



**M O D A R A B A**

## **Crescent Standard Modaraba**

(An Islamic Financial Institution)

Managed by:

**B.R.R. Investments (Private) Limited**

**Un-Audited  
Condensed Interim Financial Information  
For The Half Year Ended  
December 31, 2014**



**CRESCENT STANDARD MODARABA**

(An Islamic Financial Institution)

Managed by:

**B.R.R. Investments (Private) Limited**

<b>Contents</b>	<b>Page</b>
<u>Corporate Information</u>	<u>02</u>
<u>Directors' Report</u>	<u>03</u>
<u>Independent Auditors' Report on Review of Condensed Interim Financial Information to the Certificate Holders</u>	<u>04</u>
<u>Condensed Interim Balance Sheet</u>	<u>05</u>
<u>Condensed Interim Profit and Loss Account</u>	<u>06</u>
<u>Condensed Interim Statement of Comprehensive Income</u>	<u>07</u>
<u>Condensed Interim Cash Flows Statement</u>	<u>08</u>
<u>Condensed Interim Statement of Changes in Equity</u>	<u>09</u>
<u>Notes to the Condensed Interim Financial Information</u>	<u>10</u>



**CRESCENT STANDARD MODARABA**  
(An Islamic Financial Institution)

## **CORPORATE INFORMATION**

Modaraba Company	B.R.R. Investments (Private) Limited
Chairman	Mr. Rafique Dawood
Chief Executive	Mr. Ayaz Dawood
Directors	Mr. Waqas Anwar Qureshi Syed Ali Raza
Audit Committee	Mr. Waqas Anwar Qureshi - Chairman Mr. Rafique Dawood - Member Syed Ali Raza - Member
HR and Remuneration Committee	Mr. Waqas Anwar Qureshi - Chairman Mr. Rafique Dawood - Member Mr. Ayaz Dawood - Member
Chief Financial Officer	Syed Tariq Masood
Company Secretary	Mr Tahir Mehmood
Auditors	EDO Ebrahim & Co. Chartered Accountants
Shariah Advisor	Mufti Syed Sabir Hussain
Legal Advisor	Malik & Maliks
Bankers	Al -Baraka Bank (Pakistan) Limited
Web-site	<a href="http://www.firstdawood.com/csm">www.firstdawood.com/csm</a>
Registered Office & Head Office	18th Floor, B.R.R. Tower Hassan Ali Street off. I.I. Chundrigar Road, Karachi-74000 PABX : 92-21-32602401-06 Fax : 92-21-3227-1912
Registrars	F.D Registrar Services (SMC-Pvt.) Ltd 1705, 17th Floor, Saima Trade Towers, Tower "A", I.I. Chundrigar Road, Karachi-74000 Phone # 92-21-35478192-93 # 92-21-32271906 Fax # 92-21-32621233



**CRESCENT STANDARD MODARABA**  
(An Islamic Financial Institution)

## DIRECTORS' REPORT

**Dear Certificate holders,**

On behalf of the Board of Directors of B.R.R. Investments (Private) Limited ('BRR' or 'the company'), Manager of **Crescent Standard Modaraba** ('CSM' or 'the Modaraba'), we are pleased to present the 2ND Quarter Financial statements of the Modaraba for the six months ended December 31, 2014.

Operations and performance

	December 31, 2014	December 31, 2013
	..... Rupees.....	
<b>Total Income</b>	<b>16,995,033</b>	<b>13,507,248</b>
<b>Total Expenses</b>	<b>10,560,926</b>	<b>8,983,727</b>
<b>Provision for doubtful debts</b>	<b>12,405,200</b>	<b>9,868,521</b>
<b>(Loss) for the period</b>	<b>(5,971,093)</b>	<b>(5,345,000)</b>

During the six months period under review the Modaraba has suffered loss of Rs. 5.971 million. This loss is a direct result of a provision against a related party of previous management of the Modaraba, the Prudential Regulations necessitates a further provision of Rs 12,405,200 against the doubtful debt. A Recovery Suit against the default party has already been instituted and every effort will be made to recover the defaulted amount.

We are hopeful with recovery of the stuck-up amount, Your Modaraba will return to profitability.

