

CRESCENT GROUP



**ANNUAL REPORT**  
**2020**



**CRESCENT JUTE PRODUCTS LIMITED**

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Khurram Mazhar Karim	Chairman - Non-Executive Director
Mr. Humayun Mazhar	Chief Executive Officer - Executive Director
(In alphabetic order)	
Miss Rijah Khurram Mazhar	Non-Executive Director
Mr. Shehryar Mazhar	Non-Executive Director
Mr. Shahjahan Mazhar Karim	Non-Executive Director
Mr. Shameel Mazhar	Non-Executive Director
Syed Raza Abbas Jaffery	Non Executive Director

### AUDIT COMMITTEE

Syed Raza Abbas Jaffery	Chairman
Mr. Shehryar Mazhar	Member
Mr. Shahjahan Mazhar Karim	Member

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Shehryar Mazhar	Chairman
Syed Raza Abbas Jaffery	Member
Miss Rijah Khurram Mazhar	Member

### COMPANY SECRETARY / CFO

Mr. Saif Ullah

### HEAD OF INTERNAL AUDIT

Mr. Tahir Hussain

### AUDITORS

M/s Riaz Ahmad & Company

Chartered Accountants Faisalabad

Name of Engagement Partner: Mr. Liaquat Ali Panwar

### LEGAL ADVISOR

Mr. Shahid Mahmood Baig

Advocate High Court

### BANKERS

The Bank of Punjab

B.R.R. Guardian Modaraba

MCB Bank Limited

Dubai Islamic Bank

Haibib Metropolitan Bank Limited

### REGISTERED OFFICE

1st Floor, 65-XX, Khayaban-e-Iqbal Road,

Phase - III, DHA, Lahore - 54792, Pakistan.

Tel: + 92-42-37186438-9

### SHARE REGISTRAR

**Corptec Associates (Pvt.) Ltd.**

503-E, Johar Town, Lahore

Tel : +92-42-35170336-7

## 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 Wednesday, October 28, 2020 at 11.00 AM. at 503-E, Johar Town, Lahore to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' and Auditors' reports and Audited Accounts for the year ended June 30, 2020.
2. To appoint auditors and fix their remuneration.
3. Updating on approval obtained for sale of company's entire assets.

### REGISTERED OFFICE:

**1st Floor, 65-XX, Khayaban-e-Iqbal Road,**  
Phase-III, DHA, Lahore,  
Telephone No. (042) 37186438-39,  
Dated: September 25, 2020.

### BY ORDER OF THE BOARD



**Company Secretary**

### Notes:

1. The Members' Register will remain closed from October 22, 2020 to October 28, 2020 (both days inclusive). Transfer received at the Registered Office of the Company by the close of business on October 21, 2020.
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 NIC numbers shall be mentioned on the form.
- iii) Attested copies of NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his original NIC 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.

**Updating of status of sale of Assets:**

The Shareholders had given approval in their meeting held on October 31, 2011 for disposal of entire assets of the company. The company had sold all the assets and the payment against disposal of assets have been received.

## CHAIRMAN'S REVIEW REPORT

It gives me pleasure to present you the Annual Report of CRESCENT JUTE PRODUCTS LIMITED (the Company) for the year ended on 30 June 2020 pertaining to the overall performance of the Board and the effectiveness of its role in attaining the Company's aims and objectives. Our Board remained extensively on the plan to proceed ahead with the closure plan, as approved by the Board of Directors and its shareholders.

### MEETINGS OF THE BOARD

Four meetings of the Board of Directors were held during the year to approve annual / quarterly / half yearly accounts and to discuss the salient matters.

### CONSTITUTION OF BOARD OF DIRECTORS

Board of directors composed of 7 directors, comprising 6 male and 1 female.

### INVESTOR AWARENESS

Efforts are being made to settle of our legal cases as early as possible.

### ACKNOWLEDGMENT

In the end I would like to express gratitude to the Board as well as the management of the Company for their dedication and efforts to carry out the agreed plan as approved by the shareholders.

Chairman of the Board



KHURRAM MAZHAR KARIM

Dated:- September 25, 2020

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Accounts for the year ended June 30, 2020 show a loss of Rupees 19.77 million, as compared to loss of Rupees 13.11 million in the corresponding periods while the loss per share was Rupee 0.83 as compared to last year's loss per share of Rupees 0.55. This loss is primary attributed to the exchange loss due to depreciation in Rupees against the US dollars and its impact on our liabilities with the financial institution, borrowing cost, professional fee paid to lawyers on account of our ongoing cases with financial institutions and cost of minimum staff required for managing the corporate and financial affairs of the company.

The management is in the process of implementing the closure plan approved by the BOD and shareholders. There were two parts of this plan i.e. Disposal of Assets and Future Business plan. As far as the disposal of assets is concerned, all the payments against disposal of assets have been received.

With regards to the Future Business Plan, it was contingent upon settlement of liabilities with financial institutions and any surplus realized thereof. In this regard the progress has been very slow as we are still under litigation with the concerned financial institutions. This inordinate delay in settlement of liabilities has not only resulted in non-implementation of the business plan but has also resulted in additional operational costs without any business activity. Although, our legal advisors are fairly optimistic on favorable outcomes in all pending cases, the timelines for the same are very difficult to predict. In view of the same, the implementation of any future business plan will be explored on realization of any surplus of funds, after full and final settlement all outstanding liabilities with the financial institutions.

In the meanwhile, we remain focused on cost controls, early settlements of legal cases 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 account 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 Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom 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 except for the instances mentioned in the review report issued by our auditors.

### **KEY OPERATING AND FINANCIAL DATA**

Key operating and financial data of the Company for the last six years in summarized form 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 operation has been stopped 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 of property, plant and equipment of the Company to pay off liabilities, which had been ultimately sold.

## CHANGES IN THE BOARD OF DIRECTORS

From 28 February 2020, Mr. Shehryar Mazhar, Mr. Shameel Mazhar and Mr. Shahjahan Mazhar Karim co-opted directors in place of Mrs. Abida Mazhar, Mrs. Mehreen Humayun Mazhar and Mrs. Ayesha Khurram Mazhar. Moreover Mr. Khurram Mazhar Karim was appointed as Chairman of the Board in place of Mrs. Abida Mazhar. While Mr. Shehryar Mazhar and Mr. Shahjahan Mazhar Karim were appointed as members of Audit Committee in place of Mr. Khurram Mazhar Karim and Mrs. Mehreen Humayun Mazhar.

## THE BOARD OF DIRECTORS

The diverse mix of gender, knowledge, expertise and skill sets of the members enhances the effectiveness of our Board. Our Board composition represents the interests of all categories of shareholders. The Company has fixed seven Directors on its Board. The total number of directors include the following:

Male:	06
Female:	01

Composition is given hereunder:

Non-executive directors:	05
Female non-executive director:	01
Executive Director:	01

There is no independent director on the BOD of the Company. However the Company is intended to resolve this matter in due course. Names of directors along with the categorization is given hereunder:

S.No.	Name of Director	
1.	Mr. Khurram Mazhar Karim	Non-Executive Director-Chairman
2.	Mr. Humayun Mazhar	Chief Executive Officer-Executive Director
3.	Mr. Shehryar Mazhar	Non-Executive Director
4.	Mr. Shameel Mazhar	Non-Executive Director
5.	Syed Raza Abbas Jaffery	Non-Executive Director
6.	Mr. Shahjahan Mazhar Karim	Non-Executive Director
7.	Miss Rijah Khurram Mazhar	Non-Executive Director

The term of office of present Board will be expired on March 25, 2023.

The composition of Audit Committee is as follows:

1.	Syed Raza Abbas Jaffery
2.	Mr. Shehryar Mazhar
3.	Mr. Shahjahan Mazhar Karim



The composition of Human Resource & Remuneration Committee is as follows:

1. Mr. Shehryar Mazhar
2. Syed Raza Abbas Jaffery
3. Miss Rijah Khurram Mazhar

#### **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:

	<b>Name of Director in alphabetic order</b>	<b>Meetings held in their tenure</b>	<b>No. of Meetings attended</b>
1.	Mrs. Abida Mazhar	2	2
2.	Mrs. Ayesha Khurram Mazhar	2	2
3.	Mr. Humayun Mazhar	4	4
4.	Mr. Khurram Mazhar Karim	4	4
5.	Mrs. Mehreen Humayun Mazhar	2	2
6.	Syed Raza Abbas Jaffery	4	4
7.	Mr. Saif Ullah	3	3
8.	Mr. Shehryar Mazhar	2	2
9.	Mr. Shameel Mazhar	2	2
10.	Mr. Shahjahan Mazhar Karim	2	2
11.	Miss Rijah Khurram Mazhar	1	1

The Board granted Leave to Directors who could not attend some of the Board Meetings. Moreover meeting fee is provided to each member for attending each meeting of BOD / Audit Committee. Detail is given in Note 22 to the financial statements.

#### **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.

**RESPONSE TO THE QUALIFICATION IN THE AUDITOR'S REPORT**

Regarding the qualification raised by the auditors related to non-confirmation of amount deposited by us with the Deputy Registrar (Judicial) of Lahore High Court, Lahore, we believe that the amount is kept in deposit with a Bank Alfalah Limited, Shadman Branch Lahore by Court. Moreover, our lawyer has moved an application in Lahore High Court, Lahore regarding this subject which is in process.

