CRESCENT GROUP

ANNUAL REPORT

2015

CRESCENT JUTE PRODUCTS LIMITED

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS

Mrs. Abida Mazhar	Chairperson - Non-Executive Director
Mr. Humayun Mazhar	Chief Executive Officer - Executive Director
(In alphabetic order)	
Mrs. Ayesha Khurram Mazhar	Non-Executive Director
Mr. Khurram Mazhar Karim	Non-Executive Director
Mrs. Mehreen Humayun Mazhar	Non-Executive Director
Mr. Saif Ullah	Executive Director
Syed Raza Abbas Jaffery	Nominee NIT - Independent Director

AUDIT COMMITTEE

Mr. Khurram Mazhar Karim	Chairman - Non-Executive Director
Mrs. Mehreen Humayun Mazhar	Member - Non-Executive Director
Syed Raza Abbas Jaffery	Member - Nominee NIT - Independent Director

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Khurram Mazhar Karim	Chairman - Non-Executive Director
Syed Raza Abbas Jaffery	Member - Nominee NIT - Independent Director
Mr. Saif Ullah	Member - Executive Director

CHIEF FINANCIAL OFFICER

Mr. Saif Ullah

COMPANY SECRETARY

Mr. Shafiq Anwar

HEAD OF INTERNAL AUDIT

Mr. Tahir Hussain

AUDITORS

M/s Riaz Ahmad & Company
Chartered Accountants Faisalabad
Name of Engagement Partner: Mubashar Mehmood

LEGAL ADVISOR

Mr. Shahid Mahmood Baig
Advocate High Court

BANKERS

The Bank of Punjab
Crescent Standard Modaraba
MCB Bank Limited
Bank Alfalah Limited (Islamic Banking)
United Bank Limited
National Bank of Pakistan
Dubai Islamic Bank

REGISTERED OFFICE

10th Floor, BOP Tower,
10-B, Block E-2, Gulberg-III, Lahore,
Tel: (042) 35783801 Fax: (042) 35783811

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given to all the shareholders of Crescent Jute Products Limited (the "Company") that Annual General Meeting of the Company will be held on Friday, October 30, 2015 at 11.00 a.m. at 503-E, Johar Town, Lahore, to transact the following business:

ORDINARY BUSINESS:

To receive, consider and adopt the Directors' and Auditors' reports and Audited Accounts for the year ended June 30, 2015.

To appoint auditors and fix their remuneration.

REGISTERED OFFICE:

10th Floor, BOP Tower,
10-B, E-2, Gulberg-III Lahore,
Telephone No. (042) 35783801,
Fax No. (042) 35783811

Dated: September 23, 2015.

BY ORDER OF THE BOARD

SHAFIQ ANWAR
Company Secretary

Notes:

1. The Members' Register will remain closed from October 24, 2015 to October 30, 2015 (both days inclusive). Transfers will be received at the Registered Office of the Company by the close of business on October 23, 2015.

2. A member eligible to attend and vote at this Meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies in order to be effective must be received by the Company Registered Office not later than 48 hours before the time for holding the Meeting.

3. CDC account holders will further have to follow the guidelines as laid down in circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

   a. For attending the meeting

      i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

      ii) In case of corporate entity, the Board of directors' resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

b. For Appointing Proxies

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv) The proxy shall produce his/her original CNIC or original passport at the time of the Meeting.

v) In case of corporate entity, the Board of directors' resolution/power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Accounts for the year ended June 30, 2015 show a loss of Rupees 6.94 Million, as compared to profit of Rupees 165.03 Million in the corresponding periods in 2014. This loss is attributed mainly due to the cost of the minimum staff required for managing the corporate affairs and safe guarding the assets of the company. 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, however so far no terms of settlement have been finalized.

The management is in the process of preparing a restructuring plan for the revival of your company and is doing due diligence on various business options for the future. Renewable energy, Low cost rural housing development, Corporate Farming and small scale manufacturing seem to be areas of growth in Pakistan and of interest to us. The Management is quite hopeful that some progress will be made in this regards.

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.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

1. These financial statements prepared by the management of the company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
2. Proper books of accounts of the company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Accounting Standards, as applicable in Pakistan have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.

KEY OPERATING AND FINANCIAL DATA

Key operating and financial data of the Company for the last six years in summarized from is annexed.

DIVIDEND

Due to continued losses it was not possible for the Company to declare and pay any dividend to its shareholders.

STATUTORY PAYMENTS

No statutory payments on account of taxes, duties, levies and charges other than those under appeals are outstanding

SIGNIFICANT PLANS AND DECISIONS

Mills operations has been stoped since May 02, 2011 due to lack of liquidity as approved by shareholders in Annual General Meeting held October 31, 2011 and decided to dispose off property, plant and equipment of the Company to pay off liabilities.

CHANGES IN THE BOARD OF DIRECTORS

No change during the current year. Company has seven Directors on its Board.
The term of office of present Board will be expired on March 25, 2017

BOARD MEETINGS AND ATTENDANCE BY DIRECTORS

During the year, four meetings of the Board of Directors were held. Attendance by each director was as follows:

	Names of Directors in alphabetic order	Meetings held in their tenure.	No of Meetings attended
1.	Mrs. Abida Mazhar	4	1
2.	Mrs. Ayesha Khurram Mazhar	4	1
3.	Mr. Humayun Mazhar	4	4
4.	Mr. Khurram Mazhar Karim	4	4
5.	Mrs. Mehreen Humayun Mazhar	4	1
6.	Syed Raza Abbas Jaffery	4	3
7	Mr. Saif Ullah	4	4

The Board granted Leave to Directors who could not attend some of the Board Meetings.

PATTERN OF SHAREHOLDING

Pattern of Shareholding is attached to the report.

TRADES IN THE SHARES OF THE COMPANY

The Directors, CFO, Company Secretary and their spouses and minor children did not carry out any transaction in the shares of the Company during the year.

DEFAULT IN DEBTS, IF ANY

Negotiations are underway to settle bank liabilities, so far no term of settlement have been finalized.

AUDITORS

The auditors M/s Riaz Ahmad & Company retire and being eligible offer for re-appointment. As required by Code of Corporate Governance, the Audit Committee has recommended appointment of M/s Riaz Ahmad & Company, Chartered Accountants as auditors of the Company for ensuing year.

ACKNOWLEDGEMENT

The Directors thank the Shareholders, Bankers and Customers for their continued patronage, understanding and co-operation. We also assure them that the confidence and the trust they have reposed in Cres Jute is appreciated and we will endeavor to come up to their expectations.

