

CRESCENT GROUP



CRESCENT JUTE
PRODUCTS LTD.

**Reviewed Condensed Interim Financial Statements
For The Half Year Ended
31 December 2023 (Un-Audited)**



**CRESCENT JUTE
PRODUCTS LTD.**

CONTENTS

CRESCENT JUTE PRODUCTS LTD. FINANCIAL STATEMENTS

**FOR THE FIRST QUARTER ENDED
31 DECEMBER 2023 (UN-AUDITED)**

C O N T E N T S	Page #
Company Information	4
Director's Report to the Shareholders (English)	5
Director's Report to the Shareholders (Urdu)	6
Auditor's Review Report to the Members	7-8
Statement of Financial Position	9
Statement of Profit or Loss	10
Statement of Comprehensive Income	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14-21



**CRESCENT JUTE
PRODUCTS LTD.**

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Khurram Mazhar Karim	Chairman - Non-Executive Director
Mr. Humayun Mazhar (In alphabetic order)	Chief Executive Officer - Executive Director
Mr. Muhammad Asif	Independent Director
Miss Rijah Khurram Mazhar	Non-Executive Director
Mr. Shahjahan Mazhar Karim	Non-Executive Director
Mr. Shameel Mazhar	Non-Executive Director
Mr. Shehryar Mazhar	Non-Executive Director

AUDIT COMMITTEE

Mr. Muhammad Asif	Chairman
Mr. Shehryar Mazhar	Member
Mr. Shahjahan Mazhar Karim	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Shehryar Mazhar	Chairman
Mr. Muhammad Asif	Member
Miss Rijah Khurram Mazhar	Member

COMPANY SECRETARY / CFO

Mr. Tahir Hussain

HEAD OF INTERNAL AUDIT

Mr. Muhammad Shoaib Nasir Khan

AUDITORS

M/s Rizwan & Company
Chartered Accountants Islamabad
Name of Engagement Partner: Mr. Rashid Iqbal (FCA)

LEGAL ADVISOR

Mr. Shahid Mahmood Baig
Advocate High Court

BANKERS

B.R.R. Guardian Modaraba
MCB Bank Limited
Dubai Islamic Bank
Habib 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



**CRESCENT JUTE
PRODUCTS LTD.**

DIRECTORS REPORT TO THE SHAREHOLDERS

Accounts for the half year ended December 31 2023 show a loss of Rupees 4.14million as compared to the loss of Rupees 5.87 million in the corresponding period of 2022. This loss is mainly attributed to the cost of minimum staff required for the 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 to this plan i.e., Disposal of Assets and Future Business plan. As far as the Disposal of Assets is concerned, all the payments against the disposal of assets have been received.

We report that the liability of the Bank of Punjab has been settled. However, after the settlement of the Bank of Punjab's liability sufficient surplus funds were not available, therefore, the future business plan as approved by the shareholders in their meeting held in October 2011 cannot be implemented.

Furthermore, we are still in litigation with the Crescent Standard Modaraba over their claims. In view of the same, the management is exploring various options for alternate funding to pay the balance of outstanding liabilities. Currently, the company does not have funds for the future business plan and if a possibility comes up, we will put it up for approval to the Shareholders.

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

For and on behalf of the Board

(Humayun Mazhar)
Chief Executive Officer

Khurram Mazhar Karim
Director

Lahore: February 29, 2024



CRESCENT JUTE
PRODUCTS LTD.

DIRECTORS REPORT TO THE SHAREHOLDERS

ڈائریکٹرز رپورٹ بنام شیئرز ہولڈرز

31 دسمبر 2023ء کو اختتام پذیر نصف سال کے کھاتے سال 2022ء کی اسی مدت میں 5.87 ملین روپے خسارہ کی نسبت 4.14 ملین روپے کا خسارہ ظاہر ہوا۔ کمپنی کے کاروباری و مالیاتی امور کو چلانے کے لئے کم از کم درکار عملے پر اخراجات کے باعث و دیگر اخراجات برداشت کرنے سے منسوب ہے

