CRESCENT GROUP

ANNUAL REPORT 2016

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 Monday, October 31, 2016 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, 2016.

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 28, 2016.

BY ORDER OF THE BOARD

SHAFIQ ANWAR
Company Secretary

Notes:

1. The Members' Register will remain closed from October 24, 2016 to October 30, 2016 (both days inclusive). Transfers will be received at the Registered Office of the Company by the close of business on October 23, 2016.

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, 2016 show a loss of Rupees 46.87 Million, as compared to loss of Rupees 23.85 Million in the corresponding periods in 2015. This loss is attributed mainly due to the reason for retaining the minimum staff required for managing the corporate affairs and safe guarding of the remaining 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. Investment in real estate, Renewable energy and 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 on 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	3
2.	Mrs. Ayesha Khurram Mazhar	4	3
3.	Mr. Humayun Mazhar	4	4
4.	Mr. Khurram Mazhar Karim	4	4
5.	Mrs. Mehreen Humayun Mazhar	4	3
6.	Syed Raza Abbas Jaffery	4	2
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 terms of settlement have been finalized.

AUDITORS

The auditors M/s Riaz Ahmed & 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 Ahmed & 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)
Chief Executive Officer
Lahore
Dated: September 28, 2016

KEY OPERATING AND FINANCIAL DATA OF LAST SIX YEARS

	Year ending 30th June					
	2015	**2014**	**2013**	**2012**	**2011**	**2010**
PRODUCTION CAPACITY BASED ON SHIFT WORKING IN METRIC TONS						
Jute Unit	Operation closed	Operation closed	Operation closed	Operation closed	23,000	23,000
ACTUAL PRODUCTION IN METRIC TONS						
Jute Unit	Operation closed	Operation closed	Operation closed	Operation closed	3,675	6,519
OPERATING RESULTS - RUPEES IN 000						
Net Sales	3,865	21,618	18,677	28,640	453,768	566,002
Cost of Sales	4,516	21,482	39,023	127,321	524,173	525,658
Operating Expenses	27,339	28,886	47,927	61,612	82,701	85,834
Other Income	(15,595)	(215,693)	(25,598)	(3,874)	(111,655)	(605)
Financial Charges	19,819	20,798	23,925	40,174	55,081	39,183
Taxation	8,361	1,110	(2,906)	(5,135)	(11,714)	(1,305)
Net Income / (Loss)	(23,853)	165,035	(63,693)	(191,458)	(84,818)	(82,764)
(Loss) Earning per share - Rupees	(1)	6.94	(2.68)	(8.06)	(3.57)	(3.48)
FINANCIAL POSITION - RUPEES IN 000						
Shareholders Equity	(273,165)	(266,229)	(434,351)	(376,394)	(194,639)	(132,331)
Net Surplus on estimated realizable / settlement values	193,779	207,017	286,305	294,997	666,034	790,784
Participatory redeemable capital	-	-	-	-	-	-
Trade and other payables	28,962	9,311	53,054	13,379	17,973	35,932
Accrued mark-up	141,421	121,716	100,976	82,764	59,633	39,566
Borrowings	254,915	301,120	352,376	386,629	469,878	551,040
Provision for taxation	2	2,635	49	90	412	2,931
	345,915	**375,570**	**358,409**	**401,464**	**1,019,292**	**1,287,922**
Cash and bank balances	1,827	8,262	6,922	4,137	7,722	14,778
Investments	1,583	1,309	1,463	749	1,659	1,066
Other receivables	5,691	6,867	5,691	7,927	10,234	90,315
Prepayments	0.15	-	28	149	372	525
Loans and advances	17,140	19,410	16,378	16,498	17,398	17,989
Trade debts	-	506	618	-	116,059	142,284
Stock-in-trade	-	3,612	14,822	47,410	148,795	255,897
Stores and spares parts	-	1,405	2,918	3,658	8,252	7,796
Long Term Security deposits	120,538	120,538	992	992	14,674	12,266
Property, plant and equipment	199,121	213,660	308,576	319,945	694,126	745,006
	345,915	**375,570**	**358,409**	**401,464**	**1,019,292**	**1,287,922**

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, 2016**

4.	No. of Shareholders	Shareholding		Total Shares held
		From	To	
	665	1	100	21,200
	529	101	500	146,677
	249	501	1,000	195,317
	324	1,001	5,000	879,078
	89	5,001	10,000	688,716
	44	10,001	15,000	584,486
	26	15,001	20,000	468,222
	20	20,001	25,000	469,348
	17	25,001	30,000	473,602
	14	30,001	35,000	458,633
	4	35,001	40,000	150,559
	7	40,001	45,000	294,452
	6	45,001	50,000	281,974
	5	50,001	55,000	258,662
	2	55,001	60,000	116,000
	4	65,001	70,000	269,323
	4	70,001	75,000	285,841
	1	75,001	80,000	80,000
	1	85,001	90,000	86,122
	1	95,001	100,000	100,000
	1	100,001	105,000	105,000
	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	160,001	165,000	165,000
	1	190,001	195,000	194,500
	1	195,001	200,000	200,000
	3	200,001	205,000	607,562
	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	1,425,001	1,430,000	1,428,718
	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
	2,033			**23,763,468**

