

CRESCENT GROUP



CRESCENT JUTE  
PRODUCTS LTD.

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**Condensed Interim Financial Statements  
For The Nine Months Ended March 31, 2014  
(Un-Audited)**

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**CRESCENT JUTE  
PRODUCTS LTD.**

**CRESCENT JUTE PRODUCTS LTD  
FINANCIAL INFORMATION  
FOR THE NINE MONTHS AND QUARTER ENDED  
31 MARCH, 2014**

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**CRESCENT JUTE  
PRODUCTS LTD.**

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## **COMPANY INFORMATION**

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### **BOARD OF DIRECTORS**

Mrs. Abida Mazhar  
Mr. Humayun Mazhar

(Chairman) Non-Executive Director  
(Chief Executive Officer)  
Executive Director

(In alphabetic order)

Mrs. Ayesha Khurram Mazhar  
Mr. Khurram Mazhar Karim  
Mrs. Mehreen Humayun Mazhar  
Mr. Saif Ullah  
Syed Raza Abbas Jaffery

Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Executive Director  
(Nominee NIT) Independent Director

### **AUDIT COMMITTEE**

Mr. Khurram Mazhar Karim  
Mrs. Mehreen Humayun Mazhar  
Syed Raza Abbas Jaffery

(Chairman) Non-Executive Director  
Non-Executive Director  
(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

### **WORKS**

Unit, Jaranwala



**CRESCENT JUTE  
PRODUCTS LTD.**

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## **DIRECTORS REPORT TO THE SHAREHOLDERS**

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Accounts for the nine months ended March 31, 2014 show a profit of Rupees 180.39 million, as compared to loss of Rupees 64.05 million in the corresponding periods in 2013. This profit is mainly attributed to the sale of plant and machinery. There has been no production operation during the period under review. The Mills is closed down and the management is proceeding ahead with the closure plan approved by the BOD and Shareholders.

The next phase of closure plan i.e. assets disposal is in its final stages. Majority of the machinery has been sold and the balance machinery, except some Hessian looms has been sold as scrap. Our land sale efforts have received a temporary setback i.e. due to a judgment, against Rafhan Maize Products by the Lahore High Court, the DCO Faisalabad has temporarily suspended the registration of any Industrial land. Although this does not effect us in any material way, it has resulted in a slow down in market for Industrial land. However, we expect this ban to be lifted shortly. The sale of building is also contingent to the land sale and we hope to have some positive developments in this regard in the next quarter.

The management is also doing due diligence on various business options for the future. Renewable energy and Corporate Farming seem to be areas of growth in Pakistan and of interest to us.

In the meanwhile, we remain focused on cost controls and every possible effort is being made to curtail and keep the expenses to a minimum level.

**For and on behalf of the Board**

**(Humayun Mazhar)  
Chief Executive Officer**

Lahore: April 29, 2014.



**CRESCENT JUTE  
PRODUCTS LTD.**

## **CONDENSED INTERIM BALANCE SHEET**

AS AT MARCH 31, 2014

NOTE	Un-Audited		Audited	
	31 March 2014		30 June 2013	
	Estimated settlement value	Book value	Estimated settlement value	Book value
	Rupees	Rupees	Rupees	Rupees
<b>EQUITY AND LIABILITIES</b>				
<b>SHARE CAPITAL AND RESERVES</b>				
<b>Authorized share capital</b>				
30 000 000 (30 June 2013: 30 000 000) ordinary shares of Rupees 10 each	300,000,000	300,000,000	300,000,000	300,000,000
<b>Issued, subscribed and paid-up share capital</b>	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	(525,189,785)	(525,189,785)	(707,753,254)	(707,753,254)
<b>Total equity</b>	(251,787,521)	(251,787,521)	(434,350,990)	(434,350,990)
Net surplus on estimated realizable / settlement values	209,128,529	-	286,304,547	-
<b>Surplus on revaluation of property, plant and equipment - net of deferred income tax</b>	-	199,831,175	-	250,767,314
Trade and other payables	11,654,312	11,654,312	53,053,888	53,053,888
Accrued mark-up	117,244,672	117,244,672	100,975,894	100,975,894
Borrowings	3 302,308,302	302,308,302	352,375,931	352,375,947
Deferred income tax liability	-	9,297,354	-	35,537,233
Provision for taxation	3,163	3,163	49,293	49,293
<b>CONTINGENCIES AND COMMITMENTS</b>	4			
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>388,551,456</u>	<u>388,551,456</u>	<u>358,408,563</u>	<u>358,408,579</u>
<b>ASSETS</b>				
Cash and bank balances	8,326,410	8,326,410	6,921,860	6,921,860
Investments	1,412,410	1,412,410	1,463,130	1,463,130
Other receivables	6,515,069	6,515,069	5,690,883	5,690,883
Prepayments	147,957	147,957	28,170	28,170
Loans and advances	19,204,648	19,204,648	16,378,391	16,378,391
Trade debts	739,049	739,049	618,290	618,290
Stock in trade	5 7,708,418	7,708,418	14,822,476	14,822,476
Stores and spare parts	1,405,603	1,405,603	2,917,802	2,917,802
Security deposits	6 120,821,170	120,821,170	991,548	991,548
Property, plant and equipment	7 222,270,721	222,270,721	308,576,013	308,576,013
<b>TOTAL ASSETS</b>	<u>388,551,456</u>	<u>388,551,456</u>	<u>358,408,563</u>	<u>358,408,563</u>