انتظامیہ بورڈ آف ڈائریکٹرز اور شیئرز ہولڈرز کی منظوری سے کلوزر پلان کے اطلاق عمل میں ہے۔ اس پلان کے دو حصے یعنی اثاثہ جات کی فروخت اور مستقبل کا کاروباری منصوبہ تھے۔ جہاں تک اثاثہ جات کی فروخت کا تعلق ہے ان کی فروخت کے متوازی تمام رقوم وصول کر لی گئی ہیں۔

ہم مطلع کرتے ہیں کہ بینک آف پنجاب کے واجبات ادا کئے جا چکے ہیں۔ البتہ، بینک آف پنجاب کے واجبات کی ادائیگی کے بعد معقول اضافی رقم دستیاب نہیں تھی لہذا اکتوبر 2011ء منعقدہ اجلاس میں شیئرز ہولڈرز کے منظور شدہ مستقبل کے کاروباری منصوبے پر عمل درآمد نہیں ہو سکا۔

مزید برآں، گلیمز کی بابت کریسٹل اسٹینڈرڈ مضاربہ کے ساتھ ہماری قانونی چارہ جوئی جاری ہے۔ اس کے پیش نظر، انتظامیہ بقیہ واجبات کی ادائیگی کی غرض سے فنڈز کے لئے متبادل ذرائع تلاش کر رہی ہے۔ فی الوقت، مستقبل کے کاروباری منصوبے کے لئے کمپنی کے پاس فنڈز دستیاب نہیں اور امکانات روشن ہونے پر ہم منظوری کے لئے اسے شیئرز ہولڈرز کے سامنے رکھیں گے۔

دوسری جانب، ہم لاگت پر کنٹرول کرنے اور اخراجات کو روکنے اور کم از کم درجے پر رکھنے کے لئے ہر ممکن کوشش کر رہے ہیں۔

برائے/مخائب بورڈ آف ڈائریکٹرز

خرم مظہر کریم
ڈائریکٹر

Hussain Khan
چیف ایگزیکٹو آفیسر
ہمایوں مظہر

لاہور: 29 فروری، 2024ء



**CRESCENT JUTE
PRODUCTS LTD.**

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF CRESCENT JUTE PRODUCTS LTD. REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **CRESCENT JUTE PRODUCTS LIMITED** as at December 31, 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the selected notes forming part thereof, for the six month period then ended (hereinafter referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of the condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures included in condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and 2022 and the notes forming part thereof have not been reviewed by us and we do not express a conclusion on them, as we are required to review only the cumulative figures for the six months' period ended December 31, 2023.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

We believe that the procedures we have performed are sufficient and appropriate to provide a basis for our qualified conclusion and we report that:

- a) The company has obtained a loan amounting to Rs 18.083 Million from Innovative Investment Bank Limited as per the terms and conditions as fully explained in note 3.3 to these condensed interim financial statements. The Company had been regularly accruing mark up on outstanding loan uptill the financial year ended June 30, 2022. However, no provision for accrued mark-up has been made for the period uptill December 31, 2023 in these condensed interim financial statements. Had the company made provision for accrued mark up in these condensed interim financial statements, the loss after tax for the period ended December 31, 2023 would have been higher and the negative equity as on December 31, 2023 would also have been higher by the amount of the accrued mark up.



CRESCENT JUTE
PRODUCTS LTD.

INDEPENDENT AUDITOR'S REVIEW REPORT

Qualified Conclusion

Based on our review, except for the effect of the matter discussed in the Basis for Qualified Conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

Without further qualifying our conclusion we draw attention to the following matters:

- a) As stated in Note 1.2 to the condensed interim financial statements, the Company is no longer a going concern, therefore, the condensed interim financial statements have been prepared on the basis of estimated realizable / settlement values of assets and liabilities respectively.
- b) As stated in Note 3.1 to the condensed interim financial statements, the Company has not charged further mark-up on the borrowings as per the advice of legal counsel.

The engagement partner on the review resulting in this independent auditor's review report is **Rashid Iqbal FCA**.

