



MODARABA

Crescent Standard Modaraba

(An Islamic Financial Institution)

Managed by:

B.R.R. Investment (Private) Limited

**Un-Audited
Condensed Interim Financial Information
For The Nine Months
Period Ended March 31, 2016**

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CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

Managed by:

B.R.R. Investment (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 Imran
Chief Financial Officer	Syed Tariq Masood
Company Secretary	Mr Tahir Mehmood
Head of Internal Audit, Risk and Compliance	Syed Moin Ahmed Zaidi
Auditors	BDO Ebrahim & Co. Chartered Accountants
Legal Advisor	Malik & Maliks Law Associates S. & B. Durani Law Associates
Bankers	Al -Baraka Bank (Pakistan) Limited Burj Bank 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,

The Board of Directors of B.R.R. Investment (Private) Limited, manager of Crescent Standard Modaraba (CSM), takes pleasure in presenting the interim financial statements to Certificate Holders for the 3rd Quarter ended 31st March, 2016.

The brief of operational performance is as under:

	March 31, 2016	March 31, 2015
Description Rupees.....	
Total Income	24,363,909	20,047,953
Total Expenses	(19,657,501)	(15,832,283)
Provision for doubtful receivable - net	(619,312)	(12,405,200)
Profit / (loss) for the period	3,548,744	(8,189,530)

During the period ended March 31, 2016, the Modaraba has earned profit of Rs 3.548 million as compared to loss Rs 8.189 million in the same period of last year.

Further the Certificate Holders' Equity of Modaraba stands at Rs 121.484 million as compared with Rs 116.835 million in the same period last year. The breakup value share comes to Rs 6.075 per certificate.

The management is trying its best to deploy the funds in a prudent manner and ensures returns which would benefit the Modaraba.

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

April 25, 2016
Karachi

Rafique Dawood
Chairman



CRESCENT STANDARD MODARABA
(An Islamic Financial Institution)

**CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2016**

	Notes	(Un-audited) March 31, 2016	(Audited) June 30, 2015
------(Rupees)-----			
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	82,252,837	65,551,987
Advance against ijarah assets		10,471,620	5,127,000
Musharaka finance	5	-	-
		<u>92,724,457</u>	<u>70,678,987</u>
CURRENT ASSETS			
Short term investments	6	42,950,686	52,559,228
Advances, deposits, prepayments and other receivable	7	6,880,077	1,391,599
Trade debts	8	612,118	932,654
Advance Tax		598,897	433,740
Cash and bank balances	9	5,136,248	12,982,467
		<u>56,178,026</u>	<u>68,299,688</u>
TOTAL ASSETS		<u>148,902,483</u>	<u>138,978,675</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital 25,000,000 (June 30, 2015: 25,000,000) Modaraba certificate of Rs 10/- each		<u>250,000,000</u>	250,000,000
Issued, subscribed and paid up certificate capital		<u>200,000,000</u>	200,000,000
Statutory reserve		18,470,201	18,470,201
Accumulated loss		(97,145,630)	(100,694,374)
Surplus / (deficit) on revaluation of investments		159,705	(141,614)
		<u>121,484,276</u>	<u>117,634,213</u>
NON-CURRENT LIABILITIES			
Customers' security deposits		<u>21,213,237</u>	16,172,090
		21,213,237	16,172,090
CURRENT LIABILITIES			
Current portion of customers' security deposits		19,000	106,200
Accrued expenses and other liabilities		3,002,868	1,874,018
Unclaimed profit distribution		3,183,102	3,192,154
		<u>6,204,970</u>	<u>5,172,372</u>
TOTAL EQUITY AND LIABILITIES		<u>148,902,483</u>	<u>138,978,675</u>
CONTINGENCIES AND COMMITMENTS	10		

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

For B.R.R. Investment (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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2016
(UN-AUDITED)**

