

CRESCENT GROUP



CRESCENT JUTE  
PRODUCTS LTD.

---

**Reviewed Condensed Interim Financial Statements  
For The Half Year Ended 31 December 2022  
(Un-Audited)**

---





**CRESCENT JUTE  
PRODUCTS LTD.**

---

## **CONTENTS**

---

# **CRESCENT JUTE PRODUCTS LTD. FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

| <b>C O N T E N T S</b>                                 | <b>Page<br/>#</b> |
|--|-------------------|
| <b>Company Information</b>                             | <b>4</b>          |
| <b>Director's Report to the Shareholders (English)</b> | <b>5</b>          |
| <b>Director's Report to the Shareholders (Urdu)</b>    | <b>6</b>          |
| <b>Auditor's Review Report to the Members</b>          | <b>7-8</b>        |
| <b>Statement of Financial Position</b>                 | <b>9</b>          |
| <b>Statement of Profit or Loss</b>                     | <b>10</b>         |
| <b>Statement of Comprehensive Income</b>               | <b>11</b>         |
| <b>Statement of Changes in Equity</b>                  | <b>12</b>         |
| <b>Statement of Cash Flows</b>                         | <b>13</b>         |
| <b>Notes to the Financial Statements</b>               | <b>14-20</b>      |



**CRESCENT JUTE  
PRODUCTS LTD.**

---

## **COMPANY INFORMATION**

---

### **COMPANY INFORMATION**

#### **BOARD OF DIRECTORS**

|   |  |
|---|--|
| Mr. Khurram Mazhar Karim                    | Chairman - Non-Executive Director            |
| Mr. Humayun Mazhar<br>(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. Wasim Akram                             | Independent Director                         |

#### **AUDIT COMMITTEE**

|                            |          |
|----------------------------|----------|
| Mr. Wasim Akram            | Chairman |
| Mr. Shehryar Mazhar        | Member   |
| Mr. Shahjahan Mazhar Karim | Member   |

#### **HUMAN RESOURCE & REMUNERATION COMMITTEE**

|                           |          |
|---------------------------|----------|
| Mr. Shehryar Mazhar       | Chairman |
| Mr. Wasim Akram           | Member   |
| Miss Rijah Khurram Mazhar | Member   |

#### **COMPANY SECRETARY / CFO**

Mr. Muhammad Saad Mehboob

#### **HEAD OF INTERNAL AUDIT**

Mr. Tahir Hussain

#### **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**

The Bank of Punjab  
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 half year ended December 31 2022 show a loss of Rupees 5.77million as compared to the profit of Rupees 57.78 million in the corresponding period of 2021. 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 Crescent Standard Modaraba over their claims. In view of the same, the management is exploring various options for alternate funding to pay the balance of outstanding liabilities. 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 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: February 28, 2023



CRESCENT JUTE  
PRODUCTS LTD.

## DIRECTORS REPORT TO THE SHAREHOLDERS

### ڈائریکٹرز رپورٹ بنام شیئر ہولڈرز

31 دسمبر 2022ء کو اختتام پذیر نصف سال کے کھاتے سال 2021ء کی اسی مدت میں 57.78 ملین روپے منافع کی نسبت 5.77 ملین روپے کا خسارہ ظاہر ہوا۔ کمپنی کے کاروباری و مالیاتی امور کو چلانے کے لئے کم از کم درکار عملے پر اخراجات کے باعث و دیگر اخراجات برداشت کرنے سے منسوب ہے

انتظامیہ بورڈ آف ڈائریکٹرز اور شیئر ہولڈرز کی منظوری سے کلوزر پلان کے اطلاق عمل میں ہے۔ اس پلان کے دو حصے یعنی اثاثہ جات کی فروخت اور مستقبل کا کاروباری منصوبہ تھے۔ جہاں تک اثاثہ جات کی فروخت کا تعلق ہے ان کی فروخت کے متوازی تمام رقوم وصول کر لی گئی ہیں۔

ہم ازراہ مسرت مطلع کرتے ہیں کہ بینک آف پنجاب کے واجبات ادا کئے جا چکے ہیں۔ البتہ، بینک آف پنجاب کے واجبات کی ادائیگی کے بعد معقول اضافی رقم دستیاب نہیں تھی لہذا اکتوبر 2011ء منعقدہ اجلاس میں شیئر ہولڈرز کے منظور شدہ مستقبل کا کاروباری منصوبے پر عمل درآمد نہیں ہو سکا۔