Crescent Jute Products Limited **As On: June 30, 2016**

Categories of Shareholders	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. Saif Ullah	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	-	1,428,718	1,428,718	6.01
National Bank of Pakistan - Trustee Wing	400	-	400	0.00
	400	**1,428,718**	**1,429,118**	**6.01**
Banks, NBFCs, DFIs, Takaful, Pension Funds	**1,004,689**	**301,949**	**1,306,638**	**5.50**
Modarabas	**46,653**	**-**	**46,653**	**0.20**
Insurance Companies	**232,163**	**157,314**	**389,477**	**1.64**
Other Companies,Corporate Bodies, Trust etc.	**1,866,913**	**62,594**	**1,929,507**	**8.12**
General Public	**2,588,006**	**4,890,536**	**7,478,542**	**31.47**
	13,981,937	**9,781,531**	**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			1,428,718	6.01

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNLANCE

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in chapter 5.19 of Rule Book of Pakistan Stock Exchange Limited (PSX) 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

   iv) Mrs. Ayesha Khurram Mazhar

   The independent director meets the criteria of independence under clause 5.19.1 (b) of the CCG.

2. The Directors have confirmed that none of them is serving as a Director on 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 Broker 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 2016.
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 along with the dates on which they were approved or amended has been maintained.
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 other executive and non-executive directors, have been taken by the Board / shareholders.
8. 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 2016. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. One Director of the Company has completed Directors' Training Program (DTP). While three other Directors met the criteria of exemption under Code of Corporate Governance.
10. The Board has approved the terms of appointment and remuneration including terms and conditions of employment of Chief Financial Officer (CFO), Company Secretary and the Head of Internal Audit.
11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and it fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval by the Board.
13. The Directors, CEO and Executive do not hold any interest in the shares of the Company, other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of three members, of whom two are non-executive directors and one is independent director.
16. 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 formed and advised to the Committee for compliance.
17. The Board has formed a Human Resource and Remuneration Committee. It comprises of 3 members, of whom two are non-executive directors and the Chairman of the Committee is a non-executive director.
18. The Board has set-up an effective internal audit function.
19. 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 (ICAP), 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 ICAP.
20. 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.
21. 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.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
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 28, 2016.

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 2016 to comply with the Code contained in the Regulations of Pakistan Stock Exchange Limited, 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 personnel and reviews of various documents prepared by the Company to comply with the Code.

As a part of our audit of the 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 2016.

RIAZ AHMAD & COMPANY
Chatered Accountants

Name of engagement partner:
Mubashar Mehmood

Faisalabad: September 28, 2016.

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **CRESCENT JUTE PRODUCTS LIMITED** ("the Company") as at 30 June 2016 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 2016 and of the loss, its comprehensive loss, its cash flows and changes in equity for the year then ended; and

(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 & COMPANY
Chatered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: September 28, 2016

Faisalabad

CRESCENT JUTE
PRODUCTS LTD.

CRESCENT JUTE PRODUCTS LTD.

Audited Financial Statements

For the Year Ended June 30, 2016

BALANCE SHEET

	NOTE	2016		2015	
		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 (2015: 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		(593,438,901)	(593,438,901)	(546,567,278)	(546,567,278)
Total equity		(320,036,637)	(320,036,637)	(273,165,014)	(273,165,014)
Net surplus on estimated realizable / settlement values		-	207,913,274	-	193,779,274
Surplus on revaluation of property and equipment	5	207,913,274	-	181,783,274	-
LIABILITIES					
Trade and other payables	6	94,268,854	94,268,854	28,962,326	28,962,326
Accrued mark-up		160,896,099	160,896,099	141,421,300	141,421,300
Borrowings	7	257,180,226	257,180,226	254,915,034	254,915,034
Provision for taxation		3,743	3,743	2,171	2,171
CONTINGENCIES AND COMMITMENTS	8	-	-	-	-
TOTAL EQUITY AND LIABILITIES		400,225,559	400,225,559	333,919,091	345,915,091

