

CRESCENT GROUP



CRESCENT JUTE
PRODUCTS LTD.

**Condensed Interim Financial Statements
for the First Quarter Ended September 30, 2014
(Un Audited)**



CRESCENT JUTE
PRODUCTS LTD.

CRESCENT JUTE PRODUCTS LTD.
FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
SEPTEMBER 30, 2014

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CRESCENT JUTE
PRODUCTS LTD.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mrs. Abida Mazhar	Chairman - Non-Executive Director
Mr. Humayun Mazhar	Chief Executive Officer - Executive Director

(In alphabetic order)

Mrs. Ayesha Khurram Mazhar	Non-Executive Director
Mr. Khurram Mazhar Karim	Non-Executive Director
Mrs. Mehreen Humayun Mazhar	Non-Executive Director
Mr. Saif Ullah	Executive Director
Syed Raza Abbas Jaffery	Nominee NIT Independent Director

AUDIT COMMITTEE

Mr. Khurram Mazhar Karim	Chairman - Non-Executive Director
Mrs. Mehreen Humayun Mazhar	Member - Non-Executive Director
Syed Raza Abbas Jaffery	Member - Nominee NIT Independent Director

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Khurram Mazhar Karim	Chairman - Non-Executive Director
Syed Raza Abbas Jaffery	Member - Nominee NIT Independent Director
Mr. Saif Ullah	Member - Executive Director

CHIEF FINANCIAL OFFICER

Mr. Saif Ullah

COMPANY SECRETARY

Mr. Shafiq Anwar

HEAD OF INTERNAL AUDIT

Mr. Tahir Hussain

AUDITORS

M/s Riaz Ahmad & Company
Chartered Accountants Faisalabad
Name of Engagement Partner: Mubashar Mehmood

LEGAL ADVISOR

Mr. Shahid Mahmood Baig
Advocate High Court

BANKERS

The Bank of Punjab
Crescent Standard Modaraba
MCB Bank Limited
Bank Alfalah Limited (Islamic Banking)
United Bank Limited
National Bank of Pakistan
Dubai Islamic Bank

REGISTERED OFFICE

10th Floor, BOP Tower,
10-B, Block E-2, Gulberg-III, Lahore,
Tel: (042) 35783801 Fax: (042) 35783811

WORKS

Unit, Jaranwala



CRESCENT JUTE
PRODUCTS LTD.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Accounts for the quarter ended September 30, 2014 show a loss of Rupees 11.31 million, as compared to loss of Rupees 15.62 million in the corresponding periods in 2013. The Mills is closed down and the management is proceeding ahead with the closure plan approved by the BOD and Shareholders.

Negotiations are underway to settle bank liabilities but so far no terms of settlement have been finalized.

The management is in the process of preparing a restructuring plan for the revival of your Company and is doing due diligence on various business options for the future. Renewable energy, Low cost rural housing development, corporate farming and small scale manufacturing seem to be areas of growth in Pakistan and of interest to us.

In the meanwhile, we remain focused on cost controls 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)
Chief Executive Officer

Lahore: October 27, 2014



CRESCENT JUTE
PRODUCTS LTD.

