



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
Financial Information
For The Three Months Period Ended
September 30, 2014**

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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 Investments (Privted)Limited
Chairman	Mr. Rafique Dawood
Chief Executive	Mr. Ayaz Dawood
Directors	Mr. Waqas Anwar Qureshi - Director Syed Ali Raza - Director
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
Shariah Advisor	Mufti Syed Sabir Hussain
Chief Financial Officer	Syed Tariq Masood
Company Secretary	Mr. Tahir Mehmood
Auditors	BDO Ebrahim & Co. Chartered Accountants
Legal Advisor	Malik & Maliks
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. 1705,17 Floor, Saima Trade Towr "A" I.I. Chundrigar Road, Karachi-74000 Phone # 92-21-32271906 # 92-21- 35478192-3 Fax # 92-21-32621233



CRESCENT STANDARD MODARABA
(An Islamic Financial Institution)

DIRECTORS' REPORT

Dear Certificate Holders,

The Board of Directors of B.R.R. Investments (Private) Limited (BRRI or 'the company'), manager of Crescent Standard Modaraba (CSM or 'the Modaraba'), takes pleasure in presenting to certificate holders the 1st Quarter Financial Statements of the Modaraba for the three months period ended September 30, 2014.

Financial Results

	September 30, 2014	September 30, 2013
Total Income	7,883,107	5,183,716
Total Expenses	5,144,803	4,661,015
Profit before Management Fee, WWF & Sales Tax	2,738,304	522,701
Management Fee	273,830	52,270
Sales tax on management fee	41,075	8,363
Workers' Welfare Fund	48,468	9,241
Net profit	2,374,931	452,827

The financial performance of the Modaraba during the period has strengthened and having profit of Rs 2.37 million as compared to profit of Rs 0.45 million last year an increase of 524% resulting from surplus on revaluation of investment held for trading.

During the period the modaraba enhanced their business activities and disbursed amounting to Rs 11.36 million in mode of Ijarah financing verses Nil was in last year.

In the absence of supporting documents and required information, the auditor were unable to verify the opening balances, therefore the Board has written off the fully provided balances after getting legal opinion in this regards amounting to RS 68.84 million appearing in the books since 2006 when the new management has taken over the Modaraba.

Your modaraba is deploying funds at higher rate to ensure that the income is increased.

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

October 17, 2014
Karachi

Rafique Dawood
Chairman



CRESCENT STANDARD MODARABA
(An Islamic Financial Institution)

**Condensed Interim Balance Sheet
As at September 30, 2014**

	Notes	(Un-Audited) September 30, 2014	(Audited) June 30, 2014
		------(Rupees)-----	
ASSETS			
NON CURRENT ASSETS			
Property plant and equipment	4	51,859,049	50,953,494
CURRENT ASSETS			
Short term investments	5	43,968,020	35,601,883
Current portion of Musharaka / Morabaha finance	6	18,631,404	18,631,404
Advances, deposits, prepayments and other receivable	6	13,257,768	3,734,004
Trade debts		13,623,601	13,022,846
Advance Tax	6	479,744	479,744
Cash and bank balances		7,329,581	21,669,739
		97,290,118	93,139,620
TOTAL ASSETS		149,149,167	144,093,114
EQUITY AND OTHER LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital 25,000,000 (June 30, 2014: 25,000,000) certificate of Rs 10/- each		250,000,000	250,000,000
Issued, subscribed and paid up capital		200,000,000	200,000,000
Statutory reserve		18,470,201	18,470,201
Accumulated Loss		(91,178,964)	(90,553,895)
Surplus / (Deficit) on Revaluation of Investments		523,689	(134,929)
		127,814,926	127,781,377
LIABILITIES			
NON CURRENT LIABILITIES			
Long term portion of Customers Security deposits		9,865,679	6,780,705
		9,865,679	6,780,705
CURRENT LIABILITIES			
Current portion of customers' security deposits		3,264,380	4,610,690
Accrued expenses and other liabilities		2,526,635	2,222,558
Unclaimed profit distribution		5,677,547	2,697,784
		11,468,562	9,531,032
TOTAL EQUITY AND OTHER LIABILITIES		149,149,167	144,093,114
CONTINGENCIES AND COMMITMENTS	7		

The annexed notes from 1 to 10 form an integral part of these 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 Three Months Period Ended September 30, 2014
(Un-Audited)**

	September 30, 2014	September 30, 2013
	----- Rupees -----	
INCOME		
Ijarah rentals	3,979,945	3,006,029
Income on musharaka finance	525,000	540,463
Income on Short term Investments - net	903,988	900,129
Income on banks balances	350,104	1,248,432
Surplus / (Deficit) on revaluation of investment held for trading	2,105,475	(741,557)
other income	18,595	230,220
	7,883,107	5,183,716
EXPENSES		
Amorization on ijarah assets	3,421,221	2,354,855
Administrative and operating expenses	1,339,000	1,982,950
Loss on sale of ijarah assets	384,582	323,210
	5,144,803	4,661,015
	2,738,304	522,701
Modaraba management company's fee	273,830	52,270
Sales Tax on Modaraba Management fee	41,075	8,363
Worker's Welfare Fund	48,468	9,241
Profit Before Taxation	2,374,931	452,827
Taxation	-	-
Profit for the year	2,374,931	452,827
OTHER COMPREHENSIVE INCOME		
Unrealized Surplus on revaluation of - available for sales investment	658,618	71,434
Total Comprehensive Income For The Period	3,033,549	524,261
Earning per shars - basic and diluted	0.12	0.02

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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 Three Months Period Ended September 30, 2014
(Un-Audited)

