

CRESCENT GROUP



CRESCENT JUTE
PRODUCTS LTD.

**Condensed Interim Financial Statements
For The First Quarter Ended 30 September, 2017
(Un-Audited)**



**CRESCENT JUTE
PRODUCTS LTD.**

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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

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

REGISTRAR

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



CRESCENT JUTE
PRODUCTS LTD.

DIRECTORS REPORT TO THE SHAREHOLDERS

Accounts for the quarter ended September 30, 2017 show a loss of Rupees 11.09 million, as compared to loss of Rupees 11.16 million in the corresponding periods in 2016. The loss is attributed mainly due to the cost minimum staff required for managing the corporate affairs and safe guarding the remaining assets of the Company. The management is in the process of implementing the closure plan approved by the BOD and Shareholders.

However, there has been significant delay in implementation of the above said plan. There were two parts of this plan i.e. Disposal of Assets and Future Business Plan. As far as the Disposal of Assets is concerned, significant progress has been made in this regard i.e. not only majority of payments against disposal of fixed assets have been realized, except the last installment against sale of land amounting to Rs. 66.67 million due in December, 2017, but these assets have also been disposed off at a significantly higher value than the amount approved by the Shareholders.

As far as the Future Business Plan is concerned it was contingent upon settlement of liabilities with financial institutions and any surplus realized thereof. In this regard the progress has been very slow as we are still under litigation with the concerned financial institutions. This inordinate delay in settlement of liabilities has not only resulted in non- implementation of the business plan but has also resulted in additional operational costs without any business activity. Although, our Legal advisors are fairly optimistic on a favorable outcomes in all pending cases the timelines for the same are very difficult to predict. In view of the same, the implementation of any future business plan will be explored on realization of any surplus of funds, after full and final settlement all outstanding liabilities with the financial institutions.

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

(Khurram Mazhar Karim)
Director

Lahore: October 25, 2017.



CRESCENT JUTE
PRODUCTS LTD.

DIRECTORS REPORT TO THE SHAREHOLDERS

کرسیڈنٹ چیوٹ پراڈکٹس لمیٹڈ

30 ستمبر 2017ء کو اختتام پذیر سہ ماہی کے لئے کھاتوں میں 11.09 ملین روپے کا خسارہ دیکھا گیا۔ جو کہ گذشتہ سال 2016ء کی اسی مدت میں 11.16 ملین روپے تھا۔ یہ خسارہ کاروباری امور اور کمپنی کے بقایا اثاثہ جات کی دیکھ بھال کے لئے کم از کم عملہ پر لاگت کی وجہ سے تھا۔ انتظامیہ بورڈ آف ڈائریکٹرز اور شیئر ہولڈرز سے منظور شدہ پروگرام کے نفاذ کے عمل میں ہے۔

تاہم، مذکورہ بالا منصوبہ پر عمل درآمد میں نمایاں تاخیر ہوئی ہے۔ اس منصوبہ کے دو حصے تھے ایک اثاثہ جات کی فروخت اور مستقبل کے کاروباری منصوبے۔ جہاں تک اثاثہ جات کی فروخت کا تعلق ہے اس پر نمایاں پیش رفت ہوئی ہے نہ صرف زیادہ تر ناقابل انتقال اثاثوں کی فروخت کی مدد میں وصولیاں کر لی گئی ہیں جس میں زمین کی فروخت کے سلسلہ میں دسمبر 2017ء کو واجب الوصول 66.67 ملین روپے کی قسط شامل نہیں۔ بلکہ یہ اثاثہ جات شیئر ہولڈرز کی جانب سے منظور شدہ قدر سے کہیں زیادہ قیمت پر فروخت کئے گئے ہیں۔

جہاں تک مستقبل کے کاروباری منصوبہ کا تعلق ہے یہ مالیاتی اداروں کے واجبات اور بقایا جات کی ادائیگی سے مشروط ہیں۔ اس سلسلہ میں پیش قدمی بہت آہستہ ہے کیونکہ ہم متعلقہ مالیاتی اداروں کے ساتھ قانونی جنگ میں ہیں۔ بقایا جات کی ادائیگی میں یہ غیر موزوں تاخیر نہ صرف ہمارے کاروباری منصوبہ پر عمل درآمد میں رکاوٹ ہے بلکہ بغیر کسی کاروباری سرگرمی کے اضافی آپریشنل لاگت کا بھی باعث ہے۔ اگرچہ، ہمارے قانونی مشیر تمام زیر غور مقدمات میں مثبت نتائج کے لئے پر امید ہیں لیکن اس کے وقت کا تعین کرنا بہت مشکل ہے۔ مذکورہ بالا کی بنا پر مستقبل میں کسی بھی کاروباری منصوبہ پر عمل درآمد فنڈز کے بقایا جات کی وصولی اور مالیاتی اداروں کے تمام واجبات کی مکمل ادائیگی پر ہی کیا جاسکتا ہے۔