For and on behalf of the Board

Humayun Mazhar

(Humayun Mazhar)
Chief Executive Officer
Lahore
Dated: September 23, 2015

KEY OPERATING AND FINANCIAL DATA OF LAST SIX YEARS

	Year ending 30th June					
	2014	**2013**	**2012**	**2011**	**2010**	**2009**
PRODUCTION CAPACITY BASED ON SHIFT WORKING IN METRIC TONS						
Jute Unit	Operation closed	Operation closed	Operation closed	23,000	23,000	23,000
ACTUAL PRODUCTION IN METRIC TONS						
Jute Unit	Operation closed	Operation closed	Operation closed	3,675	6,519	12,775
OPERATING RESULTS - RUPEES IN 000						
Net Sales	21,618	18,677	28,640	453,768	566,002	999,999
Cost of Sales	21,482	39,023	127,321	524,173	525,658	871,654
Operating Expenses	28,886	47,927	61,612	82,701	85,834	95,006
Other Income	(215,693)	(25,598)	(3,874)	(111,655)	(605)	(2,535)
Financial Charges	20,798	23,925	40,174	55,081	39,183	30,776
Taxation	1,110	(2,906)	(5,135)	(11,714)	(1,305)	(9,032)
Net Income / (Loss)	165,035	(63,693)	(191,458)	(84,818)	(82,764)	14,130
(Loss) Earning per share - Rupees	6.94	(2.68)	(8.06)	(3.57)	(3.48)	0.59
FINANCIAL POSITION - RUPEES IN 000						
Shareholders Equity	(266,229)	(434,351)	(376,394)	(194,639)	(132,331)	(57,434)
Net Surplus on estimated realizable / settlement values	207,017	286,305	294,997	666,034	790,784	455,060
Participatory redeemable capital	-	-	-	-	-	-
Trade and other payables	9,311	53,054	13,379	17,973	35,932	32,388
Accrued mark-up	121,716	100,976	82,764	59,633	39,566	30,852
Borrowings	301,120	352,376	386,629	469,878	551,040	272,303
Provision for taxation	2,635	49	90	412	2,931	333
	375,570	**358,409**	**401,464**	**1,019,292**	**1,287,922**	**733,501**
Cash and bank balances	8,262	6,922	4,137	7,722	14,778	25,249
Investments	1,309	1,463	749	1,659	1,066	1,695
Other receivables	6,867	5,691	7,927	10,234	90,315	13,641
Prepayments	-	28	149	372	525	487
Loans and advances	19,410	16,378	16,498	17,398	17,989	8,675
Trade debts	506	618	-	116,059	142,284	29,113
Stock-in-trade	3,612	14,822	47,410	148,795	255,897	143,146
Stores and spares parts	1,405	2,918	3,658	8,252	7,796	7,053
Long Term Security deposits	120,538	992	992	14,674	12,266	15,968
Property, plant and equipment	213,660	308,576	319,945	694,126	745,006	488,474
	375,570	**358,409**	**401,464**	**1,019,292**	**1,287,922**	**733,501**

The Companies Ordinance 1984
(Section 236(1) and 464)
Pattern Of Shareholding (Form - 34)

1. Incorporation Number : **0001959**
2. Name of The Company: **Crescent Jute Products Limited**
3. Pattern of Holding of the Shares held by the Shareholders as at : **June 30, 2015**

4.	No. of Shareholders	Shareholding		Total Shares held
		From	To	
	658	1	100	21,217
	544	101	500	151,929
	256	501	1,000	201,703
	342	1,001	5,000	921,236
	97	5,001	10,000	746,319
	44	10,001	15,000	575,686
	20	15,001	20,000	355,388
	22	20,001	25,000	518,123
	14	25,001	30,000	396,981
	12	30,001	35,000	388,054
	6	35,001	40,000	230,159
	8	40,001	45,000	338,152
	5	45,001	50,000	239,974
	3	50,001	55,000	155,162
	2	55,001	60,000	115,000
	2	60,001	65,000	125,500
	4	65,001	70,000	272,323
	3	70,001	75,000	215,729
	2	75,001	80,000	155,355
	1	85,001	90,000	88,722
	1	95,001	100,000	100,000
	1	105,001	110,000	105,500
	1	135,001	140,000	136,113
	1	150,001	155,000	152,070
	2	155,001	160,000	314,314
	1	190,001	195,000	194,500
	2	195,001	200,000	400,000
	2	200,001	205,000	405,087
	1	205,001	210,000	207,975
	1	370,001	375,000	373,925
	1	430,001	435,000	430,923
	1	450,001	455,000	450,459
	1	625,001	630,000	627,489
	1	1,485,001	1,490,000	1,488,718
	1	1,715,001	1,720,000	1,716,683
	1	2,735,001	2,740,000	2,738,487
	1	3,845,001	3,850,000	3,848,013
	1	3,860,001	3,865,000	3,860,500
	2,066			**23,763,468**

Crescent Jute Products Limited **As On: June 30, 2015**

Categories of Shareholder	Physical	CDC	Total	% age
Directors, Chief Executive Officer, Their Spouses and Minor Childern				
Chief Executive				
Mr. Humayun Mazhar	3,848,013	-	3,848,013	16.19
Directors				
Mr. Khurram Mazhar Karim	3,860,500	-	3,860,500	16.25
Mr. Saifullah	2,500	-	2,500	0.01
Mrs. Abida Mazhar	373,925	-	373,925	1.57
Mrs. Ayesha Khurram Mazhar	2,475	-	2,475	0.01
Mrs. Mehreen Humayun Mazhar	47,474	-	47,474	0.20
	8,134,887	**-**	**8,134,887**	**34.23**
Associated Companies, Undertakings & Related Parties				
Crescent Cotton Mills Limited	-	201,933	201,933	0.85
Crescent Group (Pvt) Limited	79	-	79	0.00
Crescent Powertec Limited	80,000	-	80,000	0.34
Premier Insurance Co. of Pak. Ltd.	7,000		7,000	0.03
Shams Textile Mills Limited	12,476	-	12,476	0.05
The Crescent Textile Mills Limited	8,671	2,738,487	2,747,158	11.56
	108,226	**2,940,420**	**3,048,646**	**12.83**
NIT & ICP (Name Wise Detail)				
CDC - Trustees National Investment (Unit) Trust	-	1,488,718	1,488,718	6.26
National Bank of Pakistan - Trustee Wing	2,156	-	2,156	0.01
	2,156	**1,488,718**	**1,490,874**	**6.27**
Banks, NBFCs, DFIs, Takaful, Pension Funds	**1,033,332**	**336,949**	**1,370,281**	**5.77**
Modarabas	**54,453**	**-**	**54,453**	**0.23**
Insurance Companies	**233,163**	**157,314**	**390,477**	**1.64**
Other Companies,Corporate Bodies, Trust etc.	**1,868,513**	**62,594**	**1,931,107**	**8.13**
General Public	**2,674,443**	**4,668,300**	**7,342,743**	**30.90**
	14,109,173	**9,654,295**	**23,763,468**	**100.00**
Shareholders More Than 5.00%				
Khurram Mazhar Karim			3,860,500	16.25
Humayun Mazhar			3,848,013	16.19
The Crescent Textile Mills Limited			2,747,158	11.56
Jubilee Spinning & Weaving Mills Limited			1,716,683	7.22
CDC-Trustee National Investment (unit) Trust			1,488,718	6.26

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERANCE

This statement is being presented to comply with the Code of Corporate Governance (CCG) as contained in the Listing Regulations of the Stock Exchanges of Pakistan for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors (The Board). At present the Board includes:

   Independent Director

   i) Syed Raza Abbas Jaffery

   Executive Directors

   i) Mr. Humayun Mazhar

   ii) Mr. Saif Ullah

   Non-Executive Directors

   i) Mrs. Abida Mazhar

   ii) Mr. Khurram Mazhar Karim

   iii) Mrs. Mehreen Humayun Mazhar

   vi) Mrs. Ayesha Khurram Mazhar

   The independent director meets the criteria of independence under the provisions of the CCG.

2. The Directors have confirmed that none of them is serving as a Director in more than seven listed companies, including this Company.
3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or being a member of a Stock Exchange has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the Board during the year ended 30 June 2015.
5. The Company has prepared a 'Code of Conduct', and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies alongwith the dates on which they were approved or amended has been maintained. The corporate strategy of the Company is reviewed and approved by the Board along with the annual plan.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer and directors, have been taken by the Board / shareholders.
8. All the meetings of the Board were presided over by the Chairperson and, in her absence, by a Director elected by the Board for that purpose. The Board met at least once in each quarter during the year ended 30 June 2015. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days prior to the meetings. The minutes of the meetings were appropriately recorded and circulated in time.

9. The directors were apprised about the changes in the CCG, applicable laws and their duties and responsibilities to effectively manage the affairs of the Company for and on behalf of the shareholders.
10. The Board arranges orientation course for its directors as and when needed to apprise them of their duties and responsibilities. Four directors were either exempted from the requirement or has attended training program already. During the year one more Director has attended the training program.
11. The Board has approved appointment of CFO/Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment as recommended by the Human Resource and Remuneration Committee.
12. The Directors' Report for the year ended 30 June 2015 has been prepared in compliance with the requirements of the CCG and it fully describes the salient matters required to be disclosed.
13. The financial statements of the Company were duly endorsed by the CEO and CFO before approval by the Board.
14. The Directors and CEO do not hold any interest in the shares of the Company, other than that disclosed in the pattern of shareholding.
15. The Company has complied with all the corporate and financial reporting requirements of the CCG.
16. The Board has formed an Audit Committee. It comprises of three members, two of whom are non-executive directors and one is independent director.
17. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the Committee have been framed and advised to the Committee for compliance.
18. The Board has formed a Human Resource and Remuneration Committee. It comprises of 3 members, of whom two are non-executive directors. Moreover the Chairman of the committee is a non-executive director.
19. The Board has set-up an effective internal audit function.
20. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
21. The statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the Auditors have confirmed that they have observed IFAC guidelines in this regard.
22. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchanges.
23. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

By Order of the Board

Humayun Mazhar

(Humayun Mazhar)

Chief Executive Officer

Date: September 23, 2015.

