

CRESCENT GROUP



CRESCENT JUTE
PRODUCTS LTD.

**Condensed Interim Financial Statements
For The First Quarter Ended 30 September 2016
(Un-Audited)**



**CRESCENT JUTE
PRODUCTS LTD.**

**CRESCENT JUTE PRODUCTS LTD.
FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2016**

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**CRESCENT JUTE
PRODUCTS LTD.**

COMPANY INFORMATION

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 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



CRESCENT JUTE
PRODUCTS LTD.

DIRECTORS REPORT TO THE SHAREHOLDERS

Accounts for the quarter ended September 30, 2016 show a loss of Rupees 11.16 million, as compared to loss of Rupees 9.85 million in the corresponding period in 2015. This loss is attributed mainly due to reason for retaining the 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. Investment in real, Renewable energy, 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 28, 2016.



**CRESCENT JUTE
PRODUCTS LTD.**

CONDENSED INTERIM BALANCE SHEET

AS AT 30 SEPTEMBER 2016

NOTE	Un-Audited		Audited	
	30 September 2016		30 June 2016	
	Estimated realizable value	Book value	Estimated realizable value	Book value
	Rupees	Rupees	Rupees	Rupees

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized share capital

ordinary shares of Rupees 10 each	<u>300,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>
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**Issued, subscribed and
paid up share capital**

Capital reserve	35,767,584	35,767,584	35,767,584	35,767,584
Accumulated loss	(604,594,052)	(604,594,052)	(593,438,901)	(593,438,901)
Total equity	<u>(331,191,788)</u>	<u>(331,191,788)</u>	<u>(320,036,637)</u>	<u>(320,036,637)</u>

Net surplus on estimated realizable / settlement values	207,913,274	-	207,913,274	-
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**Surplus on revaluation of
operating fixed assets -**

net of deferred tax	-	207,913,274	-	207,913,274
Trade and other payables	95,516,834	95,516,834	94,268,854	94,268,854
Accrued mark-up	165,760,625	165,760,625	160,896,099	160,896,099
Borrowings	3 257,180,226	257,180,226	257,180,226	257,180,226
Provision for taxation	-	-	3,743	3,743

**CONTINGENCIES AND
COMMITMENTS**

4	-	-	-	-
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**TOTAL EQUITY AND
LIABILITIES**

	<u>395,179,171</u>	<u>395,179,171</u>	<u>400,225,559</u>	<u>400,225,559</u>
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ASSETS

Cash and bank balances	37,831,549	37,831,549	43,248,907	43,248,907
Investments	1,887,832	1,887,832	1,472,907	1,472,907
Other Receivables	5,719,552	5,719,552	5,790,451	5,790,451
Prepayments	154,845	154,845	23,112	23,112
Loans and advances	17,151,547	17,151,547	17,132,048	17,132,048
Long term security deposits	120,037,500	120,037,500	120,037,500	120,037,500
Property, plant and equipment	5 212,396,343	212,396,343	212,520,634	212,520,634
TOTAL ASSETS	<u>395,179,171</u>	<u>395,179,171</u>	<u>400,225,559</u>	<u>400,225,559</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 2016 (UNAUDITED)

NOTE	Quarter ended	
	30 September 2016 Rupees	30 September 2015 Rupees
ADMINISTRATIVE EXPENSES	(7,033,916)	(5,258,183)
OTHER INCOME	747,376	347,375
FINANCE COST	(4,868,611)	(4,935,511)
LOSS BEFORE TAXATION	(11,155,152)	(9,846,319)
TAXATION	-	-
LOSS AFTER TAXATION	<u>(11,155,152)</u>	<u>(9,846,319)</u>
LOSS PER SHARE - BASIC AND DILUTED	<u>(0.47)</u>	<u>(0.41)</u>

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Humayun Mazhar
CHIEF EXECUTIVE OFFICER

Khurram Mazhar Karim
DIRECTOR



CRESCENT JUTE
PRODUCTS LTD.

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME**

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016 (UNAUDITED)

	Quarter ended	
	30 September 2016	30 September 2015
NOTE	Rupees	Rupees
LOSS AFTER TAXATION	(11,155,152)	(9,846,319)
OTHER COMPREHENSIVE INCOME		
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(11,155,152)</u>	<u>(9,846,319)</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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CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016 (UNAUDITED)

NOTE	Quarter ended	
	30 September 2016 Rupees	30 September 2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	6 (5,367,063)	(6,556,360)
Finance cost paid	(4,085)	(30,001)
Income tax paid	(46,207)	(21,103)
Net decrease in long term loans	-	-
Net decrease in long term deposit	-	2,000
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	(5,417,355)	(6,605,464)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on Property, Plant, and Equipment	-	-
Net cash used in investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings - net	-	5,500,000
Net cash used in financing activities	-	5,500,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,417,355)	(1,105,464)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	43,248,904	1,826,795
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>37,831,549</u>	<u>721,330</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.**

