulated loss	TOTAL EQUITY	
	SHARE CAPITAL	Share premium	Fair value reserve on FVTOCI investments			
	----- (RUPEES) -----					
Balance as at 30 June 2021 - (Audited)	237,634,680	35,767,584	(134,500)	35,633,084	(503,907,751)	(230,639,987)
Profit for the half year ended 31 December 2022	-	-	-	-	54,520,237	54,520,237
Other comprehensive income for the half year ended 31 March 2022	-	-	-	-	-	-
Total comprehensive income for the half year ended 31 March 2022	-	-	-	-	54,520,237	54,520,237
Balance as at 31 March 2022 - (Un-audited)	237,634,680	35,767,584	-	35,633,084	(449,387,514)	(176,119,750)
(Loss) for the half year ended 30 June 2022	-	-	-	-	(3,304,903)	(3,304,903)
Other comprehensive income for the half year ended 30 June 2022	-	-	-	-	-	-
Total comprehensive loss for the half year ended 30 June 2022	-	-	-	-	(3,304,903)	(3,304,903)
Balance as at 30 June 2022 - (Audited)	237,634,680	35,767,584	-	35,633,084	(452,692,417)	(179,424,653)
(Loss) for the half year ended 31 March 2023	-	-	-	-	(8,496,021)	(8,496,021)
Other comprehensive income for the half year 31 March 2023	-	-	-	-	-	-
Total comprehensive loss for the half year 31 March 2023	-	-	-	-	(8,496,021)	(8,496,021)
Balance as at 31 March 2023 - (Un-audited)	237,634,680	35,767,584	-	35,633,084	(461,188,437)	(187,920,673)

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



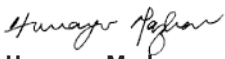
CRESCENT JUTE
PRODUCTS LTD.

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED 31 MARCH 2023 (Un-audited)

	Nine months ended	
	31 March 2023	31 March 2022
	RUPEES	RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	54,524,856	54,524,856
Adjustments for non-cash charges and other items:		
Depreciation	185,655	185,655
Dividend Income	(30,780)	(30,780)
Profit on bank deposits	(1,161,038)	(1,161,038)
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	360,013	360,013
Mark up payable written off	(63,745,048)	(63,745,048)
Finance cost	1,907,507	1,907,507
	<u>(7,958,835)</u>	<u>(7,958,835)</u>
Working capital changes		
(Increase) / decrease in prepayments and other receivables	41,364,235	41,364,235
(Increase) / decrease in Loans & advances	-	-
Increase / (decrease) in accrued liabilities and other payables	(5,239,574)	(5,239,574)
	<u>36,124,661</u>	<u>36,124,661</u>
Cash (utilized in) / generated from operations	<u>28,165,826</u>	<u>28,165,826</u>
Finance cost paid	(7,024)	(7,024)
Income tax paid	(82,637)	(82,637)
Net cash (utilized in) / generated from operating activities	<u>28,076,165</u>	<u>28,076,165</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Profit on bank deposits received	1,161,038	1,161,038
Dividends received	30,780	30,780
Proceeds from sale of property, plant & equipment	-	-
Net cash from investing activities	<u>1,191,818</u>	<u>1,191,818</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings-net	(12,256,080)	(12,256,080)
Net cash from / (used in) financing activities	<u>(12,256,080)</u>	<u>(12,256,080)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>17,011,903</u>	<u>17,011,903</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>66,262</u>	<u>66,262</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>17,078,166</u>	<u>17,078,166</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 2023 (Un-audited)

1. THE COMPANY AND ITS OPERATIONS

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 02 May 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 29 March 2018 by the Company and a writ petition has been filed by the Company against the above mentioned Order which is pending in Lahore High Court, Lahore. Moreover, as per Notice no. PSX/N-440 dated 31 March 2021 issued by PSX, the Company's shares were suspended for trading for another period of sixty days effective from January 21, 2023 due to the issuance of the Order by SECP as mentioned above. The first notice by PSX in this regard was issued on 18 December 2017.