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **CRESCENT JUTE PRODUCTS LIMITED** ("the Company") for the year ended 30 June 2015 to comply with the requirements of Listing Regulations of the respective Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2015.

RIAZ AHMAD & COMPANY
Chatered Accountants

Name of engagement partner:
Mubashar Mehmood

Faisalabad: September 23, 2015.

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **CRESCENT JUTE PRODUCTS LIMITED** as at 30 June 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion:

i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

ii) the expenditure incurred during the year was for the purpose of the Company’s business; and

iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of the loss, its comprehensive loss, its cash flows and changes in equity for the year then ended;

(d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

We draw attention to Note No. 1.1 to the financial statements, which states that these financial statements have been prepared on the basis of estimated realizable / settlement values of assets and liabilities respectively in addition to historical cost convention as the Company is no longer a going concern for the reasons stated in the aforesaid note. Our report is not qualified in respect of this matter.

Riaz Ahmad & Co.

RIAZ AHMAD & COMPANY
Chatered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: September 23, 2015

Faisalabad

CRESCENT JUTE
PRODUCTS LTD.

CRESCENT JUTE PRODUCTS LTD.

Audited Financial Statements

For the Year Ended June 30, 2015

BALANCE SHEET

	NOTE	2015		2014	
		Book value	Estimated settlement value	Book value	Estimated settlement value
		Rupees	Rupees	Rupees	Rupees
EQUITY AND LIABILITIES					
SHARE CAPITAL AND RESERVES					
Authorized share capital					
30 000 000 (2014: 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	3	237,634,680	237,634,680	237,634,680	237,634,680
Capital reserve	4	35,767,584	35,767,584	35,767,584	35,767,584
Accumulated loss		(546,567,278)	(546,567,278)	(539,631,021)	(539,631,021)
Total equity		(273,165,014)	(273,165,014)	(266,228,757)	(266,228,757)
Net surplus on estimated realizable / settlement values		-	193,779,274	-	207,017,150
Surplus on revaluation of property, plant and equipment - net of deferred income tax	5	181,783,274	-	198,699,971	-
LIABILITIES					
Trade and other payables	6	28,962,326	28,962,326	9,310,592	9,310,592
Accrued mark-up		141,421,300	141,421,300	121,715,703	121,715,703
Borrowings	7	254,915,034	254,915,034	301,119,520	301,119,520
Deferred income tax liability	8	-	-	8,317,179	-
Provision for taxation		2,171	2,171	2,635,449	2,635,449
CONTINGENCIES AND COMMITMENTS	9				
TOTAL EQUITY AND LIABILITIES		333,919,091	345,915,091	375,569,657	375,569,657

The annexed notes form an integral part of these financial statements.

Humayun Mazhar

Humayun Mazhar
Chief Executive Officer

AS AT 30 JUNE, 2015

	NOTE	2015		2014	
		Book value	Estimated settlement value	Book value	Estimated settlement value
		Rupees	Rupees	Rupees	Rupees
ASSETS					
Cash and bank balances	10	1,826,795	1,826,795	8,262,142	8,262,142
Investments	11	1,583,232	1,583,232	1,308,630	1,308,630
Loans and advances	12	17,139,553	17,139,553	19,410,319	19,410,319
Prepayments		15,443	15,443	-	-
Other receivables	13	5,690,882	5,690,882	6,866,845	6,866,845
Trade debts	14	-	-	506,064	506,064
Stock-in-trade	15	-	-	3,612,357	3,612,357
Stores and spare parts	16	-	-	1,405,284	1,405,284
Security deposits	17	120,538,230	120,538,230	120,538,230	120,538,230
Property, plant and equipment	18	187,124,956	199,120,956	213,659,786	213,659,786
TOTAL ASSETS		333,919,091	345,915,091	375,569,657	375,569,657

Khurram Mazhar Karim
Director

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2015

	NOTE	2015 RUPEES	2014 RUPEES
SALES	19	3,865,155	21,617,783
COST OF SALES	20	(4,516,022)	(21,482,463)
GROSS (LOSS) / PROFIT		(650,867)	135,320
DISTRIBUTION COST		(54,150)	(50,581)
ADMINISTRATIVE EXPENSES	21	(24,154,140)	(28,592,809)
OTHER EXPENSES	22	(3,130,681)	(242,440)
		(27,338,971)	(28,885,830)
		(27,989,838)	(28,750,510)
OTHER INCOME	23	40,828,840	215,693,165
PROFIT FROM OPERATIONS		12,839,002	186,942,655
FINANCE COST	24	(19,819,400)	(20,798,028)
(LOSS) / PROFIT BEFORE TAXATION		(6,980,398)	166,144,627
TAXATION	25	44,141	(1,109,841)
(LOSS) / PROFIT AFTER TAXATION		(6,936,257)	165,034,786
(LOSS) / EARNING PER SHARE - BASIC AND DILUTED	26	(0.29)	6.94

The annexed notes form an integral part of these financial statements.

Humayun Mazhar
Chief Executive Officer

Khurram Mazhar Karim
Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2015

	2015 RUPEES	2014 RUPEES
(LOSS) / PROFIT AFTER TAXATION	(6,936,257)	165,034,786
OTHER COMPREHENSIVE INCOME	-	-
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
TOTAL COMPREHENSIVE (LOSS) / PROFIT FOR THE YEAR	(6,936,257)	165,034,786

The annexed notes form an integral part of these financial statements.

Humayun Mazhar
Chief Executive Officer

Khurram Mazhar Karim
Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	NOTE	2015 RUPEES	2014 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilized in operations	27	(707,535)	(172,468,916)
Finance cost paid		(113,803)	(58,219)
Income tax paid		(108,159)	(3,090,838)
Net cash utilized in operating activities		(929,497)	(175,617,973)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,864,303)	-
Proceeds from sale of property, plant and equipment		42,541,230	228,183,177
Dividends received		21,709	31,489
Net cash from investing activities		40,698,636	228,214,666
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings - net		(46,204,486)	(51,256,411)
Net cash used in financing activities		(46,204,486)	(51,256,411)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(6,435,347)	1,340,282
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		8,262,142	6,921,860
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 10)		1,826,795	8,262,142

The annexed notes form an integral part of these financial statements.

Humayun Mazhar

Humayun Mazhar
Chief Executive Officer

Khurram Mazhar Karim
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2015

	SHARE CAPITAL	CAPITAL RESERVE	ACCUMULATED LOSS	TOTAL EQUITY
		Share premium		
	(RUPEES)			
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	-	-	3,087,447	3,087,447
Profit for the year	-	-	165,034,786	165,034,786
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year ended 30 June 2014	-	-	165,034,786	165,034,786
Balance as at 30 June 2014	237,634,680	35,767,584	(539,631,021)	(266,228,757)
Loss for the year	-	-	(6,936,257)	(6,936,257)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year ended 30 June 2015	-	-	(6,936,257)	(6,936,257)
Balance as at 30 June 2015	237,634,680	35,767,584	(546,567,278)	(273,165,014)

The annexed notes form an integral part of these financial statements.