On Behalf of the Board of Directors  
**B.R.R. Investments (Private) Limited**

Karachi: February 26, 2015

**Rafique Dawood**  
Chairman



Tel: +92 21 3568 3030  
Fax: +92 21 3568 4239  
www.bdo.com.pk

2nd Floor, Block-C  
Lakson Square, Building No.1  
Sarwar Shaheed Road  
Karachi-74200  
Pakistan

## INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE CERTIFICATE HOLDERS

### Introduction

We have reviewed the accompanying condensed interim balance sheet of **Crescent Standard Modaraba** ("the Modaraba") as at December 31, 2014 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information 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.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the six months period ended December 31, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

The figures for the quarter ended December 31, 2014 and December 31, 2013 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

### KARACHI

DATED: February 26, 2015

CHARTERED ACCOUNTANTS  
Engagement Partner: Zulfikar Ali Causer

### BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



**CRESCENT STANDARD MODARABA**  
(An Islamic Financial Institution)

**Condensed Interim Balance Sheet**  
**As at December 31, 2014**

		(Un-audited) December 31, 2014	(Audited) June 30, 2014
	Note	----- (Rupees) -----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	58,863,506	50,953,494
Advance against Ijarah Assets		4,306,860	-
Musharaka finance	6	-	-
		<u>63,170,366</u>	<u>50,953,494</u>
<b>CURRENT ASSETS</b>			
Short-term investments	7	50,608,612	35,601,883
Current portion of musharaka finance	6	18,631,404	18,631,404
Murabaha finance	8	-	-
Advances, deposits, prepayments and other receivables	9	1,383,867	3,734,004
Trade debts	10	983,181	13,022,846
Advance tax		554,745	479,744
Cash and bank balances	11	3,631,950	21,669,739
		<u>75,793,759</u>	<u>93,139,620</u>
		<u>138,964,125</u>	<u>144,093,114</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorized capital			
25,000,000 (June 30, 2014: 25,000,000) certificate of Rs. 10/- each		<u>250,000,000</u>	<u>250,000,000</u>
Issued, subscribed and paid up certificate capital		200,000,000	200,000,000
Statutory reserves		18,470,201	18,470,201
Accumulated loss		(99,524,988)	(90,553,895)
Surplus / deficit on revaluation of investment		<u>245,263</u>	<u>(134,929)</u>
		119,190,476	127,781,377
<b>NON-CURRENT LIABILITIES</b>			
Long-term portion customers' security deposits		<u>12,710,470</u>	<u>6,780,705</u>
		12,710,470	6,780,705
<b>CURRENT LIABILITIES</b>			
Current portion of customers' security deposits		368,380	4,610,690
Accrued expenses and other liabilities		2,541,652	2,222,558
Unclaimed profit distribution		4,153,147	2,697,784
		<u>7,063,179</u>	<u>9,531,032</u>
		<u>138,964,125</u>	<u>144,093,114</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12		

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

For B.R.R. Investments (Private) Limited  
(Modaraba Management Company)

\_\_\_\_\_  
Rafique Dawood  
Chairman

\_\_\_\_\_  
Ayaz Dawood  
Chief Executive Officer

\_\_\_\_\_  
Syed Ali Raza  
Director



**CRESCENT STANDARD MODARABA**

(An Islamic Financial Institution)

**Condensed Interim Profit And Loss Account  
For The Half Year And Quarter Ended December 31, 2014  
(Un-Audited)**

	Half year ended		Quarter ended	
	December 31,		December 31,	
	2014	2013	2014	2013
<b>INCOME</b>	<b>Note ----- (Rupees) -----</b>			
Ijarah rentals	8,124,309	5,522,140	4,144,364	2,516,111
Income on musharaka and murabaha finance	1,050,000	1,076,305	525,000	535,842
Income on bank balances	419,879	1,837,913	69,775	589,481
Income on short-term investments - net	13 7,307,250	4,833,186	4,297,787	4,674,614
Other income	14 93,595	237,704	75,000	7,484
	<u>16,995,033</u>	<u>13,507,248</u>	<u>9,111,926</u>	<u>8,323,532</u>
<b>EXPENSES</b>				
Depreciation on ijarah assets	6,853,146	4,476,112	3,431,925	2,121,257
Impairment in available-for-sale securities	-	-	-	-
Provision for doubtful debts	12,405,200	9,868,521	12,405,200	9,868,521
Investment in available for sale securities written off	-	-	-	-
Loss / (profit) on ijarah assets	376,085	562,213	(8,497)	-
Administrative and operating expenses	3,330,535	3,945,352	1,991,535	1,962,402
Financial charges	1,160	50	1,160	50
	<u>22,966,126</u>	<u>18,852,248</u>	<u>17,821,323</u>	<u>13,952,230</u>
	(5,971,093)	(5,345,000)	(8,709,397)	(5,628,698)
Modaraba management company fee	-	-	-	-
Sales tax on Modaraba management company fee	-	-	-	-
Workers' Welfare Fund	-	-	-	-
(Loss) before taxation	(5,971,093)	(5,345,000)	(8,709,397)	(5,628,698)
Provision for taxation	15 -	-	-	-
Net (loss) for the period	<u>(5,971,093)</u>	<u>(5,345,000)</u>	<u>(8,709,397)</u>	<u>(5,628,698)</u>
(Loss) per certificate Basic and diluted	<u>(0.30)</u>	<u>(0.27)</u>	<u>(0.44)</u>	<u>(0.28)</u>

