



MODARABA

Crescent Standard Modaraba

(An Islamic Financial Institution)

Managed by:

B.R.R. Investment (Private) Limited

**Un-Audited
Condensed Interim Financial Information
For The Half Year Ended
December 31, 2017**

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2017



CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

Managed by:

B.R.R. Investments (Private) Limited

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CRESCENT STANDARD MODARABA
(An Islamic Financial Institution)

Corporate Information

Modaraba Company	B.R.R. Investment (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	Syed Ali Raza - Chairman Mr. Rafique Dawood - Member Mr. Waqas Anwar Qureshi - Member
Shariah Advisor	Mufti Muhammad Aqeel
Chief Financial Officer	Syed Tariq Masood
Company Secretary	Mr. Tahir Mehmood
Head Of Internal Audit, Risk And Compliance	Ms. Aisha Mansoor Ahmed
Auditors	BDO Ebrahim & Co. Chartered Accountants
Legal Advisor	Malik & Maliks Law Associates S. & B. Durrani Law Associates
Bankers	Al Baraka Bank (Pakistan) Limited
Web-site	www.firstdawood.com/csm
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 # 92-21-32271905-6 Fax # 92-21-32213243



CRESCENT STANDARD MODARABA
(An Islamic Financial Institution)

DIRECTORS' REPORT

Dear Certificate holders,

On behalf of the Board of Directors of B.R.R. Investment (Private) Limited ('BRRRI' 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, 2017.

OPERATIONS AND PERFORMANCE

Financial highlights	December 31, 2017	December 31, 2016
 Rupees.....	
Total Income	12,138,105	22,433,226
Total Expenses	17,957,135	18,360,930
(Loss)/Profit After Management Fee & WWF	(5,819,030)	3,535,893
(Loss) / Earnings per certificate	(0.29)	0.18

During the period, The scheme of arrangement for merger by way of amalgamation of CSM with and into B.R.R. Guardian Modaraba (BRRGM) has been filed under a petition for sanction by the High Court of Sindh at Karachi in terms of Section 279-283 of the Companies Act, 2017 read with SRO 840(I)/2017 dated August 17, 2017 "Scheme of Arrangement (Modarabas)".

Subsequent to the balance sheet date, the High Court of Sindh through its order dated January 4, 2018 directed Modaraba to hold certificate holders' meeting for obtaining certificate holders' approval. Pursuant to the order, certificate holders' meeting was held on February 9, 2018. The report of the meeting along with the approval has been filed with the High Court of Sindh.

CONCLUSION & APPRECIATION:

We are expecting the High Court of Sindh to sanction our merger into BRRGM and therefore becoming a stronger more profitable Modaraba.

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

Waqas Anwar Qureshi
Director

Ayaz Dawood
Chief Executive Officer

February 27, 2018
Karachi



CRESCENT STANDARD MODARABA
(An Islamic Financial Institution)

ڈائریکٹرز کی رپورٹ

محترم سرٹیفکیٹ ہولڈرز،

ہم بی. آر. انویسٹمنٹ (پرائیوٹ) لمیٹڈ ("بی آر آئی" یا کمپنی)، ناظم کریڈٹ اسٹیٹرزڈ مضاربہ ("سی ایس ایم" یا مضاربہ) کی جانب سے دسمبر 31، 2017 کو ختم ہونے والے دوسرے سہ ماہی اور ششماہی مدت کے مالیاتی گوشوارے پیش کر رہے ہیں۔

آپیشن اور کارکردگی

دسمبر 31، 2016	دسمبر 31، 2017	مالیاتی حتمائیاں
پاکستانی روپے میں		
22,433,226	12,138,105	کل آمدنی
18,360,930	17,957,135	کل اخراجات
3,535,893	(5,819,030)	(نقصان) / منافع بعد از انتظامیہ کی فیس اور ڈبلیو ڈبلیو
0.18	(0.29)	(نقصان) / نفع فی سرٹیفکیٹ

