



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, 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 Syed Sabir Hussain
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 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,

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, 2017.

The brief of operational performance is as under:

Description	March 31, 2017	March 31, 2016
 Rupees Rupees
Total Income	32,725,619	24,363,909
Total Expenses	(26,923,729)	(19,657,501)
Provision for doubtful receivable – net	-	(619,312)
Profit for the period	5,043,350	3,548,744

During the period ended March 31, 2017, the Modaraba has earned profit of Rs 5.043 million as compared to profit of Rs 3.549 million in the same period of last year. The earning per certificate comes to Rs. 0.25 as compared to Rs. 0.18 in the same period of last year, an increase of 38.8%.

Further the Certificate Holders' Equity of Modaraba stands at Rs 129.312 million as compared with Rs 121.484 million in the same period last year. The breakup value share comes to Rs 6.47 per certificate.

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

April 24, 2017
Karachi

Rafique Dawood
Chairman



CRESCENT STANDARD MODARABA
(An Islamic Financial Institution)

کریسٹنڈ اسٹینڈرڈ مضاربہ
ڈائریکٹرز کی رپورٹ

محترم سرٹیفیکیٹ ہولڈرز،

ہم بی. آر. انویسٹمنٹس (پرائیویٹ) لمیٹڈ ("بی آر آئی" یا کمپنی)، ناظم کریسٹنڈ اسٹینڈرڈ مضاربہ ("سی ایس ایم" یا مضاربہ) کی جانب سے مارچ 31، 2017 کو ختم ہونے والے تیسرے سرمایہ مدت کے مالیاتی حسابات پیش کر رہے ہیں۔

آپریشن اور کارکردگی

مارچ 31، 2016	مارچ 31، 2017	مالیاتی جھلکیاں
پاکستانی روپے میں		
24,363,909	32,725,619	کل آمدنی
(19,657,501)	(26,923,729)	کل اخراجات
(619,312)	-	مشکوک وصولی کے لئے گھیدویشن - نٹل
3,548,744	5,043,350	منافع

اس تیسرے سرمایہ مدت میں مضاربہ نے خالص منافع 5.043 ملین روپے کمایا، گزشتہ سال اسی مدت میں منافع 3.549 ملین روپے تھا۔ اس تیسرے سرمایہ مدت میں فی سرٹیفیکیٹ کمائی 0.25 روپے ہے، گزشتہ سال اسی مدت میں فی سرٹیفیکیٹ کمائی 0.18 روپے تھی جو کہ 38.8 فیصد اضافہ ہے۔

مزید یہ کہ مضاربہ کے سرٹیفیکیٹ ہولڈرز کی ایکویٹی 129.312 ملین روپے ہو گئی ہے، گزشتہ سال اسی مدت میں سرٹیفیکیٹ ہولڈرز کی ایکویٹی 121.484 ملین روپے تھی۔ بریک اپ ویلیو 6.47 روپے فی سرٹیفیکیٹ ہو گئی ہے۔

از طرف بورڈ آف ڈائریکٹرز

بی. آر. انویسٹمنٹس (پرائیویٹ) لمیٹڈ

مورخہ اپریل 2017، 24

کراچی

رفیق داؤد

چئیرمین



CRESCENT STANDARD MODARABA
(An Islamic Financial Institution)