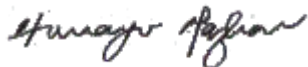
**AUDITORS**

The auditors M/S Riaz Ahmad & Company Chartered Accountants retire and being eligible offers for re-appointment. As required by Code of Corporate Governance, the Audit Committee has recommended appointment of M/S Riaz Ahmad & Company, Chartered Accountants as auditors of the Company for next financial 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 25, 2020

**KEY OPERATING AND FINANCIAL DATA OF SIX YEARS**  
**Year ending 30th June**

2020	2019	2018	2017	2016	2015
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**PRODUCTION CAPACITY BASED ON SHIFT WORKING IN METRIC TONS**

Jute Unit	Operation closed	Operation closed	Operation closed	Operation closed	Operation closed	Operation closed
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**ACTUAL PRODUCTION IN METRIC TONS**

Jute Unit	Operation closed	Operation closed	Operation closed	Operation closed	Operation closed	Operation closed
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**OPERATING RESULTS - RUPEES IN 000**

Net Sales	-	-	-	-	-	3,865
Cost of Sales	-	-	-	-	-	4,516
Operating Expenses	17,433	48,712	35,906	50,615	29,052	27,339
Other Income	(209)	(38,144)	(217)	(4,473)	(1,803)	(15,595)
Financial Charges	2,544	2,541	15,755	17,604	19,619	19,819
Taxation	-	1	9	3	3	(8,361)
<b>Net Income / (Loss)</b>	<b>(19,768)</b>	<b>(13,110)</b>	<b>(51,453)</b>	<b>(63,749)</b>	<b>(46,871)</b>	<b>(23,853)</b>
<b>Earning per share - Rupees</b>	<b>(0.83)</b>	<b>(0.55)</b>	<b>(2.17)</b>	<b>(2.68)</b>	<b>(1.97)</b>	<b>(1.00)</b>
<b>Break up value of share</b>	<b>(12.05)</b>	<b>(11.22)</b>	<b>(10.67)</b>	<b>(8.50)</b>	<b>(5.82)</b>	<b>(3.34)</b>

**FINANCIAL POSITION - RUPEES IN 000**

Shareholders Equity	(286,468)	(266,565)	(253,455)	(202,002)	(138,253)	(79,386)
Trade and other payables	10,369	11,452	161,010	160,515	93,932	28,625
Unclaimed dividend	337	337	337	337	337	337
Accrued mark-up	138,546	171,318	168,786	153,297	160,896	141,421
Borrowings	262,983	276,697	233,092	211,407	257,180	254,915
Provision for taxation	1	1	9	3	3	2
	<b>125,768</b>	<b>193,240</b>	<b>309,779</b>	<b>323,557</b>	<b>374,095</b>	<b>345,915</b>
Cash and bank balances	113	314	385	12,344	43,249	1,827
Short Term Investments	2,670	2,597	3,461	4,236	1,473	1,583
Other receivables	-	66,673	9	80	5,790	5,691
Prepayments	15	19	7	10	23	15
Loans and advances	70	270	419	956	17,132	17,140
Non current Assets held for sale	-	-	181,886	181,886	181,886	-
Long Term Security deposits	120,038	120,038	120,038	120,038	120,037	120,538
Property, plant and equipment	2,862	3,194	3,574	4,007	4,505	199,121
Long term investment	-	135				
	<b>125,768</b>	<b>193,240</b>	<b>309,779</b>	<b>323,557</b>	<b>374,095</b>	<b>345,915</b>

**The Companies ACT, 2017**  
**The Companies (General Provisions and Forms) Regulations,**  
**2018[Section 227(2)(f)]**

**Pattern of Shareholding**

**Form - 34**

1.1 Name of The Company

<b>PART -I</b>
<b>Crescent Jute Products Limited</b>
<b>PART -II</b>

2.1 Pattern of Holding of the Shares held by the Shareholders as at :June 30, 2020

2.2 No. of Shareholders	Shareholding		Total Shares held
	From	To	
674	1	100	20,989
566	101	500	162,853
256	501	1,000	205,830
359	1,001	5,000	1,013,427
126	5,001	10,000	985,622
50	10,001	15,000	632,376
28	15,001	20,000	512,049
23	20,001	25,000	544,625
16	25,001	30,000	447,402
12	30,001	35,000	379,038
9	35,001	40,000	338,431
7	40,001	45,000	298,448
5	45,001	50,000	242,474
3	50,001	55,000	155,162
1	55,001	60,000	57,500
1	65,001	70,000	67,823
4	70,001	75,000	285,841
1	75,001	80,000	80,000
1	80,001	85,000	84,322
1	90,001	95,000	93,000
2	95,001	100,000	200,000
1	110,001	115,000	113,000
1	135,001	140,000	136,113
1	140,001	145,000	142,500

No. of Shareholders	Shareholding		Total Shares held
	From	To	
1	150,001	155,000	152,070
1	155,001	160,000	157,314
1	190,001	195,000	192,475
2	200,001	205,000	405,087
1	325,001	330,000	330,000
1	370,001	375,000	373,925
1	430,001	435,000	430,923
1	450,001	455,000	450,459
1	620,001	625,000	622,489
1	1,385,001	1,390,000	1,386,218
1	1,615,001	1,620,000	1,616,683
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
<b>2,163</b>			<b>23,763,468</b>

## Crescent Jute Products Limited

As On: June 30, 2020

2.3 Categories of Shareholder	Folios	Physical	CDC	Share held	Percentage
2.3.1 - Directors, CEO, Their Spouse and Minor Childern	5	7,758,472	-	7,758,472	32.65
2.3.2 - Associated Companies, Undertakings & Related Parties	5	88,750	2,750,963	2,839,713	11.95
2.3.3 - NIT & ICP	2	400	1,386,218	1,386,618	5.84
2.3.4 - Banks, DFIs, NBFCS	19	970,789	836	971,625	4.09
2.3.5 - Insurance Companies	7	239,163	157,314	396,477	1.67
2.3.6 - Modarabas and Mutual Funds	5	46,453	500	46,953	0.20
2.3.8 - A. General Public (Local)	2,093	2,635,086	5,457,871	8,092,957	34.06
2.3.9 - A. Other Companies (Local)	27	145,709	2,124,944	2,270,653	9.56
	<b>2,163</b>	<b>11,884,822</b>	<b>11,878,646</b>	<b>23,763,468</b>	<b>100.00</b>

Shareholders More Than 5.00%			
Mr. Khurram Mazhar Karim	1	3,860,500	16.25
Mr. Humayun Mazhar	1	3,848,013	16.19
THE CRESCENT TEXTILE MILLS LTD	1	2,738,487	11.52
JUBILEE SPINNING & WEAVING MILLS LIMITED	2	1,709,683	7.19
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,386,218	5.83

## Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: Crescent Jute Products Limited  
 Year ended: 30 June 2020

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are seven (7) as per the following:
  - a. Male: 6
  - b. Female: 1
2. The composition of the Board is as follows:

Category	Names
Independent Director	-
Non-Executive Directors	Mr. Khurram Mazhar Karim (Chairman) Mr. Shahjahan Mazhar Karim Mr. Shameel Mazhar Mr. Shehryar Mazhar Syed Raza Abbas Jaffery
Executive Director	Mr. Humayun Mazhar (Chief Executive Officer)
Female Director	Miss. Rijah Khurram Mazhar

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this company;
4. 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;
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;

9. The Board will arrange Directors' Training program for its newly appointed directors in the next financial year. Moreover, following Directors meet the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempt from Directors' training program:

<b>Names of Directors</b>
Mr. Humayun Mazhar Mr. Khurram Mazhar Karim

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

**a) Audit Committee**

<b>Names</b>	<b>Designation held</b>
Syed Raza Abbas Jaffery	Chairman
Mr. Shehryar Mazhar	Member
Mr. Shahjahan Mazhar Karim	Member

**b) HR and Remuneration Committee**

<b>Names</b>	<b>Designation held</b>
Mr. Shehryar Mazhar	Chairman
Syed Raza Abbas Jaffery	Member
Miss Rijah Khurram Mazhar	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly / half yearly / yearly) of the committee were as per following:

**a) Audit Committee**

Five meetings of Audit Committee were held during the financial year ended 30 June 2020.

**b) HR and Remuneration Committee**

One meeting of HR and Remuneration Committee was held during the financial year ended 30 June 2020.

15. The board has set up an internal audit function by appointing Head of Internal Audit who is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 7, 8, 32, 33 and 36 of the Regulations have been complied with, except for the requirements of regulation 6 and 27, against which compliance will be made in due course;
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirements	Explanation of Non-Compliance	Regulation Number
1.	<p><b>Responsibilities of BOD and its members</b></p> <p>The board of directors is responsible for the governance of risk and for determining the company's level of risk tolerance by establishing risk management policies. The board shall undertake at least annually, an overall review of business risks to ensure that the management maintains a sound system of risk identification, risk management and related systemic and internal controls to safeguard assets, resources, reputation and interest of the Company and shareholders.</p>	<p>Operations of the Company have been closed since 2011, and all the assets of the Company have been sold. Risk management policies will be established after implementation of new Business plan upon settlement of liabilities with financial institutions.</p>	10 (2)
2.	<p><b>Company Secretary</b></p> <p>Company Secretary and Chief Financial Officer are the same person.</p>	<p>Operations of the Company have been closed since 2011, and all the assets of the Company have been sold. Due to cost reduction Company Secretary and Chief Financial Officer are the same.</p>	24



Sr. No.	Requirements	Explanation of Non-Compliance	Regulation Number
3.	<p><b>Human Resource and Remuneration Committee</b></p> <p>(1) There shall be a human resource and remuneration committee of at least three members comprising a majority of non-executive directors of whom at least one member shall be an independent director.</p> <p>(2) The chairman of the committee shall be an independent director and the chief executive officer may be included as a member of the committee.</p>	<p>In election of Directors held on March 23, 2020 no independent directors has consented for election of directors due to non-operations of the Company. However, currently, the Board has appointed three competent non-executive directors on this committee, one of them has vast experience of the Board of the Company. The directors believe that existing composition of the committee is in the best interest of all.</p>	28 (2)
4.	<p><b>Nomination Committee</b></p> <p>The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.</p>	<p>Due to closed operations of the Company and limited staff board has not constituted nomination Committee separately.</p>	29
5.	<p><b>Risk Management Committee</b></p> <p>The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.</p>	<p>Due to closed operations of the Company and limited staff board has not constituted Risk Management Committee.</p>	30
6.	<p><b>Disclosure of significant policies on website</b></p> <p>The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.</p>	<p>We have uploaded code of conduct, alongwith TOR of Audit Committee and Human Resource and Remuneration Committee on our website. However, as company is not carrying on any business</p>	35

Sr. No.	Requirements	Explanation of Non-Compliance	Regulation Number
		and working with minimum employees therefore, other policies like risk management policies, whistle blowing policies, communication and disclosure policies and corporate social responsibility / sustainability / environmental, social and governance related policies etc. are not uploaded on website.	

**Khurram Mazhar Karim**

Chairman

Date: September 25, 2020

Lahore.

**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**To the members of Crescent Jute Products Limited**  
**Review Report on the Statement of Compliance contained**  
**in Listed Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Crescent Jute Products Limited (the Company) for the year ended 30 June 2020 in accordance with the requirements of regulation 36 of the Regulations.

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

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 Regulations require 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. 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.

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 requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2020.

Further, we highlight below instances of non-compliance with the mandatory requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Sr. No.	Paragraph Reference	Description
(i)	18	There is no independent director on the Board of Directors of the Company. We have been explained that the Board is deliberating on the matter.
(ii)	18	Composition of the audit committee is not as per the requirements of the regulation 27(1) of the Regulations as the audit committee does not include an independent director, hence chairman of the audit committee is not an independent director. We have been explained that the Board is deliberating on the matter.