INTERIM CONDENSED BALANCE SHEET

AS AT 30 SEPTEMBER 2014

NOTE	30 September 2014		30 June 2014	
	Estimated realizable value	Book value	Estimated realizable value	Book value
	Rupees	Rupees	Rupees	Rupees
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital				
30 000 000 (30 June 2014: 30 000 000) ordinary shares of Rupees 10 each	300,000,000	300,000,000	300,000,000	300,000,000
Issued, subscribed and paid up share capital	237,634,680	237,634,680	237,634,680	237,634,680
Capital reserve	35,767,584	35,767,584	35,767,584	35,767,584
Accumulated loss	(550,726,278)	(550,726,278)	(539,631,045)	(539,631,045)
Total equity	(277,324,014)	(277,324,014)	(266,228,781)	(266,228,781)
Net surplus on estimated realizable / settlement values	206,701,727	-	207,017,150	-
Surplus on revaluation of operating fixed assets - net of deferred tax	-	198,488,638	-	198,699,971
Trade and other payables	39,418,915	39,418,915	9,310,592	9,310,592
Accrued mark-up	126,943,355	126,943,355	121,715,703	121,715,703
Borrowings	3 276,119,536	276,119,536	301,119,520	301,119,520
Deferred income tax liability		8,213,089	-	8,317,179
Provision for taxation	2,635,449	2,635,449	2,635,449	2,635,449
CONTINGENCIES AND COMMITMENTS	4	-	-	-
TOTAL EQUITY AND LIABILITIES	374,494,968	374,494,968	375,569,657	375,569,657
ASSETS				
Cash and bank balances	8,419,188	8,419,188	8,262,142	8,262,142
Investments	1,343,604	1,343,604	1,308,630	1,308,630
Other receivables	6,955,800	6,955,800	6,866,845	6,866,845
Prepayments	272,636	272,636	-	-
Loans and advances	19,463,652	19,463,652	19,410,319	19,410,319
Trade debts	1,470,564	1,470,564	506,064	506,064
Stock-in-trade	1,840,716	1,840,716	3,612,357	3,612,357
Stores and spare parts	-	-	1,405,284	1,405,284
Long term security deposits	120,538,230	120,538,230	120,538,230	120,538,230
Property, plant and equipment	5 214,190,578	214,190,578	213,659,786	213,659,786
TOTAL ASSETS	374,494,968	374,494,968	375,569,657	375,569,657

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

Humayun Mazhar
CHIEF EXECUTIVE OFFICER

Khurram Mazhar Karim
DIRECTOR



CRESCENT JUTE
PRODUCTS LTD.

INTERIM CONDENSED PROFIT AND LOSS ACCOUNT

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014 (UN-AUDITED)

	NOTE	Quarter ended	
		30 September 2014	30 September 2013
		Rupees	Rupees
SALES		2,690,571	2,497,005
COST OF SALES	6	<u>(2,522,018)</u>	<u>(5,120,216)</u>
GROSS PROFIT / (LOSS)		168,553	(2,623,211)
DISTRIBUTION COST		<u>(33,600)</u>	<u>(12,760)</u>
ADMINISTRATIVE EXPENSES		<u>(5,641,153)</u>	<u>(8,063,211)</u>
OTHER EXPENSES		<u>(798,714)</u>	<u>(65,051)</u>
		<u>(6,473,467)</u>	<u>(8,141,022)</u>
		<u>(6,304,914)</u>	<u>(10,764,233)</u>
OTHER INCOME		150,735	-
LOSS FROM OPERATIONS		<u>(6,154,179)</u>	<u>(10,764,232)</u>
FINANCE COST		<u>(5,256,477)</u>	<u>(5,530,773)</u>
LOSS BEFORE TAXATION		<u>(11,410,656)</u>	<u>(16,295,005)</u>
TAXATION		<u>104,090</u>	<u>670,896</u>
LOSS AFTER TAXATION		<u><u>(11,306,566)</u></u>	<u><u>(15,624,109)</u></u>
LOSS PER SHARE			
- BASIC AND DILUTED		<u><u>(0.48)</u></u>	<u><u>(0.66)</u></u>

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

Humayun Mazhar
CHIEF EXECUTIVE OFFICER

Khurram Mazhar Karim
DIRECTOR



CRESCENT JUTE
PRODUCTS LTD.

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014 (UN-AUDITED)

	Quarter Ended	
	30 September 2014	30 September 2013
	----- (Rupees) -----	
LOSS AFTER TAXATION	(11,306,566)	(15,624,109)
OTHER COMPREHENSIVE INCOME		
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(11,306,566)</u>	<u>(15,624,109)</u>

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

Humayun Mazhar
CHIEF EXECUTIVE OFFICER

Khurram Mazhar Karim
DIRECTOR



CRESCENT JUTE
PRODUCTS LTD.