Islamabad
Date: February 29, 2024
UDIN: RR202310101IWFVLJ8mc


Rizwan & Company
Chartered Accountants



CRESCENT JUTE
PRODUCTS LTD.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 30, 2023 (UN-AUDITED)

		Un-audited	Audited
		December 31,	June 30,
		2023	2023
		RUPEES	
ASSETS	NOTE		
NON-CURRENT ASSETS			
Operating fixed assets	5	1,907,562	2,003,991
CURRENT ASSETS			
Security deposits		37,500	37,500
Prepayments and other receivables		548,647	519,729
Short term investments		1,512,264	1,736,044
Cash and bank balances		111,372	110,324
		2,209,783	2,403,597
TOTAL ASSETS		4,117,345	4,407,588
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
30,000,000 (30 June 2023: 30 000 000) ordinary shares of Rupees 10 each		300,000,000	300,000,000
Issued, subscribed and paid-up share capital		237,634,680	237,634,680
Capital reserves		35,633,084	35,633,084
Accumulated loss		(465,994,117)	(461,854,155)
		(192,726,353)	(188,586,391)
NON-CURRENT LIABILITIES		-	-
CURRENT LIABILITIES			
Accrued liabilities and other payables		6,417,304	2,574,555
Accrued mark-up		79,864,414	79,864,414
Borrowings	3	110,106,234	110,106,234
Unclaimed dividend		337,313	337,312
Provision for taxation		118,434	111,464
		196,843,699	192,993,979
CONTINGENCIES AND COMMITMENTS	4	-	-
TOTAL EQUITY AND LIABILITIES		4,117,345	4,407,588

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Humayun Mazhar
Chief Executive Officer

Khurram Mazhar Karim
Director

Tahir Hussain
Chief Financial Officer



CRESCENT JUTE
PRODUCTS LTD.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (Un-audited)

NOTE	HALF YEAR ENDED		QUARTER ENDED		
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	
	-----RUPEES-----				
Other Income-Net	6	(197,379)	645,832	3,752	(162,573)
Administrative Expenses		(3,931,186)	(5,104,047)	(1,648,314)	(2,586,112)
Finance Cost		(5,858)	(1,307,898)	(2,552)	(1,243,280)
(Loss) before Taxation		(4,134,423)	(5,766,113)	(1,647,114)	(3,991,965)
Taxation		(5,539)	(101,865)	(5,539)	(101,865)
(Loss) after Taxation		(4,139,962)	(5,867,978)	(1,652,653)	(4,093,830)
(Loss) Per Share - Basic and Diluted	8	(0.17)	(0.25)	(0.07)	(0.17)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Humayun Mazhar
Chief Executive Officer

Khurram Mazhar Karim
Director

Tahir Hussain
Chief Financial Officer



CRESCENT JUTE
PRODUCTS LTD.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (Un-audited)

HALF YEAR ENDED		QUARTER ENDED	
December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
----- (RUPEES) -----			

(Loss) after taxation (4,139,962) (5,867,978) (1,652,653) (4,093,830)

**Items that will not be reclassified
subsequently to profit or loss:**

Deficit arising on remeasurement of
investment at fair value through other
comprehensive income

-	-	-	-
-	-	-	-

**Items that may be reclassified
subsequently to profit or loss**

Other comprehensive income for the period

-	-	-	-
---	---	---	---

Total comprehensive (loss) for the period (4,139,962) (5,867,978) (1,652,653) (4,093,830)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Humayun Mazhar
Chief Executive Officer

Khurram Mazhar Karim
Director

Tahir Hussain
Chief Financial Officer



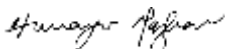
**CRESCENT JUTE
PRODUCTS LTD.**

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (Un-audited)