Humayun Mazhar

Humayun Mazhar
Chief Executive Officer

Khurram Mazhar Karim
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

1. THE COMPANY AND ITS OPERATIONS

Crescent Jute Products Limited is a public limited company incorporated in Pakistan on 19 September 1964 under the Companies Act, 1913 (Now Companies Ordinance, 1984) and listed on all stock exchanges in Pakistan. Its registered office is situated at 10-B, 10th Floor, BOP Tower, Block E-2, Main Boulevard, Gulberg, 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. Whole of the plant and machinery and building on freehold land have been disposed of uptill 30 June 2015. Moreover during the year ended 30 June 2015, the Company reported loss after taxation of Rupees 6.936 million. The Company has suffered accumulated losses of Rupees 546.567 million as on 30 June 2015 which has turned equity into negative balance of Rupees 273.165 million.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

b) Accounting convention

Keeping in view the fact that the Company may not be able to continue as going concern, these financial statements are prepared on the basis of realizable / settlement values of 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. Realizable / settlement values of assets and liabilities respectively as disclosed in the balance sheet are based on the management's best estimate.

In addition to the accounting convention of realizable / settlement values of assets and liabilities, these financial statements have also been prepared under the historical cost convention except for certain operating fixed assets which are carried at revalued amounts and certain financial instruments which are carried at fair value. Accounting policies of this accounting convention are disclosed, in detail, in Notes 2.2 to 2.18 to these financial statements.

c) Critical accounting estimates and judgments

The preparation of financial statements 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. The areas involving a higher degree of judgment or complexity or areas where various assumptions and estimates are significant to the Company's financial statements are as follows:

i. Realizable / settlement values of assets and liabilities respectively

ii. Useful lives, patterns of economic benefits and impairments

iii. Taxation

iv. Provision for doubtful debts

v. Inventories

d) Amendments to published approved standards and interpretation that are effective in current year and are relevant to the Company

Following amendments to the published approved standards and interpretation are mandatory for the Company's accounting periods beginning on or after 01 July 2014:

IAS 32 (Amendments) 'Financial Instruments: Presentation' (effective for annual periods beginning on or after 01 January 2014). Amendments have been made to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas: the meaning of 'currently has a legally enforceable right of set-off'; the application of simultaneous realization and settlement; the offsetting of collateral amounts and the unit of account for applying the offsetting requirements.

IAS 36 (Amendments) 'Impairment of Assets' (effective for annual periods beginning on or after

01 January 2014). Amendments have been made in IAS 36 to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

IFRIC 21 'Levies' (effective for annual periods beginning on or after 01 January 2014). The interpretation provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and those where the timing and amount of the levy is certain. The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

On 12 December 2013, IASB issued Annual Improvements to IFRSs: 2010- 2012 Cycle, incorporating amendments to seven IFRSs more specifically in IAS 24 'Related Party Disclosures', which is considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 July 2014. The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity must disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The application of the above amendments and interpretations does not result in any impact on profit or loss, other comprehensive income / (loss) and total comprehensive income / (loss).

e) Amendments to published standards that are effective in current year but not relevant to the Company

There are other amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2014 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Standards and amendments to published standards that are not yet effective but relevant to the Company

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2015 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 13 ‘Fair value Measurement’ (effective for annual periods beginning on or after 01 January 2015). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard is not expected to have a material impact on the Company’s financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2017). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IAS 1 (Amendments) 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2016). Amendments have been made to address perceived impediments to preparers exercising their judgment in presenting their financial reports by making the following changes: clarification that information should not be obscured by aggregating or by providing immaterial information, materiality consideration apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality consideration do apply; clarification that the list of the line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in IAS 1. However, the amendments are not expected to have a material impact on the Company's financial statements.

IAS 16 (Amendments) 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset. However, the amendments are not expected to have a material impact on the Company's financial statements.

g) Standard and amendments to published standards that are not yet effective and not considered relevant to the Company

There are other standard and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2015 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Employees' retirement benefits

The Company curtailed its employees' retirement benefit scheme effective from 01 November 2002. Since February 2003, the Company started hiring of employees on contractual basis. Now, the contract of service is renewable at the option of the Company.

2.3 Taxation

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.4 Foreign currencies

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currencies during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the profit and loss account.

2.5 Property, plant, equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss, except those subject to revaluation which are stated at revalued amount less accumulated depreciation and any identified impairment loss. Freehold land is stated at revalued amount less any identified impairment loss. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the assets to working condition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit and loss account during the period in which they are incurred.

Increase in the carrying amount arising on revaluation of property, plant and equipment are credited to surplus on revaluation of property, plant and equipment. Decreases that offset previous increases of the same assets are charged against this surplus, all other decreases are charged to income. Each year the difference between depreciation based on revalued carrying amount of the asset (the depreciation charged to the income) and depreciation based on the assets' original cost is transferred from surplus on revaluation of property, plant and equipment to unappropriated profit / (accumulated loss). All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred taxation.

Depreciation

Depreciation on property, plant and equipment is charged to profit and loss account applying the reducing balance method at the rates given in Note 18 except for computers which are depreciated on the straight line method at the rate of 33.33 percent per annum to write off the cost / depreciable amount of the assets over their estimated useful lives. The Company charges the depreciation on additions from the month when the asset is available for use and no depreciation is charged in the month of disposal. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment losses and is transferred to the operating fixed assets as and when asset is available for use.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the profit and loss account in the year the asset is de-recognized.

2.6 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for “Investments at fair value through profit or loss” which is measured initially at fair value.

The Company assesses at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the Company applies the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' to all investments.

a) Investments at fair value through profit or loss

Investment classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if these are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognized in profit and loss account.

b) Held to maturity

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held to maturity are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization, using the effective interest method, of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in profit and loss account when the investments are de-recognized or impaired, as well as through the amortization process.

c) **Available for sale**

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available-for-sale. After initial recognition, investments which are classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognized directly in statement of other comprehensive income until the investment is sold, de-recognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in statement of other comprehensive income is included in profit and loss account. These are sub-categorized as under:

Quoted

For investments that are actively traded in organized capital markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the balance sheet date.

Unquoted

The investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, subsequent to initial recognition are carried at cost less any identified impairment loss.

2.7 Inventories

Inventories, except for stock in transit and waste materials, are stated at lower of cost and net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale. Cost is determined as follows:

Stores and spare parts

Usable stores and spare parts are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items-in-transit are stated at invoice amount plus other charges paid thereon.

Stock-in-trade

Stock of raw materials, except for stock-in-transit, is valued principally at the lower of weighted average cost and net realizable value.

Stock-in-transit is valued at cost comprising invoice value plus other charges paid thereon.

Cost of work-in-process and finished goods comprises of cost of direct materials, labour and appropriate manufacturing overheads.

Stock of waste materials is stated at net realizable value.

2.8 Borrowing cost

Interest, mark-up and other charges on long-term finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long-term finances. All other interest, mark-up and other charges are recognized in profit and loss account.

2.9 Revenue recognition

Revenue from different sources is recognized as under:

- Revenue from sale of goods is recognized on dispatch of goods to customers.
- Dividend on equity investments is recognized when right to receive the dividend is established.
- Profit on deposits with banks is recognized on time proportion basis taking into account the amounts outstanding and rates applicable thereon.

2.10 Financial instruments

Financial instruments carried on the balance sheet include investments, deposits, loans and advances, trade debts, other receivables, cash and bank balances, borrowings, accrued mark-up and trade and other payables etc. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for “financial instruments at fair value through profit or loss” which are initially measured at fair value.

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available-for-sale investments) and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

2.11 Trade and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

2.12 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method.

2.13 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

2.14 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.15 Impairment

The carrying amounts of assets are reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amounts. The resulting impairment loss is taken to the profit and loss account except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

2.16 Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.18 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2015	2014		2015	2014
(NUMBER OF SHARES)			RUPEES	RUPEES
15 723 741	15 723 741	Ordinary shares of Rupees 10 each fully paid in cash	157,237,410	157,237,410
8 039 727	8 039 727	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	80,397,270	80,397,270
23 763 468	23 763 468		237,634,680	237,634,680

3.1 Ordinary shares of the Company held by the associated companies:

	2015	2014
	(NUMBER OF SHARES)	
Crescent Cotton Mills Limited	201 933	-
Crescent Group (Private) Limited	79	79
Crescent Powertec Limited	80 000	80 000
Premier Insurance Limited	7 000	-
Shams Textile Mills Limited	12 476	-
The Crescent Textile Mills Limited	2 747 158	2 747 158
	3 048 646	2 827 237

4. CAPITAL RESERVES

	RUPEES	RUPEES
Share premium (Note 4.1)	35,767,584	35,767,584

4.1 This reserve can be utilized by the Company only for the purposes specified in section 83(2) of the Companies Ordinance, 1984.

5. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF DEFERRED INCOME TAX

	2015	2014
Surplus on revaluation of property, plant and equipment as at 01 July	198,699,971	250,767,314
Add: Adjustment of change in deferred tax rate	-	298,570
	198,699,971	251,065,884
Less:		
Adjustment of surplus on sale of property, plant and equipment - net of deferred income tax	16,916,697	49,278,466
Transferred to accumulated loss in respect of incremental depreciation charged during the year - net of deferred income tax	-	3,087,447
	16,916,697	52,365,913
	181,783,274	198,699,971

5.1 Freehold land, building thereon, plant and machinery of the Company was revalued by an independent valuer, Messrs Saleem Engineers on 28 September 2011. Previously these assets were revalued by independent valuers on 30 June 1996, 30 June 2005, 31 December 2007 and 28 June 2010.

6. TRADE AND OTHER PAYABLES

Creditors (Note 6.1)	6,884,657	7,329,715
Accrued liabilities	1,686,656	1,642,158
Advance against sale of land (Note 6.2)	20,000,000	-
Unclaimed dividend	337,312	337,312
Income tax deducted at source	53,701	1,407
	28,962,326	9,310,592

6.1 Whole of the amount of creditors (2014: Rupees 370,246) is due to related party.

6.2 This amount was received as advance against sale of land from Mr. Saima Yousaf as mentioned in Note 18.1.

7. BORROWINGS

	2015 RUPEES	2014 RUPEES
From banking companies and financial institutions - secured		
The Bank of Punjab (Note 7.1)	97,421,358	95,193,919
Crescent Standard Modaraba (Note 7.2)	33,810,398	33,810,398
Unsecured		
Innovative Investment Bank Limited (Note 7.3)	18,083,326	18,083,326
Loans from directors and sponsors (Note 7.4)	4,461,237	52,893,162
Crescent Jute Mills Limited (Note 7.5)	55,138,715	55,138,715
Crescent Foundation (Note 7.6)	46,000,000	46,000,000
	254,915,034	301,119,520

7.1 This includes cash finance, FIM-180 days and FE-25 obtained from The Bank of Punjab. Cash finance was provided under mark-up arrangement at the rate of average 3 months KIBOR plus 3 percent (2014: Average 3 months KIBOR plus 3 percent) per annum with no floor or cap. The rate of mark-up for cash finance ranges from 11.00 percent to 13.21 percent (2014: 12.03 percent to 13.18 percent) per annum. The rate of mark-up for FIM-180 days and FE-25 ranges from 6.45 percent to 16.52 percent (2014: 6.45 percent to 16.52 percent) per annum. 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 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 18.4, the Bank has provided No Objection Certificate (NOC) for vacation of charge on assets.

7.2 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. This facility was secured with demand promissory notes of Rupees 49.500 million, pledge of stocks of raw jute and hessian cloth and in case of default carried mark-up at the rate of 18% per annum (2014: 18% per annum) on the outstanding balance. As per agreement, CSM agreed to waive off mark up on default amounting to Rupees 15.290 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 CSM.

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 off by CSM.

7.3 This represents interest free loan obtained from Innovative Investment Bank Limited with sixty equal monthly installments commenced on 01 January 2009 uptill 01 December 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 percent per annum. Due to non-payment of installments since more than three years, entire outstanding amount of the loan has become immediately due.

7.4 This represents interest free loans obtained from director / sponsor of the Company repayable on demand.

7.5 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 31 October 2005. The time limit allowed in the scheme of merger has lapsed on 01 January 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 28 November 2008. But the matter is still pending on behalf of the Company.

7.6 This represents loan obtained from Crescent Foundation. It carries mark up at the rate of 8 percent (2014: 10 percent) per annum.

	2015 RUPEES	2014 RUPEES
8. DEFERRED INCOME TAX LIABILITY		
Opening balance	8,317,179	35,537,233
Less:		
Adjustment of deferred income tax liability due to sale of property, plant and equipment	8,317,179	25,395,876
Adjustment of change in deferred tax rate	-	298,570
Deferred income tax liability on incremental depreciation charged during the year transferred to profit and loss account	-	1,525,608
	8,317,179	27,220,054
	-	8,317,179

The Company has accumulated tax losses of Rupees 429.482 million including unabsorbed depreciation as at 30 June 2015 (2014: Rupees 428.126 million). The related deferred income tax asset amounting to Rupees 136.964 million (2014: Rupees 140.878 million) has not been recognized in these financial statements as sufficient tax profits would not be probably available to set off these in the foreseeable future

9. CONTINGENCIES AND COMMITMENTS

a) Contingencies

The Commissioner Inland Revenue raised demand for sales tax amounting to Rupees 37.699 million (2014: 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 given its recommendations to FBR. Pending decisions of the Supreme Court and FBR, no provision has been made in these financial statements. Based on the advice of legal counsel, the management is of the view that there are strong grounds about the decision of the case in favour of the Company.

b) Commitments

There was no capital or other commitment of the Company as at 30 June 2015 (2014: Rupees Nil).

		2015 RUPEES	2014 RUPEES
10.	**CASH AND BANK BALANCES**		
	With banks:		
	On current accounts	36,061	3,299,844
	Term deposit (Note 10.1)	-	4,440,000
	On deposit accounts (Note 10.2)	1,790,734	430,460
		1,826,795	8,170,304
	Cash in hand	-	91,838
		1,826,795	8,262,142

10.1 This represented deposit with banking company which was encashed during the year. Rate of profit was ranging from 6.59 percent to 7.07 percent (2014: 8.30 percent) per annum.

10.2 Rate of profit on deposit accounts ranges from 3.36 percent to 7 percent (2014: 6 percent to 7 percent) per annum.

		2015 RUPEES	2014 RUPEES
11.	**INVESTMENTS**		
	Available for sale		
	Associated Company:		
	Un-quoted		
	Crescent Group (Private) Limited		
	220 000 (2014: 220 000) fully paid ordinary shares of Rupees 10 each (Note 11.1) Equity held: 1.03% (2014: 1.03%)	-	-
	Others:		
	Un-quoted		
	Crescent Modaraba Management Company Limited		
	100 000 (2014: 100 000) fully paid ordinary shares of Rupees 10 each Equity held: 5.45% (2014: 5.45%)	134,500	134,500

	2015 RUPEES	2014 RUPEES
Investments at fair value through profit or loss		
Quoted - Others:		
Shakarganj Limited (formerly Shakarganj Mills Limited)		
33 440 (2014: 33 440) fully paid ordinary shares of Rupees 10 each		
Equity held: 0.05% (2014: 0.05%)	565,805	730,999
Crescent Fibres Limited		
17 499 (2014: 17 499) fully paid ordinary shares of Rupees 10 each		
Equity held: 0.14% (2014: 0.14%)	521,470	543,344
Shahzad Textile Mills Limited		
60 (2014: 60) fully paid ordinary shares of Rupees 10 each	1,410	1,761
Thal Limited		
412 (2014: 412) fully paid ordinary shares of Rupees 10 each	85,445	52,526
	1,174,130	1,328,630
Unrealized gain / (Loss) on remeasurement of investments-net	274,602	(154,500)
	1,448,732	1,174,130
	1,583,232	1,308,630

11.1 Full amount of impairment has been provided against investment in Crescent Group (Private) Limited.

	2015 RUPEES	2014 RUPEES
12. LOANS AND ADVANCES		
Considered good:		
Employees - interest free (Note 12.1)	303,000	92,788
Income tax	16,836,553	19,317,531
	17,139,553	19,410,319
Considered doubtful:		
Advances to employees / suppliers	-	-
Less: Provision for doubtful debts as at 01 July	-	1,191,667
Less: Provision written off during the year	-	(1,191,667)
As at 30 June	-	
	17,139,553	19,410,319

12.1 These represent loans given to employees against their salaries. All loans are recoverable in equal monthly installments.