INTERIM CONDENSED CASH FLOW STATEMENT

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014 (UN-AUDITED)

NOTE	Quarter ended	
	30 September 2014 Rupees	30 September 2013 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	7 26,334,003	13,231,725
Finance cost paid	(103,831)	(98,609)
Income tax paid	(39,121)	(213,840)
Net decrease in long term loans	-	-
Net decrease in long term deposit	-	380,379
Net cash generated from / (used in) operating activities	<u>26,191,051</u>	<u>13,299,655</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on Property, Plant, and Equipment	(1,034,000)	-
Net cash used in investing activities	(1,034,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings - net	(25,000,000)	(14,690,636)
Net cash used in financing activities	<u>(25,000,000)</u>	<u>(14,690,636)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	157,051	(1,390,983)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	8,262,139	6,921,860
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>8,419,189</u>	<u>5,530,877</u>

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

Humayun Mazhar
CHIEF EXECUTIVE OFFICER

Khurram Mazhar Karim
DIRECTOR



CRESCENT JUTE
PRODUCTS LTD.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014 (UN-AUDITED)

	SHARE CAPITAL	CAPITAL RESERVE Share premium	ACCUMULATED LOSS	TOTAL EQUITY
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----- (Rupees) -----

Balance as at 01 July 2013 237,634,680 35,767,584 (707,753,268) (434,351,004)

Transfer from surplus on revaluation of property plant and equipment on account of incremental depreciation - net of deferred income tax - - 3,087,447 3,087,447

Loss for the year	-	-	165,034,781	165,034,781
Other comprehensive loss for the year	-	-	-	-

Total comprehensive profit for the year ended 30 June 2014 - - 165,034,781 165,034,781

Balance as at 30 June 2014 237,634,680 35,767,584 (539,631,045) (266,228,781)

Transfer from surplus on revaluation of operating fixed assets - net of deferred income tax - - 211,334 211,334

Loss for the year	-	-	(11,306,567)	(11,306,567)
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Other comprehensive loss for the quarter ended 30 September 2014 - - (11,306,567) (11,306,567)

Balance as at 30 September 2014 237,634,680 35,767,584 (550,726,278) (277,324,014)

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

Humayun Mazhar
CHIEF EXECUTIVE OFFICER

Khurram Mazhar Karim
DIRECTOR



CRESCENT JUTE
PRODUCTS LTD.

SELECTED NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014 (UN-AUDITED)

1. THE COMPANY AND ITS ACTIVITIES

Crescent Jute Products Limited is a public limited Company incorporated under the Companies Act, 1913 (Now Companies Ordinance, 1984) and listed on all stock exchanges in Pakistan. Its registered office is situated at 10th Floor, BOP Tower, 10-B, Block E-2, Gulberg III, Lahore. The Company is engaged in manufacturing and sale of jute products including jute bags.

2. BASIS OF PREPARATION

This condensed interim financial information is unaudited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim financial information has been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP). This condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2014.

3. BORROWINGS

	Un-audited 30 September 2014 Rupees	Audited 30 June 2014 Rupees
From banking companies and financial institutions - secured		
The Bank of Punjab	95,193,919	95,193,919
Crescent Standard Modaraba	33,810,398	33,810,398
Unsecured		
Innovative Investment Bank Limited	18,083,342	18,083,342
Loans from director and sponsors	27,893,162	52,893,162
Crescent Jute Mills Limited	55,138,715	55,138,715
Crescent Foundation	46,000,000	46,000,000
	276,119,536	301,119,536

4. CONTINGENCIES AND COMMITMENTS

4.1 Contingencies

The Commissioner Inland Revenue raised demand for sales tax amounting to Rupees 37.699 million (30 June 2014: Rupees 37.699 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 which were decided against the Company.



**CRESCENT JUTE
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Now the Company has filed an appeal in Supreme Court of Pakistan against the decision of Lahore High Court. Moreover the Company also approached FBR for a decision by Alternate Dispute Resolution Committee (ADRC). The Committee has been established by FBR to resolve the matter. Pending decisions of the Supreme Court and Committee, no provision has been made in these financial statements. 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.