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

Humayun Mazhar
Chief Executive Officer

AS AT 30 JUNE, 2016

	NOTE	2016		2015	
		Book value	Estimated realizable value	Book value	Estimated realizable value
		Rupees	Rupees	Rupees	Rupees
ASSETS					
Bank balances	9	43,248,907	43,248,907	1,826,795	1,826,795
Investments	10	1,472,907	1,472,907	1,583,232	1,583,232
Loans and advances	11	17,132,048	17,132,048	17,139,553	17,139,553
Prepayments		23,112	23,112	15,443	15,443
Other receivables	12	5,790,451	5,790,451	5,690,882	5,690,882
Security deposits	13	120,037,500	120,037,500	120,538,230	120,538,230
Property and equipment	14	212,520,634	212,520,634	187,124,956	199,120,956
TOTAL ASSETS		400,225,559	400,225,559	333,919,091	345,915,091

Khurram Mazhar Karim
Director

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2016

	NOTE	2016 RUPEES	2015 RUPEES Restated
SALES		-	3,865,155
COST OF SALES		-	(4,516,022)
GROSS LOSS		-	(650,867)
DISTRIBUTION COST		-	(54,150)
ADMINISTRATIVE EXPENSES	15	(26,665,969)	(24,154,140)
OTHER EXPENSES	16	(2,386,439)	(3,130,681)
OTHER INCOME	17	1,803,450	15,594,964
FINANCE COST	18	(19,618,922)	(19,819,400)
LOSS BEFORE TAXATION		(46,867,880)	(32,214,274)
TAXATION	19	(3,743)	8,361,320
LOSS AFTER TAXATION		(46,871,623)	(23,852,954)
LOSS PER SHARE - BASIC AND DILUTED	20	(1.97)	(1.00)

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, 2016

	2016 RUPEES	2015 RUPEES Restated
LOSS AFTER TAXATION	(46,871,623)	(23,852,954)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(46,871,623)	(23,852,954)

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, 2016

	NOTE	2016 RUPEES	2015 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	21	40,027,005	1,075,976
Finance cost paid		(144,123)	(113,803)
Income tax paid		(124,701)	(108,159)
Net cash generated from operating activities		39,758,181	854,014
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property and equipment		-	(1,864,303)
Proceeds from sale of property and equipment		700,000	42,541,230
Dividends received		29,854	21,709
Profit on deposits with banks received		934,077	443,928
Net cash from investing activities		1,663,931	41,142,564
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings - net		-	(48,431,925)
Net cash used in financing activities		-	(48,431,925)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		41,422,112	(6,435,347)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,826,795	8,262,142
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 9)		43,248,907	1,826,795

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

Humayun Mazhar
Chief Executive Officer

Khurram Mazhar Karim
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2016

	SHARE CAPITAL	CAPITAL RESERVE Share premium	ACCUMULATED LOSS	TOTAL EQUITY
	(RUPEES)			
Balance as at 30 June 2014	237,634,680	35,767,584	(539,631,021)	(266,228,757)
Surplus transferred to accumulated loss on account of disposal of property and equipment - net of deferred income tax (Note 17.1)	-	-	16,916,697	16,916,697
Loss for the year - Restated	-	-	(23,852,954)	(23,852,954)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(23,852,954)	(23,852,954)
Balance as at 30 June 2015	237,634,680	35,767,584	(546,567,278)	(273,165,014)
Loss for the year	-	-	(46,871,623)	(46,871,623)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(46,871,623)	(46,871,623)
Balance as at 30 June 2016	237,634,680	35,767,584	(593,438,901)	(320,036,637)

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

Humayun Mazhar
Chief Executive Officer

Khurram Mazhar Karim
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

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 Pakistan Stock Exchange Limited. Its registered office is situated at 10-B, 10th Floor, BOP Tower, Block E-2, Main Boulevard, Gulberg, Lahore. The Company was 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 buildings on freehold land have been disposed of uptill 30 June 2015. Moreover during the year ended 30 June 2016, the Company reported loss after taxation of Rupees 46.872 million. The Company has suffered accumulated losses of Rupees 593.439 million as on 30 June 2016 which has turned equity into negative balance of Rupees 320.037 million. Hence, the Company is not considered a going concern.

Keeping in view the above factors the management of the Company has 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

TThe 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 freehold land which is carried at revalued amount 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 2.16 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 where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

i. Realizable / settlement values of assets and liabilities respectively

ii. Useful lives, patterns of economic benefits and impairments

iii. Taxation

d) Standard that is effective in current year and is relevant to the Company

IFRS 13 'Fair Value Measurement' (effective for annual periods beginning on or after 01 January 2015) is mandatory for the Company's accounting periods beginning on or after 01 July 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 does not have significant impact on these financial statements, except for certain additional disclosures.

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

There are other standards 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.

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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 2016 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 as 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 de-recognition 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 15 ‘Revenue from Contracts with Customers’ (effective for annual periods beginning on or after 01 January 2018). 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 aforesaid standard is not expected to have a material impact on the Company's financial statements.

IFRS 15 (Amendments), ‘Revenue from Contracts with Customers’ (effective for annual periods beginning on or after 01 January 2018). Amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations and licensing) and to provide some transition relief for modified contracts and completed contracts. The aforesaid amendments are not expected to have a material impact on the Company’s financial statements.