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

For B.R.R. Investments (Private) Limited  
(Modaraba Management Company)

Rafique Dawood  
Chairman

Ayaz Dawood  
Chief Executive Officer

Syed Ali Raza  
Director



CRESCENT STANDARD MODARABA  
(An Islamic Financial Institution)

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**For The Half Year And Quarter Ended December 31, 2014**  
**(Un-Audited)**

	Half year ended		Quarter ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	----- (Rupees) -----			
(Loss) for the period	(5,971,093)	(5,345,000)	(8,709,397)	(5,628,698)
Other comprehensive income	-	-	-	-
Unrealised gain on available for sale investments - net	380,192		(278,426)	-
Transfer to profit and loss account on disposal of investments		215,584		215,584
	380,192	215,584	(278,426)	215,584
Total comprehensive (loss) for the period	<u>(5,590,901)</u>	<u>(5,129,416)</u>	<u>(8,987,823)</u>	<u>(5,413,114)</u>

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

For B.R.R. Investments (Private) Limited  
(Modaraba Management Company)

\_\_\_\_\_  
Rafique Dawood  
Chairman

\_\_\_\_\_  
Ayaz Dawood  
Chief Executive Officer

\_\_\_\_\_  
Syed Ali Raza  
Director





**CRESCENT STANDARD MODARABA**

(An Islamic Financial Institution)

**Condensed Interim Statement of Cash Flows  
For The Half Year Ended December 31, 2014  
(Un-Audited)**

	December 31, 2014	December 31, 2013
	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(5,971,093)	(5,345,000)
Adjustments for non-cash items:		
Depreciation on Ijarah assets	6,853,146	4,476,112
Depreciation on assets in own use	178,136	225,531
Provision for doubtful receivable	12,405,200	9,868,521
Unrealised gain on revaluation of held-for-trading investments	(3,545,440)	(1,076,566)
Loss on held-for-trading investments	-	(3,097,994)
Income on investments in debt securities	(1,560,440)	(209,371)
Gain on sale of investment	(1,749,815)	-
Gain on sale of own assets	-	(199,249)
Loss on sale of Ijarah assets	376,085	562,213
Dividend income	(451,555)	(449,255)
	12,505,317	10,099,942
<b>Decrease / (increase) in current assets</b>		
Trade debts	(365,536)	122,829
Advances, deposits, prepayments and other receivables	2,655,848	1,590,525
Accrued profit	-	-
Advance tax	(75,001)	(710)
	2,215,311	1,712,644
<b>Increase / (decrease) in current liabilities</b>		
Accrued expenses and other liabilities	319,094	(942,417)
Profit paid to the certificate holders	(1,544,637)	221,963
	(1,225,543)	(720,454)
Net cash flows generated from operating activities	7,523,992	5,747,132
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Return on short-term investments	7,001,539	3,756,620
Short-term investment - net	(14,626,537)	(21,532,348)
Additions to property and equipment - Ijarah	(19,359,800)	(1,755,030)
Additions to property and equipment - assets in own use	-	(118,304)
Advance against ijarah assets	(4,306,860)	-
Investments under musharaka finance	-	5,415,322
Proceed on disposal of Ijarah Assets	4,042,422	1,104,936
Security deposits repaid	1,687,455	(876,365)
Net cash flows used in investing activities	(25,561,781)	(14,005,169)
Net (decrease) in cash and cash equivalents	(18,037,789)	(8,258,037)
Cash and cash equivalents at beginning of the period	21,669,739	59,447,452
Cash and cash equivalents at end of the period	3,631,950	51,189,415