4.2 Commitments

There was no capital or other commitment of the Company as at 30 September 2014, (30 June 2014: Nil).

	Un-audited 30 September 2014 Rupees	Audited 30 June 2014 Rupees
5. PROPERTY, PLANT AND EQUIPMENT		
Opening book value	213,659,786	308,576,013
Additions	1,034,000	-
	<u>214,693,786</u>	<u>308,576,013</u>
Disposals		
Cost	-	(165,941,771)
Accumulated Depreciation	-	77,128,667
	-	<u>(88,813,104)</u>
	214,693,786	219,762,909
Depreciation Charged for the period	(503,210)	(6,103,123)
	<u><u>214,190,578</u></u>	<u><u>213,659,786</u></u>



**CRESCENT JUTE
PRODUCTS LTD.**

	Un-audited 30 September 2014 Rupees	Un-audited 30 September 2013 Rupees
6. COST OF SALES		
Stores and spare parts consumed	-	200
Fuel and power	154,451	155,183
Salaries, wages and other benefits	258,029	461,331
Insurance	10,550	68,171
Depreciation	326,437	2,224,339
Other factory overheads	910	29,839
	<u>750,377</u>	<u>2,939,063</u>
Work-in-process:		
Opening stock	<u>2,318,180</u>	<u>5,274,165</u>
Closing stock	<u>(1,840,716)</u>	<u>(5,274,165)</u>
	<u>477,464</u>	<u>-</u>
Cost of goods manufactured	1,227,841	2,939,063
Finished goods:		
Opening stock	<u>1,294,177</u>	<u>4,707,718</u>
Closing stock	<u>-</u>	<u>(2,526,565)</u>
	<u>1,294,177</u>	<u>2,181,153</u>
	<u>2,522,018</u>	<u>5,120,216</u>
7. CASH GENERATED FROM OPERATIONS		
Loss before taxation	(11,410,656)	(16,295,005)
Adjustments for non-cash charges and other items:		
Depreciation	503,210	2,466,514
Net un-realized gain / (loss) on remeasurement of investments at fair value through profit or loss	(34,975)	65,051
Provision for obsolescence of stock in trade	-	-
Finance cost	5,256,477	5,530,773
Working capital changes (Note 7.1)	32,019,945	21,464,392
	<u>26,334,003</u>	<u>13,231,725</u>
7.1 Working capital changes		
Decrease / (increase) in current assets:		
Stores and spare parts	1,405,284	257
Stock in trade	1,771,641	2,181,153
Trade debts	(964,500)	(586,385)
Loans and advances	(14,212)	33,405
Prepayments	(197,636)	(472,233)
Security Deposits	-	-
Other receivables	(88,955)	(12,399)
	1,911,622	1,143,798
Increase in trade and other payables	30,108,323	20,320,594
	<u>32,019,945</u>	<u>21,464,392</u>



CRESCENT JUTE
PRODUCTS LTD.

8. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, associated undertaking and directors. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties are as follows:

	(Un-Audited)	
	Quarter ended	
	30 September 2014	30 September 2013
	(Rupees)	
Associated companies		
Service charges	210,888	20,153
Associated undertaking		
Directors		
Company's expenses reimbursed to CEO	-	14,790,635
Loan received from CEO	-	5,000,000
Loan repaid to CEO	25,000,000	4,900,000

9. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were approved by the Board of Directors of the Company and authorized for issue on October 27, 2014.

10. GENERAL

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

10.2 The figures have been rounded off to the nearest Rupee.

Humayun Mazhar
CHIEF EXECUTIVE OFFICER

Khurram Mazhar Karim
DIRECTOR

BOOK POST

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please return to



**CRESCENT JUTE
PRODUCTS LTD.**

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10-B, Block E-2, Gulberg-III, Lahore,
Tel: (042) 35783801 Fax: (042) 35783811