

CRESCENT GROUP



CRESCENT JUTE
PRODUCTS LTD.

**Condensed Interim Financial Statements
For The First Quarter Ended 30 September 2015
(Un-Audited)**



**CRESCENT JUTE
PRODUCTS LTD.**

**CRESCENT JUTE PRODUCTS LTD
FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2015**

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CRESCENT JUTE
PRODUCTS LTD.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mrs. Abida Mazhar (Chairperson) 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 Non-Executive Director
Syed Raza Abbas Jaffery (Nominee NIT) Independent 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,
Main Boulevard, Gulberg III, Lahore-54660.
Tel: (042) 35783801 Fax: (042) 35783811



**CRESCENT JUTE
PRODUCTS LTD.**

DIRECTORS REPORT TO THE SHAREHOLDERS

Accounts for the quarter ended September 30, 2015 show a loss of Rupees 9.85 million, as compared to loss of Rupees 11.31 million in the corresponding periods in 2014. This loss is attributed mainly due to the cost of minimum staff required for managing the corporate affairs and safe guarding the remaining assets of the company. The Mills is closed down and the management in 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. The management is quite optimistic that some progress will be made in this regard.

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 29, 2015.



**CRESCENT JUTE
PRODUCTS LTD.**

CONDENSED INTERIM BALANCE SHEET

AS AT 30 SEPTEMBER 2015

NOTE	Un-Audited		Audited	
	30 September 2015		30 June 2015	
	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	(556,413,612)	(556,413,612)	(546,567,293)	(546,567,239)
Total equity	(283,011,348)	(283,011,348)	(273,165,029)	(273,165,029)
Net surplus on estimated realizable / settlement values	193,779,274	-	193,779,274	-
Surplus on revaluation of operating fixed assets net of deferred tax	-	181,783,274	-	181,783,274
Trade and other payables	27,692,100	27,692,100	28,962,326	28,962,326
Accrued mark-up	146,326,811	146,326,811	141,421,300	141,421,300
Borrowings	3 260,415,050	260,415,050	254,915,034	254,915,034
Deferred income tax liability	-	-	-	-
Provision for taxation	-	-	2,171	2,171
CONTINGENCIES AND COMMITMENTS	4			
TOTAL EQUITY AND LIABILITIES	<u>345,201,887</u>	<u>333,205,887</u>	<u>345,915,091</u>	<u>333,919,091</u>
ASSETS				
Cash and bank balances	721,330	721,330	1,826,795	1,826,795
Investments	1,898,775	1,898,775	1,583,232	1,583,232
Other receivables	5,690,882	5,690,882	5,690,882	5,690,882
Prepayments	281,260	281,260	15,443	15,443
Loans and advances	17,102,485	17,102,485	17,139,553	17,139,553
Long Term Security deposits	120,536,230	120,536,230	120,538,230	120,538,230
Property, plant and equipment	5 198,970,924	186,974,924	199,120,956	187,124,956
TOTAL ASSETS	<u>345,201,887</u>	<u>333,205,887</u>	<u>345,915,091</u>	<u>333,919,091</u>

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

Humayun Mazhar

Humayun Mazhar
CHIEF EXECUTIVE OFFICER

Khurram Mazhar Karim

Khurram Mazhar Karim
DIRECTOR



CRESCENT JUTE
PRODUCTS LTD.

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)

	NOTE	Quarter ended	
		30 September 2015	30 September 2014
		Rupees	Rupees
SALES		-	2,690,571
COST OF SALES	6	-	(2,522,018)
GROSS PROFIT / (LOSS)		-	168,553
DISTRIBUTION COST		-	(33,600)
ADMINISTRATIVE EXPENSES		(5,258,183)	(5,641,153)
OTHER EXPENSES		-	(798,714)
		(5,258,183)	(6,473,467)
		(5,258,183)	(6,304,914)
OTHER INCOME		347,375	150,735
LOSS FROM OPERATIONS		(4,910,808)	(6,154,179)
FINANCE COST		(4,935,511)	(5,256,477)
LOSS BEFORE TAXATION		(9,846,319)	(11,410,656)
TAXATION		-	104,090
LOSS AFTER TAXATION		(9,846,319)	(11,306,566)
LOSS PER SHARE			
- BASIC AND DILUTED		(0.41)	(0.48)

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Humayun Mazhar
CHIEF EXECUTIVE OFFICER

Khurram Mazhar Karim
DIRECTOR



CRESCENT JUTE
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**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME**

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)

	Quarter ended	
	30 September 2015	30 September 2014
	Rupees	Rupees
LOSS AFTER TAXATION	(9,846,319)	(11,306,566)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(9,846,319)</u>	<u>(11,306,566)</u>

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


Humayun Mazhar
CHIEF EXECUTIVE OFFICER


Khurram Mazhar Karim
DIRECTOR



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CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)

NOTE	Quarter ended	
	30 September 2015 Rupees	30 September 2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	7 (6,556,360)	26,259,003
Finance cost paid	(30,001)	(28,831)
Income tax paid	(21,103)	(39,121)
Net decrease in long term loans		
Net decrease in long term deposit	2,000	-
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	(6,605,464)	26,191,051
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant & equipment	-	-
	-	(1,034,000)
	-	-
Net cash used in investing activities	-	(1,034,000)
Cash Flows from financing activities		
Borrowings-net	5,500,000	(25,000,000)
NET CASH USED IN FINANCING ACTIVITIES	5,500,000	(25,000,000)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,105,464)	157,051
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,826,795	8,262,139
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	721,330	8,419,189