IAS 7 (Amendments), ‘Statement of Cash Flows’ (effective for annual periods beginning on or after 01 January 2017). Amendments have been made to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The aforesaid amendments will result in certain additional disclosures in 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.

On 25 September 2014, IASB issued Annual Improvements to IFRSs: 2012 - 2014 Cycle, incorporating amendments to four IFRSs more specifically in IAS 34 ‘Interim Financial Reporting’, which is considered relevant to the Company’s financial statements. These amendments are effective for annual periods beginning on or after 01 January 2016. The amendment is unlikely to have a significant impact on the Company’s financial statements and has therefore not been analyzed in detail.

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

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2016 but are considered not to be relevant to 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 recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized 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 and equipment except freehold land are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of property 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. Freehold land is stated at revalued amount less any recognized impairment loss.

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 and equipment are credited to surplus on revaluation of property and equipment. Decreases that offset previous increases of the same assets are charged against this surplus, all other decreases are charged to income.

Depreciation

Depreciation on property and equipment is charged to profit and loss account applying the reducing balance method at the rates given in Note 14 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 when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

An item of property 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.

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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

Investments 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 Borrowing cost

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of the relevant asset.

2.8 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.

2.9 Financial instruments

Financial instruments carried on the balance sheet include investments, deposits, loans and advances, other receivables, 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.

2.10 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.

2.11 Trade and other payables

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

2.12 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.

2.13 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.

2.14 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.

2.15 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.

2.16 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

2016	2015		2016	2015
(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 fullypaid 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:

	2016	2015
	(NUMBER OF SHARES)	
Crescent Cotton Mills Limited	201 933	201 933
Crescent Group (Private) Limited	79	79
Crescent Powertec Limited	80 000	80 000
Premier Insurance Limited	7 000	7 000
Shams Textile Mills Limited	12 476	12 476
The Crescent Textile Mills Limited	2 747 158	2 747 158
	3 048 646	3 048 646

4. CAPITAL RESERVE

	2016 RUPEES	2015 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 AND EQUIPMENT

Surplus on revaluation of property and equipment as at 01 July	181,783,274	198,699,971
Add: Increase in surplus on revaluation	26,130,000	-
	207,913,274	198,699,971
Less: Adjustment of surplus on sale of buildings on freehold land - net of deferred income tax	-	16,916,697
	207,913,274	181,783,274

5.1 Freehold land of the Company has been revalued by an independent valuer, Messrs Anderson Consulting (Private) Limited on 30 June 2016 applying current assessed value. Previously the revaluations were carried out by independent valuers on 30 June 1996, 30 June 2005, 31 December 2007, 28 June 2010 and 28 September 2011.

6. TRADE AND OTHER PAYABLES

Accrued liabilities	320,771	1,686,656
Due to related party	6,851,364	6,884,657
Advance against sale of land (Note 6.1)	86,667,000	20,000,000
Unclaimed dividend	337,312	337,312
Income tax deducted at source	92,407	53,701
	94,268,854	28,962,326

6.1 This amount was received as advance against sale of land from Mrs. Saima Yousaf as mentioned in Note 14.1.

	2016 RUPEES	2015 RUPEES
7. BORROWINGS		
From banking companies and financial institutions - secured		
The Bank of Punjab (Note 7.1)	99,686,550	97,421,358
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
Loan from sponsor (Note 7.4)	4,461,237	4,461,237
Crescent Jute Mills Limited (Note 7.5)	55,138,715	55,138,715
Crescent Foundation (Note 7.6)	46,000,000	46,000,000
	257,180,226	254,915,034

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 (2015: Average 3 months KIBOR plus 3 percent) per annum with no floor or cap. The rate of mark-up for cash finance ranges from 9.35 percent to 10.01 percent (2015: 11.00 percent to 13.21 percent) per annum. The rate of mark-up for FIM-180 days and FE-25 ranges from 6.45 percent to 16.52 percent (2015: 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 14.3, 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 percent (2015: 18 percent) 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. Moreover, CSM has also filed two criminal complaints against the management of the Company before Special Judge (Offences in respect of Banks), Punjab for lifting the pledged stock.

CSM 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. The case has been decided against the Company. Now the Company has filed an appeal in Lahore High Court against the order of Modaraba Tribunal.

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 (2015: 14 percent) per annum. Due to non-payment of installments since more than four years, entire outstanding amount of the loan has become immediately due.

7.4 This represents interest free loan obtained from a 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 (2015: 8 percent) per annum.