اسی مدت کے دوران کریڈٹ اسٹیٹرزڈ مضاربہ کے بی. آر. آئی. گارجین مضاربہ میں انضمام کی منصوبہ بندی کی درخواست کمپنیز ایکٹ 2017 کی زبردفعہ 279 تا 283، جس کو SRO 840(D)/2017 مورخہ 17 اگست 2017 کے ساتھ پڑھا جائے، کہ تحت سندھ ہائی کورٹ میں منظوری کے لئے جمع کرائی جا چکی ہے۔

بیلنس شیٹ کی تاریخ کے بعد سندھ ہائی کورٹ نے اپنے حکم بتاریخ جنوری 4، 2018 کے ذریعے مضاربہ کو سرٹیفکیٹ ہولڈرز کی منظوری حاصل کرنے کے لئے اجلاس بلانے کی ہدایت جاری کی۔ عدالت کے حکم کے مطابق سرٹیفکیٹ ہولڈرز کا اجلاس فروری 9، 2018 کو منعقد ہوا۔ اجلاس کی رپورٹ جمع سرٹیفکیٹ ہولڈرز کی منظوری سندھ ہائی کورٹ میں جمع کرائی جا چکی ہے۔

اختتامی کلمات اور اظہار تشکر

ہمیں توقع ہے کہ سندھ ہائی کورٹ بی آر آئی میں ہمارے انضمام کی منظوری دے دیگی جس سے ہم ایک زیادہ طاقتور اور منافع بخش مضاربہ بن جائیں گے۔

از طرف بورڈ آف ڈائریکٹرز

بی. آر. آئی. انویسٹمنٹ (پرائیوٹ) لمیٹڈ

ایاز داؤد

چیف ایگزیکٹو آفیسر

دقاص انور قریشی

ڈائریکٹر

فروری 27، 2018

کراچی



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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, 2017 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, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarter ended December 31, 2017 and December 31, 2016 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.

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.



Emphasis of matter

Without modifying our opinion, we draw attention to note 1.3 to the condensed interim financial information which provide details regarding scheme of arrangement for merger by way of amalgamation of Crescent Standard Modaraba (CSM) with and into B.R.R. Guardian Modaraba (BRRGM). As a consequence of the scheme of amalgamation, CSM is not expected to continue as a going concern. BRRGM shall be taking over the business, functions, contracts, policies, proceedings, undertakings, assets, liabilities, etc. of CSM at a specific date. Since there will be no change in operational activities of CSM pursuant to scheme of amalgamation, no adjustments are expected to the carrying values of the assets and liabilities.

KARACHI

DATED: February 27, 2018

 **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, 2017

		(Un-audited)	(Audited)
		December 31,	June 30,
		2017	2017
	Note	----- (Rupees) -----	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	64,247,472	82,920,381
Long term musharaka finance	6	13,423,787	7,358,852
Advance against ijarah assets		-	509,500
		77,671,259	90,788,733
CURRENT ASSETS			
Short-term investments	7	52,609,859	44,778,159
Current portion of musharaka finance	6	3,686,008	1,657,889
Advances, deposits, prepayments and other receivables	8	1,356,764	1,211,786
Trade debts	9	749,608	512,657
Advance tax		1,813,474	1,570,635
Advance against musharaka		162,000	-
Cash and bank balances	10	7,883,891	20,405,143
		68,261,604	70,136,269
		145,932,863	160,925,002
TOTAL ASSETS			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized capital			
25,000,000 (June 30, 2017: 25,000,000)			
Modaraba certificate of Rs. 10/- each		250,000,000	250,000,000
Issued, subscribed and paid up certificate capital		200,000,000	200,000,000
Reserves	11	(82,186,877)	(74,767,847)
Surplus on revaluation of investments		2,581,566	2,830,494
		120,394,689	128,062,647
NON-CURRENT LIABILITIES			
Long term portion customers' security deposits		19,532,905	23,845,605
CURRENT LIABILITIES			
Current portion of customers' security deposits		2,848,050	3,032,085
Accrued expenses and other liabilities		1,966,883	3,438,235
Unclaimed profit distribution		1,190,336	2,546,430
		6,005,269	9,016,750
		145,932,863	160,925,002
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	12		

