CRESCENT GROUP

CRESCENT JUTE
PRODUCTS LTD.

Condensed Interim Financial Statements
for the First Quarter Ended September 30, 2013
(Un Audited)



CRESCENT JUTE
PRODUCTS LTD.

CRESCENT JUTE PRODUCTS LTD
FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013

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CRESCENT JUTE
PRODUCTS LTD.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Humayun Mazhar	(Chairman / Chief Executive Officer)
	Executive Director
(In alphabetic order)	
Mr. Ahmad Rashid Muhammad Hanif	Non-Executive Director
Mr. Khurram Mazhar Karim	Executive Director
Mr. Qamar Nawaz Qureshi	Non-Executive Director
Mr. Saif Ullah	Executive Director
Mr. Shafiq Anwar	Non-Executive Director
Syed Raza Abbas Jaffery	(Nominee NIT) Independent Director

AUDIT COMMITTEE

Mr. Khurram Mazhar Karim	(Chairman) Executive Director
Mr. Ahmad Rashid Muhammad Hanif	Non-Executive Director
Mr. Shafiq Anwar	Non-Executive Director

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Khurram Mazhar Karim	Executive Director
Mr. Ahmad Rashid Muhammad Hanif	Non-Executive Director
Mr. Shafiq Anwar	Non-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

306, 3rd Floor, Siddiq Trade Centre,
72-Main Boulevard, Gulberg, Lahore.
Tel: (042) 35787592-93 Fax: (042) 35787594

WORKS

Unit, Jaranwala

CRESCENT JUTE
PRODUCTS LTD.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Accounts for the quarter ended September 30, 2013 show a loss of Rupees 15.62 million, as compared to loss of Rupees 24.90 million in the corresponding periods in 2012. 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.

Negotiations are underway to settle bank liabilities but so far no terms of settlement have been finalized. The next phase of closure plan i.e. asset disposal has been started in respect of sale of land and machinery and as regards sale of building material we are confident to sell the same at the approved sale price.

The management is also doing due diligence on various business options for the future. Renewable energy, Low cost rural housing development 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: October 29, 2013

CRESCENT JUTE
PRODUCTS LTD.

INTERIM CONDENSED BALANCE SHEET

AS AT 30 SEPTEMBER 2013

	NOTE	30 September 2013		30 June 2013	
		Estimated realizable value	Book value	Estimated realizable value	Book value
		Rupees	Rupees	Rupees	Rupees
EQUITY AND LIABILITIES					
SHARE CAPITAL AND RESERVES					
Authorized share capital					
30 000 000 (30 June 2013: 30 000 000) ordinary shares of Rupees 10 each		300,000,000	300,000,000	300,000,000	300,000,000
Issued, subscribed and paid up share capital		237,634,680	237,634,680	237,634,680	237,634,680
Capital reserve		35,767,584	35,767,584	35,767,584	35,767,584
Accumulated loss		(722,075,058)	(722,075,058)	(707,753,254)	(707,753,254)
Total equity		(448,672,794)	(448,672,794)	(434,350,990)	(434,350,990)
Net surplus on estimated realizable / settlement values		284,331,319	-	286,304,547	-
Surplus on revaluation of operating fixed assets - net of deferred tax		-	249,464,980	-	250,767,314
Trade and other payables		73,374,482	73,374,482	53,053,888	53,053,888
Accrued mark-up		106,408,056	106,408,056	100,975,894	100,975,894
Borrowings	3	337,685,313	337,685,313	352,375,931	352,375,931
Deferred income tax liability		-	34,866,339	-	35,537,233
Provision for taxation		-	-	49,293	49,293
CONTINGENCIES AND COMMITMENTS	4	-	-	-	-
TOTAL EQUITY AND LIABILITIES		353,126,377	353,126,377	358,408,586	358,408,586
ASSETS					
Cash and bank balances		5,530,877	5,530,877	6,921,860	6,921,860
Investments		1,398,078	1,398,078	1,463,130	1,463,130
Other receivables		5,703,282	5,703,282	5,690,883	5,690,883
Prepayments		500,403	500,403	28,170	28,170
Loans and advances		16,509,534	16,509,534	16,378,391	16,378,391
Trade debts		1,204,675	1,204,675	618,290	618,290
Stock-in-trade		12,641,321	12,641,321	14,822,476	14,822,476
Stores and spare parts		2,917,546	2,917,546	2,917,802	2,917,802
Security deposits		611,170	611,170	991,548	991,548
Property, plant and equipment	5	306,109,491	306,109,491	308,576,013	308,576,013
TOTAL ASSETS		353,126,377	353,126,377	358,408,563	358,408,563

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

Humayun Mazhar
CHIEF EXECUTIVE OFFICER

Khurram Mazhar Karim
DIRECTOR

CRESCENT JUTE
PRODUCTS LTD.