1.1 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 2023, the Company has suffered accumulated loss of Rupees 461.188 million as on 31 March 2023 which has turned equity into negative balance of Rupees 187.921 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.

2. SUMMARY OF SIGNIFICANT 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 2022.



**CRESCENT JUTE
PRODUCTS LTD.**

2.1 Basis of preparation

2.1.1 Statement of compliance

a) These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise 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 requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

b) 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 2022.

	Un-audited 31 March 2023	Audited 30 June 2022
	RUPEES	RUPEES
3. OPERATING FIXED ASSETS		
Opening book value	2,222,279	2,469,819
Less:		
Book value of property, plant & equipment deleted during the period / year	-	-
Depreciation charged during the period / year	163,716	247,540
	163,716	247,540
	<u>2,058,564</u>	<u>2,222,279</u>

4. BORROWINGS

From banking company and financial institution - secured

The Bank of Punjab (Note 4.1)	-	-
B.R.R. Guardian Modaraba (Note 4.2)	33,810,398	33,810,398

Unsecured

Related party

Crescent Ventures (Private) Limited	2,313,795	-
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Others

Innovative Investment Bank Limited	18,083,326	18,083,326
Loan from sponsor	-	4,461,237
Crescent Jute Mills Limited	55,138,715	55,138,715
	<u>109,346,234</u>	<u>111,493,676</u>



**CRESCENT JUTE
PRODUCTS LTD.**

- 4.1 As per the terms of the respective sanction advice, the borrowing facilities from The Bank of Punjab were expired on 31 July 2011 and not renewed. The Bank has filed a suit in Lahore High Court, Lahore against the Company for the recovery of principal amount and accrued mark-up of these facilities. However, the Bank has provided No Objection Certificate for vacation of charge on assets, as per the order of Lahore High Court, Lahore dated 09 October 2013 on deposit of Rupees 120 million with Deputy Registrar (Judicial) of Lahore High Court, Lahore. The Bank in its direct balance confirmation letter to the auditors as at 30 June 2020 have claimed principal balance outstanding of Rupees 153,165,844 against Rupees 148,199,412 appearing in books of account of the Company as at 30 June 2020 and claimed mark-up payable on borrowings of Rupees 97,825,835 against Rupees 63,745,054 appearing in books of account of the Company as at 30 June 2020. Hence, the Bank has claimed Rupees 4,966,342 excess on account of principal outstanding and Rupees 34,080,781 on account of mark-up payable from the Company. The Company has not recognized the excess claims of the Bank in these condensed interim financial statements based on opinion of its legal advisor. As per legal advisor of the Company, even in worst scenario, if the suit of Bank is decreed, even then the same cannot be decreed beyond the claimed amount of Bank as stated in the Bank's recovery suit. Moreover, the Bank is not entitled to any mark-up from the date of default as alleged in the plaint of its recovery suit and at the most Bank can be granted cost of funds at the rate of State Bank of Pakistan's provided rate of cost of funds. Therefore any exaggerated claim of Bank more than its claimed amount in suit, is untenable at this moment. Furthermore in view of this opinion by the legal advisor, the Company has not charged further mark-up on these borrowings from the year ended 30 June 2019.

Another writ petition was filed by the Company against the indulgence of National Accountability Bureau (NAB) by The Bank of Punjab in Lahore High Court, Lahore. That writ petition was allowed by Lahore High Court, Lahore on 24 December 2018. However NAB has challenged this judgment of Lahore High Court, Lahore before the Supreme Court of Pakistan on 09 March 2019 which is pending for decision.

- 4.2 This facility was obtained from B.R.R. Guardian Modaraba which was repayable up to 30 June 2012, but the Company could not pay the balance uptill the expiry of the prescribed date. Therefore B.R.R. Guardian Modaraba filed a suit in Modaraba Tribunal against the Company for the recovery of above mentioned principal amount and mark-up amounting to Rupees 15.290 million previously waived off. The case has been decided against the Company. Now the Company has 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 this decree and execution petition mentioned above. 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 30 June 2019 as the case is pending before Lahore High Court, Lahore and at most B.R.R. Guardian Modaraba can be granted cost of funds.