مزید برآں، گلیمز کی بابت کریسٹل اسٹینڈرڈ مضاربہ کے ساتھ ہماری قانونی چارہ جوئی جاری ہے۔ اس کے پیش نظر، انتظامیہ بقیہ واجبات کی ادائیگی کی غرض سے فنڈز کے لئے متبادل ذرائع تلاش کر رہی ہے۔ فی الوقت، مستقبل کا کاروباری منصوبے کے لئے کمپنی کے پاس فنڈز دستیاب نہیں اور امکانات روشن ہونے پر ہم منظوری کے لئے اسے شیئر ہولڈرز کے سامنے رکھیں گے۔

دوسری جانب ہم لاگت پر کنٹرول کرنے اور اخراجات کو روکنے اور کم از کم درجے پر رکھنے کے لئے ہر ممکن کوشش کر رہے ہیں۔

برائے/مخائب بورڈ آف ڈائریکٹرز

—  
خرم مظہر کریم  
ڈائریکٹر

Humayun Hashmi  
ہمایوں مظہر  
چیف ایگزیکٹو آفیسر

لاہور: 28 فروری، 2023ء



**CRESCENT JUTE  
PRODUCTS LTD.**

---

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

---

### **TO THE MEMBERS OF CRESCENT JUTE PRODUCTS LTD. REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

#### ***Introduction***

We have reviewed the accompanying condensed interim statement of financial position of **CRESCENT JUTE PRODUCTS LIMITED** as at December 31, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the selected notes forming part thereof, for the six month period then ended (hereinafter referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of the condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures included in condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2022 and 2021 and the notes forming part thereof have not been reviewed by us and we do not express a conclusion on them, as we are required to review only the cumulative figures for the six months' period ended December 31, 2022.

#### ***Scope of Review***

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### ***Basis for Qualified Conclusion***

We believe that the procedures we have performed are sufficient and appropriate to provide a basis for our qualified conclusion and we report that:

- a) The company has not made provision for tax of Rs. 8.750 million for the tax year 2022 in these condensed interim financial statements. Had the company made provision for tax of Rs.8.750 million in these condensed interim financial statements, the loss after tax for the half year ended December 31, 2022 would have been higher and the negative equity as on December 31, 2022 would also have been higher by the amount of the tax provision.

#### ***Qualified Conclusion***

Based on our review, except for the effect of the matter discussed in the Basis for Qualified Conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.



CRESCENT JUTE  
PRODUCTS LTD.

---

**INDEPENDENT AUDITOR'S REVIEW REPORT**

---

**TO THE MEMBERS OF CRESCENT JUTE PRODUCTS LTD.  
REPORT ON REVIEW OF CONDENSED  
INTERIM FINANCIAL STATEMENTS**

***Emphasis of Matter***

Without further qualifying our conclusion we draw attention to the following matters:

- a) As stated in Note 1.2 to the condensed interim financial statements, the Company is no longer a going concern, therefore, the condensed interim financial statements have been prepared on the basis of estimated realizable / settlement values of assets and liabilities respectively.
- b) As stated in Note 4.2 to the condensed interim financial statements, the Company has not charged further mark-up on the borrowings as per the advice of legal counsel.

The engagement partner on the review resulting in this independent auditor's review report is **Rashid Iqbal FCA.**

Islamabad  
Date: February 28, 2023  
UDIN: RR202210101F9tL1oPw

  
**Rizwan & Company**  
Chartered Accountants





CRESCENT JUTE  
PRODUCTS LTD.

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022 (UN-AUDITED)