	For the Nine Months ended		Quarter Ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	<-----Rupees ----->			
INCOME				
Ijarah rentals	18,015,933	12,663,205	6,665,540	4,538,896
Income on musharaka finance	-	1,050,000	-	-
Income on banks balances	493,343	444,550	211,707	24,671
Income on short term investments - net	6,222,674	5,125,223	772,157	1,363,413
Surplus / (deficit) on revaluation of investment held-for-trading	(370,041)	663,880	(1,625,948)	(2,881,560)
Other income	2,000	101,095	-	7,500
	24,363,909	20,047,953	6,023,456	3,052,920
EXPENSES				
Administrative and operating expenses	4,827,816	4,887,868	1,506,248	1,557,333
Amortization on ijarah assets	15,184,757	10,566,390	5,688,601	3,713,244
(Gain) / loss on sale of ijarah assets	(356,354)	376,085	(51,480)	-
Financial charges	1,282	1,940	104	780
Provision of doubtful receivables - net	619,312	12,405,200	8,460	-
	20,276,813	28,237,483	7,151,933	5,271,357
	4,087,096	(8,189,530)	(1,128,477)	(2,218,437)
Modaraba management company's management fee	408,710	-	(112,847)	-
Sales tax on modaraba management company fee	57,219	-	(15,799)	-
Worker's Welfare Fund	72,423	-	(19,997)	-
Profit / (Loss) before taxation	3,548,744	(8,189,530)	(979,834)	(2,218,437)
Provision for taxation	-	-	-	-
Profit / (loss) for the period	3,548,744	(8,189,530)	(979,834)	(2,218,437)
Earning / (loss) per certificate basic and diluted	0.18	(0.41)	(0.05)	(0.11)

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director



CRESCENT STANDARD MODARABA

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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016
(UN-AUDITED)**

	For the Nine Months ended		Quarter Ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	<----- Rupees ----->			
Profit / (loss) for the period	3,548,744	(8,189,530)	(979,834)	(2,218,437)
Other Comprehensive Income				
Unrealized surplus / (deficit) on revaluation of available for sale investments	301,319	243,783	(962,983)	(136,409)
Total Comprehensive income / (loss) for the period	<u>3,850,063</u>	<u>(7,945,747)</u>	<u>(1,942,817)</u>	<u>(2,354,846)</u>

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

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director



CRESCENT STANDARD MODARABA

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**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2016
(UN-AUDITED)**

	March 31, 2016 Rupees	March 31, 2015 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) for the Period	3,548,744	(8,189,530)
Adjustments for non-cash and other items;		
Amortization on ijarah assets	15,184,757	10,566,374
Depreciation on own assets	267,206	267,203
Gain on sale of Investment - net	(3,695,432)	(2,321,629)
Provision for doubtful receivables	610,852	12,405,200
Income on sukuk	(1,500,050)	(2,306,592)
Dividend Income	(657,151)	(497,002)
(Gain) / loss on sale of Ijarah assets	(356,354)	376,085
	9,853,828	18,489,639
	13,402,572	10,300,109
(Increase) / Decrease in Current Assets		
Advances, deposits, prepayments and other receivable	(5,870,860)	2,558,791
Trade Debts	320,536	(647,246)
Advance Tax	(165,158)	46,005
	(5,715,482)	1,957,550
Increase / (Decrease) in Current Liabilities		
Accrued expenses and other liabilities	1,128,849	(1,214,227)
Profit paid to the Certificate Holders	(9,052)	(2,503,881)
Net cash generated from operating activities	8,806,887	8,539,551
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Investments-net	9,570,701	(9,903,299)
Musharaka Finance	-	15,000,000
Addition to property and equipment- Ijarah	(39,381,800)	(23,666,660)
Advance against ijarah	(5,344,620)	(1,857,500)
Proceed on disposal of Ijarah Assets	7,585,342	4,439,785
Net cash used in investing activities	(27,570,377)	(15,987,674)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Income received on investment-net	5,963,321	4,923,123
Customers Security Deposits	4,953,950	1,661,605
Net cash generated from financing activities	10,917,271	6,584,728
Net (decreased) / increase in cash and cash equivalents	(7,846,219)	(863,395)
Cash and cash equivalents at the beginning of the period	12,982,467	21,669,739
Cash and cash equivalents at the end of the Period	5,136,248	20,806,344