**CRESCENT JUTE
PRODUCTS LTD.**

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

- i) The Commissioner Inland Revenue raised demand for sales tax amounting to Rupees 34.022 million (2019: 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. Then 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 has filed an appeal in Supreme Court of Pakistan in 2012 against the decision of 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 to FBR. 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 30-09-2021 disposed of the review petition in terms that the judgement under review shall not prejudice the rights of the petitioner arising out of the legislative amendment introduced in sub-section (4) of Section 47-A of the Sales Tax, 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 recommendation made by the ADRC shall be treated to be an order passed by the FBR under the Sales Tax Act, 1990.
- ii) Deputy Commissioner Inland Revenue, Lahore ordered on 19 June 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 14 July 2017. However on 20 June 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.
- iii) As per press release of Supreme Court of Pakistan dated 17 May 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 13 May 2018 at Supreme Court of Pakistan and the Bench passed the following order:

As per Report of the Commission constituted by this Court, action against 222 individuals / companies (Page No. 107 of Vol-I of the Commission's Report) has been recommended on account of the fact that the loans were not written off in accordance with law. Let notice be issued to all 222 individuals / companies as per detail provided in Part-II of Volume-II of the Report of the "Commission on Written-off Loan" against whom action recommended for further action; ensure their presence on the next date of hearing and to submit their replies before such date. Offices directed to issue a press release in this behalf.



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The case was adjourned several times uptill 31 March 2023.

The name of the Company, under the heading of National Bank of Pakistan (NBP), is included in the list of 222 individuals / companies. On 10 August 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 denies any of the claims made by NBP and has filed a case in Lahore High Court, Lahore against the demand raised by NBP. Another writ petition has also been filed by the Company against Bank's threat of indulging NAB, which was allowed by Lahore High Court, Lahore on 24 December 2018. However, NAB has challenged this judgment of Lahore High Court, Lahore before Supreme Court of Pakistan on 09 March 2019 which is pending for decision. Based on advice of legal counsel, no provision has been made in these condensed interim financial statements as the management believes the Company has strong grounds about the decision of the case in favour of the Company.

5.2 Commitments

There was no capital or other commitment as at 31 March 2023 (30 June 2022: Rupees Nil).

(Un-audited)		(Un-audited)	
Nine Months ended		Quarter ended	
31 March 2023	31 March 2022	31 March 2023	31 March 2022

(RUPEES)

6. OTHER INCOME

Income from financial assets

Profit on deposits with banks	532,663	1,161,038	11,702	251,427
Dividend income	1,648	30,780	618	2,060
Markup waived off (Note 6.1)	-	63,745,048	-	-
Un-realized gain on remeasurement of	(289,508)	(360,013)	(257,988)	(65,842)
Profit on Sale of Investment	155,361	-	-	-
	400,164	64,576,853	(245,668)	187,645

Income from non-financial assets

Exchange gain	-	-	-	-
	400,164	64,576,853	(245,668)	187,645

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 2022	31 March 2022	31 March 2022	31 March 2022

i) Transactions

(RUPEES)

Associated companies

Interest free loan received	2,313,795	5,755,000	2,113,795	-
Interest free loan repaid	-	17,423,000	-	-
Expenses paid and reimbursed	627,559	556,256	195,643	188,558

Other related parties

Remuneration and meeting fee paid to directors and executive	743,957	1,888,015	0	766,415
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	Un-audited 31 March 2023 RUPEES	Audited 30 June 2022 RUPEES
ii) Period end balances		
Borrowings	2,313,795	-

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 30 June 2022.

9. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on April 27, 2023.

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

Humayun Mazhar
Chief Executive Officer

Khurram Mazhar Karim
Director

Tahir Hussain
Chief Financial Officer

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