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Waqas Anwar Qureshi
Director

Syed Tariq Masood
Chief Financial Officer



CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

**Condensed Interim Profit And Loss Account
For The Half Year And Quarter Ended December 31, 2017
(Un-Audited)**

	Half year ended		Quarter ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Note----- (Rupees)-----			
INCOME				
Ijarah rentals	16,195,671	15,676,107	7,933,451	7,952,720
Income on musharaka finance	783,461	95,328	423,470	95,328
Income on bank balances	185,002	483,454	(309,002)	230,984
(Loss) / income on short-term investments	13 (5,177,652)	6,178,337	(5,289,151)	4,157,533
Other income	14 151,623	-	3,995,051	-
	12,138,105	22,433,226	6,753,819	12,436,565
EXPENSES				
Depreciation on ijarah assets	13,466,876	13,484,479	6,376,553	6,843,733
Provision for doubtful receivables - net	39,661	-	39,661	-
Loss on disposal of ijarah assets	471,052	833,933	169,825	11,802
Impairment of investment	-	622,976	-	622,976
Administrative and operating expenses	3,979,245	3,418,772	2,094,856	1,864,186
Financial charges	301	770	301	600
	17,957,135	18,360,930	8,681,196	9,343,297
	(5,819,030)	4,072,296	(1,927,377)	3,093,268
Modaraba Management Company fee	-	(407,230)	-	(309,327)
Sales tax on Modaraba Management Company fee	-	(57,012)	-	(43,306)
Workers' Welfare Fund	-	(72,161)	-	(54,813)
(Loss) / profit before taxation	(5,819,030)	3,535,893	(1,927,377)	2,685,822
Provision for taxation	15 -	-	-	-
Net (loss) / profit for the period	(5,819,030)	3,535,893	(1,927,377)	2,685,822
(Loss) / earnings per certificate Basic and diluted	(0.29)	0.18	(0.10)	0.13

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Waqas Anwar Qureshi
Director

Syed Tariq Masood
Chief Financial Officer



CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For The Half Year And Quarter Ended December 31, 2017
(Un-Audited)

	Half year ended		Quarter ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	----- (Rupees) -----			
(Loss) / profit for the period	(5,819,030)	3,535,893	(1,927,377)	2,685,822
Other comprehensive income	-	-	-	-
Unrealised (loss) / gain on available for sale investments - net	(248,928)	1,384,654	13,877	1,032,512
Items that will be subsequently reclassified to profit or loss:				
Transfer to profit and loss account on disposal of investments	-	-	-	-
Total comprehensive (loss) / income for the period	(6,067,958)	4,920,547	(1,913,500)	3,718,334

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Waqas Anwar Qureshi
Director