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

**Humayun Mazhar**  
CHIEF EXECUTIVE OFFICER

**Saif Ullah**  
DIRECTOR



**CRESCENT JUTE  
PRODUCTS LTD.**

## **CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**

FOR THE NINE MONTHS ENDED MARCH 31, 2014 (UNAUDITED)

	NOTE	Nine months ended		Quarter ended	
		31 March 2014	31 March 2013	31 March 2014	31 March 2013
		Rupees	Rupees	Rupees	Rupees
SALES		6,869,198	14,694,025	1,292,096	7,223,995
COST OF SALES	8	(8,291,040)	(31,385,605)	(2,095,199)	(10,203,582)
GROSS LOSS		<u>(1,421,842)</u>	<u>(16,691,580)</u>	<u>(803,103)</u>	<u>(2,979,587)</u>
DISTRIBUTION COST		(40,621)	(120,950)	(22,211)	(10,500)
ADMINISTRATIVE EXPENSES		(22,810,762)	(27,644,187)	(9,036,458)	(8,140,867)
OTHER OPERATING EXPENSES		(65,719)	(4,014,931)	(65,719)	(400,000)
		(22,917,102)	(31,780,068)	(9,124,388)	(8,551,367)
		<u>(24,338,944)</u>	<u>(48,471,649)</u>	<u>(9,927,491)</u>	<u>(11,530,954)</u>
OTHER OPERATING INCOME		219,932,267	1,425,720	6,470,365	112,048
PROFIT/(LOSS) FROM OPERATIONS		<u>195,593,323</u>	<u>(47,045,929)</u>	<u>(3,457,126)</u>	<u>(11,418,906)</u>
FINANCE COST		(16,321,738)	(19,282,623)	(5,285,306)	(6,126,774)
PROFIT/(LOSS) BEFORE TAXATION		<u>179,271,586</u>	<u>(66,328,551)</u>	<u>(8,742,432)</u>	<u>(17,545,680)</u>
TAXATION		1,117,157	2,279,602	150,533	760,569
PROFIT/(LOSS) AFTER TAXATION		<u>180,388,743</u>	<u>(64,048,949)</u>	<u>(8,591,899)</u>	<u>(16,785,110)</u>
EARNING/(LOSS) PER SHARE - BASIC AND DILUTED		<u>7.59</u>	<u>(2.70)</u>	<u>(0.36)</u>	<u>(0.71)</u>

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

**Humayun Mazhar**  
CHIEF EXECUTIVE OFFICER

**Saif Ullah**  
DIRECTOR



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**CONDENSED INTERIM STATEMENT OF  
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

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FOR THE NINE MONTHS ENDED MARCH 31, 2014 (UNAUDITED)

	Nine months ended		Quarter ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	Rupees	Rupees	Rupees	Rupees
PROFIT / (LOSS) AFTER TAXATION	180,388,743	(64,048,949)	(8,591,898)	(16,785,110)
OTHER COMPREHENSIVE INCOME	-	-	-	-
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	<u>180,388,743</u>	<u>(64,048,949)</u>	<u>(8,591,898)</u>	<u>(16,785,110)</u>