	SHARE CAPITAL	CAPITAL RESERVES			Accumulated losses	TOTAL EQUITY
		Share premium	Fair value reserve on FVTOCI investments	Sub Total		
	----- (RUPEES) -----					
Balance as at 30 June 2022 - (Audited)	237,634,680	35,767,584	(134,500)	35,633,084	(452,692,417)	(179,424,653)
(Loss) for the half year ended 31 December 2022	-	-	-	-	(5,867,978)	(5,867,978)
Other comprehensive income for the half year ended 31 December 2022	-	-	-	-	-	-
Total comprehensive loss for the half year ended 31 December 2022	-	-	-	-	(5,867,978)	(5,867,978)
Balance as at 31 December 2022 - (Un-audited)	237,634,680	35,767,584	(134,500)	35,633,084	(458,560,395)	(185,292,631)
(Loss) for the half year ended 30 June 2023	-	-	-	-	(3,293,760)	(3,293,760)
Other comprehensive income for the half year ended 30 June 2023	-	-	-	-	-	-
Total comprehensive loss for the half year ended 30 June 2023	-	-	-	-	(3,293,760)	(3,293,760)
Balance as at 30 June 2023 - (Audited)	237,634,680	35,767,584	(134,500)	35,633,084	(461,854,155)	(188,586,391)
(Loss) for the half year ended 31 December 2023	-	-	-	-	(4,139,962)	(4,139,962)
Other comprehensive income for the half year 31 December 2023	-	-	-	-	-	-
Total comprehensive loss for the half year 31 December 2023	-	-	-	-	(4,139,962)	(4,139,962)
Balance as at 31 December 2023 - (Un-audited)	237,634,680	35,767,584	(134,500)	35,633,084	(465,994,117)	(192,726,353)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.


Humayun Mazhar

Chief Executive Officer


Khurram Mazhar Karim

Director


Tahir Hussain

Chief Financial Officer



**CRESCENT JUTE
PRODUCTS LTD.**

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (Un-audited)

	NOTE	HALF YEAR ENDED	
		December 31, 2023	December 31, 2022
RUPEES			
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before taxation		(4,134,423)	(5,766,113)
Adjustments for non-cash charges and other items:			
Depreciation	5	96,429	109,144
Profit on bank deposits	6	(23,723)	(520,961)
Net un-realized loss on remeasurement of investments at fair value through profit or loss	6	223,779	31,520
Gain on sale of investment		-	(155,361)
Finance cost		5,858	1,307,898
		(3,832,080)	(4,993,873)
Working capital changes			
(Increase) / decrease in prepayments and other receivables		(28,918)	(311,417)
Increase / (decrease) in accrued liabilities and other payables		3,849,718	(6,677,433)
		3,820,801	(6,988,850)
Cash (used in) from operations		(11,279)	(11,982,723)
Finance cost paid		(5,858)	(31,662)
Income tax paid		(5,539)	(219,099)
Net cash (used in) from operating activities		(22,675)	(12,233,484)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		-	1,129,180
Profit on bank deposits received	6	23,723	520,961
Net cash from investing activities		23,723	1,650,141
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings-net		-	(4,261,237)
Net cash (used in) financing activities		-	(4,261,237)
Net increase/(decrease) in cash and cash equivalents		1,048	(14,844,580)
Cash and cash equivalents at the beginning of the period		110,324	14,956,746
Cash and cash equivalents at the end of the period		111,372	112,166

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Humayun Mazhar
Chief Executive Officer

Khurram Mazhar Karim
Director

Tahir Hussain
Chief Financial Officer



**CRESCENT JUTE
PRODUCTS LTD.**

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

- 1.1 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 May 02, 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 March 29, 2018 by the Company and a writ petition was filed by the Company against the above mentioned Order which was dismissed by the High Court, Lahore on October 26, 2021. The Company filed intra Court appeal on January 11, 2022 against the impugned order of SECP which has been accepted by the honorable Lahore High Court, Lahore vide Order dated January 19, 2022 and suspended the operation of the Impugned Order till the date of next hearing. The legal advisor has advised that the matter is pending in the Lahore High Court, Lahore and there are fair chances that the matter will be decided in favour of the Company. However, they have further advised that in case of non-acceptance of the Intra Court Appeal, the SECP can initiate winding up proceedings against the Company. Moreover, the Company's shares were suspended by the PSX for trading for another period of sixty days effective from Nov 17, 2023 vide their letter PSX/N-1166 dated Nov 16, 2023. The first notice by PSX in this regard was issued on 18 December 2017.

