



Crescent Standard Modaraba

(An Islamic Financial Institution)

Managed by:

B.R.R. Investments (Private) Limited

**Un-Audited
Condensed Interim Financial Information
For The Three Months
Period Ended September 30, 2015**

**Q
U
A
R
T
E
R
L
Y
R
E
P
O
R
T**

2015



CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

Managed by:

B.R.R. Investments (Private) Limited

| Contents | Page |
|---|-------------|
| <u>Corporate Information</u> | <u>02</u> |
| <u>Directors' Report</u> | <u>03</u> |
| <u>Condensed Interim Balance Sheet</u> | <u>04</u> |
| <u>Condensed Interim Profit and Loss Account</u> | <u>05</u> |
| <u>Condensed Interim Statement of Cash Flows</u> | <u>06</u> |
| <u>Condensed Interim Statement of Changes in Equity</u> | <u>07</u> |
| <u>Notes to the Condensed Interim Financial Information</u> | <u>08</u> |



CRESCENT STANDARD MODARABA
(An Islamic Financial Institution)

CORPORATE INFORMATION

| | |
|---------------------------------|---|
| Modaraba Company | B.R.R. Investments (Private) Limited |
| Chairman | Mr. Rafique Dawood |
| Chief Executive | Mr. Ayaz Dawood |
| Directors | Mr. Waqas Anwar Qureshi Syed Ali Raza |
| Audit Committee | Mr. Waqas Anwar Qureshi - Chairman Mr. Rafique Dawood - Member Syed Ali Raza - Member |
| HR and Remuneration Committee | 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 |
| Auditors | BDO Ebrahim & Co. Chartered Accountants |
| Legal Advisor | Malik & Maliks Law Associates S. & B. Durani Law Associates |
| Bankers | Al -Baraka Bank (Pakistan) Limited |
| Web-site | www.firsidawood.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 (BRRi or 'the company'), manager of Crescent Standard Modaraba (CSM or 'the Modaraba'), takes pleasure in presenting to certificate holders the 1st Quarter Condensed Interim Financial Statements of the Modaraba for the three months period ended September 30, 2015.

Financial Results

| | September 30, 2015 | September 30, 2014 |
|---|--------------------|--------------------|
| Total Income | 6,986,833 | 7,883,107 |
| Total Expenses | 5,823,355 | 5,144,803 |
| Profit before Management Fee, WWF & Sales Tax | 1,154,478 | 2,738,304 |
| Management Fee | 115,448 | 273,830 |
| Sales tax on management fee | 16,163 | 41,075 |
| Workers' Welfare Fund | 20,457 | 48,468 |
| Profit after Management Fee, WWF & Sales Tax | 1,002,410 | 2,374,931 |

The results for the 1st Quarter are encouraging. Expenses are up but reflect more business development as the amortization on Ijarah assets has increased by 27.8%. The profitability of your Modaraba should increase this year.

Operating expenses of the Modaraba have remained within the budget.

Future Outlook

CSM, while remaining cautious and prudent during the prevailing economic situation, is focused to take benefit of good opportunities that add value of all stake holders.

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

October 30, 2015
Karachi

Rafique Dawood
Chairman



CRESCENT STANDARD MODARABA
(An Islamic Financial Institution)

**CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2015**

| | Notes | (Un-audited) September 30, 2015 | (Audited) June 30, 2015 |
|---|-------|---------------------------------------|-------------------------------|
| | | ------(Rupees)----- | |
| ASSETS | | | |
| NON- CURRENT ASSETS | | | |
| Property and equipment | 4 | 70,332,994 | 65,551,987 |
| Advance against Ijarah | | 9,456,915 | 5,127,000 |
| Musharaka finance | 6 | - | - |
| | | <u>79,789,909</u> | <u>70,678,987</u> |
| CURRENT ASSETS | | | |
| Short-term investments | 5 | 51,415,061 | 52,559,228 |
| Murabaha finance | 7 | - | - |
| Advances, deposits, prepayments and other receivable | | 7,212,831 | 1,391,599 |
| Trade debts | | 607,932 | 932,654 |
| Advance Tax | | 443,724 | 433,740 |
| Cash and bank balances | | 5,042,479 | 12,982,467 |
| | | <u>64,722,027</u> | <u>68,299,688</u> |
| TOTAL ASSETS | | <u>144,511,936</u> | <u>138,978,675</u> |
| EQUITY AND LIABILITIES | | | |
| CAPITAL AND RESERVES | | | |
| Authorized Capital | | 250,000,000 | 250,000,000 |
| 25,000,000 (June 30, 2015: 25,000,000) certificate of Rs 10/- each | | <u>200,000,000</u> | <u>200,000,000</u> |
| Issued, subscribed and paid up capital | | 18,470,201 | 18,470,201 |
| Statutory reserve | | (99,691,964) | (100,694,374) |
| Accumulated Loss | | 316,160 | (141,614) |
| Deficit on revaluation of investments | | <u>119,094,397</u> | <u>117,634,213</u> |
| NON CURRENT LIABILITIES | | | |
| Long-term portion of customers' security deposits | | 19,913,339 | 16,172,090 |
| | | <u>19,913,339</u> | <u>16,172,090</u> |
| CURRENT LIABILITIES | | | |
| Current portion of customers' security deposits | | 19,000 | 106,200 |
| Accrued expenses and other liabilities | | 2,299,324 | 1,874,018 |
| Unclaimed profit distribution | | 3,185,876 | 3,192,154 |
| | | <u>5,504,200</u> | <u>5,172,372</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>144,511,936</u> | <u>138,978,675</u> |
| CONTINGENCIES AND COMMITMENTS | 7 | | |

The annexed notes from 1 to 11 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

Waqas Anwar Qureshi
Director



CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2015
(UN-AUDITED)**

| | September 30, 2015 | September 30, 2014 |
|--|-----------------------|-----------------------|
| | ----- Rupees ----- | |
| INCOME | | |
| Ijarah rentals | 5,181,172 | 3,979,945 |
| Income on musharaka and murabaha finance | - | 525,000 |
| Income on short-term investments - net | - | 903,988 |
| Income on banks balances | 214,084 | 350,104 |
| Surplus on revelation on held for trading investments | 1,591,577 | 2,105,475 |
| Other income | - | 18,595 |
| | 6,986,833 | 7,883,107 |
| EXPENSES | | |
| Amorization on ijarah assets | 4,374,726 | 3,421,221 |
| Administrative and operating expenses | 1,457,629 | 1,339,000 |
| Loss on sale of ijarah assets | - | 384,582 |
| | 5,832,355 | 5,144,803 |
| Modaraba management company's fee | 1,154,478 | 2,738,304 |
| Sales Tax on Modaraba Management fee | 115,448 | 273,830 |
| Worker's Welfare Fund | 16,163 | 41,075 |
| Profit Before Taxation | 20,457 | 48,468 |
| Taxation | 1,002,410 | 2,374,931 |
| Profit for the period | - | - |
| | 1,002,410 | 2,374,931 |
| Other comprehensive income | | |
| Surplus on revaluation of - available for sales investment | 457,774 | 658,618 |
| Total comprehensive income for the period | 1,460,184 | 3,033,549 |
| Earning per shares - basic and diluted | 0.05 | 0.12 |

The annexed notes from 1 to 11 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