Syed Tariq Masood
Chief Financial Officer



CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

**Condensed Interim Statement of Cash Flows
For The Half Year Ended December 31, 2017
(Un-Audited)**

	December 31, 2017	December 31, 2016
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(5,819,030)	3,535,893
Adjustments for non-cash items:		
Depreciation on ijarah assets	13,466,876	13,484,479
Depreciation on assets in own use	136,851	176,531
Provision for doubtful receivable - net	39,661	-
Impairment of investment	-	622,976
Unrealised loss / (gain) on revaluation of held-for-trading investments	6,858,104	(3,327,966)
Income on investments in debt securities	(971,714)	(806,516)
Gain on sale of investment - net	(325,858)	(1,724,171)
Loss on disposal of ijarah assets	471,052	833,933
Gain on disposal of owned assets	(151,623)	-
Dividend income	(382,880)	(319,684)
	19,140,469	8,939,582
Increase in current assets		
Trade debts	(236,951)	(115,020)
Advances, deposits, prepayments and other receivables	(385,954)	(620,063)
Advance tax	(242,839)	(353,903)
	(865,744)	(1,088,986)
(Decrease) / increase in current liabilities		
Accrued expenses and other liabilities	(1,471,352)	636,908
Net cash flows generated from operating activities	10,984,343	12,023,397
CASH FLOWS FROM INVESTING ACTIVITIES		
Return on short-term investments	1,113,619	1,112,056
Short-term investment - net	(9,835,849)	5,385,640
Additions to property and equipment - ijarah	-	(16,924,890)
Additions to property and equipment - owned	(1,900,700)	(8,100)
Advance against ijarah assets	509,500	(3,526,100)
Musharika finance-net	(8,093,054)	(9,777,328)
Proceed on disposal of ijarah assets	2,002,095	1,607,479
Proceed on disposal of owned assets	151,623	-
Security deposits (repaid) / received	(4,496,735)	4,053,058
Net cash flow used in investing activities	(20,549,501)	(18,078,185)
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit paid to certificate holders and net cash used in financing activities	(2,956,094)	(3,641,151)
Net decrease in cash and cash equivalents	(12,521,252)	(9,695,939)
Cash and cash equivalents at beginning of the period	20,405,143	17,718,494
Cash and cash equivalents at end of the period	7,883,891	8,022,555

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

**For B.R.R. Investment (Private) Limited
(Modaraba Management Company)**

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Waqas Anwar Qureshi
Director

Syed Tariq Masood
Chief Financial Officer



CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

**Condensed Interim Statement of Changes In Equity
For The Half Year Ended December 31, 2017
(Un-Audited)**

	Issued subscribed and paid up certificate	Statutory reserve	Surplus/ (deficit) on revaluation of investment - available-for-sale	Accumulated loss	Total
	----- (Rupees) -----				
Balance as at July 01, 2016	200,000,000	22,061,619	18,861	(97,028,420)	125,052,060
Profit for the half year ended December 31, 2016	-	-	-	3,535,893	3,535,893
Unrealised gain on available for sale investment-net	-	-	1,384,654	-	1,384,654
Total comprehensive income for the period	-	-	1,384,654	3,535,893	4,920,547
Profit distribution for the year ended June 30, 2016 @ Re.0.165 per certificate	-	-	-	(3,300,000)	(3,300,000)
Balance as at December 31, 2016	200,000,000	22,061,619	1,403,515	(96,792,527)	126,672,607
Loss for the half year ended June 30, 2017	-	-	-	(36,939)	(36,939)
Unrealised gain on available for sale investment-net	-	-	1,426,979	-	1,426,979
Transfer to statutory reserve	-	1,721,485	-	(1,721,485)	-
Total comprehensive loss for the period	-	1,721,485	1,426,979	(1,758,424)	1,390,040
Balance as at July 01, 2017	200,000,000	23,783,104	2,830,494	(98,550,951)	128,062,647
Loss for the half year ended December 31, 2017	-	-	-	(5,819,030)	(5,819,030)
Unrealised loss on available for sale investment-net	-	-	(248,928)	-	(248,928)
Total comprehensive loss for the period	-	-	(248,928)	(5,819,030)	(6,067,958)
Profit distribution for the year ended June 30, 2017 @ Rs.0.08 per certificate	-	-	-	(1,600,000)	(1,600,000)
Balance as at December 31, 2017	200,000,000	23,783,104	2,581,566	(105,969,981)	120,394,689

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

**For B.R.R. Investment (Private) Limited
(Modaraba Management Company)**

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Waqas Anwar Qureshi
Director