|   |      | Un-audited<br>December 31,<br>2022 | Audited<br>June 30, 2022 |
|---|------|------------------------------------|--------------------------|
|   | NOTE | RUPEES                             |                          |
| <b>ASSETS</b>                                       |      |                                    |                          |
| <b>NON-CURRENT ASSETS</b>                           |      |                                    |                          |
| Operating fixed assets                              | 3    | 2,113,135                          | 2,222,279                |
| <b>CURRENT ASSETS</b>                               |      |                                    |                          |
| Security deposits                                   |      | 37,500                             | 37,500                   |
| Prepayments and other receivables                   |      | 932,043                            | 401,524                  |
| Short term investments                              |      | 1,603,662                          | 2,609,003                |
| Cash and bank balances                              |      | 112,166                            | 14,956,746               |
|   |      | 2,685,371                          | 18,004,773               |
| <b>TOTAL ASSETS</b>                                 |      | <b>4,798,506</b>                   | <b>20,227,052</b>        |
| <b>EQUITY AND LIABILITIES</b>                       |      |                                    |                          |
| <b>SHARE CAPITAL AND RESERVES</b>                   |      |                                    |                          |
| <b>Authorized share capital</b>                     |      |                                    |                          |
| 30 000 000 (30 June 2022: 30 000 000)               |      |                                    |                          |
| ordinary shares of Rupees 10 each                   |      | 300,000,000                        | 300,000,000              |
| <b>Issued, subscribed and paid-up share capital</b> |      | <b>237,634,680</b>                 | <b>237,634,680</b>       |
| Capital reserves                                    |      | 35,633,084                         | 35,633,084               |
| Accumulated loss                                    |      | (458,560,395)                      | (452,692,417)            |
|   |      | (185,292,631)                      | (179,424,653)            |
| <b>NON-CURRENT LIABILITIES</b>                      |      |                                    |                          |
|   |      | -                                  | -                        |
| <b>CURRENT LIABILITIES</b>                          |      |                                    |                          |
| Accrued liabilities and other payables              |      | 1,073,028                          | 7,750,461                |
| Accrued mark-up                                     |      | 81,140,650                         | 79,864,414               |
| Borrowings  | 4    | 107,232,439                        | 111,493,676              |
| Unclaimed dividend                                  |      | 337,313                            | 337,313                  |
| Provision for taxation                              |      | 307,707                            | 205,841                  |
|   |      | 190,091,137                        | 199,651,705              |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 |      | <b>4,798,506</b>                   | <b>20,227,052</b>        |
| <b>CONTINGENCIES AND COMMITMENTS 5</b>              |      |                                    |                          |
|   |      | -                                  | -                        |

**Humayun Mazhar**  
Chief Executive Officer

**Khurram Mazhar Karim**  
Director

**Muhammad Saad Mehboob**  
Chief Financial Officer



CRESCENT JUTE  
PRODUCTS LTD.

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE QUARTER AND SIX MONTHS PERIOD ENDED**  
**31 DECEMBER 2022 (UN-AUDITED)**

| NOTE                                   | HALF YEAR ENDED      |                      | QUARTER ENDED        |                      |             |
|--|----------------------|----------------------|----------------------|----------------------|-------------|
|  | December<br>31, 2022 | December<br>31, 2021 | December<br>31, 2022 | December<br>31, 2021 |             |
| -----RUPEES-----                       |                      |                      |                      |                      |             |
| Other Income-Net                       | 6                    | 645,832              | 64,389,208           | (162,573)            | 26,521      |
| Administrative Expenses                |                      | (5,104,047)          | (5,331,518)          | (2,586,112)          | (3,061,143) |
| Finance Cost                           |                      | (1,307,898)          | (1,280,910)          | (1,243,280)          | (642,154)   |
| (Loss)/Profit before Taxation          |                      | (5,766,113)          | 57,776,780           | (3,991,965)          | (3,676,776) |
| Taxation                               |                      | (101,865)            | (4,310)              | (101,865)            | -           |
| (Loss)/Profit after Taxation           |                      | (5,867,978)          | 57,772,470           | (4,093,830)          | (3,676,776) |
| Earnings Per Share - Basic and Diluted | 8                    | (0.25)               | 2.43                 | (0.17)               | (0.15)      |

  
**Humayun Mazhar**  
Chief Executive Officer

  
**Khurram Mazhar Karim**  
Director

  
**Muhammad Saad Mehboob**  
Chief Financial Officer



CRESCENT JUTE  
PRODUCTS LTD.

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER AND SIX MONTHS PERIOD ENDED**  
**31 DECEMBER 2022 (UN-AUDITED)**

| HALF YEAR ENDED      |                      | QUARTER ENDED        |                      |
|----------------------|----------------------|----------------------|----------------------|
| December<br>31, 2022 | December<br>31, 2021 | December<br>31, 2022 | December<br>31, 2021 |
| ----- (RUPEES) ----- |                      |                      |                      |

(Loss)/Profit after taxation (5,867,978) 57,772,470 (4,093,830) (3,676,776)

**Items that will not be reclassified  
subsequently to profit or loss:**

Deficit arising on remeasurement of  
investment at fair value through other  
comprehensive income

|   |   |   |   |
|---|---|---|---|
| - | - | - | - |
|---|---|---|---|

**Items that may be reclassified  
subsequently to profit or loss**  
Other comprehensive income for the period

|   |   |   |   |
|---|---|---|---|
| - | - | - | - |
|---|---|---|---|

Total comprehensive (loss)/income for the  
period

|                    |            |                    |             |
|--------------------|------------|--------------------|-------------|
| <b>(5,867,978)</b> | 57,772,470 | <b>(4,093,830)</b> | (3,676,776) |
|--------------------|------------|--------------------|-------------|