8. CONTINGENCIES AND COMMITMENTS

a) Contingencies

The Commissioner Inland Revenue raised demand for sales tax amounting to Rupees 37.699 million (2015: 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 Federal Board of Revenue (FBR) for a decision by Alternate Dispute Resolution Committee (ADRC). The Committee has given its recommendations to FBR. Pending decisions of the Supreme Court and FBR, no provision has been made in these financial statements. Based on the advice of legal counsel, the management is of the view that there are strong grounds about the decision of the case in favour of the Company.

b) Commitments

There was no capital or other commitment of the Company as at 30 June 2016 (2015: Rupees Nil).

	2016 RUPEES	2015 RUPEES
9. BANK BALANCES		
On current accounts	53,624	36,061
On deposit accounts (Note 9.1)	43,195,283	1,790,734
	43,248,907	1,826,795

9.1 Rate of profit on deposit accounts ranges from 3.75 percent to 4.50 percent (2015: 3.36 percent to 7.00 percent) per annum.

	2016 RUPEES	2015 RUPEES
10. INVESTMENTS		
Available for sale		
Associated company:		
Un-quoted		
Crescent Group (Private) Limited		
220 000 (2015: 220 000) fully paid ordinary shares of Rupees 10 each (Note 10.1)		
Equity held: 1.03% (2015: 1.03%)	-	-
Others:		
Un-quoted		
Crescent Modaraba Management Company Limited		
100 000 (2015: 100 000) fully paid ordinary shares of Rupees 10 each		
Equity held: 5.45% (2015: 5.45%)	134,500	134,500
Investments at fair value through profit or loss		
Quoted - others		
Shakarganj Limited		
33 440 (2015: 33 440) fully paid ordinary shares of Rupees 10 each Equity held: 0.03% (2015: 0.05%)	568,480	565,805
Crescent Fibres Limited		
17 499 (2015: 17 499) fully paid ordinary shares of Rupees 10 each Equity held: 0.14% (2015: 0.14%)	761,207	521,470
Shahzad Textile Mills Limited		
60 (2015: 60) fully paid ordinary shares of Rupees 10 each	1,448	1,410
Thal Limited		
412 (2015: 412) fully paid ordinary shares of Rupees 10 each	117,597	85,445
	1,448,732	1,174,130
Unrealized (loss) / gain on remeasurement of investments (Note 16 and Note 17)	(110,325)	274,602
	1,338,407	1,448,732
	1,472,907	1,583,232

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

	2016 RUPEES	2015 RUPEES
11. LOANS AND ADVANCES		
Considered good:		
Employees - interest free (Note 11.1)	172,965	303,000
Income tax	16,959,083	16,836,553
	17,132,048	17,139,553

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

12. OTHER RECEIVABLES

Sales tax refundable	5,690,882	5,690,882
Dividend receivable	60	-
Profit on deposits with banks receivable	99,509	-
	5,790,451	5,690,882

13. SECURITY DEPOSITS

These include Rupees 120 million (2015: 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 14.3).

14. PROPERTY AND EQUIPMENT

	Freehold land	Buildings on freehold land	Electric installation	Furniture and fittings	Computers	Vehicles	Total
	RUPEES						
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	26,025,419	44,781	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
Year ended 30 June 2016							
Opening net book value	181,886,000	-	-	3,998,869	2,920	1,237,167	187,124,956
Effect of surplus on revaluation as at 30 June 2016	26,130,000	-	-	-	-	-	26,130,000
Disposals:							
Cost	-	-	-	-	-	(750,000)	(750,000)
Accumulated depreciation	-	-	-	-	-	604,223	604,223
	-	-	-	-	-	(145,777)	(145,777)
Depreciation charge	-	-	-	(399,887)	(2,920)	(185,738)	(588,545)
Closing net book value	208,016,000	-	-	3,598,982	-	905,652	212,520,634
At 30 June 2016							
Cost / revalued amount	208,016,000	-	-	19,203,298	6,284,191	2,218,070	235,721,559
Accumulated depreciation	-	-	-	(15,604,316)	(6,284,191)	(1,312,418)	(23,200,925)
Net book value	208,016,000	-	-	3,598,982	-	905,652	212,520,634
Annual rate of depreciation (%)	-	5	10	10	33.33	20	

14.1 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 received Rupees 86.667 million as advance in this regard as shown in Note 6.1. Remaining Rupees 133.333 million will be received from the buyer in two 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.

14.2 If freehold land was measured using the cost model, carrying amount would be Rupees 102,726 (2015: Rupees 102,726) as at the reporting date(s).

14.3 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. However as per the order of Lahore High Court dated 09 October 2013, NOC was given by the bank on deposit of Rupees 120 million with the Deputy Registrar (Judicial) of the Lahore High Court (Note 13).

14.4 Detail of property and equipment disposed of during the year is as follows:

Description	Quantity	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of purchasers
	Nos	RUPEES					
Vehicles							
Honda Civic LRD-210	1	750,000	604,223	145,777	700,000	Negotiation	Mr. Shafqat Ijaz, Sajid Colony, Mohalla Islam Pura, Khushab.