**RIAZ AHMAD & COMPANY**  
 Chartered Accountants

**Faisalabad:** September 25, 2020

## **INDEPENDENT AUDITOR'S REPORT**

### **To the members of Crescent Jute Products Limited**

### **Report on the Audit of the Financial Statements**

#### **Qualified Opinion**

We have audited the annexed financial statements of Crescent Jute Products Limited (the Company), which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

Except for the effects of the matter described in the Basis for Qualified Opinion section of our report, in our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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 2020 and of the loss, other comprehensive loss, the changes in equity and its cash flows for the year then ended.

#### **Basis for Qualified Opinion**

Security deposits as at 30 June 2020 include Rupees 120 million (2019: Rupees 120 million) deposited with Deputy Registrar (Judicial) of the Lahore High Court, Lahore as per its order dated 09 October 2013 regarding the issuance of No Objection Certificate by The Bank of Punjab (Note 11.1). We have not received confirmation of this deposit. In the absence of the confirmation, adjustments, if any, cannot be quantified and incorporated in these financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Emphasis of Matter**

We draw attention to the following matters:

- a) Note 1.1 to the financial statements, which states that the Company is no longer a going concern, therefore, these financial statements have been prepared on the basis of estimated realizable / settlement values of assets and liabilities respectively.

- b) Based on advice of the legal counsel, the Company has not recognized excess amounts of principal and mark-up confirmed by the bank against borrowings as given in Note 6.1. Moreover, the Company has not charged further mark-up on the borrowings given in Note 6.1 and Note 6.2 as per the advice of legal counsel.

Our opinion is not modified in respect of these matters.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key audit matters	How the matter was addressed in our audit
1.	<p><b>Non-going concern basis of accounting</b></p> <p>The Company is no longer a going concern, therefore, these financial statements have been prepared on the basis of estimated realizable / settlement values of assets and liabilities respectively. Estimated realizable / settlement values are based on the management's best estimate also taking into account the advice of the legal counsel and asset sale agreement between the Company and third party. Estimation involves judgements based on the latest available, reliable information, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In future, these estimates may need revision if changes occur in the circumstances on which the estimates are based or as a result of new information. Hence, the ultimate values at which assets will be realized and liabilities will be settled may be different from those carried in these financial statements. Therefore, we identified preparation of financial statements using the non-going concern basis of accounting as a key audit matter specially with reference to the estimates and judgments associated with the determination of estimated realizable / settlement values of assets and liabilities respectively.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• We checked compliance with "Guideline on the Basis of Preparation of Financial Statements for Companies that are Not Considered Going Concern" issued by The Institute of Chartered Accountants of Pakistan.</li> <li>• We tested how management made the estimate of realizable / settlement values of assets and liabilities respectively and the data on which it is based.</li> <li>• We tested the operating effectiveness of the controls over how the management made the estimate, together with appropriate substantive procedures.</li> <li>• We considered events occurring up to the date of our report to obtain audit evidence regarding the estimate.</li> <li>• We confirmed that any upsides in the carrying amounts of assets have been properly calculated and disclosed in the financial statements and not recognized in the statement of profit or loss.</li> </ul>

Sr. No.	Key audit matters	How the matter was addressed in our audit
	For further information, refer to summary of significant accounting policies, note 2.1(b) and 2.1(c) to the financial statements.	

### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate evidence about the security deposit with Deputy Registrar (Judicial) of the Lahore High Court, Lahore as at 30 June 2020. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure

about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

Except for the effects of the matter described in the Basis for Qualified Opinion section of our report, based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Liaqat Ali Panwar.

  
RIAZ AHMAD & COMPANY  
Chartered Accountants

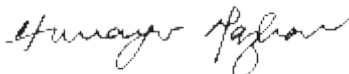
**Faisalabad** : September 25, 2020



## STATEMENT OF FINANCIAL POSITION

	NOTE	2020 RUPEES	2019 RUPEES
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
30 000 000 (2019: 30 000 000) ordinary shares of Rupees 10 each		300,000,000	300,000,000
<b>Issued, subscribed and paid up share capital</b>	3	237,634,680	237,634,680
<b>Capital reserves</b>	4	35,633,084	35,767,584
<b>Accumulated loss</b>		(559,735,372)	(539,967,570)
<b>Total equity</b>		(286,467,608)	(266,565,306)
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accrued liabilities and other payables	5	10,368,703	11,452,198
Accrued mark-up		138,546,132	171,317,856
Borrowings	6	262,983,088	276,697,044
Unclaimed dividend		337,312	337,312
Provision for taxation		446	689
<b>TOTAL LIABILITIES</b>		412,235,681	459,805,099
<b>CONTINGENCIES AND COMMITMENTS</b>	7	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		125,768,073	193,239,793

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




**Humayun Mazhar**  
Chief Executive Officer

**AS AT 30 JUNE, 2020**

	NOTE	2020 RUPEES	2019 RUPEES
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Operating fixed assets	8	2,861,734	3,194,381
Long term investments	9	-	134,500
		<u>2,861,734</u>	<u>3,328,881</u>
<b>CURRENT ASSETS</b>			
Loans and advances	10	69,988	270,002
Security deposits	11	120,037,500	120,037,500
Prepayments		14,700	18,750
Other receivables	12	405	66,672,747
Short term investments	13	2,670,531	2,597,519
Bank balances	14	113,215	314,394
		<u>122,906,339</u>	<u>189,910,912</u>
<b>TOTAL ASSETS</b>		<u><u>125,768,073</u></u>	<u><u>193,239,793</u></u>



**Khurram Mazhar Karim**  
Director



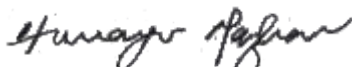
**Saif Ullah**  
Chief Financial Officer

## STATEMENT OF PROFIT OR LOSS


FOR THE YEAR ENDED JUNE 30, 2020

	NOTE	2020 RUPEES	2019 RUPEES
INCOME	15	209,164	38,143,804
ADMINISTRATIVE EXPENSES	16	(10,822,659)	(18,677,313)
OTHER EXPENSES	17	(6,610,208)	(30,034,730)
FINANCE COST	18	(2,543,653)	(2,541,124)
LOSS BEFORE TAXATION		<u>(19,767,356)</u>	<u>(13,109,363)</u>
TAXATION	19	(446)	(689)
LOSS AFTER TAXATION		<u><u>(19,767,802)</u></u>	<u><u>(13,110,052)</u></u>
LOSS PER SHARE - BASIC AND DILUTED	20	<u><u>(0.83)</u></u>	<u><u>(0.55)</u></u>

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

  
 Humayun Mazhar  
 Chief Executive Officer

  
 Khurram Mazhar Karim  
 Director

  
 Saif Ullah  
 Chief Financial Officer


## STATEMENT OF COMPREHENSIVE INCOME


FOR THE YEAR ENDED JUNE 30, 2020

	2020 RUPEES	2019 RUPEES
LOSS AFTER TAXATION	(19,767,802)	(13,110,052)
OTHER COMPREHENSIVE LOSS		
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Deficit arising on remeasurement of investment at fair value through other comprehensive income	(134,500)	-
<b>Items that may be reclassified subsequently to profit or loss</b>	-	-
Other comprehensive loss for the year	(134,500)	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<b>(19,902,302)</b>	<b>(13,110,052)</b>

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

  
 Humayun Mazhar  
 Chief Executive Officer

  
 Khurram Mazhar Karim  
 Director

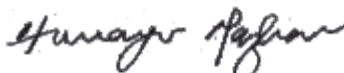
  
 Saif Ullah  
 Chief Financial Officer

## STATEMENT OF CHANGES IN EQUITY

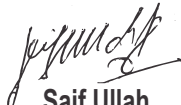
FOR THE YEAR ENDED JUNE 30, 2020

	CAPITAL RESERVES				Accumulated loss	TOTAL EQUITY
	SHARE CAPITAL	Share premium	Fair value reserve on FVTOCI investments	Surplus on revaluation of freehold land		
----- (RUPEES) -----						
<b>Balance as at 30 June 2018</b>	237,634,680	35,767,584	-	181,783,274	217,550,858	(708,640,792) (253,455,254)
Transfer from surplus on revaluation of freehold land	-	-	-	(181,783,274)	(181,783,274)	181,783,274 -
Loss for the year	-	-	-	-	-	(13,110,052) (13,110,052)
Other comprehensive income for the year	-	-	-	-	-	- -
Total comprehensive loss for the year	-	-	-	-	-	(13,110,052) (13,110,052)
<b>Balance as at 30 June 2019</b>	237,634,680	35,767,584	-	-	35,767,584	(539,967,570) (266,565,306)
Loss for the year	-	-	-	-	-	(19,767,802) (19,767,802)
Other comprehensive loss for the year	-	-	(134,500)	-	(134,500)	- (134,500)
Total comprehensive loss for the year	-	-	(134,500)	-	(134,500)	(19,767,802) (19,902,302)
<b>Balance as at 30 June 2020</b>	237,634,680	35,767,584	(134,500)	-	35,633,084	(559,735,372) (286,467,608)

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

  
 Humayun Mazhar  
 Chief Executive Officer

  
 Khurram Mazhar Karim  
 Director

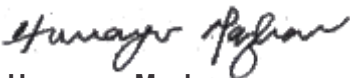
  
 Saif Ullah  
 Chief Financial Officer

## STATEMENT OF CASH FLOWS


FOR THE YEAR ENDED JUNE 30, 2020

	NOTE	2020 RUPEES	2019 RUPEES
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operations	21	(11,534,005)	(167,835,910)
Finance cost paid		(35,315,377)	(9,459)
Income tax paid		(22,339)	(11,184)
<b>Net cash used in operating activities</b>		<b>(46,871,721)</b>	<b>(167,856,553)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of non-current asset held for sale		66,666,000	153,334,000
Profit on deposits with banks received		136,542	30,139
<b>Net cash from investing activities</b>		<b>66,802,542</b>	<b>153,364,139</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Borrowings - net		(20,132,000)	14,422,000
<b>Net cash (used in) / from financing activities</b>		<b>(20,132,000)</b>	<b>14,422,000</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(201,179)</b>	<b>(70,414)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>314,394</b>	<b>384,808</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 14)</b>		<b>113,215</b>	<b>314,394</b>

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

  
 Humayun Mazhar  
 Chief Executive Officer

  
 Khurram Mazhar Karim  
 Director

  
 Saif Ullah  
 Chief Financial Officer

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

### 1. THE COMPANY AND ITS OPERATIONS

Crescent Jute Products Limited (the Company) is a public limited company incorporated in Pakistan on 19 September 1964 under the Companies Act, 1913 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited (PSX). Its registered office is situated at 1st Floor, 65-XX, Khayaban-e-Iqbal Road, Phase-III, DHA, Lahore while a liaison office is situated at 8th floor, Main Habib Bank Limited Building, Faisalabad. The Company was engaged in manufacturing and sale of jute products including jute bags.