	2015 RUPEES	2014 RUPEES
13. OTHER RECEIVABLES		
Considered good:		
Sales tax refundable	5,690,882	5,832,845
Others	-	1,034,000
	5,690,882	6,866,845

14. TRADE DEBTS		
Considered good:		
Un-secured (Note 14.1)	-	506,064

14.1 As at 30 June 2014, all trade debts were past due but not impaired. These relate to an independent customer from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

1 to 6 months	-	506,064

	2015 RUPEES	2014 RUPEES
15. STOCK-IN-TRADE		
Work-in-process	-	2,318,180
Finished goods	-	1,294,177
	-	3,612,357
Less: Provisions for obsolescence (Note 15.3)	-	-
	-	3,612,357

15.1 Stock-in-trade as at 30 June 2014 was carried at net realizable value.

15.2 The aggregate amount of write-down of inventories to net realizable value recognized as expense during the year was Rupees Nill (2014: Rupees 2.792 million)

		2015 RUPEES	2014 RUPEES
15.3	**Provision for obsolescence**		
	Balance as on 01 July	-	9,681,186
	Less: Provision made during the year	-	(9,681,186)
	Balance as on 30 June	-	-

16. STORES AND SPARE PARTS

	2015 RUPEES	2014 RUPEES
Stores	-	150,742
Spare parts	-	2,864,110
	-	3,014,852
Less: Provision for obsolete store and spare parts (Note 16.1)	-	1,609,568
	-	1,405,284

16.1 Provision for obsolete stores and spare parts

	2015 RUPEES	2014 RUPEES
Balance as on 01 July	1,609,568	3,340,796
Provision (reversed) during the year	-	(897,032)
Provision written off during the year	(1,609,568)	(834,196)
	(1,609,568)	(1,731,228)
Balance as on 30 June	-	1,609,568

17. SECURITY DEPOSITS

These include Rupees 120 million (2014: 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 (Note 18.4)

18. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings on freehold land	Plant and machinery	Electric installations	Furniture and fittings	Computers	Vehicles	Non-operating looms	Total
	---	---	---	---	RUPEES	---	---	---	---
At 30 June 2013									
Cost / revalued amount	181,886,000	43,344,341	161,102,220	298,363	21,338,347	6,284,191	8,038,770	1,497,611	423,789,843
Accumulated depreciation	-	(15,949,163)	(69,765,790)	(248,606)	(16,655,370)	(6,241,226)	(4,856,064)	(1,497,611)	(115,213,830)
Net book value	181,886,000	27,395,178	91,336,430	49,757	4,682,977	42,965	3,182,706	-	308,576,013
Year ended 30 June 2014									
Opening net book value	181,886,000	27,395,178	91,336,430	49,757	4,682,977	42,965	3,182,706	-	308,576,013
Disposals:									
Cost / revalued amount	-	-	(161,102,220)	-	(944,440)	-	(2,397,500)	(1,497,611)	(165,941,771)
Accumulated depreciation	-	-	73,547,929	-	628,847	-	1,454,280	1,497,611	77,128,667
	-	-	(87,554,291)	-	(315,593)	-	(943,220)	-	(88,813,104)
Depreciation charge	-	(1,369,759)	(3,782,139)	(4,976)	(465,401)	(18,942)	(461,906)	-	(6,103,123)
Closing net book value	181,886,000	26,025,419	-	44,781	3,901,983	24,023	1,777,580	-	213,659,786
At 30 June 2014									
Cost / revalued amount	181,886,000	43,344,341	-	298,363	20,393,907	6,284,191	5,641,270	-	257,848,072
Accumulated depreciation	-	(17,318,922)	-	(253,582)	(16,491,924)	(6,260,168)	(3,863,690)	-	(44,188,286)
Net book value	181,886,000	26,025,419	-	44,781	3,901,983	24,023	1,777,580	-	213,659,786
Year ended 30 June 2015									
Opening net book value	181,886,000	26,025,419	-	44,781	3,901,983	24,023	1,777,580	-	213,659,786
Additions	-	-	-	-	811,503	-	1,052,800	-	1,864,303
Disposals:									
Cost / revalued amount	-	(43,344,341)	-	(298,363)	(2,002,112)	-	(3,726,000)	-	(49,370,816)
Accumulated depreciation	-	17,318,922	-	253,582	1,700,952	-	2,407,755	-	21,681,211
	-	(26,025,419)	-	(44,781)	(301,160)	-	(1,318,245)	-	(27,689,605)
Depreciation charge	-	-	-	-	(413,457)	(21,103)	(274,968)	-	(709,528)
Closing net book value	181,886,000	-	-	-	3,998,869	2,920	1,237,167	-	187,124,956
At 30 June 2015									
Cost / revalued amount	181,886,000	-	-	-	19,203,298	6,284,191	2,968,070	-	210,341,559
Accumulated depreciation	-	-	-	-	(15,204,429)	(6,281,271)	(1,730,903)	-	(23,216,603)
Net book value	181,886,000	-	-	-	3,998,869	2,920	1,237,167	-	187,124,956
Annual rate of depreciation (%)	-	5	10	10	10	33.33	20	-	

18.1 The Company through an agreement dated 17 July 2014 agreed to sell complete freehold land of the Company against Rupees 220.000 Million to Mrs. Saima Yousaf. The Company has recovered Rupees 20.000 million as advance in this regard as shown in Note 6.2. Remaining Rupees 200.000 million will be received from the buyer in three equal installments of Rupees 66.667 million each uptill 24 December 2017. Proportionate freehold land will be transferred to the buyer on the clearance of each installment mentioned above. In view of the aforesaid agreement dated 17 July 2014, estimated realizable value of freehold land has been calculated by the management using the discount rate of 10 percent per annum, which comes to Rupees 193,882,000. Remaining fixed assets of the Company are not significant and as per the management's best estimate, the book value of such assets approximate their estimated realizable value. Hence, the difference between book value of property, plant and equipment and estimated realizable value of property, plant and equipment as at 30 June 2015 is due to discounting of agreed sale amount of freehold land.

18.2 If freehold land was measured using the cost model, carrying amount would be Rupees 102,726 as at the reporting date.

18.3 Depreciation charge for the year has been allocated as follows:

	2015 RUPEES	2014 RUPEES
Cost of sales (Note 20)	-	5,156,874
Administrative expenses (Note 21)	709,528	946,249
	709,528	**6,103,123**

18.4 The Bank of Punjab had previously first pari passu charge over freehold land, buildings thereon, plant and machinery of the Company for Rupees 300 million through registered mortgage. Howeveras 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.

18.5 Detail of property, plant and equipment, exceeding the book value of Rupees 50,000 disposed of during the year is as follows:

Description	Quantity	Cost / revalued amount	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of purchasers
	Nos	------------------	------------------	RUPEES	------------------		
Buildings on freehold land		43,344,341	17,318,922	26,025,419	40,000,000	Negotiation	Al Rehman Developers, 288-B, Batala Colony, Faisalabad.
		43,344,341	17,318,922	26,025,419	40,000,000		
Vehicles							
Honda City LEF-07-3597	1	847,000	619,087	227,913	355,000	Negotiation	Mr. Hammad Ahmad Khan, House No. 19-E-117, Wah Cantt, Tehsil Taxila, District Rawalpindi.
Toyota Corolla LED-8467	1	1,010,000	698,511	311,489	400,000	Negotiation	Mr. Munsab Khan Joiya, Islampura Colony, Sher Muhammad Wala, Tehsil Bhalwal, District Sargodha.
Honda City ADM-570	1	400,000	274,803	125,197	400,000	Insurance claim	Premier Insurance Limited (associated company).
Toyota Corolla LE-7433-10	1	1,469,000	815,354	653,646	1,250,000	Negotiation	Mr. Muhammad Arif, Chak Ranjhe, Bairbal, Tehsil Dipalpur, District Okara.
		3,726,000	2,407,755	1,318,245	2,405,000		
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 50,000		2,300,475	1,954,534	345,941	136,230		
		49,370,816	**21,681,211**	**27,689,605**	**42,541,230**		

18.6 Operating fixed assets having cost of Rupees 6.249 million (2014: Rupees 6.137 million) have been fully depreciated and are still in use of the Company.

