



MODARABA

## **Crescent Standard Modaraba**

(An Islamic Financial Institution)

Managed by:

**B.R.R. Investment (Private) Limited**

**Un-Audited  
Condensed Interim Financial Information  
For The Three Months  
Period Ended September 30, 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 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 Burj Bank Limited
Web-site	<a href="http://www.firstdawood.com/csm">www.firstdawood.com/csm</a>
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 period ended September 30, 2016.

**Financial Results**

	<b>September 30, 2016</b>	<b>September 30, 2015</b>
Total Income	<b>9,996,661</b>	6,986,833
Total Expenses	<b>9,017,632</b>	5,823,355
Profit before Management Fee, WWF & Sales Tax	<b>979,029</b>	1,154,478
Management Fee	<b>97,903</b>	115,448
Sales tax on management fee	<b>13,706</b>	16,163
Workers' Welfare Fund	<b>17,348</b>	20,457
Profit after Management Fee, WWF & Sales Tax	<b>850,071</b>	1,002,410

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 51.80%. The profitability of your Modaraba should increase this year.

Operating expenses of the Modaraba have remained within the budget.

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

**October 29, 2016**  
**Karachi**

**Rafique Dawood**  
Chairman



**CRESCENT STANDARD MODARABA**  
(An Islamic Financial Institution)

## ڈائریکٹرز کی رپورٹ

ہم بی. آر. آنویسٹمنٹ (پرائیویٹ) لمیٹڈ ("بی آر آئی" یا کمپنی)، مینجر کریڈنٹ اسٹینڈرڈ مضاربہ ("سی ایس ایم" یا مضاربہ) کے ناظم کی حیثیت سے ہم ستمبر 30، 2016 کو ختم ہونے والے پہلے سہ ماہی کے عبوری مالیاتی حسابات پیش کرتے ہوئے بے حد مسرت محسوس کر رہے ہیں۔

## مالیاتی نتائج

ستمبر 30، 2015	ستمبر 30، 2016	پاکستانی روپے میں
6,986,833	9,996,661	کل آمدنی
5,832,355	9,017,632	مکمل اخراجات
1,154,478	979,029	منافع بعد از انتظامیہ کی فیس، ڈیبٹو ڈیلیویبلز اور سیلز ٹیکس
115,448	97,903	انتظامیہ کی فیس
16,163	13,706	انتظامیہ کی فیس پر سیلز ٹیکس
20,457	17,348	ورکرز ویلفیئر فنڈ کی فراہمی
1,002,410	850,071	منافع بعد از انتظامیہ کی فیس اور ڈیبٹو ڈیلیویبلز

پہلی سہ ماہی کے لئے نتائج حوصلہ افزا ہیں۔ اجارہ دہ دیئے گئے اثاثوں پر فرسودگی 51.80 فی صد سے اضافہ ہوا ہے جس کی وجہ سے اخراجات بڑھے ہیں لیکن یہ زیادہ کاروباری نشوونما کی عکاسی کرتا ہے۔ آپ کے مضاربہ کے منافع میں اس سال اضافہ ہو گا۔

مضاربہ کے آپریٹنگ اخراجات بجٹ کے اندر رہے ہیں۔

از طرف بورڈ آف ڈائریکٹرز:

بی. آر. آنویسٹمنٹ (پرائیویٹ) لمیٹڈ

مورخہ اکتوبر 29، 2016

کراچی

رفیق داؤد

چیئرمین



**CRESCENT STANDARD MODARABA**  
(An Islamic Financial Institution)

**CONDENSED INTERIM BALANCE SHEET  
AS AT SEPTEMBER 30, 2016**

	Notes	(Un-audited) September 30, 2016	(Audited) June 30, 2016
		-----	-----
		(Rupees)	
<b>ASSETS</b>			
<b>NON- CURRENT ASSETS</b>			
Property and equipment	4	<b>87,961,457</b>	88,741,627
Advance against Ijarah assets		<b>1,767,490</b>	7,039,900
		<b>89,728,947</b>	95,781,527
<b>CURRENT ASSETS</b>			
Short-term investments	5	<b>42,956,008</b>	40,218,427
Musharaka finance	6	-	-
Advances, deposits, prepayments and other receivable		<b>2,959,931</b>	1,004,270
Trade debts		<b>691,551</b>	191,002
Advance Tax		<b>834,534</b>	732,663
Cash and bank balances		<b>19,006,559</b>	17,718,494
		<b>66,448,584</b>	59,864,856
<b>TOTAL ASSETS</b>		<b>156,177,531</b>	155,646,383
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorized Capital 25,000,000 (June 30, 2015: 25,000,000) certificate of Rs 10/- each		<b>250,000,000</b>	250,000,000
Issued, subscribed and paid up certificate capital		<b>200,000,000</b>	200,000,000
Reserves	7	<b>(77,416,730)</b>	(74,966,801)
Surplus on revaluation of investments		<b>371,003</b>	18,861
		<b>122,954,273</b>	125,052,060
<b>NON CURRENT LIABILITIES</b>			
Long-term portion of customers' security deposits		<b>19,044,080</b>	23,522,632
		<b>19,044,080</b>	23,522,632
<b>CURRENT LIABILITIES</b>			
Current portion of customers' security deposits		<b>3,923,550</b>	-
Accrued expenses and other liabilities		<b>3,773,108</b>	3,888,588
Unclaimed profit distribution		<b>6,482,521</b>	3,183,103
		<b>14,179,178</b>	7,071,691
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>156,177,531</b>	155,646,383
<b>CONTINGENCIES AND COMMITMENTS</b>	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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2016  
(UN-AUDITED)**