INTERIM CONDENSED PROFIT AND LOSS ACCOUNT

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013 (UN-AUDITED)

	NOTE	Quarter ended	
		30 September 2013	30 September 2012
		Rupees	Rupees
SALES		2,497,005	34,400
COST OF SALES	6	(5,120,216)	(6,601,352)
GROSS LOSS		(2,623,211)	(6,566,952)
DISTRIBUTION COST		(12,760)	-
ADMINISTRATIVE EXPENSES		(8,063,211)	(10,057,522)
OTHER EXPENSES		(65,051)	-
		(8,141,022)	(10,057,522)
		(10,764,233)	(16,624,474)
OTHER INCOME		-	42,437
LOSS FROM OPERATIONS		(10,764,233)	(16,582,037)
FINANCE COST		(5,530,773)	9,080,500
LOSS BEFORE TAXATION		(16,295,006)	(25,662,537)
TAXATION		670,896	760,569
LOSS AFTER TAXATION		(15,624,109)	(24,901,968)
LOSS PER SHARE - BASIC AND DILUTED		(0.66)	(1.05)

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

Humayun Mazhar
CHIEF EXECUTIVE OFFICER

Khurram Mazhar Karim
DIRECTOR

CRESCENT JUTE
PRODUCTS LTD.

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013 (UN-AUDITED)

	Quarter Ended	
	30 September 2013	30 September 2012
	---------- (Rupees) ----------	
LOSS AFTER TAXATION	(15,624,109)	(24,901,968)
OTHER COMPREHENSIVE INCOME		
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(15,624,109)	(24,901,968)

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

Humayun Mazhar
CHIEF EXECUTIVE OFFICER

Khurram Mazhar Karim
DIRECTOR

CRESCENT JUTE
PRODUCTS LTD.

INTERIM CONDENSED CASH FLOW STATEMENT

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013 (UN-AUDITED)

	NOTE	Quarter ended	
		30 September 2013	30 September 2012
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from (used in) operations	7	13,612,104	(10,052,800)
Finance cost paid		(98,609)	(51,558)
Income tax paid		(213,840)	(57,462)
Net cash generated from / (used in) operating activities		13,299,655	(10,161,820)
CASH FLOWS FROM INVESTING ACTIVITIES		-	-
Net cash used in investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings - net		(14,690,636)	10,208,732
Net cash used in financing activities		(14,690,636)	10,208,732
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(1,390,981)	46,912
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		6,921,860	4,137,098
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		5,530,877	4,184,010

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

Humayun Mazhar
CHIEF EXECUTIVE OFFICER

Khurram Mazhar Karim
DIRECTOR

CRESCENT JUTE
PRODUCTS LTD.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013 (UN-AUDITED)

	SHARE CAPITAL	CAPITAL RESERVE	ACCUMULATED LOSS	TOTAL EQUITY
		Share premium		
	---------- (Rupees) ----------			
Balance as at 30 June 2012	237,634,680	35,767,584	(649,796,687)	(376,394,423)
Transfer from surplus on revaluation of property plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	5,736,865	5,736,865
Loss for the year	-	-	(63,693,431)	(63,693,431)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year ended 30 June 2013	-	-	(63,693,431)	(63,693,431)
Balance as at 30 June 2013	237,634,680	35,767,584	(707,753,254)	(434,350,990)
Transfer from surplus on revaluation of property plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	1,302,328	1,302,328
Loss for the period	-	-	(15,624,109)	(15,624,109)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the quarter ended 30 September 2013	-	-	(15,624,109)	(15,624,109)
Balance as at 30 September 2013	237,634,680	35,767,584	(722,075,058)	(448,672,794)

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

Humayun Mazhar
CHIEF EXECUTIVE OFFICER

Khurram Mazhar Karim
DIRECTOR

CRESCENT JUTE
PRODUCTS LTD.