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

**Humayun Mazhar**  
Chief Executive Officer

**Khurram Mazhar Karim**  
Director

**Muhammad Saad Mehboob**  
Chief Financial Officer



**CRESCENT JUTE  
PRODUCTS LTD.**

## **CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2022 (UN-AUDITED)**

|   | CAPITAL RESERVES |               |  | Accumulated loss | TOTAL EQUITY  |               |
|---|------------------|---------------|--|------------------|---------------|---------------|
|   | SHARE CAPITAL    | Share premium | Fair value reserve on FVTOCI investments |                  |               | Sub Total     |
|   | (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 2021                     | -                | -             | -  | -                | 57,772,470    | 57,772,470    |
| Other comprehensive income for the half year ended 31 December 2021 | -                | -             | -  | -                | -             | -             |
| Total comprehensive income for the half year ended 31 December 2021 | -                | -             | -  | -                | 57,772,470    | 57,772,470    |
| Balance as at 31 December 2021 - (Un-audited)                       | 237,634,680      | 35,767,584    | (134,500)                                | 35,633,084       | (446,135,281) | (172,867,517) |
| (Loss) for the half year ended 30 June 2022                         | -                | -             | -  | -                | (6,557,136)   | (6,557,136)   |
| Other comprehensive income for the half year ended 30 June 2022     | -                | -             | -  | -                | -             | -             |
| Total comprehensive loss for the half year ended 30 June 2022       | -                | -             | -  | -                | (6,557,136)   | (6,557,136)   |
| Balance as at 30 June 2022 - (Audited)                              | 237,634,680      | 35,767,584    | (134,500)                                | 35,633,084       | (452,692,417) | (179,424,653) |
| (Loss) for the half year ended 31 December 2022                     | -                | -             | -  | -                | (5,867,978)   | (5,867,978)   |
| Other comprehensive income for the half year 31 December 2022       | -                | -             | -  | -                | -             | -             |
| Total comprehensive loss for the half year 31 December 2022         | -                | -             | -  | -                | (5,867,978)   | (5,867,978)   |
| Balance as at 31 December 2022 - (Un-audited)                       | 237,634,680      | 35,767,584    | (134,500)                                | 35,633,084       | (458,560,395) | (185,292,631) |

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

**Humayun Mazhar**  
Chief Executive Officer

**Khurram Mazhar Karim**  
Director

**Muhammad Saad Mehboob**  
Chief Financial Officer



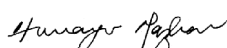
**CRESCENT JUTE  
PRODUCTS LTD.**

## **CONDENSED INTERIM STATEMENT OF CASH FLOWS**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2022 (UN-AUDITED)**

|   | HALF YEAR ENDED      |                      |
|---|----------------------|----------------------|
|   | December<br>31, 2022 | December 31,<br>2021 |
|   | RUPEES               |                      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                      |                      |
| (Loss)/Profit before taxation   | (5,766,113)          | 57,776,780           |
| <b>Adjustments for non-cash charges and other items:</b>                                  |                      |                      |
| Depreciation  | 3 109,144            | 123,770              |
| Profit on bank deposits   | 6 (520,961)          | (909,611)            |
| Net un-realized loss on remeasurement of investments at fair value through profit or loss | 6 31,520             | 294,171              |
| Gain on sale of investment  | (155,361)            | -                    |
| Markup waived off   | 6 -                  | (63,745,048)         |
| Finance cost  | 1,307,898            | 1,280,910            |
|   | <b>(4,993,873)</b>   | <b>(5,179,028)</b>   |
| <b>Working capital changes</b>  |                      |                      |
| (Increase)/decrease in prepayments and other receivables                                  | <b>(311,417)</b>     | 41,225,376           |
| (Decrease) in accrued liabilities and other payables                                      | <b>(6,677,433)</b>   | (4,951,801)          |
|   | <b>(6,988,850)</b>   | 36,273,575           |
| <b>Cash (used in )/generated from operations</b>  | <b>(11,982,723)</b>  | 31,094,547           |
| Finance cost paid   | (31,662)             | (4,673)              |
| Income tax paid   | (219,099)            | (4,310)              |
| <b>Net cash (used in )/generated from operating activities</b>                            | <b>(12,233,484)</b>  | 31,085,564           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                      |                      |
| Proceeds from sale of investments   | 1,129,180            | -                    |
| Profit on bank deposits received  | 6 520,961            | 909,611              |
| <b>Net cash from investing activities</b>   | <b>1,650,141</b>     | 909,611              |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                      |                      |
| Borrowings-net  | <b>(4,261,237)</b>   | (12,256,080)         |
| <b>Net cash (used in) financing activities</b>  | <b>(4,261,237)</b>   | (12,256,080)         |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                               | <b>(14,844,580)</b>  | 19,739,095           |
| Cash and cash equivalents at the beginning of the period                                  | <b>14,956,746</b>    | 66,262               |
| <b>Cash and cash equivalents at the end of the period</b>                                 | <b>112,166</b>       | <b>19,805,357</b>    |

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.