Condensed Interim Balance Sheet
As at March 31, 2017

	Notes	(Un-audited) March 31, 2017	(Audited) June 30, 2016
		------(Rupees)-----	
ASSETS			
NON- CURRENT ASSETS			
Property and equipment	4	86,319,040	88,741,627
Advance against ijarah assets		3,750,000	7,039,900
Musharaka finance	5	7,788,932	-
		97,857,972	95,781,527
CURRENT ASSETS			
Short-term investments	6	44,408,349	40,218,427
Current portion of musharaka finance	5	1,613,248	-
Advances, deposits, prepayments and other receivable		1,778,140	1,004,270
Trade debts		450,238	191,002
Advance tax		1,264,256	732,663
Cash and bank balances		16,411,988	17,718,494
		65,926,219	59,864,856
TOTAL ASSETS		163,784,191	155,646,383
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital			
25,000,000 (June 30, 2016: 25,000,000)			
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	7	(73,223,451)	(74,966,801)
Surplus on revaluation of investments		2,535,321	18,861
		129,311,870	125,052,060
NON CURRENT LIABILITIES			
Long-term portion of customers' security deposits		25,439,955	23,522,632
		25,439,955	23,522,632
CURRENT LIABILITIES			
Current portion of customers' security deposits		2,135,735	-
Accrued expenses and other liabilities		4,071,275	3,888,588
Unclaimed profit distribution		2,825,356	3,183,103
		9,032,366	7,071,691
TOTAL EQUITY AND LIABILITIES		163,784,191	155,646,383
CONTINGENCIES AND COMMITMENTS	8		

The annexed notes from 1 to 11 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

Waqas Anwar Qureshi
Director



CRESCENT STANDARD MODARABA
(An Islamic Financial Institution)

**Condensed Interim Profit And Loss Account
For The Nine Months And Quarter Ended March 31, 2017
(Un-Audited)**

	Nine Months Ended		Quarter Ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
----- (Rupees) -----				
INCOME				
Ijarah rentals	23,849,507	18,015,933	8,173,400	6,665,540
Income on musharaka finance	374,180	-	278,852	-
Income on bank balances	575,950	493,343	92,496	211,707
Income on short-term investments - net	4,015,441	6,222,674	1,165,070	772,157
Unrealized gain / (loss) on revaluation of held-for-trading investments	3,902,425	(370,041)	574,459	(1,625,948)
Other income	8,116	2,000	8,116	-
	32,725,619	24,363,909	10,292,393	6,023,456
EXPENSES				
Amortization on ijarah assets	20,500,448	15,184,757	7,015,969	5,688,601
Provision for doubtful receivables - net	-	619,312	-	8,460
Loss / (gain) on disposal of ijarah assets	833,933	(356,354)	-	(51,480)
Impairment of investment	622,976	-	-	-
Administrative and operating expenses	4,965,539	4,827,816	1,546,767	1,506,248
Financial charges	833	1,282	63	104
	26,923,729	20,276,813	8,562,799	7,151,933
	5,801,890	4,087,096	1,729,594	(1,128,477)
Modaraba Management Company fee	(580,189)	(408,710)	(172,959)	112,847
Sales tax on Modaraba Management Company fee	(75,425)	(57,219)	(18,413)	15,799
Workers' Welfare Fund	(102,926)	(72,423)	(30,765)	19,997
Profit before taxation	5,043,350	3,548,744	1,507,457	(979,834)
Provision for taxation	-	-	-	-
Net profit for the period	5,043,350	3,548,744	1,507,457	(979,834)
Earnings per certificate				
Basic and diluted	0.25	0.18	0.08	(0.05)

The annexed notes from 1 to 11 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

Waqas Anwar Qureshi
Director



CRESCENT STANDARD MODARABA
(An Islamic Financial Institution)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For The Nine Months And Quarter Ended March 31, 2017
(Un-Audited)

	Nine Months Ended		Quarter Ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Profit for the period	5,043,350	3,548,744	1,507,457	(979,834)
Other comprehensive income				
Unrealised gain on available for sale investments - net	2,516,460	301,319	1,131,806	(962,983)
Total comprehensive income for the period	7,559,810	3,850,063	2,639,263	(1,942,817)

The annexed notes from 1 to 11 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

Waqas Anwar Qureshi
Director



CRESCENT STANDARD MODARABA
(An Islamic Financial Institution)

Condensed Interim Statement of Cash Flows
For The Nine Months Period Ended March 31, 2017
(Un-Audited)