1.2 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 have been disposed of up till 30 June 2019. During the period ended 31 December 2023, the Company has loss after taxation of Rupees 4.139 million. The Company has suffered accumulated loss of Rupees 465.994 million as on 31 December 2023 which has turned equity into negative balance of Rupees 192.726 million.

In view of the aforesaid reasons, the Company is not considered a going concern. These condensed interim 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the audited financial statements of the Company for the year ended 30 June 2023.



**CRESCENT JUTE
PRODUCTS LTD.**

2.1 Basis of preparation

2.1.1 Statement of compliance

- a) These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34 'Interim Financial Reporting', 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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- b) These condensed interim financial statements have been subjected to limited scope review by the auditors of the company, as required under section 237 of the Companies Act, 2017. These condensed interim financial statements do not include all the information required for full financial statements, and should be read in conjunction with the Company's audited financial statements for the year ended 30 June 2023.

2.1.2 Accounting convention

These condensed interim 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.

2.1.3 Critical accounting estimates, judgments and financial risk management

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions which affect the application of accounting policies and the reported amounts. Actual results may differ from these judgments, estimates and assumptions.

During the preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the audited financial statements of the Company for the year ended 30 June 2023.

The Company has no items that it plans to sell that the Company has not previously recognized in the condensed interim financial statements.

2.1.4 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements of the Company for the year ended 30 June 2023.



CRESCENT JUTE
PRODUCTS LTD.

		Un-audited December 31, 2023	Audited June 30, 2023
		RUPEES	
3 BORROWINGS	NOTES		
From banking company and financial institution - secured			
B.R.R. Guardian Modaraba	3.1	33,810,398	33,810,398
Unsecured			
Related party			
Crescent Ventures (Private) Limited	3.2	3,073,795	3,073,795
Others			
Innovative Investment Bank Limited	3.3	18,083,326	18,083,326
Crescent Jute Mills Limited	3.4	55,138,715	55,138,715
		110,106,234	110,106,234

3.1 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 49.5 million, pledge of stocks of raw jute and hessian cloth and in case of default carried mark-up at the rate of 18% (2022: 18 %) 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 15.29 million subject to liquidation of entire murabaha facility by June 30, 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/Banking Court Lahore against the Company for the recovery of above-mentioned principal amount and mark-up amounting to Rupees 15.29 million previously waived off by B.R.R. Guardian Modaraba. The case has been decided against the Company. The Company 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. The Division Bench of Lahore High Court Lahore, vide order dated March 09, 2022 accepted the Appeal and set aside the judgment and decree. The Learned Banking Court on application for seeking de-attachement of aforesaid immovable property has passed the decree on March 22, 2022 to de-attach the above mentioned immovable property. 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 June 30, 2019 as the case is currently pending before the Modaraba Tribunal/Banking Court, Lahore and at the most B.R.R. Guardian Modaraba can be granted cost of funds when the matter is decided by the honourable Modaraba Tribunal/Banking Court, Lahore.

3.2 This represents interest free loan obtained from Crescent Ventures (Private) Limited, a related party, in tranches starting from December 12, 2022 with the last tranche received on May 02, 2023. This loan is obtained to meet day to day expenses of the Company and is repayable on demand.

3.3 This represents interest free loan obtained from Innovative Investment Bank Limited with sixty equal monthly installments commenced on January 01, 2009 uptill December 01, 2013. According to the loan agreement, in case the Company fails to pay any one of the installment,



**CRESCENT JUTE
PRODUCTS LTD.**

the entire outstanding amount on that date would be reinstated and immediately become due carrying mark-up at the rate of 14% (2022: 14%) per annum. Due to non-payment of installments within due period, entire outstanding amount of the loan has become immediately due.