اسی اثنا میں، ہم لاگت کو کنٹرول کرنے پر توجہ دیتے رہے اور اخراجات کو کم از کم سطح پر رکھنے کے لئے ہر ممکن کوشش کرتے رہے۔

بورڈ کی جانب سے/ کے لئے

Hussain Nigam

ہمایوں مظہر

چیف ایگزیکٹو آفیسر

Khuram Muzaffar

خرم مظہر کریم

ڈائریکٹر

لاہور: اکتوبر 25، 2017ء



CRESCENT JUTE
PRODUCTS LTD.

CONDENSED INTERIM BALANCE SHEET

AS AT 30 SEPTEMBER, 2017 (UN-AUDITED)

		Unaudited 30-Sep-17 Rupees	Audited 30-Jun-17 Rupees
EQUITY AND LIABILITIES	NOTE		
SHARE CAPITAL AND RESERVES			
Authorized share capital			
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 reserve		35,767,584	35,767,584
Accumulated loss		(668,273,650)	(657,188,079)
Total equity		(394,871,386)	(383,785,815)
Surplus on revaluation of freehold land		181,783,274	181,783,274
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		162,466,034	160,852,089
Accrued mark-up		157,198,429	153,297,481
Borrowings	3	211,406,745	211,406,745
Provision for taxation		-	2,702
TOTAL: LIABILITIES		531,071,208	525,559,017
CONTINGENCIES AND COMMITMENTS			
	4	-	-
TOTAL EQUITY AND LIABILITIES		<u>317,983,096</u>	<u>323,556,476</u>
		Unaudited 30-Sep-17 Rupees	Audited 30-Jun-17 Rupees
ASSETS	NOTE		
NON- CURRENT ASSETS			
Operating fixed assets	5	3,899,039	4,007,469
CURRENT ASSETS			
Loans and advances		989,121	956,160
Security Deposits		120,037,500	120,037,500
Prepayments		331,157	9,850
Other Receivables		-	79,966
Short Term Investments		4,279,356	4,235,596
Cash and bank balances		6,560,923	12,343,935
		132,198,057	137,663,007
Non-current asset held for sale		181,886,000	181,886,000
		314,084,057	319,549,007
TOTAL ASSETS		<u>317,983,096</u>	<u>323,556,476</u>

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


Humayun Mazhar
Chief Executive Officer


Khurram Mazhar Karim
Director


Saif Ullah
Chief Financial Officer



CRESCENT JUTE
PRODUCTS LTD.

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2017 (UN-AUDITED)

NOTE	Quarter ended	
	30 September 2017	30 September 2016
	Rupees	Rupees
OTHER INCOME	93,635	747,376
ADMINISTRATIVE EXPENSES	(6,955,384)	(7,033,916)
OTHER EXPENSES	(254,330)	-
FINANCE COST	(3,969,492)	(4,868,611)
LOSS BEFORE TAXATION	(11,085,571)	(11,155,152)
TAXATION	-	-
LOSS AFTER TAXATION	<u>(11,085,571)</u>	<u>(11,155,152)</u>
LOSS PER SHARE - BASIC AND DILUTED	<u>(0.47)</u>	<u>(0.47)</u>

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


Humayun Mazhar
Chief Executive Officer


Khurram Mazhar Karim
Director


Saif Ullah
Chief Financial Officer



CRESCENT JUTE
PRODUCTS LTD.

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME**

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2017 (UN-AUDITED)

	Quarter Ended	
	30 September 2017	30 September 2016
	----- (Rupees) -----	
LOSS AFTER TAXATION	(11,085,571)	(11,155,152)
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	<u>(11,085,571)</u>	<u>(11,155,152)</u>

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


Humayun Mazhar
Chief Executive Officer


Khurram Mazhar Karim
Director


Saif Ullah
Chief Financial Officer



CRESCENT JUTE
PRODUCTS LTD.

CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2017 (UN-AUDITED)

NOTE	Quarter ended	
	30 September 2017 Rupees	30 September 2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	6 (5,395,213)	(5,367,063)
Finance cost paid	(68,544)	(4,085)
Income tax paid	(21,163)	(46,207)
Net cash generated from / (used in) operating activities	(5,484,920)	(5,417,355)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment	(298,090)	-
Net cash used in investing activities	(298,090)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings - net	-	-
Net cash used in financing activities	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,783,010)	(5,417,355)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	12,343,935	43,248,904
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6,560,923	37,831,549

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


Humayun Mazhar
Chief Executive Officer


Khurram Mazhar Karim
Director


Saif Ullah
Chief Financial Officer



**CRESCENT JUTE
PRODUCTS LTD.**

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2017 (UN-AUDITED)

	SHARE CAPITAL	CAPITAL RESERVE SHARE PREMIUM	ACCUMULATED LOSS	TOTAL EQUITY
	----- (Rupees) -----			
Balance as at 01 July 2016	237,634,680	35,767,584	(593,438,901)	(320,036,637)
Loss for the year	-	-	(63,749,178)	(63,749,178)
Other comprehensive loss for the year	-	-	-	-
Total comprehensive loss for the year ended 30 June 2017	-	-	(63,749,178)	(63,749,178)
Balance as at 30 June 2017	237,634,680	35,767,584	(657,188,079)	(383,785,815)
Loss for the period	-	-	(11,085,571)	(11,085,571)
Other comprehensive loss for the period	-	-	-	-
Total comprehensive loss for the Quarter ended 30 September 2017	-	-	(11,085,571)	(11,085,571)
Balance as at 30 September 2017	237,634,680	35,767,584	(668,273,650)	(394,871,386)

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


Humayun Mazhar
Chief Executive Officer


Khurram Mazhar Karim
Director


Saif Ullah
Chief Financial Officer



**CRESCENT JUTE
PRODUCTS LTD.**

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2017 (UN-AUDITED)

1. THE COMPANY AND ITS ACTIVITIES OPERATIONS

Crescent Jute Products Limited is a public limited Company incorporated under the Companies Act, 1913 (Now Companies Act, 2017) and listed on all stock exchanges in Pakistan. Its registered office is situated at 1st Floor, 65-XX, Khayaban-e-Iqbal Road, Phase-III, DHA 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 237 of the Companies Act, 2017. 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 2017.

3. BORROWINGS

	Un-audited 30 September 2017	Audited 30 June 2017
From banking companies and financial institutions - secured		
The Bank of Punjab	99,913,069	99,913,069
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
	<u>211,406,745</u>	<u>211,406,745</u>

4. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i. The Commissioner Inland Revenue raised demand for sales tax amounting to Rupees 34.022 million (2016: 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. Now the Company has filed an appeal in Supreme Court of Pakistan 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 (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.
- ii. Deputy Commissioner Inland Revenue, Lahore ordered for recovery of sales tax amounting to Rupees 934,414 along with default surcharge and penalty under section 34 and 33 of Sales Tax Act, 1990. The Company has filed an appeal against this order to Commissioner Inland Revenue (Appeals), Lahore subsequently after the year end on 14 July 2017. The related provision is not made in these financial statements in view of favourable outcome of the appeal.



**CRESCENT JUTE
PRODUCTS LTD.**

b) Commitments

There was no capital or other commitment of the Company as at 30 September 2017, (30 June 2016: Nil).

	Un-audited 30 September 2017 Rupees	Audited 30 June 2017 Rupees
5. OPERATING FIXED ASSETS		
Opening book value	4,007,469	4,504,634
Additions	<u>4,007,469</u>	<u>4,504,634</u>
Disposals		
Cost	-	-
Accumulated Depreciation	-	-
	<u>4,007,469</u>	<u>4,504,634</u>
Depreciation Charged for the year-	(108,430)	(497,165)
	<u><u>3,899,039</u></u>	<u><u>4,007,469</u></u>

	Un-audited 30 September 2017 Rupees	Un-Audited 30 September 2016 Rupees
6. CASH GENERATED FROM OPERATIONS		
Loss before taxation	(11,085,571)	(11,155,152)
Adjustments for non-cash charges and other items:		
Depreciation	108,430	124,291
Net un-realized gain / (loss) on remeasurement of investments at fair value through profit or loss	254,330	(414,925)
Finance cost	3,969,492	4,868,611
Working capital changes (Note 6.1)	1,358,104	1,210,111
	<u><u>(5,395,213)</u></u>	<u><u>(5,367,063)</u></u>

6.1 Working capital changes

Decrease / (increase) in current assets:		
Loans and advances	(14,500)	22,965
Prepayments	(321,307)	(131,733)
Other receivables	79,966	70,899
	(255,841)	(37,869)
Increase in trade and other payables	1,613,945	1,247,980
	<u><u>1,358,104</u></u>	<u><u>1,210,111</u></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 2017	30 September 2016
(Rupees)	

Associated Companies

Service charges paid	94,524	94,523
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8. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were approved by the Board of Directors and authorized for issue on 25 October, 2017.

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


Saif Ullah
Chief Financial Officer

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CRESCENT JUTE
PRODUCTS LTD.

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URL: www.cresjute.com.pk