Executive Director, Corporate Supervision Department, Company Law Division, Securities and Exchange Commission of Pakistan (SECP) has issued Order under section 309 read with Section 305 of the repealed Companies Ordinance, 1984 and in exercise of the powers conferred on him under Section 309 of the repealed Companies Ordinance, 1984 have authorized the Registrar, Company Registration Office, SECP, Lahore to present a petition before Lahore High Court, Lahore for winding up of the Company on the ground that the Company's business has been suspended since 02 May 2011. The Company's appeal before the Appellate Bench, SECP against the aforesaid Order was unsuccessful and afterwards the Company appealed against the aforesaid Order in Lahore High Court, Lahore. That appeal was later withdrawn on 29 March 2018 by the Company and a writ petition has been filed by the Company against the above mentioned Order which is pending in Lahore High Court, Lahore. Moreover, as per Notice no. PSX/N-664 dated 03 June 2020 issued by PSX, the Company's shares were suspended for trading for another period of sixty days effective from 05 June 2020 due to the issuance of the Order by SECP as mentioned above. The first notice by PSX in this regard was issued on 18 December 2017.

#### 1.1 Non-going concern basis of accounting

Shortage of working capital and reduction in demand of finished goods resulted in the closure of Company's operations since 02 May 2011. The Company in its Annual General Meeting on 31 October 2011 decided to dispose of the property, plant and equipment of the Company. Whole of the property, plant and equipment has been disposed of uptill 30 June 2019. During the year ended 30 June 2020, the Company has loss after taxation of Rupees 19.768 million. The Company has suffered accumulated loss of Rupees 559.735 million as on 30 June 2020 which has turned equity into negative balance of Rupees 286.468 million.

In view of the aforesaid reasons, the Company is not considered a going concern. These financial statements have been prepared using the non-going concern basis of accounting on the basis of estimated realizable / settlement values of the assets and liabilities respectively.

#### 1.2 Impact of COVID-19 on these financial statements

The pandemic of COVID-19 which rapidly spread all over the world has not only endangered human lives but has also adversely impacted the global economy. From 24 March 2020, Government of Punjab announced a temporary lockdown as a measure to reduce the spread of COVID-19. However, as the Company is not a going concern and already using non-going concern basis of accounting on the basis of estimated realizable / settlement values of assets and liabilities respectively as mentioned in Note 1.1, therefore there is no significant accounting impact of the effects of COVID-19 on these financial statements.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 2.1 Basis of preparation

#### a) Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### b) Accounting convention

These financial statements have been prepared using the non-going concern basis of accounting on the basis of estimated realizable / settlement values of the assets and liabilities respectively. In realizable / settlement value basis, assets are carried at amount of cash and cash equivalents that could currently be obtained by selling the assets in an orderly disposal. Liabilities are carried at their settlement values, that is the undiscounted amounts of cash or cash equivalents expected to be paid to satisfy the liabilities in the normal course of business.

#### 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) Provisions
- iv) Taxation



The Company started preparing its financial statements using the non-going concern basis of accounting on the basis of estimated realizable / settlement values of the assets and liabilities respectively from the year ended 30 June 2012 and recorded adjustments to account for differences between the Company's recognized assets and the measurement of its assets and liabilities (including measurement changes resulting from changes in assumptions). Subsequently, at each reporting date the Company re-measures its assets and liabilities to reflect changes in value since the previous date. Hence, during the financial year ended 30 June 2020, the Company has recognized provision for doubtful loans and advances of Rupees 192,164 (Note 10) in these financial statements.

Analysis of upside not recognized in the profit or loss on assets during the period:

Expected profit on disposal of operating fixed assets (Note 8) of the Company shall be Rupees 0.250 million. Hence, there is an upside of Rupees 0.250 million not recognized in the profit or loss on operating fixed assets.

The Company have no items that it plans to sell that the Company have not previously recognized in these financial statements.

**d) Interpretation and amendments to published approved accounting standards that are effective in current year and are relevant to the Company**

Following interpretation and amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2019:

- Amendments to IFRS 09 'Financial Instruments'
- IFRIC 23 'Uncertainty over Income Tax Treatments'
- Annual Improvements to IFRSs: 2015 – 2017 Cycle

The above mentioned interpretations and amendments to published approved accounting standards did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the Company current and future periods.

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

There are other standards and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2019 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

**f) Amendments to published approved accounting standards that are not yet effective but relevant to the Company**

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2020 or later periods:

Interest Rate Benchmark Reform which amended IFRS 7 'Financial Instruments: Disclosures', IFRS 9 'Financial Instruments' and IAS 39 'Financial Instruments: Recognition and Measurement', is applicable for annual financial periods beginning on or after 01 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published report setting out its recommended reforms of some major interest rate benchmarks such as Interbank Offer Rates (IBORs). Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rates benchmarks reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provided relief from the potential impacts of the uncertainty caused by the reform. A company shall apply these exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Company.

Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS. The amendments are not likely to affect the financial statements of the Company.

Amendments to IAS 1 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2022). These amendments have been added to further clarify when a liability is classified as current. These amendments also changes the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply these amendments retrospectively in accordance with IAS 8. The amendments are not likely to affect the financial statements of the Company.

Amendments to IAS 16 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2022). These amendments clarify that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in profit or loss in accordance with applicable standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply these amendments retrospectively, but only to items of property, plant and equipment which are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are not likely to affect the financial statements of the Company.

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' (effective for annual periods beginning on or after 01 January 2022). These amendments clarify what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are not likely to affect the financial statements of the Company.

On 14 May 2020, IASB issued Annual Improvements to IFRSs: 2018 - 2020 Cycle, incorporating amendments to three IFRSs more specifically in IFRS 9 'Financial Instruments', relevant to the Company. The amendments are effective for annual periods beginning on or after 01 January 2022. The amendments have no significant impact on the Company's financial statements and have therefore not been analyzed in detail.

On 29 March 2018, the IASB has issued a revised Conceptual Framework. The new Framework: reintroduces the terms stewardship and prudence; introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument; removes from the asset and liability definitions references to the expected flow of economic benefits—this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement; discusses historical cost and current value measures, and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability; states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability; and discusses uncertainty, de-recognition, unit of account, the reporting entity and combined financial statements. The Framework is not an IFRS and does not override any standard, so nothing will change in the short term. The revised Framework will be used in future standard-setting decisions, but no changes will be made to current IFRSs. Preparers might also use the Framework to assist them in developing accounting policies where an issue is not addressed by an IFRS. It is effective for annual periods beginning on or after 01 January 2020 for preparers that develop an accounting policy based on the Framework.

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

There are other standards and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2020 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

## 2.2 Employees' retirement benefits

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

## 2.3 Taxation

### Current

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

### Deferred

Deferred tax is accounted for using the 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 recognized for all taxable temporary differences, unused tax losses and tax credits, 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 reporting date. Deferred tax is charged or credited in the statement of profit or loss, 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 Functional and presentation currency along with foreign currency transactions and translation

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction.

## 2.5 Operating fixed assets and depreciation

Operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of operating fixed assets consists of historical cost and other directly attributable costs of bringing the assets to working condition.

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

### Depreciation

Depreciation on operating fixed assets is charged to statement of profit or loss applying the reducing balance method at the rates given in Note 8 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 operating fixed assets 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 charged to the statement of profit or loss in the year the asset is de-recognized.

## 2.6 Financial instruments

### i) Investments and other financial assets

#### a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to

account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

## **b) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

### **Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments with following measurement category:

#### **Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on de-recognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses.

#### **Equity instruments**

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

#### **Fair Value Through Other Comprehensive Income (FVTOCI)**

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

#### **Fair Value Through Profit or Loss (FVTPL)**

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from equity investments are to be recognized in profit or loss when the Company's right to receive payments is established.

## ii) Financial liabilities

### Recognition, classification and measurement

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified as measured at amortized cost. These are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

## iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

## iv) De-recognition

### a) Financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial asset that is created or retained by the Company is recognized as a separate asset or liability.

### b) Financial liabilities

The Company de-recognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expired. Where an existing facility is subsequently modified, such an exchange and modification is treated as a de-recognition of the original liability and recognition of a new liability and the difference in respective carrying amounts is recognized in profit or loss.

## v) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when there is a legally 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.

## 2.7 Receivables

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

## 2.8 Revenue from contracts with customers

### i) Revenue recognition

#### a) Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

#### b) Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### c) Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

### ii) Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

### iii) Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

## 2.9 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method.



**2.10 Non-current asset held for sale**

Non-current asset is classified as held for sale when its carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. It is stated at the lower of carrying amount and fair value less costs to sell.

**2.11 Share capital**

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

**2.12 Accrued liabilities and other payables**

Accrued liabilities and other amounts payable are initially recognized at fair value, which is normally the transaction cost. These are subsequently measured at amortized cost.

**2.13 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 outflow can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

**2.14 Earnings / (loss) per share**

The Company presents Earnings Per Share (EPS) or Loss Per Share (LPS) data for its ordinary shares. EPS / LPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

**2.15 Contingent liabilities**

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

**2.16 Contingent assets**

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

**2.17 Impairment of non-financial assets**

The carrying amounts of non-financial assets are assessed annually to ascertain whether there is any indication of impairment. Moreover, assets are also reviewed for impairment whenever events

or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

### 2.18 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.

### 2.19 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

2020	2019		2020	2019
(NUMBER OF SHARES)			RUPEES	RUPEES
15 723 741	15 723 741	Ordinary shares of Rupees 10 each fully paid in cash	157,237,410	157,237,410
8 039 727	8 039 727	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	80,397,270	80,397,270
<u>23 763 468</u>	<u>23 763 468</u>		<u>237,634,680</u>	<u>237,634,680</u>

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

	2020	2019
	(NUMBER OF SHARES)	
Crescent Cotton Mills Limited	-	201 933
Crescent Group (Private) Limited	79	79
Crescent Powertec Limited	80 000	80 000
Shams Textile Mills Limited	12 476	12 476
The Crescent Textile Mills Limited	2 747 158	2 747 158
	<u>2 839 713</u>	<u>3 041 646</u>