		2015 RUPEES	2014 RUPEES
19.	**SALES**		
	Local:		
	Main products	2,279,500	6,006,175
	Raw material	-	10,904,871
	Work-in-process	1,690,427	2,901,517
	Others	-	2,319,506
		3,969,927	22,132,069
	Less: Sales tax	104,772	514,286
		3,865,155	21,617,783
20.	**COST OF SALES**		
	Salaries, wages and other benefits	375,683	1,426,294
	Carrying value of raw material sold	-	4,840,593
	Stores and spare parts consumed	-	200
	Repair and maintenance	-	14,000
	Fuel and power	508,520	1,166,552
	Insurance	11,352	190,790
	Other factory overheads	8,110	43,608
	Depreciation (Note 18.3)	-	5,156,874
		903,665	12,838,911
	Work-in-process		
	Opening stock	2,318,180	5,274,165
	Closing stock	-	(2,318,180)
		2,318,180	2,955,985
	Cost of goods manufactured	3,221,845	15,794,896
	Finished goods		
	Opening stock	1,294,177	4,707,718
	Closing stock	-	(1,294,177)
		1,294,177	3,413,541
		4,516,022	19,208,437
	Cost of goods - purchased for resale	-	2,274,026
		4,516,022	21,482,463

		2015 RUPEES	2014 RUPEES
21.	**ADMINISTRATIVE EXPENSES**		
	Salaries, allowances and other benefits	17,855,493	19,268,313
	Rent, rates and taxes	895,586	1,676,131
	Legal and professional	1,575,900	2,770,237
	Insurance	257,316	336,956
	Travelling and conveyance	394,845	360,823
	Vehicles' running	407,909	672,236
	Entertainment	170,765	261,008
	Auditors' remuneration (Note 21.1)	215,000	215,000
	Advertisement	40,800	135,750
	Postage and telephone	491,281	875,908
	Electricity, gas and water	583,022	615,941
	Printing and stationery	158,835	147,447
	Repair and maintenance	44,308	45,764
	Fee and subscription	45,000	35,264
	Depreciation (Note 18.3)	709,528	946,249
	Miscellaneous	308,552	229,782
		24,154,140	28,592,809
21.1	**Auditors' remuneration:**		
	Audit fee	150,000	150,000
	Half yearly review	50,000	50,000
	Reimbursable expenses	15,000	15,000
		215,000	215,000
22.	**OTHER EXPENSES**		
	Exchange loss	2,227,439	-
	Loans and advances written off	12,000	15,000
	Security deposits written off	-	72,940
	Un-realized loss on re-measurement of investments at fair value through profit or loss - net	-	154,500
	Loss on sale of stores and spare parts	891,242	-
		3,130,681	242,440
23.	**OTHER INCOME**		
	Income from financial assets		
	Profit on deposits with banks	443,928	463,118
	Exchange gain	-	188,766
	Dividend income on investments in other than associated companies	21,709	31,489
	Un-realized gain on re-measurement of investments at fair value through profit or loss - net	274,602	-

	2015 RUPEES	2014 RUPEES
Income from non-financial assets		
Gain on sale of property, plant and equipment	40,085,501	214,044,415
Credit balances written back	-	68,345
Reversal of provision for obsolete stores and spare parts (Note 16.1)	-	897,032
Others	3,100	-
	40,088,601	215,009,792
	40,828,840	215,693,165

24. FINANCE COST

	2015 RUPEES	2014 RUPEES
Mark-up on borrowings	19,705,597	20,739,809
Bank charges and commission	113,803	58,219
	19,819,400	20,798,028

25. TAXATION

	2015 RUPEES	2014 RUPEES
Current (Note 25.1)	(2,171)	2,635,449
Prior year adjustment	46,312	-
Deferred	-	(1,525,608)
	44,141	(1,109,841)

25.1 Provision for current taxation represents tax on other income under the relevant provisions of the Income Tax Ordinance, 2001. 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.

26. (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic (loss) / earnings per share which is based on:

	2015	2014
(Loss) / profit for the year (Rupees)	(6,936,257)	165,034,786
Weighted average number of ordinary shares (Numbers)	23 763 468	23 763 468
(Loss) / earnings per share (Rupees)	(0.29)	6.94

		2015 RUPEES	2014 RUPEES
27.	**CASH GENERATED FROM OPERATIONS**		
	(Loss) / profit before taxation	(6,980,398)	166,144,627
	Adjustments for non-cash charges and other items:		
	Depreciation	709,528	6,103,123
	Gain on sale of property, plant and equipment	(40,085,501)	(214,044,415)
	Loss on sale of stores and spare parts	891,242	-
	Credit balances written back	-	(68,345)
	Loans and advances written off	12,000	15,000
	Security deposits written off	-	72,940
	Un-realized (gain) / loss on re-measurement of investments at fair value through profit or loss - net	(274,602)	154,500
	Dividend income	(21,709)	(31,489)
	Reversal of provision for obsolete stores and spare parts	-	(897,032)
	Finance cost	19,819,400	20,798,028
	Working capital changes (Note 27.1)	25,222,505	(150,715,853)
		(707,535)	(172,468,916)
27.1	**Working capital changes**		
	Decrease / (increase) in current assets:		
	- Stores and spare parts	514,042	2,409,550
	- Stock-in-trade	3,612,357	11,210,119
	- Trade debts	506,064	112,226
	- Loans and advances	(222,212)	(5,383)
	- Security deposits	-	(119,619,622)
	- Prepayments	(15,443)	28,170
	- Other receivables	1,175,963	(1,175,962)
		5,570,771	(107,040,902)
	Increase / (decrease) in trade and other payables	19,651,734	(43,674,951)
		25,222,505	(150,715,853)

28. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements for remuneration including all benefits to Chief Executive Officer, Directors and Executives of the Company is as follows:

	Chief Executive Officer		Directors		Executives	
	2015	2014	2015	2014	2015	2014
	---RUPEES---					
Managerial remuneration	4,000,800	4,000,800	1,008,000	3,683,778	-	390,000
Allowances						
House rent	1,999,200	1,999,200	302,400	1,524,983	-	-
Medical	-	-	100,800	88,478	-	-
Utilities	-	-	100,800	88,478	-	-
	6,000,000	**6,000,000**	**1,512,000**	**5,385,717**	**-**	**390,000**
Number of persons	**1**	**1**	**1**	**2**	**-**	**1**

28.1 Aggregate amount charged in these financial statements for meeting fee to five directors (2014: three directors) was Rupees 45,000 (2014: Rupees 12,500).

28.2 The Company provided re-imbursement of fuel and maintenance cost to the director for his personal vehicle as per Company's policy.

28.3 No remuneration was paid to non-executive directors of the Company.

29. 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 with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2015 RUPEES	2014 RUPEES
Associated companies		
Service charges paid	910,829	672,540
Insurance claim received	400,000	-
Goods purchased	-	2,274,026
Sale of operating fixed assets	-	7,418,897
Directors		
Loan received	-	170,800,000
Loan repaid	48,431,925	207,077,010
Company's expenses reimbursed to CEO	-	14,790,635

30. NUMBER OF EMPLOYEES

	2015 (Number of Persons)	2014 (Number of Persons)
Number of employees as on 30 June	48	55
Average number of employees during the year	52	57

31. PLANT CAPACITY AND ACTUAL PRODUCTION

The Company has ceased its production activities since May 2011.