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

**Humayun Mazhar**  
CHIEF EXECUTIVE OFFICER

**Saif Ullah**  
DIRECTOR



**CRESCENT JUTE  
PRODUCTS LTD.**

## **CONDENSED INTERIM CASH FLOW STATEMENT**

FOR THE NINE MONTHS ENDED MARCH 31, 2014 (UNAUDITED)

NOTE	Nine Months Ended	
	31 March 2014 Rupees	31 March 2013 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	9 (166,386,819)	23,506,678
Finance cost paid	(52,959)	(2,563,238)
Income tax paid	(2,882,666)	(82,316)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>(169,322,444)</b>	<b>20,861,124</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant & equipment	0	(35,000)
Proceeds from sale of property, plant & equipment	220,764,181	835,000
Dividend received	30,459	19,766
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>220,794,640</b>	<b>819,766</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowings-net	(50,067,645)	(20,971,643)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(50,067,645)</b>	<b>(20,971,643)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,404,552</b>	<b>709,247</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>6,921,860</b>	<b>4,137,098</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>8,326,410</b>	<b>4,846,344</b>

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

**Humayun Mazhar**  
CHIEF EXECUTIVE OFFICER

**Saif Ullah**  
DIRECTOR





**CRESCENT JUTE  
PRODUCTS LTD.**

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

FOR THE NINE MONTHS ENDED MARCH 31, 2014 (UNAUDITED)

	SHARE CAPITAL	CAPITAL RESERVE Share premium	ACCUMULA- TED LOSS	TOTAL EQUITY
----- (Rupees) -----				
Balance as at 30 June 2012 - Audited	237,634,680	35,767,584	(649,796,702)	(376,394,438)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred income tax	-	-	4,237,457	4,237,457
Loss for the nine months ended 31 March 2013	-	-	(64,048,949)	(64,048,949)
Other comprehensive income for the nine months ended 31 March 2013	-	-	-	-
Total comprehensive loss for the nine months ended 31 March 2013	-	-	(64,048,949)	(64,048,949)
Balance as at 31 March 2013 - Un-audited	237,634,680	35,767,584	(709,608,194)	(436,205,930)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred income tax	-	-	1,499,408	1,499,408
Profit for the year ended 30 June 2013	-	-	355,517	355,517
Other comprehensive income for the year ended 30 June 2013	-	-	-	-
Total comprehensive profit for the year ended 30 June 2013	-	-	355,517	355,517
Balance as at 30 June 2013 - Audited	237,634,680	35,767,584	(707,753,268)	(434,351,004)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred income tax	-	-	2,174,740	2,174,740
Profit for the nine months ended 31 March 2014	-	-	180,388,743	180,388,743
Other comprehensive income for the nine months ended 31 March 2014	-	-	-	-
Total comprehensive profit for the nine months ended 31 March 2014	-	-	180,388,743	180,388,743
Balance as at 31 March 2014 - Un-audited	237,634,680	35,767,584	(525,189,785)	(251,787,521)

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

**Humayun Mazhar**  
CHIEF EXECUTIVE OFFICER

**Saif Ullah**  
DIRECTOR



**CRESCENT JUTE  
PRODUCTS LTD.**

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

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FOR THE NINE MONTHS ENDED MARCH 31, 2014 (UNAUDITED)

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

Crescent Jute Products Limited is a public limited company incorporated on 19 September 1964 under the Companies Act, 1913 (Now Companies Ordinance, 1984) and listed on all stock exchanges in Pakistan. Now 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.

#### **1.1 GOING CONCERN ASSUMPTION**

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 has decided to dispose of the property, plant and equipment of the Company. Moreover the Company has suffered accumulated losses of Rupees 525.190 million as on 31 March 2014 which has turned equity into negative balance of Rupees 251.788 million.

Keeping in view the above factors the management of the Company prepared this condensed interim financial information on the basis of estimated realizable / settlement values of assets and liabilities respectively in addition to historical cost convention. All assets and liabilities in these financial statements have been presented in the order of liquidity.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2013.

#### **2.1 BASIS OF PREPARATION**

##### **2.1.1 STATEMENT OF COMPLIANCE**

This condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim financial information of the Company for the nine months ended 31 March 2014 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended 30 June 2013.

##### **2.1.2 ACCOUNTING CONVENTION**

Keeping in view the fact that the Company may not be able to continue as going concern, this condensed interim financial information is prepared on the basis of realizable / settlement values of assets and liabilities respectively in addition to the historical cost convention. 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. Realizable / settlement values of assets and liabilities respectively as disclosed in the balance sheet are based on the management's best estimate.