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

Humayun Mazhar
CHIEF EXECUTIVE OFFICER

Khurram Mazhar Karim
DIRECTOR



**CRESCENT JUTE
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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)

	SHARE CAPITAL	CAPITAL RESERVE	ACCUMULA- TED LOSS	TOTAL EQUITY
		Share premium		
----- (Rupees) -----				
Balance as at 01 July 2014	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	-	-	(158,098,528)	(158,098,528)
Other comprehensive loss for the year	-	-	-	-
Total comprehensive loss for the year ended 30 June 2015	-	-	158,098,528	158,098,528
Balance as at 30 June 2015	237,634,680	35,767,584	(546,567,293)	(273,165,029)
Transfer from surplus on revaluation of operating fixed assets-net of deferred tax	-	-	-	-
Total comprehensive loss for the period	-	-	(9,846,319)	(9,846,319)
Loss for the year	-	-	-	-
Other comprehensive loss for the Quarter ended 30 September 2015	-	-	(9,846,319)	(9,846,319)
Balance as at 30 September 2015	<u>237,634,680</u>	<u>35,767,584</u>	<u>(556,413,612)</u>	<u>(283,011,348)</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
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SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)

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 audited financial statements for the year ended 30 June 2015.

3. BORROWINGS

	Un-audited 30 September 2015 Rupees	Audited 30 June, 2015 Rupees
From banking companies and financial institutions - secured		
The Bank of Punjab	97,421,358	97,421,358
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	9,961,237	4,461,237
Crescent Jute Mills Limited	55,138,715	55,138,715
Crescent Foundation	46,000,000	46,000,000
	<u>260,415,050</u>	<u>254,915,034</u>

4. CONTINGENCIES AND COMMITMENTS

4.1 CONTINGENCIES

The Commissioner Inland Revenue raised demand for sales tax amounting to Rupees 37.699 million (30 June 2015: 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.



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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 2015, (30 June 2015: Nil).

	Un-audited 30 September 2015 Rupees	Audited 30 June 2015 Rupees
5. PROPERTY, PLANT AND EQUIPMENT		
Opening book value	187,124,956	213,659,786
Additions	-	1,864,303
	187,124,956	215,524,089
Disposals		
Cost	-	(49,370,816)
Accumulated Depreciation	-	21,681,211
	-	(27,689,605)
	187,124,956	187,834,484
Depreciation charged for the year	(150,034)	(709,528)
	186,974,924	187,124,956

5.1 The Company through an agreement dated 17 July 2014 agreed to sell complete freehold land of the Company against Rupees 220.000 Million to Mrs. Saima Yousaf. The Company has recovered Rupees 20.000 million as advance in this regard as shown in trade and other payable. Remaining Rupees 200.000 million will be received from the buyer in three equal installments of Rupees 66.667 million each uptill 24 December 2017. Proportionate freehold land will be transferred to the buyer on the clearance of each installment mentioned above. In view of the aforesaid agreement dated 17 July 2014, estimated realizable value of freehold land has been calculated by the management using the discount rate of 10 percent per annum, which comes to Rupees 193,882,000. Remaining fixed assets of the Company are not significant and as per the management's best estimate, the book value of such assets approximate their estimated realizable value. Hence, the difference between book value of property, plant and equipment and estimated realizable value of property, plant and equipment as at 30 September, 2015 is due to discounting of agreed sale amount of freehold land.



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	Un-audited 30 September 2015 Rupees	Audited 30 September 2014 Rupees
6. COST OF SALES		
Stores and spare parts consumed	-	-
Fuel and power	-	154,451
Salaries, wages and other benefits	-	258,029
Insurance	-	10,550
Depreciation	-	326,437
Other factory overheads	-	910
	<u>-</u>	<u>750,377</u>
Work-in-process:		
opening stock	-	2,318,180
Closing stock	-	(1,840,716)
	<u>-</u>	<u>477,464</u>
Cost of goods manufactured	-	1,227,841
Finished goods:		
Opening stock	-	1,294,177
Closing stock	-	-
	<u>-</u>	<u>1,294,177</u>
	<u>-</u>	<u>2,522,018</u>
7. CASH GENERATED FROM OPERATIONS		
Loss before taxation	(9,846,319)	(11,410,656)
Adjustments for non-cash charges and other items:		
Depreciation	150,034	503,210
Net un-realized gain / (loss) on remeasurement of investments at fair value through profit or loss	(315,543)	(34,975)
Finance cost	4,935,511	5,256,477
Working capital changes (Note 7.1)	(1,480,043)	31,944,945
	<u>(6,556,360)</u>	<u>26,259,003</u>
7.1 WORKING CAPITAL CHANGES		
Decrease / (increase) in current assets:		
Stores and spare parts	-	1,405,284
Stock in trade	-	1,771,641
Trade debts	-	(964,500)
Loans and advances	56,000	(14,212)
Prepayments	(265,817)	(272,636)
Security deposits	-	-
Other receivables	-	(88,955)
	<u>(209,817)</u>	<u>1,836,622</u>
Increase in trade and other payables	(1,270,226)	30,108,323
	<u>(1,480,043)</u>	<u>31,944,945</u>



**CRESCENT JUTE
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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 2015	30 September 2014
	(Rupees)	
Associated Companies		
Service charges paid	120,131	210,888
Associated Undertaking Directors		
Loan received from CEO	5,500,000	-
Loan repaid to CEO	-	25,000,000

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 29 October, 2015.

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

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