	March 31, 2017	March 31, 2016
	Rupees	Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	5,043,350	3,548,744
Adjustments for non-cash and other items:		
Amortization on ijarah assets	20,500,448	15,184,757
Depreciation on own assets	263,685	267,206
Gain on sale of investment - net	(2,160,485)	(3,695,432)
Provision for doubtful receivables	-	610,852
Unrealized loss / (gain) on revaluation of held for trading investments	(3,902,425)	-
Income on sukuk	(1,415,923)	(1,500,050)
Dividend income	(439,033)	(657,151)
Impairment of investment	622,976	-
(Gain) / Loss on disposal of ijarah assets	833,933	(356,354)
	14,303,176	9,853,828
	19,346,526	13,402,572
(Increase) / decrease in current assets		
Advances, deposits and other receivables	(773,870)	(5,870,860)
Trade debts	(259,236)	320,536
Advance tax	(531,593)	(165,158)
	(1,564,699)	(5,715,482)
Increase / (decrease) in current liabilities		
Accrued expenses and other liabilities	182,687	1,128,849
Customers' security deposits	4,053,058	4,953,950
Net cash generated from operating activities	22,017,572	13,769,889
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net	(3,780,751)	9,570,701
Addition to property and equipment - ijarah	(25,085,990)	(39,381,800)
Proceed on disposal of ijarah assets	5,910,510	7,585,342
Advance against ijarah assets	3,289,900	(5,344,620)
Net cash used in investing activities	(19,666,331)	(27,570,377)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Income received on investment	-	5,963,321
Profit paid to the certificate holders	(3,657,747)	(9,052)
Net cash generated from financing activities	(3,657,747)	5,954,269
Net (decrease) / increase in cash and cash equivalents	(1,306,506)	(7,846,219)
Cash and cash equivalents at the beginning of the period	17,718,494	12,982,467
Cash and cash equivalents at the end of the period	16,411,988	5,136,248

The annexed notes from 1 to 11 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

Waqas Anwar Qureshi
Director



CRESCENT STANDARD MODARABA
(An Islamic Financial Institution)

**Condensed Interim Statement of Changes In Equity
For The Nine Months Period Ended March 31, 2017
(Un-Audited)**

	Issued, subscribed and paid-up certificate capital	Statutory reserve	Surplus / (deficit) on revaluation of investments	Accumulated loss	Total
	-----Rupees-----				
Balance as at July 01, 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
Unrealised gain on available-for-sale investments - net	-	-	301,319	-	301,319
Total comprehensive income for the period	-	-	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
Profit for quarter ended June 30, 2016	-	-	-	3,708,628	3,708,628
Unrealised loss on available-for-sale investments - net	-	-	(140,844)	-	(140,844)
Total comprehensive income for the period	-	-	(140,844)	3,708,628	3,567,784
Transfer to statutory reserve	-	3,591,418	-	(3,591,418)	-
Balance as at June 30, 2016	200,000,000	22,061,619	18,861	(97,028,420)	125,052,060
Profit for nine months ended March 31, 2017	-	-	-	5,043,350	5,043,350
Unrealised gain on available-for-sale investments - net	-	-	2,516,460	-	2,516,460
Total comprehensive income for the period	-	-	2,516,460	5,043,350	7,559,810
Profit distribution for the year ended June 30, 2016 @ 0.165 per certificate	-	-	-	(3,300,000)	(3,300,000)
Balance as at March 31, 2017	200,000,000	22,061,619	2,535,321	(95,285,070)	129,311,870

The annexed notes from 1 to 11 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

Waqas Anwar Qureshi
Director



CRESCENT STANDARD MODARABA
(An Islamic Financial Institution)

**Notes To The Condensed Interim Financial Information
For The Nine Months Period Ended March 31, 2017
(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 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 Karachi Stock Exchange which has been merged into Pakistan Stock Exchange.

2. BASIS OF PREPARATION

These condensed interim financial information are un-audited 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, 2016.