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

4 CONTINGENCIES AND COMMITMENTS

4.1 Contingencies

- i) For tax year 2022, the company did not work out the tax provision as required under Section 113 C (Alternative Corporate tax) of the Income Tax Ordinance, 2001. The tax return has been assessed under Section 120 - Order to make self assessment and accepted by the tax authorities. In case the company's tax return is selected for audit the tax authorities may revise the tax return and raise tax demand for the omitted tax liability of Rs 8.75 Million.
- ii) The Commissioner Inland Revenue raised demand for sales tax amounting to Rupees 34.022 million (2022: 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. The 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 filed an appeal in Supreme Court of Pakistan in 2012 against the decision of the Lahore High Court, Lahore. Moreover, the Company also approached Federal Board of Revenue (FBR) for a decision by Alternate Dispute Resolution Committee (the Committee). The Committee has given its recommendations in favour of the company. 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. The honorable Supreme Court in its order dated September 30, 2021 disposed of the review petition in terms that the judgment under review shall not prejudice the rights of the petitioner arising out of the legislative amendments introduced in sub-section (4) of Section 47-A of the Sales Tax Act, 1990. Based on the advice of the legal counsel, no provision has been made in these condensed interim financial statements as the management is of the view that after decision of the honorable supreme court the recommendations made by the ADRC shall be treated to be an order passed by the FBR under the Sales Tax Act, 1990.
- iii) Deputy Commissioner Inland Revenue, Lahore ordered on June 19, 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 July 14, 2017. However on June 20, 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 condensed interim financial statements.



**CRESCENT JUTE
PRODUCTS LTD.**

appeal against this order to Commissioner Inland Revenue (Appeals), Lahore on July 14, 2017. However on June 20, 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.

- iv) As per press release of Supreme Court of Pakistan dated May 17, 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 May 13, 2018 at Supreme Court of Pakistan and the Bench passed the order recommending action against 222 individuals / companies identified in the Report of the Commission constituted by the honorable Supreme Court (Page No. 107 of Vol-I of the Commission's Report) on account of the fact that the loans were not written off in accordance with law. The case was adjourned several times uptill the end of the financial year 30 September 2023.

The name of the Company, under the heading of National Bank of Pakistan (NBP), is included in the list of 222 individuals / companies. On August 10, 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 has filed suit against NBP's illegal and time barred claim, which is presently pending adjudication before the Lahore High Court, Lahore. The legal advisors have advised that there is no scope of any loss to the company in this matter. A writ petition was filed by the Company against Bank's threat of indulging NAB, which was allowed by Lahore High Court, Lahore on December 24, 2018. However, NAB has challenged this judgment of Lahore High Court, Lahore before Supreme Court of Pakistan on March 09, 2019 which is pending for decision with no stay in it. Further, on May 08, 2021, a suit was also filed by NBP in the Banking Court, Lahore against the Company claiming recovery of US Dollars 211,051.22 against principal and mark-up balances of FE-25 loan. The Company denies any of the claims made by NBP. The case is pending before the Banking Court, Lahore and the company has a very good case in this matter as advised by the legal advisors. 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 cases in favour of the Company.

4.2 Commitments

There was no capital or other commitment as at December 31, 2023 (30 June 2023: Rupees Nil).

	Un-audited December 31, 2023	Audited June 30, 2023
	NOTES	
	RUPEES	
5 OPERATING FIXED ASSETS		
Opening book value	2,003,991	2,222,279
Depreciation charged for the period / year	(96,429)	(218,288)
	1,907,562	2,003,991



**CRESCENT JUTE
PRODUCTS LTD.**

(UN-AUDITED) HALF YEAR ENDED		(UN-AUDITED) QUARTER ENDED	
December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022

6 OTHER INCOME-NET

------(RUPEES)-----

Income from financial assets

Profit on deposits with banks	23,723	520,961	7,889	59,867
Dividend income	2,677	1,030	2,677	1,030
Markup waived off (Note 6.1)	-	-	-	-
Gain on disposal of investment	-	155,361	-	-
Un-realized loss on remeasurement of investments at fair value through profit or loss	(223,779)	(31,520)	(6,814)	(223,470)
	(197,379)	645,832	3,752	(162,573)