Waqas Anwar Qureshi
Director



CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2015
(UN-AUDITED)**

| | September 30, 2015 Rupees | September 30, 2014 Rupees |
|---|---------------------------------|---------------------------------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit for the Period | 1,002,410 | 2,374,931 |
| Adjustments for non-cash and other items; | | |
| Amortization on Ijarah assets | 4,374,726 | 3,421,221 |
| Depreciation on own Assets | 89,068 | 89,068 |
| Gain on sale of Investment - net | (1,833,018) | (148,896) |
| Unrealized loss / (gain) on revaluation of held for trading investments | 921,729 | (2,105,475) |
| Income on SUKUK | (563,516) | (677,292) |
| Dividend Income | (116,772) | (77,800) |
| Loss on disposal of Ijarah assets | - | 384,582 |
| | 2,872,217 | 885,408 |
| | 3,874,627 | 3,260,339 |
| (Increase) / decrease in current assets | | |
| Advances, deposits and other receivables | (5,898,508) | (3,284,892) |
| Trade Debts | 324,722 | (600,755) |
| Advance Tax | (9,984) | - |
| | (5,583,770) | (3,885,647) |
| Increase / (decrease) in current liabilities | | |
| Accrued expenses and other liabilities | 425,306 | 304,077 |
| Customers security deposits | 3,654,049 | 1,738,670 |
| Net cash generated from operating activities | 2,370,212 | 1,417,439 |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Investments-Net | 1,601,941 | (7,707,519) |
| Addition to property and equipment- Ijarah | (9,397,000) | (5,164,450) |
| Proceed on disposal of Ijarah Assets / Fixed Assets | 152,200 | 364,024 |
| Advance against Ijarah Assets | (4,329,915) | (6,198,500) |
| Net cash used in investing activities | (11,972,774) | (18,706,445) |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Income received on Investment | 1,668,852 | 2,969,085 |
| Profit paid to the Certificate Holders | (6,278) | (20,237) |
| Net cash generated from financing activities | 1,662,574 | 2,948,848 |
| Net (decreased) / increase in cash and cash equivalents | (7,939,988) | (14,340,158) |
| 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 | 5,042,479 | 7,329,581 |

The annexed notes from 1 to 11 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

Waqas Anwar Qureshi
Director



CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2015
(UN-AUDITED)**

| | Certificate capital | Statutory reserve | Surplus / (Deficit) on revaluation of investment available for sale | Accumulated (Loss) | Total |
|--|---------------------|-------------------|---|----------------------|--------------------|
| | Rupees | | | | |
| 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 |
| 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 |
| Balance as at July 01, 2015 | 200,000,000 | 18,470,201 | (141,614) | (100,694,374) | 117,634,213 |
| Profit for quarter ended September 30, 2015 | - | - | - | 1,002,410 | 1,002,410 |
| Other comprehensive income | - | - | 457,774 | - | 457,774 |
| | - | - | 457,774 | 1,002,410 | 1,460,184 |
| Balance as at September 30, 2015 | 200,000,000 | 18,470,201 | 316,160 | (99,691,964) | 119,094,397 |

The annexed notes from 1 to 11 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**

**Waqas Anwar Qureshi
Director**



CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2015
(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 (XXXIof1980) 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 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, 2015

4. PROPERTY AND EQUIPMENT

| | | (Un-audited) September 30, 2015 | (Audited) June 30, 2015 |
|--------------------------------------|------------|--|--|
| | | ----- (Rupees) ----- | |
| Property and equipment -owned | | 586,302 | 675,369 |
| Property and equipment Lease /Ijarah | 4.1 | 69,746,692 | 64,876,618 |
| | | <u>70,332,994</u> | <u>65,551,987</u> |

4.1 Property and equipment-Ijarah

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

| | ----- Additions ----- | | ----- Disposal ----- | |
|------------------------|--|--|--|--|
| | (Un-audited) September 30, 2015 | (Audited) June 30, 2015 | (Un-audited) September 30, 2015 | (Audited) June 30, 2015 |
| | ----- (Rupees) ----- | | ----- (Rupees) ----- | |
| Machinery | - | 1,409,850 | - | - |
| Vehicles | 9,397,000 | 31,530,810 | 1,522,000 | 14,098,500 |
| Computer and equipment | - | 1,369,800 | 1,196,000 | 1,347,015 |
| | <u>9,397,000</u> | <u>34,310,460</u> | <u>2,718,000</u> | <u>15,445,515</u> |



CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

| | (Un-audited) September 30, 2015 | (Audited) June 30, 2015 |
|--|---------------------------------------|-------------------------------|
| | ----- (Rupees) ----- | |
| 5 SHORT TERM INVESTMENTS | | |
| Held for trading | | |
| Investment in listed equity securities | 28,843,180 | 29,771,569 |
| Available for Sale | | |
| Investment in debts securities | 22,855,698 | 23,071,476 |
| Less provision for impairment | (283,817) | (283,817) |
| | 22,571,881 | 22,787,659 |
| | 51,415,061 | 52,559,228 |
| 6 MUSHARAKA FINANCE | | |
| | (Un-audited) | (Audited) |
| | September 30, 2015 | June 30, 2015 |
| | ----- (Rupees) ----- | |
| Considered doubtful - secured | 7,262,809 | 7,262,809 |
| Less Provision for doubtful receivable | (7,262,809) | (7,262,809) |
| | - | - |
| 7 MURABAHA FINANCE | | |
| Considered doubtful - unsecured | 1,902,053 | 1,902,053 |
| Less Provision for doubtful receivable | (1,902,053) | (1,902,053) |
| | - | - |

8 CONTINGENCIES AND COMMANDMENTS

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

- 8.1** A commercial bank has lodged a claim of Rs.1.090 (June 30, 2015: 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, 2015 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.
- 8.2** 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, 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 favor of the Modaraba and, accordingly, no liability in respect of the above has been recognised in the financial statements.

9 RELATED PARTY TRANSCATION

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.



CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

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.

| | | (Un-audited) September 30, | (Un-audited) September 30, |
|--|----------------------------------|---|-------------------------------|
| | | 2015 | 2014 |
| Relationship with the Modaraba Nature of Transactions | | ----- (Rupees) ----- | |
| Associated companies/other related parties | | | |
| B.R.R Guardian Modaraba | Sharing expenses paid | - | 159,289 |
| First Dawood Investment and other Employee Provident Fund | Transfer to provident fund | 50,679 | 42,201 |
| Dawood Family Takaful Limited | Rental Received against ijarah | 352,984 | 272,539 |
| Dawood Equities Limited | Brokerage and commission | 26,900 | 28,387 |
| Period end balances | | | |
| Relationship with the Modaraba Nature of Transactions | | | |
| Management Company | | | |
| B.R.R Investment (Private) Limited | Management fee accrued | 115,448 | 273,830 |
| Associated companies/other related parties | | | |
| B.R.R Guardian Modaraba | Sharing expenses accrued | 59,649 | - |
| Dawood Family Takaful Limited | Rental receivable against ijarah | 290,033 | 545,086 |
| Dawood Equities Limited | Receivables against securities | 6,292,488 | 579,235 |

10 DATE OF AUTHORISATION OF ISSUE

These condensed interim financial information was authorised for issue on October 30,2015 by the Board of Directors of the B.R.R. Investment (Private) Limited.

11 GENERAL

Figures have been rounded off to the nearest Rupee.

The annexed notes from 1 to 11 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

Waqas Anwar Qureshi
Director

www.jamapunji.pk

**Jama
Punji**
سرمایہ کاری سمجھداری کے ساتھ



**Be aware, Be alert,
Be safe**

Learn about investing at
www.jamapunji.pk

Key features:

- 🗉 Licensed Entities Verification
- 🕒 Scam meter*
- 🎮 Jamapunji games*
- 📄 Tax credit calculator*
- 🏢 Company Verification
- 📋 Insurance & Investment Checklist
- ❓ FAQs Answered
- 📈 Stock trading simulator (based on live feed from KSE)
- 📖 Knowledge center
- 👤 Risk profiler*
- 📊 Financial calculator
- 📧 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 🖨️ Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

jamapunji.pk @jamapunji_pk

*Mobile apps are also available for download for android and ios devices

BOOK POST
PRINTED MATTER

UNDER CERTIFICATE OF POSTING

If Undelivered, Please Return to:

CRESCENT STANDARD MODARABA

18th Floor B.R.R. Tower, Hassan Ali Street

Off: I.I. Chundrigar Road, Karachi- 74000

PABX : 92-21-32602401-06

Fax : 92-21-3227-1912