4. PROPERTY AND EQUIPMENT

		(Un-audited) March 31, 2017	(Audited) June 30, 2016
------(Rupees)-----			
Property and equipment - owned	4.1	63,511	319,097
Property and equipment Lease / Ijarah	4.2	86,255,529	88,422,530
		<u>86,319,040</u>	<u>88,741,627</u>

4.1 Property and equipment-Owned

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

	-----Additions-----		-----Disposal-----	
	(Un-audited) March 31, 2017	(Audited) June 30, 2016	(Un-audited) March 31, 2017	(Audited) June 30, 2016
------(Rupees)-----				
Computer	8,100	-	-	-
	<u>8,100</u>	<u>-</u>	<u>-</u>	<u>-</u>



CRESCENT STANDARD MODARABA
(An Islamic Financial Institution)

**Notes To The Condensed Interim Financial Information
For The Nine Months Period Ended March 31, 2017
(Un-Audited)**

4.2 Property and equipment-Ijarah

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

	-----Additions-----		-----Disposal-----	
	(Un-audited) March 31, 2017	(Audited) June 30, 2016	(Un-audited) March 31, 2017	(Audited) June 30, 2016
	------(Rupees)-----		------(Rupees)-----	
Machinery	-	-	-	3,760,300
Vehicles	23,673,890	52,273,420	11,466,000	9,284,000
Computers and equipment	1,404,000	-	692,800	1,196,000
	<u>25,077,890</u>	<u>52,273,420</u>	<u>12,158,800</u>	<u>14,240,300</u>

		(Un-audited) March 31, 2017	(Audited) June 30, 2016
	Note	------(Rupees)-----	

5. MUSHARAKA FINANCE

Secured

Considered good		9,402,180	-
Considered doubtful	5.1	7,262,809	7,262,809
		<u>16,664,989</u>	<u>7,262,809</u>
Less: Provision for doubtful receivable		(7,262,809)	(7,262,809)
Less: Current portion of musharaka finance		(1,613,248)	-
		<u>7,788,932</u>	<u>-</u>

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

6. SHORT TERM INVESTMENTS

Held for trading

Listed ordinary shares align="right">21,559,926 align="right">20,153,945

Available for sale

Listed ordinary shares	4,095,501	587,376
Debt securities - net	18,752,922	19,477,106
	<u>22,848,423</u>	<u>20,064,482</u>
	<u>44,408,349</u>	<u>40,218,427</u>

7. RESERVES

Capital reserve

Statutory reserve align="right">22,061,619 align="right">22,061,619

Revenue reserve

Accumulated loss	(95,285,070)	(97,028,420)
	<u>(73,223,451)</u>	<u>(74,966,801)</u>



CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

**Notes To The Condensed Interim Financial Information
For The Nine Months Period Ended March 31, 2017
(Un-Audited)**

8. CONTINGENCIES AND COMMITMENTS

8.1 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, 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 believed that the matter will be decided in the favor of the Modaraba and, accordingly, no liability in respect of the above has been recognised in these condensed interim financial information.

9. 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 and sharing of common expenses.

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

	(Un-audited) March 31, 2017	(Un-audited) March 31, 2016
	----- (Rupees) -----	
Relationship with the Modaraba Nature of Transactions		
Management Company		
B.R.R. Investment (Private) Limited Management fee accrued	580,189	408,710
Associated companies/other related parties		
B.R.R. Guardian Modaraba Sharing expenses paid	151,550	159,455
First Dawood Investment and other Employee Provident Fund Transfer to provident fund	177,201	158,958
Dawood Family Takaful Limited Rental received against ijarah	504,661	806,059
Dawood Equities Limited Brokerage and commission	34,450	9,696



CRESCENT STANDARD MODARABA
(An Islamic Financial Institution)

**Notes To The Condensed Interim Financial Information
For The Nine Months Period Ended March 31, 2017
(Un-Audited)**

	(Un-audited) March 31, 2017	(Audited) June 30, 2016
	------(Rupees)-----	
Period end balances		
Relationship with the Modaraba Nature of Transactions		
Management Company		
B.R.R. Investment (Private) Limited Management fee payable	580,189	835,833
Associated companies/other related parties		
Dawood Equities Limited Receivables against securities	106,427	-

10. DATE OF AUTHORISATION OF ISSUE

These condensed interim financial information was authorised for issue on **April 24, 2017** by the Board of Directors of the B.R.R. Investment (Private) Limited.

11. GENERAL

Figures have been rounded off to the nearest Rupee.

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Waqas Anwar Qureshi
Director

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- Risk profiler*
- Financial calculator
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- Online Quizzes

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