Syed Tariq Masood
Chief Financial Officer



CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

**Notes To The Condensed Interim Financial Information (Un-Audited)
For The Half Year Ended December 31, 2017**

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. Investment (Private) Limited, and since then the Modaraba is under management of B.R.R. Investment (Private) Limited.
- 1.2** The Modaraba is a perpetual and multipurpose modaraba and is engaged in investing in equity and debt securities, musharaka and murabaha finance, etc. The address of registered office is 18th floor, on BRR Tower Hassan Ali Street off I. I. Chundrigar Road, Karachi. The Modaraba is listed on the Pakistan Stock Exchange Limited.
- 1.3** The Board of Directors of B.R.R. Investment (Private) Limited (the Modaraba Management Company) in their meeting held on September 29, 2017 has approved the scheme of arrangement for merger by way of amalgamation of Crescent Standard Modaraba (CSM) with and into B.R.R. Guardian Modaraba (BRRGM). Under the scheme of amalgamation, all the assets, liabilities, contracts, policies, proceedings and undertakings of CSM shall stand transferred to and vest in BRRGM on effective date. Accordingly, CSM is not expected to continue as going concern. Since there will be no change in operational activities of CSM pursuant to scheme of amalgamation, no adjustments are expected to the carrying amounts of assets and liabilities.

During the period, the scheme of arrangement for merger by way of amalgamation of CSM with and into BRRGM has been filed under a petition for sanction by the High Court of Sindh at Karachi in terms of Section 279-283 of the Companies Act, 2017 read with SRO 840(I)/2017 dated August 17, 2017 "Scheme of Arrangement (Modarabas)" involving swap ratio of 2.405:1 on the basis of breakup values of the certificates of CSM and BRRGM after obtaining approval of Registrar Modaraba and such changes, modifications as required or advised by legal counsel and/or accounting consultants and/or by the High Court of Sindh.

Subsequent to the balance sheet date, the High Court of Sindh through its order dated January 4, 2018 directed Modaraba to hold certificateholders' meeting for obtaining certificateholders' approval. Pursuant to the order, certificateholders' meeting was held on February 9, 2018 and the report of the meeting alongwith the certificateholders' approval has been filed by the chairman of the meeting with the High Court of Sindh.

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, 2017 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, 2017.

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, 2017 and December 31, 2016, 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.



CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

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, 2017.

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 except for certain disclosure requirements in accordance with IFRS 13: Fair Value Measurements.

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, 2017.

5 PROPERTY AND EQUIPMENT

		(Un-audited)	(Audited)
		December 31,	June 30,
		2017	2017
	Note	----- (Rupees) -----	
Property and equipment - owned	5.1	1,794,168	30,319
Property, plant and equipment - leased / ijarah	5.2	62,453,304	82,890,062
		<u>64,247,472</u>	<u>82,920,381</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)	(Audited)	(Un-audited)	(Audited)
	December 31,	June 30,	December 31,	June 30,
	2017	2017	2017	2017
	----- (Rupees) -----			
Vehicles	1,900,700	-	1,516,225	-
Computers	-	8,100	-	-
	<u>1,900,700</u>	<u>8,100</u>	<u>1,516,225</u>	<u>-</u>



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5.2 Property, plant and equipment - Ijarah / leased

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

	----- Additions -----		----- Disposals -----	
	(Un-audited) December 31, 2017	(Audited) June 30, 2017	(Un-audited) December 31, 2017	(Audited) June 30, 2017
	----- (Rupees) -----		----- (Rupees) -----	
Plant and machinery	-	-	2,584,850	-
Vehicles	-	31,182,890	18,127,000	16,728,000
Computers and equipments	-	1,404,000	-	692,800
		<u>32,586,890</u>	<u>20,711,850</u>	<u>17,420,800</u>

6 MUSHARAKA FINANCE

Secured

Considered good
Considered doubtful

Less: Provision for doubtful receivables
Less: Current portion of musharaka finance

Note	(Un-audited) December 31, 2017	(Audited) June 30, 2017
	----- (Rupees) -----	
	17,109,796	9,016,741
6.1	<u>7,262,809</u>	<u>7,262,809</u>
	24,372,605	16,279,550
	<u>(7,262,810)</u>	<u>(7,262,809)</u>
	<u>(3,686,008)</u>	<u>(1,657,889)</u>
	<u>13,423,787</u>	<u>7,358,852</u>