	<b>September 30, 2016</b>	September 30, 2015
	----- Rupees -----	
<b>INCOME</b>		
Ijarah rentals	<b>7,723,387</b>	5,181,172
Income on short-term investments - net	<b>891,051</b>	-
Income on banks balances	<b>252,470</b>	214,084
Surplus on revaluation on held for trading investments	<b>1,129,753</b>	1,591,577
	<b>9,996,661</b>	6,986,833
<b>EXPENSES</b>		
Amortization on ijarah assets	<b>6,640,746</b>	4,374,726
Administrative and operating expenses	<b>1,554,586</b>	1,457,629
Loss on sale of ijarah assets	<b>822,131</b>	-
Financial charges	<b>170</b>	-
	<b>9,017,632</b>	5,832,355
	<b>979,029</b>	1,154,478
Modaraba management company's fee	<b>97,903</b>	115,448
Sales Tax on Modaraba Management fee	<b>13,706</b>	16,163
Worker's Welfare Fund	<b>17,348</b>	20,457
Profit Before Taxation	<b>850,071</b>	1,002,410
Taxation	-	-
Profit for the period	<b>850,071</b>	1,002,410
<b>Other comprehensive income</b>		
Surplus on revaluation of - available for sales investment	<b>352,142</b>	457,774
Total comprehensive income for the period	<b>1,202,213</b>	1,460,184
Earning per certificate - basic and diluted	<b>0.04</b>	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 CASH FLOWS  
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2016  
(UN-AUDITED)**

	September 30, 2016 Rupees	September 30, 2015 Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period	850,071	1,002,410
<b>Adjustments for non-cash and other items:</b>		
Amortization on ijarah assets	6,640,746	4,374,726
Depreciation on own assets	89,068	89,068
Gain on sale of investment - net	(448,697)	(1,833,018)
Unrealized loss / (gain) on revaluation of held for trading investments	(1,129,753)	921,729
Income on sukuk	(407,836)	(563,516)
Dividend income	(34,518)	(116,772)
Loss on disposal of ijarah assets	822,131	-
	<u>5,531,141</u>	<u>2,872,217</u>
	6,381,212	3,874,627
<b>(Increase) / decrease in current assets</b>		
Advances, deposits and other receivables	(1,955,661)	(5,898,508)
Trade debts	(500,549)	324,722
Advance tax	(101,871)	(9,984)
	<u>(2,558,082)</u>	<u>(5,583,770)</u>
<b>Increase / (decrease) in current liabilities</b>		
Accrued expenses and other liabilities	(115,480)	425,306
Customers' security deposits	(555,002)	3,654,049
<b>Net cash generated from operating activities</b>	<u>3,152,648</u>	<u>2,370,212</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments - net	(2,462,539)	1,601,941
Addition to property and equipment - ijarah	(7,747,900)	(9,397,000)
Proceed on disposal of ijarah assets / fixed assets	976,124	152,200
Advance against ijarah assets	5,272,410	(4,329,915)
<b>Net cash used in investing activities</b>	<u>(3,961,905)</u>	<u>(11,972,774)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Income received on investment	2,097,904	1,668,852
Profit paid to the certificate holders	(582)	(6,278)
<b>Net cash generated from financing activities</b>	<u>2,097,322</u>	<u>1,662,574</u>
Net (decrease) / increase in cash and cash equivalents	1,288,065	(7,939,988)
Cash and cash equivalents at the beginning of the period	17,718,494	12,982,467
<b>Cash and cash equivalents at the end of the period</b>	<u>19,006,559</u>	<u>5,042,479</u>

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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2016  
(UN-AUDITED)**