	<b>2020</b>	<b>2019</b>
	<b>RUPEES</b>	<b>RUPEES</b>
<b>4. CAPITAL RESERVES</b>		
Share premium (Note 4.1)	35,767,584	35,767,584
Fair value reserve on FVTOCI investments (Note 9)	(134,500)	-
	<u>35,633,084</u>	<u>35,767,584</u>
<b>4.1</b> This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.		
<b>5. ACCRUED LIABILITIES AND OTHER PAYABLES</b>		
Accrued liabilities	3,512,426	4,603,831
Other payable	6,846,777	6,846,777
Income tax deducted at source	9,500	1,590
	<u>10,368,703</u>	<u>11,452,198</u>
<b>6. BORROWINGS</b>		
<b>From banking companies and financial institutions - secured</b>		
The Bank of Punjab (Note 6.1)	148,199,412	141,781,368
B.R.R. Guardian Modaraba (Note 6.2)	33,810,398	33,810,398
<b>Unsecured</b>		
<b>Related party</b>		
Crescent Ventures (Private) Limited (Note 6.3)	3,290,000	23,422,000
<b>Others</b>		
Innovative Investment Bank Limited (Note 6.4)	18,083,326	18,083,326
Loan from sponsor (Note 6.5)	4,461,237	4,461,237
Crescent Jute Mills Limited (Note 6.6)	55,138,715	55,138,715
	<u>262,983,088</u>	<u>276,697,044</u>

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

The Bank has filed a suit in Lahore High Court, Lahore against the Company for the recovery of principal amount and accrued mark-up of these facilities. However the Bank has provided No Objection Certificate (NOC) for vacation of charge on assets, as per the order of Lahore High Court, Lahore dated 09 October 2013 on deposit of Rupees 120 million with the Deputy Registrar (Judicial) of the Lahore High Court, Lahore as stated in Note 11.1. The Bank in its direct balance confirmation letter to the auditors as at 30 June 2020 have claimed principal balance outstanding of Rupees 153,165,844 against Rupees 148,199,412 appearing in books of account of the Company and claimed mark-up payable on borrowings of Rupees 97,825,835 against Rupees 63,745,054 appearing in books of account of the Company. Hence, the Bank has claimed Rupees 4,966,342 excess on account of principal outstanding and Rupees 34,080,781 on account of mark-up payable from the Company. The Company has not recognized the excess claims of the Bank in these financial statements based on opinion of its legal advisor. As per legal advisor of the Company, even in worst scenario, if the suit of Bank is decreed, even then the same cannot be decreed beyond the claimed amount of Bank as stated in the Bank's recovery suit. Moreover, the Bank is not entitled to any mark-up from the date of default as alleged in the plaint of its recovery suit and at the most Bank can be granted cost of funds at the rate of State Bank of Pakistan's provided rate of cost of funds. Therefore any exaggerated claim of Bank more than its claimed amount in suit, is untenable at this moment. Furthermore in view of this opinion by the legal advisor, the Company has not charged further mark-up on these borrowings since the year ended 30 June 2019.

Another writ petition was filed by the Company against the indulgence of National Accountability Bureau (NAB) by The Bank of Punjab in Lahore High Court, Lahore. That writ petition was allowed by Lahore High Court, Lahore on 24 December 2018. However NAB has challenged this judgment of Lahore High Court, Lahore before the Supreme Court of Pakistan on 09 March 2019 which is pending for decision.

- 6.2** This facility was obtained from B.R.R. Guardian Modaraba which was repayable upto 30 June 2012, but the Company could not pay the balance 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 (2019: 18 percent) per annum on the outstanding balance. As per agreement, B.R.R. Guardian Modaraba agreed to waive off mark-up on default amounting to Rupees 15.290 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 B.R.R. Guardian Modaraba.

B.R.R. Guardian Modaraba filed a suit in Modaraba Tribunal against the Company for the recovery of above-mentioned principal amount and mark-up amounting to Rupees 15.290 million previously waived off by B.R.R. Guardian Modaraba. The case has been decided against the Company. Now the Company has filed an appeal in Lahore High Court, Lahore against the Order of Modaraba Tribunal. Moreover B.R.R. Guardian Modaraba has obtained a decree for the attachment of the freehold land, previously held by the Company from the Banking Court, Lahore against the principal and mark-up mentioned above. Furthermore B.R.R. Guardian Modaraba has filed an execution petition before the Modaraba Tribunal. The Company has filed an objection petition against the decree and execution petition mentioned above. Moreover as per the advice of the

legal counsel of the Company, further mark-up is not being charged on the principal amount from the financial year ended 30 June 2019 as the case is pending before Lahore High Court, Lahore and at most B.R.R. Guardian Modaraba can be granted cost of funds.

- 6.3** This represents interest free loan obtained from Crescent Ventures (Private) Limited, a related party. The loan is obtained to meet day to day expenses of the Company. This loan is repayable uptill 30 June 2021.
- 6.4** 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 (2019: 14 percent) per annum. Due to non-payment of installments within due period, entire outstanding amount of the loan has become immediately due.
- 6.5** This represents interest free loan obtained from a sponsor of the Company repayable on demand.
- 6.6** This represents interest free loan obtained from Crescent Jute Mills Limited (CJML) with whom the Company had approved the scheme of merger in the annual general meeting held on 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. CONTINGENCIES AND COMMITMENTS**

### **a) Contingencies**

- i)** The Commissioner Inland Revenue raised demand for sales tax amounting to Rupees 34.022 million (2019: Rupees 34.022 million) along with additional tax and penalty in respect of sales tax not charged on sale of fixed assets, sale of scrap, disputed inputs claimed, etc. Then Company filed appeals before the Appellate Tribunal Inland Revenue and subsequently in Lahore High Court, Lahore which were decided against the Company. Afterwards, the Company has filed an appeal in Supreme Court of Pakistan in 2012 against the decision of Lahore High Court, Lahore. 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. However, on 10 February 2020, Supreme Court of Pakistan dismissed the appeal. Then the Company filed review petition on 10 March 2020 in Supreme Court of Pakistan against this judgment. 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.
- ii)** Deputy Commissioner Inland Revenue, Lahore ordered on 19 June 2017 for recovery of sales tax amounting to Rupees 934,414 along with penalty of Rupees 97,962. The Company filed an appeal against this order to Commissioner Inland Revenue (Appeals), Lahore on 14 July 2017.

However on 20 June 2018, the appeal was disposed of by Commissioner Inland Revenue (Appeals), Lahore and the case was remanded back to Deputy Commissioner Inland Revenue, Lahore. Based on the advice of legal counsel, the management is of the view that there are strong grounds about the decision of the case in favour of the Company. Therefore, the related provision is not made in these financial statements.

- iii) As per press release of Supreme Court of Pakistan dated 17 May 2018, a two member bench, headed by Chief Justice of Pakistan, heard Suo Moto Case No. 26 of 2007 with HR Cases and Constitution Petition No. 64 of 2009 regarding Deadbeats got loans of Rupees 54 billion written off. The case was heard on 13 May 2018 at Supreme Court of Pakistan and the Bench passed the following order:

As per Report of the Commission constituted by this Court, action against 222 individuals / companies (Page No. 107 of Vol-I of the Commission's Report) has been recommended on account of the fact that the loans were not written off in accordance with law. Let notice be issued to all 222 individuals / companies as per detail provided in Part-II of Volume-II of the Report of the "Commission on Written-off Loan" against whom action recommended for further action; ensure their presence on the next date of hearing and to submit their replies before such date. Offices directed to issue a press release in this behalf.

The case was adjourned several times uptill the end of the financial year 30 June 2020.

The name of the Company, under the heading of National Bank of Pakistan (NBP), is included in the list of 222 individuals / companies. On 10 August 2018, NBP through a letter demanded Rupees 25.858 million (US Dollars 212,654.94) against the principal and mark-up balances of FE-25 loan along with mark-up on other adjusted loans. The Company denies any of the claims made by NBP and has filed a case in Lahore High Court, Lahore against the demand raised by NBP. Another writ petition has also been filed by the Company against Bank's threat of indulging NAB, which was allowed by Lahore High Court, Lahore on 24 December 2018. However, NAB has challenged this judgment of Lahore High Court, Lahore before Supreme Court of Pakistan on 09 March 2019 which is pending for decision. Based on advice of legal counsel, no provision has been made in these financial statements as the management believes the Company has 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 2020 (2019: Rupees Nil).

8. OPERATING FIXED ASSETS	Computers	Furniture and fittings	Vehicles	Total
	----- RUPEES -----			
<b>At 30 June 2018</b>				
Cost	6,284,191	19,203,298	2,218,070	27,705,559
Accumulated depreciation	(6,284,191)	(16,288,122)	(1,559,498)	(24,131,811)
Net book value	-	2,915,176	658,572	3,573,748
<b>Year ended 30 June 2019</b>				
Opening net book value	-	2,915,176	658,572	3,573,748
Depreciation charge	-	(291,517)	(87,850)	(379,367)
Closing net book value	-	2,623,659	570,722	3,194,381

	Computers	Furniture and fittings	Vehicles	Total
----- RUPEES -----				
<b>At 30 June 2019</b>				
Cost	6,284,191	19,203,298	2,218,070	27,705,559
Accumulated depreciation	(6,284,191)	(16,579,639)	(1,647,348)	(24,511,178)
Net book value	-	2,623,659	570,722	3,194,381
<b>Year ended 30 June 2020</b>				
Opening net book value	-	2,623,659	570,722	3,194,381
Depreciation charge	-	(262,366)	(70,281)	(332,647)
Closing net book value	-	2,361,293	500,441	2,861,734
<b>At 30 June 2020</b>				
Cost	6,284,191	19,203,298	2,218,070	27,705,559
Accumulated depreciation	(6,284,191)	(16,842,005)	(1,717,629)	(24,843,825)
Net book value	-	2,361,293	500,441	2,861,734
<b>Annual rate of depreciation (%)</b>	33.33	10	20	

- 8.1 Operating fixed assets having cost of Rupees 6.284 million (2019: Rupees 6.284 million) have been fully depreciated and are still in use of the Company.