SELECTED NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013 (UN-AUDITED)

1. THE COMPANY AND ITS ACTIVITIES

Crescent Jute Products Limited is a public limited Company incorporated under the Companies Act, 1913 (Now Companies Ordinance, 1984) and listed on all stock exchanges in Pakistan. Its registered office is situated at 306, 3rd Floor, Siddiq Trade Centre, Gulberg, Lahore. The Company is engaged in manufacturing and sale of jute products including jute bags.

2. BASIS OF PREPARATION

This condensed interim financial information is unaudited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim financial information has been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP). This condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2013.

3. BORROWINGS

	Un-audited 30 September 2013 Rupees	Audited 30 June 2013 Rupees
From banking companies and financial institutions - secured		
The Bank of Punjab	95,382,685	95,382,685
Crescent Standard Modaraba	33,810,398	33,810,398
Unsecured		
Innovative Investment Bank Limited	18,083,342	18,083,342
Loans from director and sponsors	89,270,173	103,960,807
Crescent Jute Mills Limited	55,138,715	55,138,715
Crescent Foundation	46,000,000	46,000,000
	337,685,313	**352,375,931**

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 these financial statements. Based on the advice of legal counsel, the management is of the view that there are strong grounds about the decision of the case in favour of the Company.

4.1.2 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

There was no capital or other commitment of the Company as at 30 September 2013, (30 June 2013: Nil).

		Un-audited 30 September 2013 Rupees	Audited 30 June 2013 Rupees
5.	**PROPERTY, PLANT AND EQUIPMENT**		
	Opening book value	308,576,013	319,944,930
	Additions	-	35,000
		308,576,013	319,979,930
	Disposals		
	Cost	-	(1,679,000)
	Accumulated Depreciation	-	1,288,515
		-	(390,485)
		308,576,013	319,589,445
	Depreciation Charged for the period	(2,466,514)	(11,013,432)
		306,109,491	**308,576,013**

CRESCENT JUTE
PRODUCTS LTD.

		Un-audited 30 September 2013 Rupees	Un-audited 30 September 2012 Rupees
6.	**COST OF SALES**		
	Stores and spare parts consumed	200	5,060
	Fuel and power	155,183	559,762
	Salaries, wages and other benefits	461,331	437,447
	Repair and maintenance	-	2,054
	Insurance	68,171	185,757
	Depreciation	2,224,339	2,451,462
	Other factory overheads	29,839	5,100
		2,939,063	3,646,642
	Work-in-process:		
	Opening stock	5,274,165	6,634,619
	Closing stock	(5,274,165)	(6,634,619)
		-	-
	Cost of goods manufactured	2,939,063	3,646,642
	Finished goods:		
	Opening stock	4,707,718	28,428,028
	Closing stock	(2,526,565)	(25,473,318)
		2,181,153	2,954,710
		5,120,216	6,601,352
7.	**CASH GENERATED FROM OPERATIONS**		
	Loss before taxation	(16,295,006)	(25,662,537)
	Adjustments for non-cash charges and other items:		
	Depreciation	2,466,514	2,765,059
	Net un-realized (gain) / loss on remeasurement of investments at fair value through profit or loss	65,051	(41,757)
	Finance cost	5,530,773	9,080,500
	Working capital changes (Note 7.1)	21,844,770	3,805,935
		13,612,104	(10,052,800)
7.1	**Working capital changes**		
	Decrease / (increase) in current assets:		
	Stores and spare parts	257	5,060
	Stock in trade	2,181,153	2,954,710
	Trade debts	(586,385)	(34,400)
	Loans and advances	33,405	51,000
	Prepayments	(472,233)	35,558
	Security Deposits	380,378	-
	Other receivables	(12,399)	(131,638)
		1,524,176	2,880,290
	Increase in trade and other payables	20,320,594	925,645
		21,844,770	3,805,935

8. TRANSACTIONS WITH RELATED PARTIES

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

	(Un-Audited) Quarter ended	
	30 September 2013	30 September 2012
	(Rupees)	
Associated companies		
Service charges	20,153	666,922
Associated undertaking		
Directors		
Company's expenses paid by CEO	-	10,207,244
Company 's expenses reimbursed to CEO	14,790,635	-
Loan received from CEO	5,000,000	-
Load repaid to CEO	4,900,000	-

9. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were approved by the Board of Directors of the Company and authorized for issue on October 29, 2013.

10. GENERAL

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

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

Humayun Mazhar
CHIEF EXECUTIVE OFFICER

Khurram Mazhar Karim
DIRECTOR

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PRODUCTS LTD.

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