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

For B.R.R. Investments (Private) Limited  
(Modaraba Management Company)

Rafique Dawood  
Chairman

Ayaz Dawood  
Chief Executive Officer

Syed Ali Raza  
Director



**CRESCENT STANDARD MODARABA**  
(An Islamic Financial Institution)

**Condensed Interim Statement of Changes In Equity  
For The Half Year Ended December 31, 2014  
(Un-Audited)**

	Issued subscribed and paid up certificate capital	Statutory reserve	Surplus/ (deficit) on revaluation of investment - available-for- (Rupees)	Accumulated loss	Total
<b>Balance as at July 01, 2013</b>	200,000,000	15,874,298	(215,584)	(90,887,228)	124,771,486
Loss for the half year ended December 31, 2013	-	-	-	(5,345,000)	(5,345,000)
Other comprehensive income	-	-	215,584	-	215,584
Total comprehensive income for the year	-	-	215,584	(5,345,000)	(5,129,416)
Profit distribution for the year ended June 30, 2013 @ Rs.0.15 per certificate	-	-	-	(3,000,000)	(3,000,000)
<b>Balance as at December 31, 2013</b>	200,000,000	15,874,298	-	(99,232,228)	116,642,070
Profit for the half year ended June 30, 2014	-	-	-	11,274,236	11,274,236
Other comprehensive income	-	-	-	-	-
Unrealised gain on available for sale investment-net	-	-	(134,929)	-	(134,929)
Total comprehensive income for the year	-	-	(134,929)	11,274,236	11,139,307
Transfer to statutory reserve	-	2,595,903	-	(2,595,903)	-
<b>Balance as at July 01, 2014</b>	200,000,000	18,470,201	(134,929)	(90,553,895)	127,781,377
Loss for the half year ended December 31, 2014	-	-	-	(5,971,093)	(5,971,093)
Other comprehensive income	-	-	380,192	-	380,192
Total comprehensive loss for the year	-	-	380,192	(5,971,093)	(5,590,901)
Profit distribution for the year ended June 30, 2014 @ Rs.0.15 per certificate	-	-	-	(3,000,000)	(3,000,000)
<b>Balance as at December 31, 2014</b>	200,000,000	18,470,201	245,263	(99,524,988)	119,190,476

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

For B.R.R. Investments (Private) Limited  
(Modaraba Management Company)

Rafique Dawood  
Chairman

Ayaz Dawood  
Chief Executive Officer

Syed Ali Raza  
Director



**CRESCENT STANDARD MODARABA**

(An Islamic Financial Institution)

## **Notes To The Condensed Interim Financial Information For The Half Year Ended December 31, 2014**

### **1. LEGAL STATUS AND NATURE OF THE BUSINESS**

- 1.1** Crescent Standard Modaraba (the Modaraba) was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Rules framed thereunder. Modaraba was managed by Financial Link Limited up to January 19, 2007, however, the Deputy Registrar, Modaraba Wing, SECP, vide order No. SC/M/RW/CSM2006-32 dated January 19, 2007 transferred management of Modaraba to Providence Modaraba Limited. During the year 2008, Providence Modaraba Limited merged with and into B.R.R. Investments (Private) Limited, and since then the Modaraba is under management of B.R.R. Investments (Private) Limited.
- 1.2** It is a perpetual and multipurpose Modaraba. It is engaged in investing in equity and debt securities, musharaka and murabaha finance, etc. The address of registered office is 18th floor of BRR Tower Hassan Ali Street off I. I. Chundrigar Road, Karachi. The Modaraba is listed on the Karachi Stock Exchange Limited.

### **2. BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

This condensed interim financial information of the Modaraba for the six months period ended December 31, 2014 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas. In case where requirements differ, the provisions of or directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas have been followed.

The disclosures made in this condensed interim financial information have been limited, based on the requirements of International Accounting Standard 34 - "Interim Financial Reporting". These condensed interim financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Modaraba for the year ended June 30, 2014.

This condensed interim financial information is un-audited. However, limited scope review has been performed by the statutory auditors, except for the figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2014 and December 31, 2013, in accordance with the requirement of clause (xxi) of the Code of Corporate Governance and are being submitted to the Certificate holders as required by Rule 10 of Modaraba Companies and Modaraba Rules, 1981.