9. LONG TERM INVESTMENTS	2020 RUPEES	2019 RUPEES
<b>Investments at fair value through other comprehensive income</b>		
<b>Associated company:</b>		
<b>Un-quoted</b>		
<b>Crescent Group (Private) Limited</b>		
220 000 (2019: 220 000) fully paid ordinary shares of Rs. 10/- Equity held: 1.03% (2019: 1.03%) (Note 9.1)	-	-
<b>Other:</b>		
<b>Un-quoted</b>		
<b>Crescent Modaraba Management Company Limited</b>		
100 000 (2019: 100 000) fully paid ordinary shares of Rs. 10/- Equity held: 5.45% (2019: 5.45%)	134,500	134,500
	134,500	134,500
Fair value adjustment (Note 4)	(134,500)	-
	-	134,500

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

<b>10. LOANS AND ADVANCES</b>	<b>2020 RUPEES</b>	<b>2019 RUPEES</b>
<b>Considered good:</b>		
Employees - interest free	-	29,500
Income tax	17,221,235	17,199,585
	<u>17,221,235</u>	<u>17,229,085</u>
Less: Provision for doubtful loans and advances (Note 10.1)	(17,151,247)	(16,959,083)
	<u>69,988</u>	<u>270,002</u>
<b>10.1 Provision for doubtful loans and advances</b>		
Income tax		
As at 01 July	16,959,083	16,836,553
Add: Provision made during the year (Note 17)	192,164	122,530
As at 30 June	<u>17,151,247</u>	<u>16,959,083</u>
<b>11. SECURITY DEPOSITS</b>		
<b>11.1</b> These include Rupees 120 million (2019: Rupees 120 million) deposited with Deputy Registrar (Judicial) of Lahore High Court, Lahore as per its order dated 09 October 2013 regarding the issuance of NOC by The Bank of Punjab (Note 6.1).		
<b>11.2</b> The amount of Rupees 120 million as referred in Note 11.1 has been deposited by Deputy Registrar (Judicial) of Lahore High Court, Lahore in Bank Alfalah Limited, Shadman Branch, Lahore and obtained Term Deposit Receipt (TDR) against this amount. As per last information received, the TDR earned Rupees 33.895 million profit - net of tax uptill 05 January 2019. However, this amount is termed as contingent asset by the Company because the balance due to the Bank of Punjab is not yet settled and the decision of Lahore High Court, Lahore regarding the litigation as mentioned in Note 6.1 is still awaited.		
<b>12. OTHER RECEIVABLES</b>		
<b>Considered good:</b>		
Profit on deposits with banks receivable	405	3,769
Receivable against sale of land (Note 12.1)	-	66,666,000
Sales tax refundable	5,690,882	5,690,882
Others	-	2,978
	<u>5,691,287</u>	<u>72,363,629</u>
Provision for doubtful sales tax refundable	(5,690,882)	(5,690,882)
	<u>405</u>	<u>66,672,747</u>



12.1 This amount was completely received uptill 11 January 2020.

### 13. SHORT TERM INVESTMENTS

At fair value through profit or loss Quoted	2020			2019		
	Carrying value	Unrealized gain / (loss)	Fair value	Carrying value	Unrealized gain / (loss)	Fair value
.....Rupees in thousand.....						
<b>Shakarganj Limited</b>						
38 026 (2019: 38 026) fully paid ordinary shares of Rupees 10 each						
Equity held: 0.03% (2019: 0.03%)	1,781,519	101,114	1,882,633	2,680,833	(899,314)	1,781,519
<b>Crescent Fibres Limited</b>						
17 499 (2019: 17 499) fully paid ordinary shares of Rupees 10 each						
Equity held: 0.14% (2019: 0.14%)	664,088	(11,549)	652,539	446,400	217,688	664,088
<b>Shahzad Textile Mills Limited</b>						
60 (2019: 60) fully paid ordinary shares of Rupees 10 each	1,920	(89)	1,831	2,520	(600)	1,920
<b>Thal Limited</b>						
412 (2019: 412) fully paid ordinary shares of Rupees 10 each	149,992	(16,464)	133,528	196,742	(46,750)	149,992
	<u>2,597,519</u>	<u>73,012</u>	<u>2,670,531</u>	<u>3,326,495</u>	<u>(728,976)</u>	<u>2,597,519</u>

14. BANK BALANCES	2020 RUPEES	2019 RUPEES
On current accounts	3,054	3,054
On deposit accounts (Note 14.1)	110,161	311,340
	<u>113,215</u>	<u>314,394</u>

14.1 Rate of profit on deposit accounts ranges from 2.50 percent to 11.25 percent (2019: 1.73 percent to 10.25 percent) per annum.

### 15. INCOME

#### Income from financial assets

Profit on deposits with banks	133,178	25,212
Dividend income	2,974	4,592
Un-realized gain on re-measurement of investments at fair value through profit or loss (Note 13)	73,012	-
	<u>209,164</u>	<u>29,804</u>

#### Income from non-financial assets

Gain on sale of non-current asset held for sale	-	38,114,000
	<u>209,164</u>	<u>38,143,804</u>

	<b>2020</b>	<b>2019</b>
	<b>RUPEES</b>	<b>RUPEES</b>
<b>16. ADMINISTRATIVE EXPENSES</b>		
Salaries, allowances and other benefits	6,498,173	7,118,224
Rent, rates and taxes	929,438	840,185
Legal and professional	1,160,680	8,537,104
Insurance	86,042	119,272
Travelling and conveyance	406,476	310,755
Vehicles' running	198,691	208,269
Entertainment	61,001	89,277
Auditor's remuneration (Note 16.1)	393,000	343,000
Advertisement	135,650	49,400
Communication	272,266	265,116
Utilities	198,731	223,045
Printing and stationery	79,133	116,585
Repair and maintenance	24,620	40,466
Depreciation (Note 8)	332,647	379,367
Miscellaneous	46,111	37,248
	<u>10,822,659</u>	<u>18,677,313</u>
<b>16.1 Auditor's remuneration</b>		
Audit fee	200,000	200,000
Half yearly review	75,000	75,000
Other certifications	100,000	50,000
Reimbursable expenses	18,000	18,000
	<u>393,000</u>	<u>343,000</u>
<b>17. OTHER EXPENSES</b>		
Exchange loss	6,418,044	29,183,224
Un-realized loss on re-measurement of investments at fair value through profit or loss	-	728,976
Provision for doubtful loans and advances (Note 10.1)	192,164	122,530
	<u>6,610,208</u>	<u>30,034,730</u>
<b>18. FINANCE COST</b>		
Mark-up on borrowings	2,531,665	2,531,665
Bank charges and commission	11,988	9,459
	<u>2,543,653</u>	<u>2,541,124</u>
<b>19. TAXATION</b>		
Current (Note 19.1)	446	689

**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 467.051 million including unabsorbed depreciation as at 30 June 2020 (2019: Rupees 447.257 million). The related deferred income tax asset amounting to Rupees 141.710 million (2019: Rupees 135.885 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:

	<b>2020</b>	<b>2019</b>
Loss for the year (Rupees)	<u>(19,767,802)</u>	<u>(13,110,052)</u>
Weighted average number of ordinary shares (Numbers)	<u>23 763 468</u>	<u>23 763 468</u>
Loss per share (Rupees)	<u>(0.83)</u>	<u>(0.55)</u>

## 21. CASH USED IN OPERATIONS

	<b>2020 RUPEES</b>	<b>2019 RUPEES</b>
<b>Loss before taxation</b>	(19,767,356)	(13,109,363)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	332,647	379,367
Gain on sale of non-current asset held for sale	-	(38,114,000)
Provision for doubtful loans and advances	192,164	122,530
Profit on deposits with banks	(133,178)	(25,212)
Un-realized (gain) / loss on re-measurement of investments at fair value through profit or loss	(73,012)	728,976
Exchange loss	6,418,044	29,183,224
Finance cost	2,543,653	2,541,124
Working capital changes(Note 21.1)	(1,046,967)	(149,542,556)
	<u>(11,534,005)</u>	<u>(167,835,910)</u>

### 21.1 Working capital changes

Decrease / (increase) in current assets:		
- Loans and advances	29,500	29,500
- Prepayments	4,050	(11,250)
- Other receivables	2,978	(2,978)
	<u>36,528</u>	<u>15,272</u>
Decrease in accrued liabilities and other payables	(1,083,495)	(149,557,828)
	<u>(1,046,967)</u>	<u>(149,542,556)</u>

**21.2 Reconciliation of movement of liabilities to cash flows arising from financing activities**

	<b>As at 30 June 2019</b>	<b>Net cash outflows</b>	<b>As at 30 June 2020</b>
	-----RUPEES-----		
Loan from Crescent Ventures (Private) Limited	23,422,000	(20,132,000)	3,290,000
	-----RUPEES-----		
	<b>As at 30 June 2018</b>	<b>Cash Flows</b>	<b>As at 30 June 2019</b>
	-----RUPEES-----		
Loan from Crescent Ventures (Private) Limited	9,000,000	14,422,000	23,422,000

**22. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVE**

The aggregate amount charged in these financial statements is as follows:

	<b>Director</b>		<b>Executive</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	-----RUPEES-----		-----RUPEES-----	
Managerial remuneration	1,471,500	1,962,000	490,500	-
Medical allowance	147,150	196,200	49,050	-
	1,618,650	2,158,200	539,550	-
<b>Number of persons</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>-</b>

**22.1** Aggregate amount charged in these financial statements for meeting fee to six directors (2019: five directors) was Rupees 95,000 (2019: Rupees 75,000).

**22.2** During the year, the executive director was transferred to executive because he ceased to be the director after the election of directors held on 24 March 2020. Moreover, he is provided reimbursement of fuel and maintenance cost for his personal vehicle as per Company's policy.

**22.3** No remuneration was paid to Chief Executive Officer and other directors of the Company except for the fee as disclosed in Note 22.1

## 23. TRANSACTIONS WITH RELATED PARTIES

The related parties include associated companies, directors and key management personnel. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2020 RUPEES	2019 RUPEES
<b>Associated companies</b>		
<b>Crescent Ventures (Private) Limited</b>		
Loan received	5,630,000	14,422,000
Loan repaid	25,762,000	-
<b>Crescent Group (Private) Limited</b>		
Expenses paid and reimbursed	635,267	-

**23.1** Detail of compensation to key management personal comprising of director/executive is disclosed in Note 22.

**23.2** Associated companies mentioned above are associated by way of common directorship.

## 24. NUMBER OF EMPLOYEES

	2020	2019
	(NUMBER OF PERSONS)	
Number of employees as on 30 June	11	14
Average number of employees during the year	13	15

## 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. 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. No changes were made in the objectives, policies or processes and assumptions during the year ended 30 June 2020. The policies for managing each of the risks are summarized below:

**(a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks including currency risk, other price risk and interest rate risk.

**(i) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates and arises where transactions are conducted in foreign currency.

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:

	<b>2020</b>	<b>2019</b>
Borrowings - FE-25 - USD	755,064	755,064

Following exchange rates were applied during the year:

**Rupees per US Dollar**

Average rate	164.50	143.05
Reporting date rate	168.75	160.25

**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 6.371 million (2019: Rupees 6.050 million) higher / lower, mainly as a result of exchange loss / gain on translation of foreign exchange denominated financial instruments.