### 2.1.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. During preparation of this condensed interim financial information, 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 preceding audited annual published financial statements of the Company for the year ended 30 June 2013.

3. BORROWINGS	Un-audited 31 March, 2014 Rupees	Audited 30 June, 2013 Rupees
From banking companies and financial institutions - secured		
Cash finances:		
The Bank of Punjab (Note 3.1)	95,382,701	95,382,701
Murabaha facility (Note 3.2)	33,810,398	33,810,398
<b>Unsecured</b>		
Innovative Investment Bank Limited	18,083,326	18,083,326
Loans from director and sponsors	53,893,162	103,960,808
Crescent Jute Mills Limited	55,138,715	55,138,715
Others	46,000,000	46,000,000
	302,308,302	352,375,949

- 3.1 As per the terms of the respective sanction advice, these borrowing facilities were expired on 31 July 2011 and not renewed. The Bank has filed a suit in Lahore High Court against the Company for the recovery of principal amount and accrued mark-up of these facilities. However with reference to Note 7.2, the Bank has provided No Objection Certificate (NOC) for vacation of charge on assets.
- 3.2 This facility was obtained from Crescent Standard Modaraba (CSM) which was repayable upto 30 June 2012, but the Company could not pay the balance uptill the expiry of the prescribed date. As the Company is in default, mark-up at the rate of 18 percent per annum is being charged on the outstanding balance. Moreover CSM has filed a suit in Modaraba Tribunal against the Company for the recovery of above mentioned principal amount and mark-up amounting to Rupees 15.290 million previously waived of by CSM.

### 4. CONTINGENCIES AND COMMITMENTS

#### 4.1 CONTINGENCIES

- 4.1.1 The Commissioner Inland Revenue raised demand for sales tax amounting to Rupees 37.699 million (30 June 2013: 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. 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 this condensed interim financial information. 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.
- 4.1.2 Bank guarantee of Rupees 4.043 million (30 June 2013: Rupees 4.043 million) has been given to Sui Northern Gas Pipelines Limited against gas connection.

#### 4.2 COMMITMENTS

- 4.2.1 There is no capital or other commitment as at 31 March 2014 (30 June 2013: Rupees Nil).

	Un-audited March 31, 2014 Rupees	Audited June 30, 2013 Rupees
<b>5. STOCK-IN-TRADE</b>		
Raw materials	-	14,521,779
Work-in-process	5,241,883	6,634,619
Finished goods	2,466,535	28,428,028
Waste	-	3,750
	<u>7,708,418</u>	<u>49,588,176</u>
Less: Provision for obsolescence	-	2,178,267
	<u>7,708,418</u>	<u>47,409,909</u>

**6. SECURITY DEPOSITS**

These include Rupees 120 million deposited with Deputy Registrar (Judicial) of the Lahore High Court as per its order dated 09 October 2013 regarding the issuance of NOC by The Bank of Punjab.

**7. PROPERTY, PLANT AND EQUIPMENT**

Opening book value	308,576,013	319,944,930
Cost of Additions during the period/year - Computers	-	35,000
	<u>308,576,013</u>	<u>319,979,930</u>
<b>Less:</b>		
Book value of deletions during the period/year (Note 6.1)	81,866,247	390,485
Depreciation charged during the period/year	4,439,045	11,013,432
	<u>86,305,292</u>	<u>11,403,917</u>
	<u>222,270,721</u>	<u>308,576,013</u>

**7.1 Book value of deletions**

Vehicles	-	390,485
Plant and Machinery	81,866,247	-
	<u>81,866,247</u>	<u>390,485</u>

**7.2** The Bank of Punjab had previously first pari passu charge over land, building, plant and machinery of the Company for Rupees 300 million through registered mortgage. However as per the order of Lahore High Court dated 09 October 2013, NOC was given by the bank on deposit of Rupees 120 million with the Deputy Registrar (Judicial) of the Lahore High Court and now all the assets to the company are free of Charge.