6.1 This musharaka finance was receivable by October 12, 2015.

7 SHORT-TERM INVESTMENTS

Held for trading

Listed ordinary shares
Derivative financial instruments

Available-for-sale

Listed ordinary shares
Debt securities

7.1	20,820,224	21,529,300
7.2	-	451,584
	<u>20,820,224</u>	<u>21,980,884</u>
7.3	3,894,338	4,064,415
7.4	27,895,297	18,732,860
	<u>31,789,635</u>	<u>22,797,275</u>
	<u>52,609,859</u>	<u>44,778,159</u>



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7.1 Held-for-trading

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

<u>No. of shares</u>		Name of investee	(Un-audited)	(Audited)
December 31, 2017	June 30, 2017		December 31, 2017	June 30, 2017
			----- (Rupees) -----	
Power generation and distribution				
45,000	45,000	K - Electric Limited (ordinary shares of Rs. 3.5 each)	283,950	310,500
Oil and gas marketing				
10,000	2,500	Sui Southern Gas Company Limited	304,899	91,025
Oil and gas exploration				
200	200	Mari Petroleum Limited	290,174	315,128
5,000	5,000	Oil and Gas Development Company Limited	813,950	703,450
6,000	8,000	Pakistan Petroleum Limited	1,235,460	1,185,120
Refinery				
2,600	2,600	National Refinery Limited	1,120,264	1,887,576
Chemical				
100	100	Archroma Pakistan Limited	52,900	71,279
200	200	ICI Pakistan Limited	153,590	218,910
1,499	7,000	Linde Pakistan Limited	331,054	1,687,140
35,000	35,000	Lotte Chemical Pakistan Limited	250,951	344,751
Engineering				
2,000	2,000	Crescent Steel and Allied Products Limited	254,620	477,140
19,000		Mughal Iron and Steel Industries Limited	1,103,900	1,533,870
Leather and tanneries				
2,300	2,300	Service Industries Limited	1,725,000	3,171,700
Automobile parts and accessories				
3,231	-	Loads Limited	130,242	-
Glass and ceramics				
10,400	-	Ghani Glass Mills Limited	666,640	-
Textile Composite				
10,000	-	Kohinoor Textile Mills Limited	662,500	-
Pharmaceuticals				
700	700	Abbott Laboratories Pakistan Limited	488,328	654,221
3,600	3,600	Ferozsons Laboratories Limited	733,716	1,391,436
12,565	12,565	GlaxoSmithKline Pakistan	2,109,412	2,474,299



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<u>No. of shares</u>		<u>Name of investee</u>	<u>Note</u>	<u>(Un-audited)</u>	<u>(Audited)</u>
<u>December 31, 2017</u>	<u>June 30, 2017</u>			<u>December 31, 2017</u>	<u>June 30, 2017</u>
				----- (Rupees) -----	
400	-	GlaxoSmithKline Consumer Healthcare Pakistan Limited		129,716	-
816	816	Highnoon Laboratories Limited		348,251	511,035
5,858	3,382	The Searle Company Limited		1,844,448	1,731,515
Technology and communication					
5,000	5,000	Pakistan Telecommunication Company Limited		65,250	78,050
Food and personal care products					
51,738	47,250	Treet Corporation Limited		1,916,892	2,687,580
Cement					
20	20	Cherat Cement Company		2,218	3,575
435,000	-	Power Cement Limited		3,801,899	-
				20,820,224	21,529,300

7.2 Derivative financial instruments

<u>Letter of rights</u>		<u>Glass and ceramics</u>			
-	6,400	Ghani Glass Mills Limited R		-	451,584
				-	451,584

7.3 Available for sale : Investment in Listed Companies

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

Engineering					
2,625	2,625	Crescent Steel and Allied Products Limited		334,188	626,246
Automobile parts and accessories					
28,750	28,750	Loads Limited		1,158,912	1,192,262
Automobile assembler					
1,000	1,000	Millat Tractors Limited		1,171,630	
Glass and ceramics					
2,700	2,700	Ghani Glass Limited		173,070	190,512
Pharmaceuticals					
3,258	3,258	GlaxoSmithKline Consumer Healthcare Pakistan Limited		1,056,538	680,955
				3,894,338	4,064,415