**(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 instruments 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 PSX Index on the Company's loss after taxation. 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	
	2020	2019
	----- RUPEES -----	
PSX 100 (5% increase)	133,527	129,876
PSX 100 (5% decrease)	(133,527)	(129,876)

**(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 reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	2020	2019
	RUPEES	RUPEES
<b>Fixed rate instruments:</b>		
<b>Financial liabilities</b>		
Borrowings	18,083,326	18,083,326
<b>Floating rate instruments:</b>		
<b>Financial assets</b>		
Bank balances - deposit accounts	110,161	311,340

**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 reporting 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 0.001 million (2019: Rupees 0.003 million) lower / higher, mainly as a result of higher / lower interest income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting 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:

	<b>2020</b>	<b>2019</b>
	<b>RUPEES</b>	<b>RUPEES</b>
Investments	2,670,531	2,732,019
Loans and advances	-	29,500
Other receivables	405	66,669,769
Deposits	120,037,500	120,037,500
Bank balances	113,215	314,394
	<u>122,821,651</u>	<u>189,783,182</u>

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:

	<b>Rating</b>			<b>2020</b>	<b>2019</b>
	<b>Short Term</b>	<b>Long term</b>	<b>Agency</b>	<b>RUPEES</b>	<b>RUPEES</b>
<b>Banks</b>					
MCB Bank Limited	A1+	AAA	PACRA	17,271	14,029
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	92,058	296,511
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	3,886	3,854
				<u>113,215</u>	<u>314,394</u>

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 2020, the Company had not any unavailed borrowing limit from financial institutions and Rupees 0.113 million (2019: Rupees 0.314 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 2020:**

	Carrying Amount	Contractual Cash Flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
----- RUPEES -----						
<b>Non-derivative financial liabilities:</b>						
Borrowings	262,983,088	264,248,921	264,248,921	-	-	-
Accrued liabilities and other payables	10,359,203	10,359,203	10,359,203	-	-	-
Accrued mark-up	138,546,132	138,546,132	138,546,132	-	-	-
Unclaimed dividend	337,312	337,312	337,312	-	-	-
	412,225,735	413,491,568	413,491,568	-	-	-

**Contractual maturities of financial liabilities as at 30 June 2019:**

<b>Non-derivative financial liabilities:</b>						
Borrowings	276,697,044	277,962,877	277,962,877	-	-	-
Accrued liabilities and other payables	11,450,608	11,450,608	11,450,608	-	-	-
Accrued mark-up	171,317,856	171,317,856	171,317,856	-	-	-
Unclaimed dividend	337,312	337,312	337,312	-	-	-
	459,802,820	461,068,653	461,068,653	-	-	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark up rate as disclosed in Note 6 to these financial statements.

**26.2 Financial instruments by categories**

	At amortized cost	At fair value through profit or loss	Total
-----RUPEES-----			
<b>As at 30 June 2020</b>			
<b>Assets as per statement of financial position</b>			
Investments	-	2,670,531	2,670,531
Other receivables	405	-	405
Deposits	120,037,500	-	120,037,500
Bank balances	113,215	-	113,215
	120,151,120	2,670,531	122,821,651

	<b>Financial liabilities at amortized cost</b>
	<b>RUPEES</b>
<b>Liabilities as per statement of financial position</b>	
Borrowings	262,983,088
Trade and other payables	10,359,203
Accrued mark-up	138,546,132
Unclaimed dividend	337,312
	<u>412,225,735</u>

	<b>At amortized cost</b>	<b>At fair value through profit or loss</b>	<b>At fair value through other comprehensive Income</b>	<b>Total</b>
	-----RUPEES-----			
<b>As at 30 June 2019</b>				
<b>Assets as per statement of financial position</b>				
Investments	-	2,597,519	134,500	2,732,019
Loans and advances	29,500	-	-	29,500
Other receivables	66,669,769	-	-	66,669,769
Deposits	120,037,500	-	-	120,037,500
Bank balances	314,394	-	-	314,394
	<u>187,051,163</u>	<u>2,597,519</u>	<u>134,500</u>	<u>189,783,182</u>

	<b>Financial liabilities at amortized cost</b>
	<b>RUPEES</b>
<b>Liabilities as per statement of financial position</b>	
Borrowings	276,697,044
Trade and other payables	11,450,608
Accrued mark-up	171,317,856
Unclaimed dividend	337,312
	<u>459,802,820</u>

### 26.3 Offsetting financial assets and liabilities

As on reporting date, recognized financial instruments are not subject to offsetting 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 INSTRUMENTS

### (i) Fair value hierarchy

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

Recurring fair value measurements At 30 June 2020	Level 1	Level 2	Level 3	Total
----- RUPEES -----				
<b>Financial assets</b>				
At fair value through profit or loss	2,670,531	-	-	2,670,531
<b>Total financial assets</b>	<u>2,670,531</u>	<u>-</u>	<u>-</u>	<u>2,670,531</u>

Recurring fair value measurements At 30 June 2019	Level 1	Level 2	Level 3	Total
----- RUPEES -----				
<b>Financial assets</b>				
At fair value through profit or loss	2,597,519	-	-	2,597,519
At fair value through other comprehensive income	-	-	134,500	134,500
<b>Total financial assets</b>	<u>2,597,519</u>	<u>-</u>	<u>134,500</u>	<u>2,732,019</u>

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value as the 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 is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

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

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### (ii) Valuation techniques used to determine fair values

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

#### 28. DATE OF AUTHORIZATION FOR ISSUE

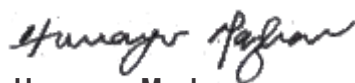
These financial statements were authorized for issue on September 25, 2020 by the Board of Directors of the Company.

#### 29. CORRESPONDING FIGURES

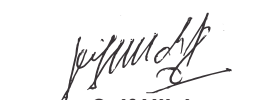
Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purpose of comparison. However no significant reclassifications have been made.

#### 30. GENERAL

Figures have been rounded off to the nearest Rupee.

  
Humayun Mazhar  
Chief Executive Officer

  
Khurram Mazhar Karim  
Director

  
Saif Ullah  
Chief Financial Officer



## 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 Wednesday the October 28, 2020 at 11:00 a.m. at 503 - E, Johar Town, Lahore  
and at any adjournment thereof.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_ October 2020

### 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.

## تشکیل نیابت داری (پراکسی فارم)

میں / ہم \_\_\_\_\_  
ساکن \_\_\_\_\_

بحیثیت حصہ دار کرلسنٹ چیوٹ پروڈکٹس لمیٹڈ

نام (فولیو/سی ڈی سی اکاؤنٹ نمبر اگر ممبر ہو)

ساکن \_\_\_\_\_ یا بصورت دیگر \_\_\_\_\_  
نام (فولیو/سی ڈی سی اکاؤنٹ نمبر اگر ممبر ہو)

ساکن \_\_\_\_\_ کو اپنی جگہ بروز بدھ 28 اکتوبر 2020

کو بوقت دن کے 11:00 بجے صبح 503-E جوہر ٹاؤن، لاہور۔ میں منعقد یا ملتوی ہونے والے سالانہ عام اجلاس میں شرکت کرنے، بولنے اور ووٹ دینے کے لیے اپنا نمائندہ مقرر کرتا کرتی ہوں۔

بطور گواہ میرے / ہمارے دستخط سے مورخہ \_\_\_\_\_ اکتوبر 2020 کو دی گئی۔

۵ روپے کارسیدی ٹکٹ  
چسپاں کر کے دستخط کریں

۱- گواہ

دستخط \_\_\_\_\_ :

نام \_\_\_\_\_ :

شناختی کارڈ نمبر \_\_\_\_\_ :

پتہ \_\_\_\_\_ :

دستخط \_\_\_\_\_  
(ممبر اجازت فر)

۲- گواہ

دستخط \_\_\_\_\_ :

نام \_\_\_\_\_ :

شناختی کارڈ نمبر \_\_\_\_\_ :

پتہ \_\_\_\_\_ :

حامل عام حصص

سی ڈی سی اکاؤنٹ نمبر		فولیو نمبر
اکاؤنٹ نمبر	شراکتی آئی ڈی	

کمپیوٹرائزڈ شناختی کارڈ نمبر \_\_\_\_\_

نوٹس:

- (۱) پراکسیز کے موثر ہونے کیلئے لازم ہے کہ وہ اجلاس سے ۴۸ گھنٹے قبل بمعہ دستخط گواہان اور رسیدی ٹکٹ کمپنی کو موصول ہو جانی چاہئیں۔
- (۲) سی ڈی سی حصص داران اجلاس ہذا میں شرکت کرنے، بولنے اور ووٹ دینے کیلئے اہل ہیں اور اپنی شناخت ثابت کرنے کے لیے اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ ساتھ لائیں اور پراکسی کی صورت میں اپنے کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ کی تصدیق شدہ کاپی ساتھ لگائیں۔
- (۳) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز / پار آف انارنی بمعہ نمائندہ کے دستخط پراکسی فارم کے ساتھ لف کرنے ہونگے۔

## آڈیٹرز رپورٹ میں صداقت پر جواب

ڈپٹی رجسٹرار (جوڈیشل) لاہور ہائی کورٹ، لاہور کو جمع کرائی گئی رقم کی عدم تصدیق سے متعلقہ آڈیٹرز کی جانب سے اہلیت کے تناظر میں ہم یقین رکھتے ہیں کہ رقم بینک الفلاح لمیٹڈ، شادمان برانچ میں عدالتی اکاؤنٹ میں جمع ہے۔ مزید برآں، ہمارے وکیل نے اس موضوع پر لاہور ہائی کورٹ، لاہور میں درخواست دائر کی ہے جو زیر سماعت ہے۔

## آڈیٹرز

آڈیٹرز میسرز ریاض احمد اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں اور اہل ہونے پر اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔ کوڈ آف کارپوریٹ گورننس کے تحت آڈٹ کمیٹی نے آئیندہ برس کے لئے میسرز ریاض احمد اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو کمپنی کا آڈیٹر مقرر کرنے کی سفارش کی ہے۔

## اعتراف

ڈائریکٹرز حصص داران، بینکرز اور صارفین کی مسلسل حمایت، افہام و تفہیم اور تعاون کا شکریہ ادا کرتے ہیں۔ ہم انہیں یہ یقین بھی دلاتے ہیں کہ ہم کریسٹل جیوٹ پران کے اعتماد اور بھروسہ کی بھی حوصلہ افزائی کرتے ہیں اور ہم ان کی توقعات پر پورا اترنے کے لئے ہمہ تن گوشاں ہیں۔

برائے/منجانب بورڈ آف ڈائریکٹرز

*Harun Raza*

(ہمایوں مظہر)

چیف ایگزیکٹو آفیسر

لاہور :