**8. COST OF SALES**

	(Un-Audited)			
	Nine Months Ended		Quarter Ended	
	March 31, 2014 Rupees	March 31, 2013 Rupees	March 31, 2014 Rupees	March 31, 2013 Rupees
Stores and spare parts consumed	200	9,489	-	2,164
Fuel and power	781,718	1,240,490	390,759	339,314
Salaries, wages and other benefits	1,272,834	1,298,667	354,459	385,562
Repair and maintenance	-	46,321	-	46,321
Insurance	183,631	320,148	57,730	89,781
Depreciation	3,712,520	7,354,386	433,657	2,451,462
Other factory overheads	66,672	47,140	28,893	41,293
	<u>6,017,575</u>	<u>10,316,640</u>	<u>1,265,498</u>	<u>3,355,897</u>
Work-in-process:				
opening stock	5,274,165	6,634,619	-	-
Closing stock	(5,241,883)	(5,828,958)	-	-
	<u>32,282</u>	<u>805,661</u>	<u>-</u>	<u>-</u>
Cost of goods manufactured	6,049,857	11,122,302	1,265,498	3,355,897
Finished goods:				
Opening stock	4,707,718	28,431,778	-	-
Closing stock	(2,466,535)	(8,168,475)	829,703	6,847,685
	<u>2,241,183</u>	<u>20,263,303</u>	<u>829,703</u>	<u>6,847,685</u>
	<u>8,291,040</u>	<u>31,385,605</u>	<u>2,095,201</u>	<u>10,203,582</u>

(Un-audited)			
Nine months ended			
31 March 2014		31 March 2013	
Rupees		Rupees	

## 9. CASH GENERATED FROM OPERATIONS

<b>Profit / (Loss) before taxation</b>	179,271,586	(66,328,551)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	4,439,045	8,263,521
Gain on sale of property, plant and equipment	(212,778,891)	(485,750)
Net un-realized (gain) / loss on remeasurement of investments at fair value through profit or loss	50,719	(438,102)
Dividend income	(30,459)	(19,766)
Provision for obsolescence of stock-in-trade		2,468,702
Provision for obsolete items of stores and spare parts		730,230
Reversal of provision for obsolete items of stores and spare parts	(1,731,228)	
Reversal of provision for obsolete stock in trade	(9,681,186)	
Credit balances written back	(6,704)	(55,048)
Debit balances written back	15,000	
Profit on bank deposits	-	-
Finance cost	16,321,738	19,282,623
Working capital changes (Note 9.1)	(142,256,439)	60,088,819
	<u>(166,386,819)</u>	<u>23,506,678</u>

## 9.1 WORKING CAPITAL CHANGES

Decrease / (increase) in current assets:

Stores and spare parts	3,243,428	9,490
Stock in trade	16,795,242	21,068,964
Trade debts	(120,759)	(1,781,486)
Loans and advances	(7,883)	156,850
Security deposits	(119,829,622)	-
Prepayments	(119,787)	(134,806)
Other receivables	(824,186)	2,223,235
	<u>(100,863,567)</u>	<u>21,542,247</u>
Increase/(decrease) in trade and other payables	(41,392,872)	38,546,572
	<u>(142,256,439)</u>	<u>60,088,819</u>

## 10. TRANSACTIONS WITH RELATED PARTIES

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

### i) Transactions

(Un-Audited)			
Nine months ended		Quarter ended	
31 March 2014	31 March 2013	31 March 2014	31 March 2013

(Rupees)

#### Associated Companies

Service charges paid	379,416	692,767	354,861	146,861
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#### Directors and key management personnel

Repayment of Director's loan	206,077,006	-	15,000,000	-
Loan received from Director	170,800,000	1,367,515	1,000,000	368,153
Company's expenses paid by Chief Executive Officer (CEO)	-	34,148,157	-	9,457,920
Company's expenses re-imbursed to CEO	14,790,635	40,961,287	-	20,000,000
Remuneration paid to CEO, Directors and Executives	10,344,106	12,047,432	3,212,850	3,727,729

ii) Period end balances	Un-audited 31 March 2014 Rupees	Audited 31 March 2013 Rupees
Trade and other payables	732,822	-
Borrowings	28,900,000	78,967,646

**11. FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2013.

**12. DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was approved and authorized for issue on April 29, 2014 by the Board of Directors of the Company.

**13. CORRESPONDING FIGURES**

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of profit or loss and other comprehensive income and condensed interim cash flow statement 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.

**14. GENERAL**

The figures have been rounded off to the nearest Rupee unless otherwise stated.

**Humayun Mazhar**  
CHIEF EXECUTIVE OFFICER

**Saif Ullah**  
DIRECTOR

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