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<u>No. of shares</u>		<u>Name of investee</u>	<u>Note</u>	<u>(Un-audited)</u>	<u>(Audited)</u>
<u>December 31,</u>	<u>June 30,</u>			<u>December 31,</u>	<u>June 30,</u>
<u>2017</u>	<u>2017</u>			<u>(Rupees)</u>	
7.4 Available for Sale : Investment in debt securities					
		Sukuk Certificates		<u>27,895,297</u>	<u>18,732,860</u>
7.4.1 Sukuk Certificates					
1,267	1,267	Eden Housing Limited		1,245,953	1,245,953
3,000	3,000	K-Electric Limited		15,381,780	15,522,555
13	5	Al Baraka Bank (Pakistan) Limited		7,425,652	3,210,305
5	-	Dubai Islamic Bank Pakistan Limited		5,087,865	-
				<u>29,141,250</u>	<u>19,978,813</u>
		Less: Provision for impairment		<u>(1,245,953)</u>	<u>(1,245,953)</u>
				<u>27,895,297</u>	<u>18,732,860</u>
8 ADVANCES, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES					
Considered good					
Advances - secured					
		Advances to staff against salary	8.1	<u>71,740</u>	462,000
				<u>71,740</u>	462,000
Prepayment					
		Takaful		53,353	4,062
Other receivables					
		Accrued profit on Sukuk certificates		347,256	106,280
		Accrued profit on musharaka		8,424	-
		Other		224,891	217,957
		Takaful premium receivable		651,101	421,487
				<u>1,231,672</u>	<u>745,724</u>
				1,356,765	1,211,786
Considered doubtful					
Advances					
		Advance for purchases		44,922,678	44,922,678
Other receivables					
		Accrued profit		1,368,702	1,368,702
				46,291,380	46,291,380
		Less: Provision for doubtful receivables		<u>(46,291,381)</u>	<u>(46,291,380)</u>
				<u>1,356,764</u>	<u>1,211,786</u>

8.1 This includes advances provided to employee against salaries. These advances do not carry any interest or mark-up.



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		(Un-audited)	(Audited)
		December 31,	June 30,
		2017	2017
Note		----- (Rupees) -----	
9 TRADE DEBTS			
	Secured and considered good		
	Ijarah rental	749,608	512,657
	Unsecured and considered doubtful		
	Others	9.1 33,884,326	33,810,401
	Less: Provision for doubtful receivables	9.1 (33,884,326)	(33,810,401)
		<u>749,608</u>	<u>512,657</u>

9.1 This includes facility which was partly secured against pledge of stock of jute while some of the stock was misappropriated from the factory premises of the borrower. During prior year, the Modaraba has filed a criminal case against the borrower and its owner against misappropriation of pledged stock in Special Banking Court in respect of offences in bank. However, during the period, the Honorable Court has returned the aforesaid petitions for filing at an appropriate forum. The Modaraba is now in the process of filing the aforesaid petitions in the Banking Court.

A suit has also been filed on September 29, 2012 by the Modaraba before the Modaraba Tribunal / Banking Court-II for the recovery of outstanding dues from borrower. The Tribunal passed a judgment order in favor of the Modaraba and directed the defendant (borrower) to pay all outstanding dues along with cost of the suit, however the recovery of the decretal amount is uncertain due to the misappropriation of pledged stock by the borrower. Therefore, the Modaraba has filed the execution petition for the recovery of decretal amount by attaching the other auctionable assets of the borrower including piece and parcel of land / building of factory situated at 40-More, Lahore Road, Jaranwala and one vehicle. During the period, the Honorable Court has appointed court auctioneer in the titled case. However, the borrower filed an application in Honorable Lahore High Court against the judgment and pleaded to suspend the judgment and decree in favor of Modaraba. The Modaraba has also filed a reply to the application filed by the borrower which is currently pending consideration.

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.