#### **2.2 Basis of measurement**

This condensed interim financial information has been prepared under the "historical cost convention" except for the revaluation of certain financial assets which are stated at fair value.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted and methods of computation followed in the preparation of this condensed interim financial information are same as those applied in the preparation of annual financial statements of the Modaraba for the year ended June 30, 2014.

There were certain new standards, amendments to the approved accounting standards and new interpretation issued by the International Financial Reporting Interpretations Committee (IFRIC) which became effective during the period but are considered not to be relevant or have any significant effect on the Modaraba's operations and are, therefore, not disclosed in this condensed interim financial information.



**CRESCENT STANDARD MODARABA**

(An Islamic Financial Institution)

**4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Modaraba's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2014.

		(Un-audited) December 31, 2014	(Audited) June 30, 2014
		----- (Rupees) -----	
<b>5 PROPERTY AND EQUIPMENT</b>			
Property and equipment - owned	5.1	853,504	1,031,640
Property, plant and equipment - leased / ijarah	5.2	<u>58,010,002</u>	<u>49,921,854</u>
		<u>58,863,506</u>	<u>50,953,494</u>

**5.1 Property and equipment - owned**

Following additions and disposals in assets in own use, at cost, were made during the period:

	----- Additions -----		----- Disposals -----	
	(Un-audited) December 31, 2014	(Audited) June 30, 2014	(Un-audited) December 31, 2014	(Audited) June 30, 2014
	----- (Rupees) -----		----- (Rupees) -----	
Vehicles	-	131,508	-	2,746,609
Computer equipment	-	107,344	-	-
	<u>-</u>	<u>238,852</u>	<u>-</u>	<u>2,746,609</u>

**5.2 Property, plant and equipment - Ijarah / leased**

Following additions and disposals in assets leased out, at cost, were made during the period:

Plant and machinery	1,409,850	25,000,000	-	4,615,750
Vehicles	17,949,950	12,908,030	12,219,500	5,648,500
Computers	-	-	192,000	1,170,900
	<u>19,359,800</u>	<u>37,908,030</u>	<u>12,411,500</u>	<u>11,435,150</u>

		(Un-audited) December 31, 2014	(Audited) June 30, 2014
		----- (Rupees) -----	
<b>6 MUSHARAKA FINANCE - Secured</b>			

Considered good	6.1	18,631,404	18,631,404
Considered doubtful		<u>3,631,405</u>	<u>13,813,744</u>
		22,262,809	32,445,148
Less: Provision for doubtful receivables		(3,631,405)	(13,813,744)
Current portion of Musharaka finance		<u>(18,631,404)</u>	<u>(18,631,404)</u>
	6.2	<u>-</u>	<u>-</u>



**CRESCENT STANDARD MODARABA**

(An Islamic Financial Institution)

**6.1** The Modaraba has entered into musharaka agreements with different parties on profit and loss sharing basis. The expected profit on these arrangements ranges from 12.17% to 14% (30 June 2014: 10.01% to 17.03%) per annum. The arrangement is secured against mortgage on property and hypothecation over stocks and receivables of the customers as well as a lien on cash deposited with a financial institution. These musharaka finances are receivable on various dates latest by October 10, 2015.

**6.2** During the period, balances amounting to Rs. 10,182,339 have been written off.

**7 SHORT-TERM INVESTMENTS**

Held for trading	7.1	25,864,039	15,130,079
Available-for-sale	7.2	<u>24,744,573</u>	<u>20,471,804</u>
		<u>50,608,612</u>	<u>35,601,883</u>

**7.1 Held-for-trading**

Unless stated otherwise, the holdings are in the fully paid ordinary shares of Rs. 10 each.

No. of shares		Name of investee	Note	(Un-audited)	(Audited)
December 31, 2014	June 30, 2014			December 31, 2014	June 30, 2014
		----- (Rupees) -----			
<b>Electricity</b>					
-	55,000	K- Electric Limited		-	466,950
<b>Gas water and multi-</b>					
-	210,000	Sui Southern Gas Company Limited		-	-
<b>Construction and material</b>					
5,000	-	Lafarge Pakistan Cement Limited		86,750	-
6,720	-	Cherat Cement Company Limited		461,529	-
<b>Automobile and Parts</b>					
1,000	-	Indus Motors Company Ltd		880,320	-
<b>Oil and gas</b>					
500	-	Attock Refinery Limited		93,885	-
21,000	-	Pakistan Petroleum Limited		3,706,920	-
10,000	6,000	National Refinery Limited		757,885	1,292,220
103,000	78,000	Lottee Chemical Pakistan Limited		706,580	560,820
10,000	29,000	Sui Northern Gas Company Limited		287,100	656,850
<b>Engineering</b>					
-	3,500	KSB Pumps Company Limited Limited		-	291,165
<b>Chemicals</b>					
12,000	9,000	Fauji Fertilizer Company Limited		1,405,320	1,347,002