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016 (UNAUDITED)

	SHARE CAPITAL	CAPITAL RESERVE	ACCUMULA- TED LOSS	TOTAL EQUITY
		Share premium		
	----- (Rupees) -----			
Balance as at 01 July 2015	237,634,680	35,767,584	(546,567,278)	(273,165,014)
Loss for the year	-	-	46,871,623	46,871,623
Other comprehensive loss for the year	-	-	-	-
Total comprehensive loss for the year ended 30 June 2016	-	-	(46,871,623)	(46,871,623)
Balance as at 30 June 2016	237,634,680	35,767,584	(593,438,901)	(320,036,637)
Loss for the Period	-	-	(11,155,152)	(11,155,152)
Other comprehensive loss for the Period	-	-	-	-
Total comprehensive loss for the Period	-	-	(11,155,152)	(11,155,152)
Balance as at 30 September 2016	237,634,680	35,767,584	(604,594,052)	(331,191,788)

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 CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016 (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 Pakistan Stock Exchange Limited. Its registered office is situated at 10th Floor, BOP Tower, 10-B, Block E-2, Gulberg III, Lahore. The Company was 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 2016.

3. BORROWINGS

	Un-audited 30 September 2016 Rupees	Audited 30 June, 2016 Rupees
From banking companies and financial institutions - secured		
The Bank of Punjab	99,686,550	99,686,550
Crescent Standard Modaraba	33,810,398	33,810,398
Unsecured		
Innovative Investment Bank Limited	18,083,326	18,083,326
Loans from director and sponsors	4,461,237	4,461,237
Crescent Jute Mills Limited	55,138,715	55,138,715
Crescent Foundation	46,000,000	46,000,000
	<u>257,180,226</u>	<u>257,180,226</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 2016: 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 given its recommendations to FBR. Pending decisions of the Supreme Court and FBR, 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 2016, (30 June 2016: Nil).

	Un-audited 30 September 2016 Rupees	Audited 30 June, 2016 Rupees
5. PROPERTY, PLANT AND EQUIPMENT		
Opening book value	212,520,634	187,124,956
Additions	-	26,130,000
	<u>212,520,634</u>	<u>213,254,956</u>
Disposals		
Cost	-	(750,000)
Accumulated Depreciation	-	604,223
	-	(145,777)
	<u>212,520,634</u>	<u>213,109,179</u>
Depreciation Charged for the year-	<u>(124,291)</u>	<u>(588,545)</u>
	<u>212,396,343</u>	<u>212,520,634</u>

- 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 received Rupees 86.667 million as advance in this regard as shown in trade and other payable. Remaining Rupees 133.333 million will be received from the buyer in two 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.



**CRESCENT JUTE
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	Un-audited 30 September 2016 Rupees	Audited 30 September 2015 Rupees
6. CASH GENERATED FROM OPERATIONS		
Loss before taxation	(11,155,152)	(9,846,319)
Adjustments for non-cash charges and other items:		
Depreciation	124,291	150,034
Net un-realized gain / (loss) on remeasurement of investments at fair value through profit or loss	(414,925)	(315,543)
Finance cost	4,868,611	4,935,511
Working capital changes (Note 6.1)	1,210,111	(1,480,043)
	<u>(5,367,063)</u>	<u>(6,556,360)</u>

6.1 Working capital changes

Decrease / (increase) in
current assets:

Stores and spare parts	-	-
Stock in trade	-	-
Trade debts	-	-
Loans and advances	22,965	56,000
Prepayments	(131,733)	(265,817)
Security Deposits	-	-
Other receivables	70,899	-
	(37,869)	(209,817)
Increase in trade and other payables	1,247,980	(1,270,226)
	<u>1,210,111</u>	<u>(1,480,043)</u>



**CRESCENT JUTE
PRODUCTS LTD.**

7. 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 2016	30 September 2015
	(Rupees)	
Associated Companies		
Service charges	94,523	120,121
Associated Undertaking		
Directors		
Loan received from CEO	-	-
Loan repaid to CEO	-	5,500,000

8. 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 28 October, 2016.

9. GENERAL

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

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

Humayun Mazhar
CHIEF EXECUTIVE OFFICER

Khurram Mazhar Karim
DIRECTOR

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CRESCENT JUTE
PRODUCTS LTD.

10th Floor, BOP Tower, 10-B, Block E-2,
Main Boulevard, Gulberg III, Lahore-54660.
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