		(Un-audited)	(Audited)
		December 31,	June 30,
		2017	2017
Note		----- (Rupees) -----	
10 CASH AND BANK BALANCES			
	Cash in hand	4,720	5,000
	Cash with banks in:		
	PLS savings accounts	10.1 7,750,628	20,293,167
	Current accounts	128,543	106,976
		<u>7,883,891</u>	<u>20,405,143</u>

10.1 These carry profit at rates ranging from 4.72% to 4.75% (June 30, 2017: 4.75% to 5.65%) per annum. PLS saving accounts includes balances placed under arrangements permissible under shariah amounting to Rs. 7.750 million (June 30, 2017: 20.293 million).

11 RESERVE

Capital reserve			
Statutory reserve		23,783,104	23,783,104
Revenue reserve			
Accumulated loss		(105,969,981)	(98,550,951)
		<u>(82,186,877)</u>	<u>(74,767,847)</u>



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12 CONTINGENCIES AND COMMITMENTS

12.1 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, 2016: 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 information.

(Un-audited) (Un-audited)
December 31, December 31,
2017 2016
----- (Rupees) -----

13 (LOSS) / INCOME ON SHORT-TERM INVESTMENTS

Income on investment in debt securities	971,714	806,516
Gain on sale of investments	325,858	1,724,171
Unrealised (loss)/gain on revaluation of investments	(6,858,104)	3,327,966
Dividend income	382,880	319,684
	(5,177,652)	6,178,337

14 OTHER INCOME

Gain on disposal of property and equipment - owned	151,623	-
	151,623	-

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 information.

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) -----			
December 31, 2017				
Investments at fair value through profit or loss - held-for-trading				
Listed ordinary shares	20,820,224	-	-	20,820,224
Available-for-sale investments				
Listed ordinary shares	3,894,338	-	-	3,894,338
Debt securities	27,895,297	-	-	27,895,297
	52,609,859	-	-	52,609,859



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	Level 1	Level 2	Level 3	Total
	(Rupees)			
June 30, 2017				
Investments at fair value through profit or loss - held-for-trading				
Listed ordinary shares	21,529,300	-	-	21,529,300
Derivative financial instruments	451,584	-	-	451,584
Available-for-sale investments				
Listed ordinary shares	4,064,415	-	-	4,064,415
Debt securities	18,732,860	-	-	18,732,860
	<u>44,778,159</u>	<u>-</u>	<u>-</u>	<u>44,778,159</u>

Valuation techniques

For Level 3 available-for-sale investments the Modaraba values the investment at carrying value which approximates the fair value of the investment.

Transfers during the period

During the 6 month period to December 31, 2017: There were no transfers into or out of Level 3 fair value measurements.

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 Modaraba	Nature of transactions / Balances	(Un-audited)	(Un-audited)
		December 31, 2017	December 31, 2016
		----- (Rupees) -----	
Management Company			
BRR Investment (Private) Limited	Management fee accrued	-	407,230
BRR Investment (Private) Limited	Management fee paid	402,521	835,833
Associated companies / other related parties			
B.R.R. Guardian Modaraba	Share of common expenses -	69,117	82,463
B.R.R. Guardian Modaraba	Purchase of Sukuk	4,625,865	-
First Dawood Employees Provident Fund	Transfer to provident fund	121,602	115,200
Dawood Family Takaful	Rental received against ijarah	344,280	416,359
Dawood Equities Limited	Brokerage and commission	43,145	31,410
Dawood Global Foundation	Charity paid	4,146	3,954



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		(Un-audited)	(Un-audited)
		December 31,	June 30,
		2017	2017
		-----	-----
		(Rupees)	(Rupees)
Period end balances			
Management Company			
BRR Investment (Private) Limited	Management fee accrued	-	402,521

18 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on **February 27, 2018** by the Board of Directors of B.R.R. Investment (Private) Limited.

19 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, no significant reclassification has been made during the period.

20 GENERAL

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

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

**For B.R.R. Investment (Private) Limited
(Modaraba Management Company)**

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Waqas Anwar Qureshi
Director

Syed Tariq Masood
Chief Financial Officer

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












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