14.5 Property and equipment having cost of Rupees 6.284 million (2015: Rupees 6.249 million) have been fully depreciated and are still in use of the Company.

	2016 RUPEES	2015 RUPEES
15. ADMINISTRATIVE EXPENSES		
Salaries, allowances and other benefits	20,789,663	17,855,493
Rent, rates and taxes	788,561	895,586
Legal and professional	1,820,480	1,575,900
Insurance	176,895	257,316
Travelling and conveyance	550,540	394,845
Vehicles' running	386,015	407,909
Entertainment	111,838	170,765
Auditors' remuneration (Note 15.1)	267,500	215,000
Advertisement	34,000	40,800
Postage and telephone	422,927	491,281
Electricity and water	319,560	583,022
Printing and stationery	154,275	158,835
Repair and maintenance	30,974	44,308
Fee and subscription	24,440	45,000
Depreciation (Note 14)	588,545	709,528
Miscellaneous	199,756	308,552
	26,665,969	24,154,140
15.1 Auditors' remuneration		
Audit fee	200,000	150,000
Half yearly review	50,000	50,000
Reimbursable expenses	17,500	15,000
	267,500	215,000
16. OTHER EXPENSES		
Exchange loss	2,265,192	2,227,439
Loans and advances written off	10,922	12,000
Un-realized loss on re-measurement of investments at fair value through profit or loss (Note 10)	110,325	-
Loss on sale of stores and spare parts	-	891,242
	2,386,439	3,130,681

17. OTHER INCOME

	2016 RUPEES	2015 RUPEES Restated
Income from financial assets		
Profit on deposits with banks	1,033,586	443,928
Dividend income on investments in other than associated companies	29,914	21,709
Profit on sale of right offer	38,362	-
Un-realized gain on re-measurement of investments at fair value through profit or loss (Note 10)	-	274,602
Income from non-financial assets		
Gain on sale of property and equipment (Note 17.1)	554,223	14,851,625
Others	147,365	3,100
	701,588	14,854,725
	1,803,450	15,594,964

17.1 During the financial year ended 30 June 2015, the Company included in the gain on sale of property and equipment, the amount of realized surplus on revaluation and related deferred income tax liability of the assets sold. For compliance of the provisions of IAS 16 ‘Property, Plant and Equipment’, this prior period error has been corrected retrospectively in these financial statements by transferring related surplus and deferred income tax liability of assets sold to statement of changes in equity and taxation respectively. Consequently, as at 30 June 2015, the gain on sale of property and equipment has decreased by Rupees 25,233,876 while its corresponding effect has been made in taxation and statement of changes in equity by Rupees 8,317,179 and Rupees 16,916,697 respectively. Loss per share has increased by Rupee 0.71.

18. FINANCE COST

	2016 RUPEES	2015 RUPEES
Mark-up on borrowings	19,474,798	19,705,597
Bank charges and commission	144,124	113,803
	19,618,922	19,819,400

	2016 RUPEES	2015 RUPEES Restated
19. TAXATION		
Current (Note 19.1)	(3,743)	(2,171)
Prior year adjustment	-	46,312
Deferred	-	8,317,179
	(3,743)	8,361,320

19.1 Provision for current taxation represents tax on other income under the relevant provisions of the Income Tax Ordinance, 2001. The Company has accumulated tax losses of Rupees 541.581 million including unabsorbed depreciation as at 30 June 2016 (2015: Rupees 429.482 million). The related deferred income tax asset amounting to Rupees 167.513 million (2015: Rupees 136.964 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. 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.

20. LOSS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic loss per share which is based on:

	2016	2015 Restated
Loss for the year (Rupees)	(46,871,623)	(23,852,954)
Weighted average number of ordinary shares (Numbers)	23 763 468	23 763 468
Loss per share (Rupees)	(1.97)	(1.00)

		RUPEES	RUPEES Restated
21.	**CASH GENERATED FROM OPERATIONS**		
	Loss before taxation	(46,867,880)	(32,214,274)
	Adjustments for non-cash charges and other items:		
	Depreciation	588,545	709,528
	Gain on sale of property and equipment	(554,223)	(14,851,625)
	Loss on sale of stores and spare parts	-	891,242
	Loans and advances written off	10,922	12,000
	Profit on deposits with banks	(1,033,586)	(443,928)
	Un-realized loss / (gain) on re-measurement of investments at fair value through profit or loss	110,325	(274,602)
	Dividend income	(29,914)	(21,709)
	Exchange loss	2,265,192	2,227,439
	Finance cost	19,618,922	19,819,400
	Working capital changes (Note 21.1)	65,918,702	25,222,505
		40,027,005	1,075,976