تاریخ: 25 ستمبر 2020ء

## بورڈ کے اجلاس اور ڈائریکٹرز کی حاضری

سال بھر میں بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری حسب ذیل ہے:

نمبر شمار	نام ڈائریکٹر	ان کی مدت میں منعقدہ اجلاس	اجلاس میں تعداد حاضری
.1	مسز عابدہ مظہر	2	2
.2	مسز عائشہ خرم مظہر	2	2
.3	مسٹر ہمایوں مظہر	4	4
.4	مسٹر خرم مظہر کریم	4	4
.5	مسز مہرین ہمایوں مظہر	2	2
.6	سید رضا عباس جعفری	4	4
.7	مسٹر سیف اللہ	3	3
.8	مسٹر شہر یار مظہر	2	2
.9	مسٹر شامیل مظہر	2	2
.10	مسٹر شاجہان مظہر کریم	2	2
.11	مس رجا خرم مظہر	1	1

بورڈ اجلاسوں میں حاضری سے قاصر ڈائریکٹرز کو بورڈ نے رخصت عنایت کی۔ مزید برآں بورڈ آف ڈائریکٹرز/آڈٹ کمیٹی کے ہر اجلاس میں شمولیت کے لئے اراکین میننگ فیس ادا کی گئی۔ تفصیل مالیاتی اسٹیٹمنٹس کے نوٹ 22 میں دی گئی ہے۔

## شیئر ہولڈنگ کی وضع

شیئر ہولڈنگ کی وضع رپورٹ کے ساتھ منسلک ہے۔

## کمپنی کے حصص میں تجارت

ڈائریکٹرز، CFO، کمپنی سیکریٹری اور ان کی اہلیہ اور کمسن بچے سال کے دوران کمپنی کے حصص میں کسی بھی قسم کے لین دین میں شامل نہ ہیں۔

قرضوں کی نادر ہندگی، اگر کوئی ہے

بینک کے واجبات کی ادائیگی کے لئے مذاکراتی عمل جاری ہے اور فی الوقت کسی بھی قسم کے معاہدہ کو حتمی شکل نہیں دی گئی ہے۔



ترتیب حسب ذیل ہے:

05	نان ایگزیکٹو ڈائریکٹرز:
01	خاتون نان ایگزیکٹو ڈائریکٹر:
01	ایگزیکٹو ڈائریکٹر:

کمپنی کے بورڈ آف ڈائریکٹرز میں کوئی آزاد ڈائریکٹر نہ ہے۔ تاہم کمپنی اس معاملہ کو مناسب وقت میں حل کر لے گی۔ کیٹیگری کے لحاظ سے ڈائریکٹرز کے نام مندرجہ ذیل ہیں:

نمبر شمار	نام ڈائریکٹر	عہدہ
1.	مسٹر خرم مظہر کریم	نان ایگزیکٹو ڈائریکٹر۔ چیئر مین
2.	مسٹر ہمایوں مظہر	چیف ایگزیکٹو آفیسر۔ ایگزیکٹو ڈائریکٹر
3.	مسٹر شہریار مظہر	نان ایگزیکٹو ڈائریکٹر
4.	مسٹر شامیل مظہر	نان ایگزیکٹو ڈائریکٹر
5.	سید رضا عباس جعفری	نان ایگزیکٹو ڈائریکٹر
6.	مسٹر شاہجہان مظہر کریم	نان ایگزیکٹو ڈائریکٹر
7.	مس رجا خرم مظہر	نان ایگزیکٹو ڈائریکٹر

موجودہ بورڈ کی مدت 25 مارچ، 2023ء کو ختم ہو جائے گی۔

آڈٹ کمیٹی کی ترتیب حسب ذیل ہے:

1. سید رضا عباس جعفری
2. مسٹر شہریار مظہر
3. مسٹر شاہجہان مظہر کریم

ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی کی ترتیب حسب ذیل ہے:

1. مسٹر شہریار مظہر
2. سید رضا عباس جعفری
3. مس رجا خرم مظہر

5. داخلی ضبط کا ایک مربوط نظام ہے۔ اور اس کو موثر انداز میں نافذ اور مانیٹر کیا جاتا ہے۔
6. لسٹنگ ضوابط میں بیان کردہ کارپوریٹ گورننس کی بہترین عمل داری سے کوئی واضح انحراف نہیں پایا گیا ہے ماسوائے آڈیٹرز کی جاری کردہ نظر ثانی رپورٹ میں بیان کئے گئے معاملات کے۔

## اہم آپریٹنگ و مالیاتی ڈیٹا

گذشتہ چھ برس کے لئے کمپنی کا اہم آپریٹنگ و مالیاتی ڈیٹا کا خلاصہ منسلکہ ضمیمہ میں بیان کیا گیا ہے۔

## منافع منقسمہ

مسلل خسارہ کی وجہ سے کمپنی اپنے حصص داران کے لئے منافع منقسمہ کا اعلان و ادائیگی سے قاصر ہے۔

## قانونی ادائیگی

زیر التوا مقدمات کے واجبات کے علاوہ ٹیکس، ڈیوٹیز، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگی نہ کی گئی ہے۔

## نمایاں منصوبے اور فیصلے

31 اکتوبر 2011ء کو منعقدہ سالانہ اجلاس عام میں منظور شدہ سرمایہ میں کمی کی وجہ سے مل کے آپریشنز 02 مئی 2011ء سے بند ہیں۔ لہذا واجبات کی ادائیگی کے لئے کمپنی کی پراپرٹی، پلانٹ اور آلات کو فروخت کرنے کا فیصلہ کیا گیا جس پر بعد میں عمل درآمد بھی کیا گیا۔

## بورڈ آف ڈائریکٹرز میں تبدیلیاں

28 فروری 2020ء سے مسٹر شہریار مظہر، مسٹر شامیل مظہر اور مسٹر شاہجہان مظہر کریم کو مسز عابدہ مظہر، مہرین ہمایوں مظہر اور مسز عائشہ خرم مظہر کی جگہ پر ڈائریکٹر منتخب کیا گیا۔ جب کہ مسٹر خرم مظہر کریم کو مسز عابدہ مظہر کی جگہ پر بورڈ کا چیئر مین مقرر کیا گیا اور مسٹر شہریار مظہر اور مسٹر شاہجہان مظہر کریم کو مسز خرم مظہر کریم اور مسز مہرین ہمایوں مظہر کی جگہ پر آڈٹ کمیٹی کا رکن مقرر کیا گیا۔

## بورڈ آف ڈائریکٹرز

اراکین کی جنس، قابلیت، تجربہ اور مہارت کا امتزاج ہمارے بورڈ کی تاثیر کو بڑھاتا ہے۔ ہمارے بورڈ کی ترتیب حصص داران کی تمام کمیٹیوں کے مفادات کی نمائندگی کرتی ہے۔ کمپنی نے اپنے بورڈ میں سات ڈائریکٹرز مقرر کئے ہیں۔ ڈائریکٹرز کی کل تعداد مندرجہ ذیل ہے:

مرد: 06

خاتون: 01

## حصص داران کو ڈائریکٹروں کی رپورٹ

30 جون 2020ء کو اختتام پذیر سال کے کھاتہ جات 19.77 ملین روپے کا خسارہ ظاہر کرتے ہیں گذشتہ برس کی اسی مدت میں یہ خسارہ 13.11 ملین روپے تھا جب کہ گذشتہ برس 0.55 روپے خسارہ کے مقابلہ میں فی حصص خسارہ 0.83 روپے تھا۔ یہ خسارہ ابتدائی طور پر امریکی ڈالر کے مقابلہ میں روپے کی قدر میں کمی پر آپیکھنچ خسارہ، مالیاتی اداروں کے واجبات، قرضوں پر لاگت، مالیاتی اداروں کے ساتھ جاری مقدمات کی مد میں وکلاء کو ادا کی جانے والی فیس اور کمپنی کے کاروباری و مالیاتی امور سرانجام دینے کے لئے کم از کم مطلوب عملہ پر اس کے اثرات سے منسوب کیا جاتا ہے۔

انتظامیہ بورڈ آف ڈائریکٹرز اور حصص داران کے منظور شدہ کلوزر پلان کے نفاذ کے عمل میں ہے۔ اس پلان کے حصے تھی یعنی اثاثہ جات کی فروخت اور مستقبل کا کاروباری منصوبہ۔ جہاں تک اثاثہ جات کی فروخت کا تعلق ہے ان کی فروخت کی مد میں تمام رقوم وصول کر لی گئی ہیں۔ مستقبل کا کاروباری منصوبہ مالیاتی اداروں کو واجبات اور بقایا جات کی ادائیگی سے مشروط تھا۔ اس تناظر میں پیش رفت بہت سست ہے کیونکہ ہم ابھی تک متعلقہ مالیاتی اداروں کے ساتھ قانونی جنگ میں ہیں۔ واجبات کی ادائیگی میں اس نامناسب تاخیر کی وجہ سے نہ صرف کاروباری منصوبہ پر عمل درآمد نہیں ہو سکا بلکہ بغیر کسی کاروباری سرگرمی آپریشنل لاگت میں بھی اضافہ ہو گیا ہے۔ اگرچہ، ہمارے قانونی مشیر تمام زیر التوا مقدمات میں موافق نتائج حاصل کرنے کے لئے پر امید ہیں۔ اس تناظر میں اضافی فنڈز حاصل ہونے پر مالیاتی اداروں کو واجبات کی حتمی ادائیگی کے بعد ہی مستقبل کے کاروباری منصوبہ پر عمل درآمد ہو سکتا ہے۔

دوسری جانب، ہم لاگت کو کنٹرول میں رکھنے، قانونی مقدمات کے فوری نتائج حاصل کرنے اور اخراجات کو کم ترین سطح پر رکھنے کے لئے پرعزم ہیں۔

## کاروباری و مالیاتی رپورٹنگ فریم ورک پر بیان

1. کمپنی کی انتظامیہ کی تیار کردہ یہ مالیاتی اسٹیٹمنٹس اپنے کاروباری امور، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو واضح انداز میں پیش کرتی ہیں۔
2. کمپنی کے کھاتوں کی باقاعدہ کتابیں تیار کی گئی ہیں۔
3. مالیاتی اسٹیٹمنٹس کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا باقاعدگی سے استعمال ہوا ہے۔ اکاؤنٹنگ تخمینہ جات باوثوق فیصلوں کی بنیاد پر لگائے جاتے ہیں۔
4. مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ معیارات کی پیروی کی گئی ہے اور اس سے انحراف کو مناسب انداز میں ظاہر کیا گیا ہے۔

CRESCENT GROUP



# سالانہ رپورٹ 2020



کرینٹ چیوٹ پروڈکٹس لمیٹڈ

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