32. FINANCIAL RISK MANAGEMENT

32.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, investment of excess liquidity and use of non-derivative financial instruments.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from United States Dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to borrowings. The Company's exposure to currency risk was as follows:

	2015	2014
Borrowings - FE-25 - USD	755,064	755,064

Following exchange rate was applied during the year:

Rupees per US Dollar		
Average rate	101.31	102.70
Reporting date rate	101.50	98.55

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, with all other variables held constant, the impact on (loss) / profit after taxation for the year would have been Rupees 3.832 million lower / higher (2014: Rupees 3.721 million higher / lower), mainly as a result of exchange gain / loss on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Karachi Stock Exchange (KSE) Index on the Company's (loss) / profit after taxation and on other comprehensive (loss) / income for the year. The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on loss after taxation		Impact on other comprehensive loss	
	2015 RUPEES	2014 RUPEES	2015 RUPEES	2014 RUPEES
KSE 100 (5% increase)	72,437	58,706	-	-
KSE 100 (5% decrease)	(72,437)	(58,706)	-	-

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from borrowings and bank balances in deposit accounts. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the balance sheet date, the interest rate profile of the Company's interest bearing financial instruments was:

	2015 RUPEES	2014 RUPEES
Fixed rate instruments:		
Financial liabilities		
Borrowings	97,893,724	97,893,724
Floating rate instruments:		
Financial assets		
Term deposit	-	4,440,000
Bank balances- deposit accounts	1,790,734	430,460
Financial liabilities		
Borrowings	97,421,358	95,382,685

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit / loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, (loss) / profit after taxation for the year would have been Rupees 0.956 million higher / lower (2014: Rupees 0.905 million lower / higher), mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amount of financial instruments outstanding at balance sheet date were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2015 RUPEES	2014 RUPEES
Investments	1,583,232	1,308,630
Loans and advances	303,000	92,788
Deposits	120,538,230	120,538,230
Trade debts	-	506,064
Other receivables	-	1,034,000
Bank balances	1,826,795	8,170,304
	124,251,257	131,650,016

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			2015	2014
	Short Term	Long term	Agency	RUPEES	RUPEES
Banks					
MCB Bank Limited	A1+	AAA	PACRA	30,555	4,899,599
United Bank Limited	A-1+	AA+	JCR-VIS	6,495	24,862
National Bank of Pakistan	A-1+	AAA	JCR-VIS	727	1,277
Bank Alfalah Limited	A1+	AA	PACRA	2,370	2,370
The Bank of Punjab	A1+	AA-	PACRA	47	152
Faysal Bank Limited	A1+	AA	PACRA	145	215
Dubai Islamic Bank Pakistan Limited	A-1	A+	JCR-VIS	1,786,456	3,241,829
				1,826,795	8,170,304

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 14.

Due to the Company's long standing business relationships with these counterparties, the management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

At 30 June 2015, the Company had not any unavailed borrowing limits from financial institutions and Rupees 1.827 million (2014: Rupees 8.262 million) cash and bank balances. The management believes the liquidity risk to be high. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2015:

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
			RUPEES			
Non-derivative financial liabilities:						
Borrowings	254,915,034	265,413,226	265,413,226	-	-	-
Trade and other payables	8,908,625	8,908,625	8,908,625	-	-	-
Accrued markup	141,421,300	141,421,300	141,421,300	-	-	-
	405,244,959	415,743,151	415,743,151	-	-	-

Contractual maturities of financial liabilities as at 30 June 2014

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
Non-derivative financial liabilities:						
Borrowings	301,119,520	311,990,828	311,990,828	-	-	
Trade and other payables	9,309,185	9,309,185	9,309,185	-	-	-
Accrued markup	121,715,703	121,715,703	121,715,703	-	-	-
	432,144,408	443,015,716	443,015,716	-	-	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at 30 June. The rates of interest / mark up have been disclosed in Note 7 to these financial statements.

32.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped in to levels 1 to 3 based on the degree to which fair value is observable:

	Level 1	Level 2	Level 3	Total
	RUPEES			
As at 30 June 2015				
Assets				
Financial assets at fair value through profit or loss	1,448,732	-	-	1,448,732
As at 30 June 2014				
Assets				
Financial assets at fair value through profit or loss	1,174,130	-	-	1,174,130

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial instruments held by the Company is the current bid price. These financial instruments are classified under level 1 in above referred table.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value a financial instrument are observable, those financial instruments are classified under level 2 in above referred table. The Company has no such type of financial instruments as on 30 June 2015.

If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3. The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

32.3 Financial instruments by categories

	Loans and receivables	At fair value through profit or loss	Available for sale	Total
	RUPEES			
As at 30 June 2015				
Assets as per balance sheet				
Investments	-	1,448,732	134,500	1,583,232
Loans and advances	303,000	-	-	303,000
Deposits	120,538,230	-	-	120,538,230
Cash and bank balances	1,826,795	-	-	1,826,795
	122,668,025	1,448,732	134,500	124,251,257

	Financial liabilities at amortized
	RUPEES
Liabilities as per balance sheet	
Borrowings	254,915,034
Trade and other payables	8,908,625
Accrued mark-up	141,421,300
	405,244,959

	Loans and receivables	At fair value through profit or loss	Available for sale	Total
	RUPEES			
As at 30 June 2014				
Assets as per balance sheet				
Investments	-	1,174,130	134,500	1,308,630
Loans and advances	92,788	-	-	92,788
Deposits	120,538,230	-	-	120,538,230
Trade debts	506,064			506,064
Other receivables	1,034,000	-	-	1,034,000
Cash and bank balances	8,262,142	-	-	8,262,142
	130,433,224	1,174,130	134,500	131,741,854

	Financial liabilities at amortized
	RUPEES
Liabilities as per balance sheet	
Borrowings	301,119,520
Trade and other payables	9,309,185
Accrued mark-up	121,715,703
	432,144,408

32.4 Off setting financial assets and liabilities

As on balance sheet date, recognized financial instruments are not subject to off setting as there are no enforceable master netting agreements and similar agreements.

32.5 Capital risk management

The Company has ceased its all production activities and the management concludes that the Company is not a going concern. Therefore, there is no need to maintain and adjust the capital structure and monitor the issues pertaining to the capital risk management of the Company.

33. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 23, 2015 by the Board of Directors of the Company.

34. CORRESPONDING FIGURES

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

35. GENERAL

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

Humayun Mazhar
Chief Executive Officer

Khurram Mazhar Karim
Director

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

NOTIFICATION

Islamabad, the 9th September, 2015

S.R.O. 924 (I)/2015:- In exercise of the powers conferred by Section 506B of the Companies Ordinance, 1984 (XLVII of 1984), the Securities and Exchange Commission of Pakistan is pleased to direct that a company listed on a stock exchange in Pakistan shall, while issuing annual accounts and balance sheet, incorporate the following informational message on 'JamaPunji', with immediate effect:

[No. EMD/website-regulation/74/2011]

Bushra 9/9/15

(Bushra Aslam)
Secretary to the Commission

FORM OF PROXY

I/We ____

of ____ a member/members of Crescent Jute

Products Limited and holder of ________________________________ shares as per Registered Folio

#/CDC Participant ID # / Sub A/C # / Investor A/C # _________________________ do hereby appoint

____ of __________________________ or failing

him / her ______________________________________ of __________________________________

who is also member of the Company vide Registered Folio # / CDC Participant ID # / Sub A/C # / Investor A/C # _________________ as my / our Proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting of the shareholders of CRESCENT JUTE PRODUCTS LIMITED to be held on Friday the October 30, 2015 at 11:00 a.m. at 503 - E, Johar Town, Lahore and at any adjournment thereof.

As witness my hand this_____________________________________ day of ______________ 2015.

Member's Signature

Please affix here Revenue Stamp

Witness Signature

Place ____

Date: ____

Note: A member eligible to attend and vote at this meeting may appoint another member as his / her proxy to attend and vote instead of him/her. Proxies in order to be effective must be received by the Company at the Registered Office of the Company not later than 48 hours before the time for holding the meeting.

Proxies of the member (s) through CDC shall be accompanied with attested copies of the CNIC(s). The shareholders through CDC are requested to bring original CNIC, Account Number and participant Account Number to be produced at the time of attending the meeting.

BOOK POST

If undelivered please return to:

CRESCENT JUTE PRODUCTS LIMITED
10th Floor, BOP Tower,
10-B, Block E-2, Gulberg-III, Lahore,
Tel: (042) 35783801 Fax: (042) 35783811