21.1	**Working capital changes**		
	Decrease / (increase) in current assets:		
	- Stores and spare parts	-	514,042
	- Stock-in-trade	-	3,612,357
	- Trade debts	-	506,064
	- Loans and advances	119,113	(222,212)
	- Security deposits	500,730	-
	- Prepayments	(7,669)	(15,443)
	- Other receivables	-	1,175,963
		612,174	5,570,771
	Increase in trade and other payables	65,306,528	19,651,734
		65,918,702	25,222,505

22. 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	
	2016	2015	2016	2015	2016	2015
	RUPEES					
Managerial remuneration	4,000,800	4,000,800	1,128,000	1,008,000	580,000	-
Allowances						
House rent	1,999,200	1,999,200	338,400	302,400	174,000	-
Medical	-	-	112,800	100,800	58,000	-
Utilities	-	-	112,800	100,800	58,000	-
Special Compensation Allowance	-	-	1,716,000	-	770,000	-
	6,000,000	6,000,000	3,408,000	1,512,000	1,640,000	-
Number of persons	**1**	**1**	**1**	**1**	**1**	**-**

22.1 Aggregate amount charged in these financial statements for meeting fee to five directors (2015: five directors) was Rupees 60,000 (2015: Rupees 45,00).

22.2 The Company provided re-imbursement of fuel and maintenance cost to the director for his personal vehicle as per Company's policy. Moreover, the Executive is provided free Company maintained vehicle.

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

23. 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:

	2016 RUPEES	2015 RUPEES
Associated companies		
Service charges accrued	97,859	910,829
Insurance claim received	-	400,000
Directors		
Loan received	5,500,000	-
Loan repaid	5,500,000	48,431,925

24. NUMBER OF EMPLOYEES

	2016	2015
	(Number of Persons)	
Number of employees as on 30 June	46	48
Average number of employees during the year	46	52

25. PLANT CAPACITY AND ACTUAL PRODUCTION

The Company has ceased its production activities since May 2011 and disposed of all the plant and machinery.

26. FINANCIAL RISK MANAGEMENT

26.1 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:

	2016	2015
Borrowings - FE-25 - USD	755,064	755,064

Following exchange rate was applied during the year:

Rupees per US Dollar		
Average rate	103.00	101.31
Reporting date rate	104.50	101.50

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 after taxation for the year would have been Rupees 3.945 million (2015: Rupees 3.832 million) higher / lower, mainly as a result of exchange loss / gain 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 Pakistan Stock Exchange Limited (PSX) Index on the Company's loss after taxation and on other comprehensive loss 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	
	2016	2015	2016	2015
	RUPEES			
PSX 100 (5% increase)	66,920	72,437	-	-
PSX 100 (5% decrease)	(66,920)	(72,437)	-	-

(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:

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

	2016 RUPEES	2015 RUPEES
Fixed rate instruments:		
Financial liabilities		
Borrowings	97,893,724	97,893,724
Floating rate instruments:		
Financial assets		
Bank balances - deposit accounts	43,195,283	1,790,734
Financial liabilities		
Borrowings	99,686,550	97,421,358

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 or 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 after taxation for the year would have been Rupees 0.565 million (2015: Rupees 0.956 million) higher / lower, mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts 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:

	2016 RUPEES	2015 RUPEES
Investments	1,472,907	1,583,232
Loans and advances	172,965	303,000
Other receivables	99,569	-
Deposits	120,037,500	120,538,230
Bank balances	43,248,907	1,826,795
	165,031,848	124,251,257

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			2016	2015
	Short Term	Long term	Agency	RUPEES	RUPEES
Banks					
MCB Bank Limited	A1+	AAA	PACRA	43,174,917	30,555
United Bank Limited	A-1+	AAA	JCR-VIS	10,513	6,495
National Bank of Pakistan	A-1+	AAA	JCR-VIS	697	727
Bank Alfalah Limited	A1+	AA	PACRA	1,790	2,370
The Bank of Punjab	A1+	AA-	PACRA	-	47
Faysal Bank Limited	A1+	AA	PACRA	75	145
Dubai Islamic Bank Pakistan Limited	A-1	A+	JCR-VIS	60,915	1,786,456
				43,248,907	1,826,795

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 2016, the Company had not any unavailed borrowing limits from financial institutions and Rupees 43.249 million (2015: Rupees 1.827 million) 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 2016:

	Carrying Amount	Contractual Cash Flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	----------	----------	---------- RUPEES	----------	----------	----------
Non-derivative financial liabilities:						
Borrowings	257,180,226	266,977,826	266,977,826	-	-	-
Trade and other payables	7,509,447	7,509,447	7,509,447	-	-	-
Accrued mark-up	160,896,099	160,896,099	160,896,099	-	-	-
	425,585,772	435,383,372	435,383,372	-	-	-

Contractual maturities of financial liabilities as at 30 June 2015:

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

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.