**CRESCENT STANDARD MODARABA**

(An Islamic Financial Institution)

No. of shares		Name of investee	Note	(Un-audited)	(Audited)
December 31, 2014	June 30, 2014			December 31, 2014	June 30, 2014
		----- (Rupees) -----			
62,000	47,000	Fauji Fertilizer Bin Qasim Limited		2,803,020	1,471,490
5,100	1,200	Linde Pakistan Limited		1,058,148	1,229,320
<b>General Industries</b>					
50	250	Thal Limited		13,451	51,849
1,100	1,100	Siemens Pakistan Engineering Company Limited		1,226,050	1,382,700
<b>Power generation</b>					
-	32000	Pakgen Power Limited		-	577,280
<b>Pharma and Bio Tech</b>					
19,500	-	Searle Pakistan Limited		4,715,880	-
9,500	10,500	Feroz Sons Laboratories Limited		5,427,445	2,419,937
3,365	7,865	Glaxo Smith Kline Pakistan Limited		737,978	1,305,826
1,050	2000	Abbott Laboratories HighNoon Laboratories Limited		746,214	1,144,640
3,400	5,500			749,564	932,030
				<u>25,864,039</u>	<u>15,130,079</u>
<b>7.2 Available-for-sale</b>					
Sukuk Certificates			7.2.1	<u>24,744,573</u>	<u>20,471,804</u>
				<u>24,744,573</u>	<u>20,471,804</u>
<b>7.2.1 Sukuk Certificates</b>					
<b>Sukuk Certificates</b>					
1,267	1,267	Eden Housing Limited		1,245,953	1,245,953
4,239	4,239	Maple Leaf Cement Factory Limited		3,032,992	4,436,618
3,000	3,000	K-Electric Limited		15,749,445	15,073,050
5	5	Al Baraka Bank (Pakistan) Limited		5,000,000	-
				<u>25,028,390</u>	<u>20,755,621</u>
Less: Provision for impairment				<u>(283,817)</u>	<u>(283,817)</u>
				<u>24,744,573</u>	<u>20,471,804</u>



**CRESCENT STANDARD MODARABA**  
(An Islamic Financial Institution)

	(Un-audited) December 31, 2014	(Audited) June 30, 2014
Note	----- (Rupees) -----	
<b>8 MURABAHA FINANCE</b>		
Considered doubtful - unsecured	-	1,902,053
Less: Provision for doubtful receivables	-	(1,902,053)
8.1	-	-

8.1 During the period, balances amounting to Rs. 1,902,053 have been written off.

**9 ADVANCES, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES**

**Consider Good**

**Advances**

Advances against purchase of securities from dawood equities limited - a related party

9.1	27,995	2,027,654
	206,850	548,666
	234,845	2,576,320

Advances to staff against salary

**Prepayment**

Insurance

108,988	47,921
---------	--------

**Other receivables**

Accrued profit on:

Bank balances

Sukuk certificates

Insurance premium receivable

Other receivables

337,606	770,318
529,952	224,241
-	115,204
172,476	-
1,040,034	1,109,763
1,383,867	3,734,004

**Considered doubtful**

**Advances**

Advance for purchases

44,922,678	90,387,701
------------	------------

**Deposits**

Security deposit

-	25,000
---	--------

**Other receivables**

Accrued profit

Sales tax receivable

Other receivables

-	7,715,387
-	3,350,922
-	37,592

	44,922,678	101,516,602
Less: Provision for doubtful receivables	(44,922,678)	(101,516,602)
	1,383,867	3,734,004

9.1 This is an advance paid to a related party, against purchase of securities (2014: 0.0276 million).

9.2 During the period, balances amounting to Rs. 56,593,924 have been written off.



**CRESCENT STANDARD MODARABA**

(An Islamic Financial Institution)

		(Un-audited) December 31, 2014	(Audited) June 30, 2014
	Note	----- (Rupees) -----	
<b>10 TRADE DEBTS</b>			
<b>Secured and considered good</b>			
Ijarah rental	10.1	983,181	617,646
Others	10.2	33,810,401	33,810,401
Less: Provision for doubtful receivables	10.2	<u>(33,810,401)</u>	<u>(21,405,201)</u>
		<u>983,181</u>	<u>13,022,846</u>

**10.1** As at December 31, 2014, the Modaraba has an outstanding balance of Rs. 0.83 million (June 30, 2014: Rs. nil) outstanding from Dawood Family Takaful Limited (DFTL), a related party, in respect of Ijarah facilities granted during the prior year aggregating to Rs. 8.256 million.