- 6.1 The Bank of Punjab and the Company agreed an out of court settlement regarding the outstanding liabilities and a memorandum of understanding (settlement document) regarding the settlement of outstanding dues was signed by both the parties on May 21, 2021. According to the settlement document, the Bank agreed to receive rupees 138,615,841 against all outstanding principal and liabilities, and to waive off all the accrued mark-up. Subsequent to year ended June 30, 2021 the BOP issued No Liability Certificate to the company and the accrued mark up was written back in these financial statements during the previous year. The legal advisors have advised that as the dispute between the BOP and the Company has been settled, the writ petition challenging the judgment of Lahore High Court Lahore filed by NAB before the Supreme Court of Pakistan will be disposed off accordingly when it is fixed before the honorable Supreme Court.

7 TAXATION

- 7.1 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 363.151 million (2023: Rupees 346.967 million) including unabsorbed depreciation as at December 31, 2023, amounting to Rupees 224.477 million. 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.
- 7.2 As company has ceased its operation and its sole income is income from other sources. Therefore, company was not required to provide the deferred taxation as there will be no timing difference as per IAS-12 "Income Taxes".
- 7.3 Unabsorbed tax losses include Rupees 134,668,850 related to business losses excluding unabsorbed depreciation. The expiry dates of these business losses are given hereunder:

Accounting year to which the business loss relates	Amount of business loss	Accounting year in which business loss will expire
Year	-----Rupees-----	Year
2018	49,995,634	2024
2019	50,455,235	2025
2020	12,471,401	2026
2021	-	2027
2022	12,109,090	2028
2023	9,637,490	2029
	134,668,850	



**CRESCENT JUTE
PRODUCTS LTD.**

8 EARNING PER SHARE- BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	(UN-AUDITED)		(UN-AUDITED)	
	HALF YEAR ENDED		QUARTER ENDED	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
(Loss) after taxation-(Rupees)	(4,139,962)	(5,867,978)	(1,652,653)	(4,093,830)
Weighted average number of ordinary shares	23,763,468	23,763,468	23,763,468	23,763,468
Earning per share - (Rupees)	(0.17)	(0.25)	(0.07)	(0.17)

9 TRANSACTIONS WITH RELATED PARTIES

Detail of transactions and balances with related parties is as follows:

	(UN-AUDITED)		(UN-AUDITED)	
	HALF YEAR ENDED		QUARTER ENDED	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
------(RUPEES)-----				

(i) Transactions

Associated companies

(common directorship)

Loan received - 200,000 - 200,000

Expenses paid and reimbursed **20,960** 431,916 - 227,012

Loan repaid to sponsor - 4,461,237 - 4,461,237

Directors and Executives

Remuneration and meeting fee of directors and executives **37,500** 743,957 **37,500** 743,957

Un-audited December 31, 2023	Audited June 30, 2023
RUPEES	

(ii) Period end balances - Associated Companies

Borrowings - 3,073,795

10 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

The judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these condensed interim 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. The description of each level and its explanation is given in the table below:

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
At 31 December 2023 (Un-audited)				
Financial assets				
At fair value through profit or loss	1,512,264	-	-	1,512,264
At 30 June 2023 (Audited)				
Financial assets				
At fair value through profit or loss	1,736,044	-	-	1,736,044



**CRESCENT JUTE
PRODUCTS LTD.**

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

There were no transfers between levels 1 and 2 for recurring fair value measurements during the half year ended December 31, 2023. 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 technique used to determine fair values**

Valuation technique implemented to value financial instruments is the use of quoted market prices.

11 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on February 29, 2024.

12 CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

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

13 GENERAL

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

Humayun Mazhar
Chief Executive Officer

Khurram Mazhar Karim
Director

Tahir Hussain
Chief Financial Officer

BOOK POST

If undelivered
please return to



**CRESCENT JUTE
PRODUCTS LTD.**

1st Floor, 65-XX, Khayaban-e-Iqbal Road,
Phase - III, DHA, Lahore - 54792, Pakistan.
Tel: + 92-42-37186438-9
Website: www.cresjute.com