**Humayun Mazhar**  
Chief Executive Officer



**Khurram Mazhar Karim**  
Director



**Muhammad Saad Mehboob**  
Chief Financial Officer



**CRESCENT JUTE  
PRODUCTS LTD.**

## **SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2022 (UN-AUDITED)**

### **1 THE COMPANY AND ITS OPERATIONS**

- 1.1 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 May 02, 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 March 29, 2018 by the Company and a writ petition was filed by the Company against the above mentioned Order which was dismissed by the Lahore High Court, Lahore on October 26, 2021. The Company filed intra Court appeal on January 11, 2022 against the impugned order of SECP which has been accepted by the honorable Lahore High Court, Lahore vide Order dated January 19, 2022 and suspended the operation of the Impugned Order till the date of next hearing. The legal advisor has further advised that the matter is pending in the Lahore High Court, Lahore and there are fair chances that the matter will be decided in favour of the Company. However, in case of non-acceptance of the Intra Court Appeal, the SECP can initiate winding up proceedings against the Company. Moreover, the Company's shares were suspended by the PSX for trading for another period of sixty days effective from January 21, 2023 vide their letter PSX/N-65 dated January 20, 2023. The first notice by PSX in this regard was issued on 18 December 2017.

#### **1.2 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 up till 30 June 2019. During the period ended 31 December 2022, the Company has loss after taxation of Rupees 5.868 million. The Company has suffered accumulated loss of Rupees 458.560 million as on 31 December 2022 which has turned equity into negative balance of Rupees 185.293 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.



**CRESCENT JUTE  
PRODUCTS LTD.**

## **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.

### **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.

#### **2.1.2 Accounting convention**

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. In realizable / settlement value basis, assets are carried at amount of cash and cash equivalents that could currently be obtained by selling the assets in an orderly disposal. Liabilities are carried at their settlement values, that is the undiscounted amounts of cash or cash equivalents expected to be paid to satisfy the liabilities in the normal course of business.

#### **2.1.3 Critical accounting estimates, judgments and financial risk management**

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions which affect the application of accounting policies and the reported amounts. Actual results may differ from these judgments, estimates and assumptions.

During the preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the audited financial statements of the Company for the year ended 30 June 2022.



**CRESCENT JUTE  
PRODUCTS LTD.**

The Company has no items that it plans to sell that the Company has not previously recognized in the condensed interim financial statements.

**2.1.4 Financial risk management**

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements of the Company for the year ended 30 June

|             | <b>Un-audited<br/>December<br/>31, 2022</b> | Audited<br>June 30,<br>2022 |
|-------------|---|-----------------------------|
| <b>NOTE</b> | <b>RUPEES</b>                               |                             |

**3 OPERATING FIXED ASSETS**

|  |                         |                  |
|--|-------------------------|------------------|
| Opening book value                         | <b>2,222,279</b>        | 2,469,819        |
| Depreciation charged for the period / year | <b>(109,144)</b>        | (247,540)        |
|  | <b><u>2,113,135</u></b> | <u>2,222,279</u> |

**4 BORROWINGS**

**From banking company and financial institution - secured**

|                          |            |                   |            |
|--------------------------|------------|-------------------|------------|
| The Bank of Punjab       | <b>4.1</b> | -                 | -          |
| B.R.R. Guardian Modaraba | <b>4.2</b> | <b>33,810,398</b> | 33,810,398 |

**Unsecured**

**Related party**

|                                     |            |                |   |
|-------------------------------------|------------|----------------|---|
| Crescent Ventures (Private) Limited | <b>4.3</b> | <b>200,000</b> | - |
|-------------------------------------|------------|----------------|---|

**Others**

|                                    |            |                           |                    |
|------------------------------------|------------|---------------------------|--------------------|
| Innovative Investment Bank Limited | <b>4.4</b> | <b>18,083,326</b>         | 18,083,326         |
| Loan from sponsor                  | <b>4.5</b> | -                         | 4,461,237          |
| Crescent Jute Mills Limited        | <b>4.6</b> | <b>55,138,715</b>         | 55,138,715         |
|                                    |            | <b><u>107,232,439</u></b> | <u>111,493,676</u> |