26.2 Financial instruments by categories

	Loans and receivables	At fair value through profit or loss	Available for sale	Total
	----------	----------RUPEES	----------	----------
As at 30 June 2016				
Assets as per balance sheet				
Investments	-	1,338,407	134,500	1,472,907
Loans and advances	172,965	-	-	172,965
Other receivables	99,569	-	-	99,569
Deposits	120,037,500	-	-	120,037,500
Bank balances	43,248,907	-	-	43,248,907
	163,558,941	1,338,407	134,500	165,031,848

	Financial liabilities at amortized
	RUPEES
Liabilities as per balance sheet	
Borrowings	257,180,226
Trade and other payables	7,509,447
Accrued mark-up	160,896,099
	425,585,772

	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
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

26.3 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 arrangements and similar agreements.

. 26.4 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.

27. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL ASSETS

(i) Fair value hierarchy

The judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels. An explanation of each level follows underneath the table:

Recurring fair value measurements At 30 June 2016	Level 1	Level 2	Level 3	Total
	---------- RUPEES ----------			
Financial assets				
At fair value through profit or loss	1,338,407	-	-	1,338,407
Total financial assets	1,338,407	-	-	1,338,407

Recurring fair value measurements At 30 June 2015	Level 1	Level 2	Level 3	Total
	---------- RUPEES ----------			
Financial assets				
At fair value through profit or loss	1,448,732	-	-	1,448,732
Total financial assets	1,448,732	-	-	1,448,732

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

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

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

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available for sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Valuation technique used to value financial instruments includes the use of quoted market prices.

28. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) fair value hierarchy

The judgements and estimates are made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels:

At 30 June 2016	Level 1	Level 2	Level 3	Total
	----------	RUPEES	----------	
Freehold land	-	208,016,000	-	208,016,000
Total non-financial assets	-	208,016,000	-	208,016,000

At 30 June 2015	Level 1	Level 2	Level 3	Total
	----------	RUPEES	----------	
Freehold land	-	181,886,000	-	181,886,000
Total non-financial assets	-	181,886,000	-	181,886,000

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

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

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuation for its freehold land. At the end of each reporting period, the management updates the assessment of the fair value of freehold land, taking into account the most recent independent valuation. The management determines freehold land's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's freehold land. An independent valuation for the freehold land of the Company was performed by Messrs Anderson Consulting (Private) Limited as at 30 June 2016.

29. INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

29.1

Description	Note	2016 Carried under Non-Shariah arrangements	2016 Carried under Shariah arrangements	2015 Carried under Non-Shariah arrangements	2015 Carried under Shariah arrangements
		------------------------(RUPEES)---------------------			
Assets:					
Loans and advances					
Advances to employees	11	-	172,965	-	303,000
Deposits	13	-	120,037,500	-	120,538,230
Bank balances	9	43,142,658	106,249	9,523	1,817,272
Liabilities:					
Loan and advances					
Advance against sale of land	6	-	86,667,000	-	20,000,000
Borrowings	7	163,769,876	93,410,350	161,504,684	93,410,350
Income					
Profit on deposits with banks	17	24,270	1,009,316	337,411	106,517
Un-realized (loss) / gain on re-measurement of investments at fair value through profit or loss	17	(63,990)	(46,335)	271,889	2,713

	Note	2016	2015
		--------------RUPEES------------	
29.2 Dividend income earned from	17		
Crescent Fibres Limited		26,249	17,499
Shahzad Textile Mills Limited		60	90
Thal Limited		3,605	4,120
		29,914	21,709
29.3 Sources of other income	17		
Dividend income		29,914	21,709
Profit on deposits with banks		1,033,586	443,928
Profit on sale of right offer		38,362	-
Un-realized (loss) / gain on re-measurement of investments at fair value through profit or loss		-	274,602
Gain on sale of property and equipment		554,223	14,851,625
Others			
Scrap sales		-	3,100
Excess amount of security deposits received		147,365	-
		1,803,450	15,594,964
29.4 Exchange loss			
From actual currency		2,265,192	2,227,439

29.5 Relationship with banks

Name	Relationship	
	Non Islamic window operations	With Islamic window operations
MCB Bank Limited	✔	
United Bank Limited	✔	
National Bank of Pakistan	✔	
Bank Alfalah Limited		✔
The Bank of Punjab	✔	
Faysal Bank Limited	✔	
Dubai Islamic Bank Pakistan Limited		✔

30. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 28, 2016 by the Board of Directors of the Company.

31. CORRESPONDING FIGURES

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

32. GENERAL

Figures have been rounded off to 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 Monday the October 31, 2016 at 11:00 a.m. at 503 - E, Johar Town, Lahore and at any adjournment thereof.

As witness my hand this _________________________________ day of _____________ 2016.

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