	September 30, 2014 Rupees	September 30, 2013 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the Period	2,374,931	452,827
Adjustments for non-cash and other items;		
Amortization on Ijarah assets	3,421,221	2,354,855
Depreciation on own Assets	89,068	144,550
Gain on sale of Investment - net	(148,896)	(493,903)
Income on SUKUK	(2,782,767)	(87,976)
Dividend Income	(77,800)	(318,250)
Loss on disposal of Ijarah assets	384,582	123,961
	<u>885,408</u>	<u>1,723,237</u>
	3,260,339	2,176,064
(Increase) / Decrease in Current Assets		
Advances, deposits and other receivables	(3,284,892)	783,704
Trade Debts	(600,755)	194,315
Advance Tax	-	-
	<u>(3,885,647)</u>	978,019
Increase / (Decrease) in Current Liabilities		
Accrued expenses and other liabilities	304,077	947,645
Profit paid to the Certificate Holders	(20,237)	-
Net cash (used) / generated from operating activities	<u>(341,468)</u>	4,101,728
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Investments-Net	(7,707,519)	(4,467,489)
Musharaka Finance	-	101,082
Addition to property and equipment- Ijarah	(5,164,450)	-
Proceed on disposal of Ijarah Assets / Fixed Assets	364,024	1,214,126
Advance against Ijarah Assets	(6,198,500)	-
Net cash used in investing activities	<u>(18,706,445)</u>	(3,152,281)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Income received on Investment	2,969,085	928,973
Increase / (Decrease) in Customers Security Deposits	1,738,670	(108,104)
Net cash generated from financing activities	<u>4,707,755</u>	820,869
Net (decreased) / increase in cash and cash equivalents	<u>(14,340,158)</u>	1,770,316
Cash and cash equivalents at the beginning of the period	21,669,739	59,447,452
Cash and cash equivalents at the end of the Period	<u>7,329,581</u>	<u>61,217,768</u>

The annexed notes from 1 to 10 form an integral part of these 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 Three Months Period Ended September 30, 2014
(Un-Audited)**

	Certificate capital	Capital reserve	(Deficit) / Surplus on revaluation of investment	Accumulated (Loss)	Total
	-----Rupees-----				
Balance as at July 01, 2013	200,000,000	15,874,298	(215,584)	(90,887,228)	124,771,486
Profit for quarter ended September 30, 2013	-	-	-	452,827	452,827
Other comprehensive income	-	-	71,434	-	71,434
	-	-	71,434	452,827	524,261
Balance as at September 30, 2013	200,000,000	15,874,298	(144,150)	(90,434,401)	125,295,747
Balance as at July 01, 2014	200,000,000	18,470,201	(134,929)	(90,553,895)	127,781,377
Profit for quarter ended September 30, 2014	-	-	-	2,374,931	2,374,931
Other comprehensive income	-	-	658,618	-	658,618
Transfer to statutory reserve	-	-	-	-	-
Profit distribution for the year ended June 30, 2014 @ 0.15 per certificate	-	-	-	(3,000,000)	(3,000,000)
	-	-	658,618	(625,069)	33,549
Balance as at September 30, 2014	200,000,000	18,470,201	523,689	(91,178,964)	127,814,926

The annexed notes from 1 to 10 form an integral part of these 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



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4.2 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) September 30, 2014	(Audited) June 30, 2014	(Un-Audited) September 30, 2014	(Audited) June 30, 2014
	------(Rupees)-----		------(Rupees)-----	
Vehicles	5,164,450	12,908,030	1,850,000	5,648,500
Plant and Machinery	-	25,027,275	-	4,615,750
Computer and office Equipment			38,000	1,198,175
	5,164,450	37,935,305	1,888,000	11,462,425

5 SHORT TERM INVESTMENTS

Held for trading

Investment in listed equity securities 23,175,099 15,130,079

Available for Sale

Investment in Debt Securities 21,076,738 20,755,621

44,251,837 35,885,700

Less: Provision for impairment

(283,817) (283,817)

43,968,020 **35,601,883**

- 6** The Board has written off balances amounting to Rs 68.84 million appearing in the books since 2006 i.e. when the new management has taken over the Modaraba in the accounts for the period ended September 30, 2014. The Board is of the view that these balances can not be realized or collected in the future which is supported by a legal opinion obtained in this regard. These write-offs have no impact on profit and loss of the Modaraba, as these balances have been fully provided for the last 8 years.

7 CONTINGENCIES AND COMMENTMENTS

Following contingencies are related to period before the management of the Modaraba was transferred to the present management.

- 7.1** 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: Rs.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 the commercial bank has been made by the Modaraba
- 7.2** 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 171.43 (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 believed 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.



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8 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)	(Un-Audited)
		September 30 2014	September 30, 2013
		------(Rupees)-----	
B.R.R Investments (Private) Limited	Management Fee Accrued	273,830	52,270
B.R.R Guardian Modaraba	Sharing expenses paid	159,289	179,844
First Dawood Investment and other Employer Provident Fund	Transfer to provident funds	42,201	68,503
Dawood Family Takaful Limited	Rental Received against ijarah	272,539	1,156,238
Dawood Family Takaful Limited	Rental Receivable against ijarah	545,086	-
Dawood Equities Limited	Brokerage and commission	28,387	26,895
Dawood Equities Limited	Receivables / Payable against securities	579,235	602,644

9 DATE OF AUTHORISATION OF ISSUE

These condensed interim financial information was authorised for issue on October 17, 2014 by the Board of Directors of the B.R.R. Investments (Private) Limited.

10 GENERAL

Figures have been rounded off to the nearest Rupee.

The annexed notes from 1 to 10 form an integral part of these 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

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