4.1 This included cash finance, FIM-180 days and FE-25 obtained from The Bank of Punjab under mark-up arrangement at the rate of average 3 months KIBOR plus 3 percent per annum with no floor or cap. These finances were secured against effective pledge of finished goods with 25% margin and first pari passu charge over present and future fixed assets (including land, building, plant and machinery) for Rupees 300 million through registered mortgage, first pari passu charge over present and future current assets for Rupees 293.340 million, pledge of shares owned by Company and sponsors / directors of various companies keeping 30 percent margin, effective pledge of raw jute at invoice value and personal guarantee of the directors of the Company. As per the terms of the respective sanction advice, these borrowing facilities were expired on July 31, 2011 and not renewed.

The Bank 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 provided No Objection Certificate for vacation of charge on assets on deposit of Rupees 120 million by the company with Deputy Registrar (Judicial) of Lahore High Court, Lahore, as per the order of Lahore High Court, Lahore dated October 09, 2013. On May 21, 2021, The Bank of Punjab and the Company agreed to an out of court settlement





**CRESCENT JUTE  
PRODUCTS LTD.**

regarding the outstanding dues and a settlement document was signed by both the parties. According to the settlement document, the Bank agreed to receive Rupees 138,615,841 against all outstanding principal liabilities and to waive off all the accrued mark-up. The said settlement document was filed with Lahore High Court, Lahore so that Rupees 120 million security deposit along with profit thereon can be released by the Lahore High Court, Lahore. The Lahore High Court, Lahore through its order dated May 31, 2021 accepted the settlement document and ordered on 09 June 2021 to release Rupees 138,027,761 to the Bank and the remaining profit to the Company. Although in the settlement document between the Bank and Company, on payment of principal liabilities, entire mark-up was agreed to be waived off by the Bank. However, due to Bank claiming mark-up in the direct balance confirmation letter to the auditors, the accrued mark-up was not written back by the Company as at June 30, 2021. Subsequent to year ended June 30, 2021 the BOP issued No Liability Certificate to the company and the accrued mark up has been written back in these interim financial statements during the period(see note 6.1).

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 December 24, 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 upto 30 June 2012, but the Company could not pay the balance up till the expiry of the prescribed date. This facility was secured with demand promissory notes of Rupees 49.5 million, pledge of stocks of raw jute and hessian cloth and in case of default carried mark-up at the rate of 18 percent (2021: 18 percent) per annum on the outstanding balance. As per agreement, B.R.R. Guardian Modaraba agreed to waive off mark-up on default amounting to Rupees 15.29 million subject to liquidation of entire murabaha facility by 30 June 2012. However as the Company failed to pay the entire facility uptill agreed date, the waiver of the above mentioned mark-up was withdrawn by B.R.R. Guardian Modaraba.

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 15.29 million previously waived off by B.R.R. Guardian Modaraba. 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 the decree and execution petition mentioned above. The Division Bench of Lahore High Court Lahore, vide order dated March 09, 2022 accepted the Appeal and set aside the judgment and decree. The Learned Banking Court on application for seeking de-attachment of aforesaid immovable property has passed the decree on March 22, 2022 to de-attach the above mentioned immovable property. 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 June 30, 2019 as the case is pending before the Banking Court, Lahore and at the most B.R.R. Guardian Modaraba can be granted cost of funds when the matter is decided by the honorable Banking Court, Lahore.

- 4.3 This represents interest free loan obtained from Crescent Ventures (Private) Limited, a related party. The loan was obtained to meet day to day expenses of the Company.



**CRESCENT JUTE  
PRODUCTS LTD.**

- 4.4 This represents interest free loan obtained from Innovative Investment Bank Limited with sixty equal monthly installments commenced on January 01, 2009 up till December 01, 2013. According to the loan agreement, in case the Company fails to pay any one of the installment, the entire outstanding amount on that date would be reinstated and immediately fell due carrying mark-up at the rate of 14% (2021: 14%) per annum. Due to non-payment of installments within due period, entire outstanding amount of the loan has become immediately due.
- 4.5 This represents interest free loan obtained from a sponsor of the Company repayable on demand. This loan has been repaid during the period ended December 31, 2022.
- 4.6 This represents interest free loan obtained from Crescent Jute Mills Limited (CJML) with whom the Company had approved the scheme of merger in the annual general meeting held on December 31, 2005. The time limit allowed in the scheme of merger has lapsed on January 01, 2008 and no agreement for further period has been executed by the Company with CJML. However, CJML showed its interest to convert this loan into equity on November 28, 2008. But the matter is still pending on behalf of the Company.