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

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director



CRESCENT STANDARD MODARABA
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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2016
(UN-AUDITED)**

	Issued subscribed and paid-up certificate capital	Statutory reserves	Surplus / (deficit) on revaluation of investment	Accumulated Loss	Total
	-----Rupees-----				
Balance as at July 01, 2014	200,000,000	18,470,201	(134,929)	(90,553,895)	127,781,377
Loss for Nine months ended March 31, 2015	-	-	-	(8,189,530)	(8,189,530)
Profit distribution for the year ended June 30, 2014 @ 0.15 per certificate	-	-	-	(3,000,000)	(3,000,000)
Other comprehensive income	-	-	243,783	-	243,783
	-	-	243,783	(11,189,530)	(10,945,747)
Balance as at March 31, 2015	200,000,000	18,470,201	108,854	(101,743,425)	116,835,630
Profit for quarter ended June 30, 2015	-	-	-	1,049,051	1,049,051
Other comprehensive income	-	-	(250,468)	-	(250,468)
Balance as at June 30, 2015	200,000,000	18,470,201	(141,614)	(100,694,374)	117,634,213
Profit for Nine months ended March 31, 2016	-	-	-	3,548,744	3,548,744
Other comprehensive income	-	-	301,319	-	301,319
	-	-	301,319	3,548,744	3,850,063
Balance as at March 31, 2016	200,000,000	18,470,201	159,705	(97,145,630)	121,484,276

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

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director



CRESCENT STANDARD MODARABA

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2016
(UN-AUDITED)**

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 there under. 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 It is a perpetual and multipurpose Modaraba. It is engaged in investing in equity and debt securities, musharaka and murabaha finance, 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

These financial statement are unaudited and being submitted to Certificate Holders as required under Rule 10 of Modaraba Companies and Modaraba Rules 1981, These have been prepared in accordance with International Accounting Standard- 34 "Interim Financial Reporting" as applicable in Pakistan.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of these condensed interim financial information are the same as those applied in preparing the audited financial statements for the year ended June 30, 2015.

4. PROPERTY AND EQUIPMENT

		(Un-audited) March 31, 2016	(Audited) June 30, 2015
		------(Rupees)-----	
Property and equipment -owned		408,164	675,369
Property and equipment Lease /Ijarah	4.1	81,844,673	64,876,618
		<u>82,252,837</u>	<u>65,551,987</u>

4.1 Property, Plant and Equipment-Ijarah / Leased

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

	-----Additions-----		-----Disposal-----	
	(Un-audited) March 31, 2016	(Audited) 30 June 2015	(Un-audited) March 31, 2016	(Audited) 30 June 2015
	------(Rupees)-----		------(Rupees)-----	
Plant and Machinery	-	1,409,850	3,760,300	-
Vehicles	39,381,800	31,530,810	9,284,000	14,098,500
Computer and equipment	-	1,369,800	1,196,000	1,347,015
	<u>39,381,800</u>	<u>34,310,460</u>	<u>14,240,300</u>	<u>15,445,515</u>