	Certificate capital	Statutory reserve	Surplus / (Deficit) on revaluation of investment Available for sale	Accumulated (Loss)	Total
	----- Rupees -----				
<b>Balance as at July 01, 2015</b>	<b>200,000,000</b>	<b>18,470,201</b>	<b>(141,614)</b>	<b>(100,694,374)</b>	<b>117,634,213</b>
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
<b>Balance as at September 30, 2015</b>	<b>200,000,000</b>	<b>18,470,201</b>	<b>316,160</b>	<b>(99,691,964)</b>	<b>119,094,397</b>
<b>Balance as at July 01, 2016</b>	<b>200,000,000</b>	<b>22,061,619</b>	<b>18,861</b>	<b>(97,028,420)</b>	<b>125,052,060</b>
Profit for quarter ended September 30, 2016	-	-	-	850,071	850,071
Other comprehensive income	-	-	352,142	-	352,142
Profit distribution for the year ended June 30, 2016 @ 0.165 per certificate	-	-	-	(3,300,000)	(3,300,000)
	-	-	352,142	(2,449,929)	(2,097,787)
<b>Balance as at September 30, 2016</b>	<b>200,000,000</b>	<b>22,061,619</b>	<b>371,003</b>	<b>(99,478,349)</b>	<b>122,954,273</b>

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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 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 Pakistan 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, 2016.

**4 PROPERTY AND EQUIPMENT**

Property and equipment - owned  
Property and equipment Lease / Ijarah

	(Un-audited) September 30, 2016	(Audited) June 30, 2016
	----- (Rupees) -----	
	230,028	319,097
<b>4.1</b>	<u>87,731,429</u>	<u>88,422,530</u>
	<u>87,961,457</u>	<u>88,741,627</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, 2016	(Audited) June 30, 2016	(Un-audited) September 30, 2016	(Audited) June 30, 2016
	----- (Rupees) -----			
Machinery	-	-	-	3,760,300
Vehicles	7,747,900	52,273,420	2,732,500	9,284,000
Computers and equipment	-	-	-	1,196,000
	<u>7,747,900</u>	<u>52,273,420</u>	<u>2,732,500</u>	<u>14,240,300</u>



**CRESCENT STANDARD MODARABA**

(An Islamic Financial Institution)

	<b>(Un-audited) September 30, 2016</b>	<b>(Audited) June 30, 2016</b>
	----- <b>(Rupees)</b> -----	
<b>5 SHORT TERM INVESTMENTS</b>		
<b>Held for trading</b>		
Investment in listed equity securities	<b>21,355,820</b>	20,153,945
<b>Available for sale</b>		
Listed ordinary shares	<b>2,228,321</b>	587,376
Debt securities - net	<b>19,371,867</b>	19,477,106
	<b>21,600,188</b>	20,064,482
	<b>42,956,008</b>	40,218,427
<b>6 MUSHARAKA FINANCE</b>		
Considered doubtful - secured	<b>7,262,809</b>	7,262,809
Less Provision for doubtful receivable	<b>(7,262,809)</b>	(7,262,809)
	<b>-</b>	<b>-</b>
<b>6.1</b> This musharaka finance was receivable by October 12, 2015.		
<b>7 RESERVES</b>		
<b>Capital reserve</b>		
Statutory reserve	<b>22,061,619</b>	22,061,619
<b>Revenue reserve</b>		
Accumulated loss	<b>(99,478,349)</b>	(97,028,420)
	<b>(77,416,730)</b>	(74,966,801)
<b>8 CONTINGENCIES AND COMMITMENTS</b>		
Following contingencies are related to period before the management of the Modaraba was transferred to the present management.		
<b>8.1</b> 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 the financial statements.		
<b>9 RELATED PARTY TRANSACTION</b>		
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.		



**CRESCENT STANDARD MODARABA**

(An Islamic Financial Institution)

Relationship with the Modaraba	Nature of Transactions	(Un-audited)	(Un-audited)
		September 30, 2016	September 30, 2015
		----- (Rupees) -----	
<b>Management Company</b>			
B.R.R. Investment (Private) Limited	Management fee accrued	<b>97,903</b>	115,448
<b>Associated companies/other related parties</b>			
B.R.R. Guardian Modaraba	Sharing expenses paid	<b>38,469</b>	-
First Dawood Investment and other Employee Provident Fund	Transfer to provident fund	<b>57,600</b>	50,679
Dawood Family Takaful Limited	Rental Received against ijarah	-	352,984
Dawood Equities Limited	Brokerage and commission	<b>23,840</b>	26,900
<b>Period end balances</b>			
<b>Management Company</b>			
B.R.R. Investment (Private) Limited	Management fee payable	<b>933,736</b>	115,448
<b>Associated companies/other related parties</b>			
B.R.R. Guardian Modaraba	Sharing expenses accrued	-	59,649
Dawood Family Takaful Limited	Rental receivable against ijarah	<b>244,089</b>	290,033
Dawood Equities Limited	Receivables against securities	<b>391,153</b>	6,292,488

**10 DATE OF AUTHORISATION OF ISSUE**

These condensed interim financial information was authorised for issue on **October 29, 2016** 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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- ❓ 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



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Commission of Pakistan

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

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