## **5 CONTINGENCIES AND COMMITMENTS**

### **5.1 Contingencies**

- i) The Commissioner Inland Revenue raised demand for sales tax amounting to Rupees 34.022 million (2022: 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. The 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 filed an appeal in Supreme Court of Pakistan in 2012 against the decision of the 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 in favour of the company. 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 September 30, 2021 disposed of the review petition in terms that the judgment under review shall not prejudice the rights of the petitioner arising out of the legislative amendments introduced in sub-section (4) of Section 47-A of the Sales Tax Act, 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 recommendations 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 June 19, 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 July 14, 2017. However on June 20, 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.



**CRESCENT JUTE  
PRODUCTS LTD.**

- iii) As per press release of Supreme Court of Pakistan dated May 17, 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 May 13, 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.

The case was adjourned several times up till December 31, 2022.

The name of the Company, under the heading of National Bank of Pakistan (NBP), is included in the list of 222 individuals / companies. On August 10, 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. Later, on May 08, 2021 a suit was also filed by NBP in the Banking Court, Lahore against the Company claiming recovery of US Dollars 211,051.22 against principal and mark-up balances of FE-25 loan. 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 December 24, 2018. However, NAB has challenged this judgment of Lahore High Court, Lahore before Supreme Court of Pakistan on March 09, 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 December 31, 2022 (30 June 2022: Rupees Nil).

| (UN-AUDITED)<br>HALF YEAR ENDED |                      | (UN-AUDITED)<br>QUARTER ENDED |                      |
|---------------------------------|----------------------|-------------------------------|----------------------|
| December<br>31, 2022            | December<br>31, 2021 | December<br>31, 2022          | December<br>31, 2021 |
| ------(RUPEES)-----             |                      |                               |                      |

## 6 OTHER INCOME-NET

### Income from financial assets

|   |                |                   |                  |               |
|---|----------------|-------------------|------------------|---------------|
| Profit on deposits with banks   | 520,961        | 909,611           | 59,867           | 242,281       |
| Dividend income   | 1,030          | 28,720            | 1,030            | 28,720        |
| Markup waived off (Note 6.1)  | -              | 63,745,048        | -                | -             |
| Gain on disposal of investment  | 155,361        | -                 | -                | -             |
| Un-realized loss on remeasurement of investments at fair value through profit or loss | (31,520)       | (294,171)         | (223,470)        | (244,480)     |
|   | <b>645,832</b> | <b>64,389,208</b> | <b>(162,573)</b> | <b>26,521</b> |



**CRESCENT JUTE  
PRODUCTS LTD.**

6.1 The Bank of Punjab and the Company agreed an out of court settlement regarding the outstanding liabilities and a memorandum of understanding (settlement document) regarding the settlement of outstanding dues was signed by both the parties on May 21, 2021. According to the settlement document, the Bank agreed to receive rupees 138,615,841 against all outstanding principal liabilities, and to waive off all the accrued mark-up. However, due to mark-up claimed by the Bank in the direct balance confirmation letter to the auditors, the mark-up accrued was not written back by the Company as at June 30, 2021. Subsequent to year ended June 30, 2021 the BOP issued No Liability Certificate to the company and the accrued mark up has been written back in these interim financial statements during the period (see note 4.1).

**7 TAXATION**

7.1 Provision for current taxation represents tax on other income under the relevant provisions of the Income Tax Ordinance, 2001. The Company has accumulated tax losses of Rupees 391.107 million (2022: Rupees 385.316 million) including unabsorbed depreciation as at December 31, 2022, amounting to Rupees 224.407 million. Reconciliation of tax expenses and product of accounting profit multiplied by the applicable tax rate is not required in view of accumulated tax losses of the Company.

7.2 As company has ceased its operation and its sole income is income from other sources. Therefore, company was not required to provide the deferred taxation as there will be no timing difference as per IAS-12 "Income Taxes".