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	(Un-audited) March 31, 2016	(Audited) June 30, 2015
	----- (Rupees) -----	
5. MUSHARAKA FINANCE		
Secured		
Considered good	-	-
Considered doubtful	<u>7,262,809</u>	<u>7,262,809</u>
	<u>7,262,809</u>	<u>7,262,809</u>
Less Provision for doubtful receivables	<u>(7,262,809)</u>	<u>(7,262,809)</u>
	<u>-</u>	<u>-</u>
6. SHORT TERM INVESTMENTS		
Held for trading		
Investment in listed equity securities	<u>22,443,397</u>	29,771,569
Available for Sale		
Investment in listed equity security	<u>661,387</u>	-
Investment in Sukuks - net	<u>19,845,902</u>	<u>22,787,659</u>
	<u>42,950,686</u>	<u>52,559,228</u>
7. ADVANCES, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES		
Considered good		
Advances - secured		
Advance against purchase of securities from Dawood Equities Limited - a related party	<u>5,689,746</u>	432,924
Advance to staff against salary	<u>528,910</u>	88,200
Prepayment	<u>6,218,656</u>	521,124
Takaful	<u>21,806</u>	28,366
Other receivables		
Accrued profit on:		
Bank balances	<u>-</u>	16,510
Sukuk certificates	<u>562,548</u>	554,920
Takaful contribution receivable	<u>467,077</u>	270,679
	<u>1,029,625</u>	842,109
	<u>7,270,087</u>	1,391,599
Considered doubtful		
Advances		
Advance for purchases	<u>44,922,678</u>	44,922,678
Other receivables		
Accrued profit	<u>1,368,702</u>	1,351,388
	<u>46,291,380</u>	46,274,066
Less: Provision for doubtful receivables	<u>(46,681,390)</u>	<u>(46,274,066)</u>
	<u>6,880,077</u>	1,391,599
8. TRADE DEBTS		
Secured and considered good		
Ijarah rental	<u>612,118</u>	932,654
Unsecured and considered doubtful		
Others	<u>33,810,401</u>	33,810,401
	<u>34,422,519</u>	34,743,055
Less: Provision for doubtful receivables	<u>(33,810,401)</u>	<u>(33,810,401)</u>
	<u>612,118</u>	932,654



CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

	(Un-audited) March 31, 2016	(Audited) June 30, 2015
----- (Rupees) -----		
9. CASH AND BANK BALANCES		
Cash in hand	4,000	5,000
With banks on:		
PLS saving account	4,867,959	12,712,998
Current accounts	264,289	1,423,718
Less: Provision for doubtful balances	9.1 -	(1,159,249)
	264,289	264,469
	5,136,248	12,982,467

9.1 During the period bank balances have been written off amounting to Rs. 1.159 million.

10. CONTINGENCIES AND COMMITMENTS

10.1 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 171.43 (June: 30, 2015: 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 believed that the matter will be decided in the favour of the Modaraba and, accordingly, no liability in respect of the above has been recognized in the financial statements.

11. RELATED PARTY TRANSACTION

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, retirement benefits funds, 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 and sharing of common expenses.

The detail of transactions with related parties and balances with them, apart from compensation to executives, is given below.

Relationship with the Modaraba	Nature of Transactions	(Un-audited) March 31, 2016	(Un-audited) March 31, 2015
----- (Rupees) -----			
Management company			
B.R.R Investment (Private) Limited	Management fee accrued	408,710	-
Associated companies			
B.R.R Guardian Modaraba	Sharing expenses received	159,455	307,507
B.R.R Guardian Modaraba	Sharing expenses paid	159,455	307,507
First Dawood Investment	and other -		
Employer Provident Fund	Transfer to provident funds	158,958	152,037
Dawood Family Takaful Limited	Rental received against ijarah	806,059	1,284,630
Related Party			
Dawood Equities Limited	Brokerage and commission	9,696	72,514



CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

		March 31, 2016 (Un-audited)	June 30, 2015 (Audited)
11.1 Period end balances			
Management Company			
B.R.R Investment (Private) Limited	Management fee Payable	408,710	-
Associated company			
Dawood Family Takaful Limited	Rental receivable ijarah	326,534	349,330
Related Party			
Dawood Equities Limited	Receivables against sale of securities	5,689,746	312,924

12. DATE OF AUTHORISATION OF ISSUE

These condensed interim financial information was authorized for issue on April 25, 2016 by the Board of Directors of the B.R.R. Investment (Private) Limited.

13. GENERAL

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

13.2 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

Syed Ali Raza
Director

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