Subsequent to the prior year end, upon examination of the quarterly accounts of Modaraba for the period ended March 31, 2013, the Securities and Exchange Commission of Pakistan has issued a show cause notice under Section 32 of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, whereby the said Ijarah facility to DFTL is considered as a violation as the Modaraba is not allowed to extend finance facility of any kind to its associated undertakings under Regulations 7(3) of the Prudential Regulations for Modaraba.

**10.2** This facility was partly secured against pledge of stock of jute while some of the stock was misappropriated from the factory premises of the borrower. During the year, the Modaraba has filed a criminal case against the borrower and its owner against misappropriation of pledged stock.

During the prior year, a suit has also been filed by the Modaraba before the Modaraba Tribunal / Banking Court-II for the recovery of outstanding dues inter alia by sale of pledged stock which is currently under control and possession of mucedam but is lying in the factory premises of the borrower. The Tribunal passed an order and appointed a commission, directing him to count the inventory of the pledged stock, which was carried out in the presence of Modaraba officials. The borrower filed an application and pleaded to dismiss the suit filed by the Modaraba. The Modaraba has also filed a reply to the application filed by the borrower which is currently pending consideration.

During the period, complete provision has been recorded against outstanding balance as per Prudential Regulations. The management believes that the said lawsuit and criminal case will be decided in favour of the Modaraba. However, the management has adopted a prudent approach and provision of Rs. 12.405 million has been recorded during the period.

		(Un-audited) December 31, 2014	(Audited) June 30, 2014
	Note	----- (Rupees) -----	
<b>11 CASH AND BANK BALANCES</b>			
Cash in hand		4,040	665
With banks in:			
PLS savings accounts	11.1	2,403,047	20,254,963
Current accounts		2,384,112	2,573,360
Provision for doubtful balances	11.2	<u>(1,159,249)</u>	<u>(1,159,249)</u>
		<u>1,224,863</u>	<u>1,414,111</u>
		<u>3,631,950</u>	<u>21,669,739</u>





**CRESCENT STANDARD MODARABA**

(An Islamic Financial Institution)

**11.1** These carry mark-up at the rate ranging from 5% to 8% (June 30, 2014: 5% to 8%) per annum.

**11.2** This includes (a) a sum of Rs. 1.090 million (June 30, 2014: Rs.1.090 million) against which a claim has been lodged by a commercial bank as referred to in note 13.1 and (b) a sum of Rs. 0.069 (June 30, 2014: Rs.0.069) million representing balance in a dividend account with a commercial bank. The Modaraba has made full provision against the above balances.

**12 CONTINGENCIES AND COMMITMENTS**

**12.1** A commercial bank has lodged a claim of Rs. 1.090 (June 30, 2014: Rs.1.090) million on account of excess mark-up paid to the Modaraba during previous years which is not accepted by the Modaraba. The Modaraba has also lodged a claim before the banking tribunal against the said commercial bank for short payment of mark-up to the Modaraba to the extent of Rs. 2.498 (June 30, 2014: 2.498 million). The proceedings under both cases are pending to-date. As a matter of abundant caution, full provision in respect of the said claim of commercial bank has been made by the Modaraba (refer note 11.2).

**12.2** The Modaraba had received a legal notice from Innovative Investment Bank Limited (formerly: Crescent Standard Investment Bank Limited) which was addressed to previous Management Company (Financial Link Limited) of the Modaraba, wherein they had asked Modaraba to settle an outstanding balance of short-term borrowing amounting to Rs. 171.143 million (June 30, 2014: Rs. 171.143 million) along with the mark-up thereon on or before February 10, 2007. The management and the legal advisor of the Modaraba believe that the matter will be decided in the favour of the Modaraba and, accordingly, no liability in respect of the above has been recognised in the financial statements.