7.3 Unabsorbed tax losses include Rupees 161,073,327 related to business losses excluding unabsorbed depreciation. The expiry dates of these business losses are given hereunder:

| <b>Accounting year to which the business loss relates</b> | <b>Amount of business loss</b> | <b>Accounting year in which business loss will expire</b> |
|---|--------------------------------|---|
| <b>Year</b>   | <b>-----Rupees-----</b>        | <b>Year</b>   |
| 2017  | 44,066,750                     | 2023  |
| 2018  | 49,995,634                     | 2024  |
| 2019  | 50,455,235                     | 2025  |
| 2020  | 12,471,401                     | 2026  |
| 2021  | 4,084,307                      | 2027  |
| 2022  | -                              | 2028  |
|   | <b>161,073,327</b>             |   |

**8 EARNING PER SHARE- BASIC AND DILUTED**

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

|  | <b>(UN-AUDITED)</b>      |                          | <b>(UN-AUDITED)</b>      |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
|  | <b>HALF YEAR ENDED</b>   |                          | <b>QUARTER ENDED</b>     |                          |
|  | <b>December 31, 2022</b> | <b>December 31, 2021</b> | <b>December 31, 2022</b> | <b>December 31, 2021</b> |
| (Loss)/profit after taxation-(Rupees)      | <b>(5,867,978)</b>       | 57,772,470               | <b>(4,093,830)</b>       | (3,676,776)              |
| Weighted average number of ordinary shares | <b>23,763,468</b>        | 23,763,468               | <b>23,763,468</b>        | 23,763,468               |
| Earning per share - (Rupees)               | <b>(0.25)</b>            | 2.43                     | <b>(0.17)</b>            | (0.15)                   |



**CRESCENT JUTE  
PRODUCTS LTD.**

**9 TRANSACTIONS WITH RELATED PARTIES**

Detail of transactions and balances with related parties is as follows:

| (UN-AUDITED)<br>HALF YEAR ENDED |                      | (UN-AUDITED)<br>QUARTER ENDED |                      |
|---------------------------------|----------------------|-------------------------------|----------------------|
| December<br>31, 2022            | December<br>31, 2021 | December<br>31, 2022          | December<br>31, 2021 |
| ------(RUPEES)-----             |                      |                               |                      |

(i) **Transactions**

**Associated companies**

(common directorship)

|                               |                  |            |                  |            |
|-------------------------------|------------------|------------|------------------|------------|
| Loan received                 | 200,000          | 5,755,000  | 200,000          | -          |
| Loan repaid                   | -                | 17,423,000 | -                | 17,423,000 |
| Expenses paid and reimbursed  | 431,916          | 367,698    | 227,012          | 186,067    |
| <b>Loan repaid to sponsor</b> | <b>4,461,237</b> | <b>-</b>   | <b>4,461,237</b> | <b>-</b>   |

**Directors and Executives**

|  |         |           |         |         |
|--|---------|-----------|---------|---------|
| Remuneration and meeting fee of directors and executives | 743,957 | 1,119,100 | 743,957 | 579,550 |
|--|---------|-----------|---------|---------|

|                                    |                             |
|------------------------------------|-----------------------------|
| Un-audited<br>December<br>31, 2022 | Audited<br>June 30,<br>2022 |
| RUPEES                             |                             |

(ii) **Period end balances - Associated Companies**

|            |                |   |
|------------|----------------|---|
| Borrowings | <u>200,000</u> | - |
|------------|----------------|---|

**10 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS**

(i) **Fair value hierarchy**

The judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels. The description of each level and its explanation is given in the table below:

| Recurring fair value measurements       | Level 1          | Level 2 | Level 3 | Total            |
|---|------------------|---------|---------|------------------|
| <b>At 31 December 2022 (Un-audited)</b> |                  |         |         |                  |
| <b>Financial assets</b>                 |                  |         |         |                  |
| At fair value through profit or loss    | <u>1,603,662</u> | -       | -       | <u>1,603,662</u> |
| <b>At 30 June 2022 (Audited)</b>        |                  |         |         |                  |
| <b>Financial assets</b>                 |                  |         |         |                  |
| At fair value through profit or loss    | <u>2,609,003</u> | -       | -       | <u>2,609,003</u> |

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the half year ended December 31, 2022. Further there was no transfer in and out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.



**CRESCENT JUTE  
PRODUCTS LTD.**

- Level 1:** The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.
- Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**(ii) Valuation technique used to determine fair values**

Valuation technique implemented to value financial instruments is the use of quoted market prices.

**11 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on February 28, 2023.

**12 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 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.

**13 GENERAL**

Figures have been rounded off to the nearest rupees unless otherwise stated.

**Humayun Mazhar**  
Chief Executive Officer

**Khurram Mazhar Karim**  
Director

**Muhammad Saad Mehboob**  
Chief Financial Officer

## BOOK POST

If undelivered  
please return to



CRESCENT JUTE  
PRODUCTS LTD.

1st Floor, 65-XX, Khayaban-e-Iqbal Road,  
Phase - III, DHA, Lahore - 54792, Pakistan.  
Tel: + 92-42-37186438-9  
Website: [www.cresjute.com](http://www.cresjute.com)