(Un-audited) (Un-audited)  
December 31, December 31,  
2014 2013  
----- (Rupees) -----

**13 INCOME ON SHORT-TERM INVESTMENTS - NET**

Income on investment in sukuk certificates	1,560,440	209,371
Gain on sale of investments - net	-	3,097,994
Gain on sale of held-for-trading investments	1,749,815	-
Unrealised gain on revaluation of held-for-trading investments	3,545,440	-
Dividend income	451,555	1,076,566
	<u>7,307,250</u>	<u>4,833,186</u>

**14 OTHER INCOME**

Gain on sale of fixed assets	-	199,249
Miscellaneous income	93,595	38,455
	<u>93,595</u>	<u>237,704</u>

**15 PROVISION FOR TAXATION**

As per the Second Schedule to the Income Tax Ordinance, 2001, the income of a non-trading modaraba is exempt from income tax provided that it distributes 90% of its profits to its certificate holders for the year after making appropriation for statutory reserves. The Modaraba intends to avail this exemption by distributing 90% of its profits to its certificate holders after making appropriation for statutory reserves. Accordingly, no provision in respect of current and deferred tax has been made in this condensed interim financial statements.



**CRESCENT STANDARD MODARABA**

(An Islamic Financial Institution)

**16 FAIR VALUE HIERARCHY**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices in active markets for identical assets.  
 Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.  
 Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Level 1	Level 2	Level 3	Total
----- (Rupees) -----				
<b>December 31, 2014</b>				
<b>Investments at fair value through profit or loss - held-for-trading</b>				
Listed ordinary shares	25,864,039	-	-	25,864,039
<b>Available-for-sale investments</b>				
Sukuk certificates	23,782,437	-	962,136	24,744,573
	<u>49,646,476</u>	<u>-</u>	<u>962,136</u>	<u>50,608,612</u>
<b>June 30, 2014</b>				
<b>Investments at fair value through profit or loss - held-for-trading</b>				
Listed ordinary shares	15,130,079	-	-	15,130,079
<b>Available-for-sale investments</b>				
Sukuk certificates	19,509,668	-	962,136	20,471,804
	<u>34,639,747</u>	<u>-</u>	<u>962,136</u>	<u>35,601,883</u>

**17 RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include a subsidiary company, associated companies with or without common directors, directors, and key management personnel.

The Modaraba has related party relationships with its Modaraba Management Company, Associated Undertakings and its Key Management Personnel.

A number of transactions are entered into with related parties in the normal course of business. These include financings, investments, borrowings, sharing of common expenses and rental income.

The details of transactions with related parties and balances with them, apart from compensation to executives, are given below:

Relationship with the Company	Nature of transaction	December 31, 2014	December 31, 2013
<b>Management Company</b>			
<b>Associated companies/other related parties</b>			
B.R.R Guardian Modaraba	Sharing expenses Paid	264,093	298,950
B.R.R Guardian Modaraba	Sharing expenses received	-	37,294
First Dawood Investment Bank Limited	Share of common expenses Paid	-	12,666



**CRESCENT STANDARD MODARABA**

(An Islamic Financial Institution)

<b>Relationship with the Company</b>	<b>Nature of transaction</b>	<b>December 31, 2014</b>	<b>December 31, 2013</b>
<b>Management Company</b>			
<b>Associated companies/other related parties</b>			
Provident Fund	Transfer to provident	101,358	110,704
Dawood Family Takaful Limited	Rental received	1,570,407	2,118,437
Dawood Equities Limited	Brokerage and Commission	56,139	119,466
Dawood Equities Limited	Receivable against sale of securities	27,995	304,910

**18 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue on February 26, 2015 by the Board of Directors of B.R.R. Investments (Private) Limited.

**19 GENERAL**

**19.1** This condensed interim financial information is presented in Pak Rupees, which is the Modaraba's functional and presentation currency.

**19.2** Amounts have been presented and rounded off to the nearest Rupees.

For B.R.R. Investments (Private) Limited  
(Modaraba Management Company)

\_\_\_\_\_  
Rafique Dawood  
Chairman

\_\_\_\_\_  
Ayaz Dawood  
Chief Executive Officer

\_\_\_\_\_  
Syed Ali Raza  
Director

**BOOK POST**  
PRINTED MATTER

**UNDER CERTIFICATE OF POSTING**

*If Undelivered, Please Return to:*  
**CRESCENT STANDARD MODARABA**  
**18th Floor B.R.R. Tower,**  
**Hassan Ali Street Off: I.I.**  
**Chundrigar Road, Karachi- 74000**