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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 Statements  
For the Half Year Ended  
December 31, 2011**

*If undelivered, please return to:*

**Crescent Standard Modaraba**

1900-B, Saima Trade Towers,  
I.I. Chundrigar Road, Karachi-74000



(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 (Private) Limited
Chairman	Mr. Rafique Dawood
Chief Executive	Mr. Ayaz Dawood
Directors	Mr Farouq Habb Rahimtoola Mr Muhammad Shahid Murtaza
Audit Committee	Mr Farouq Habb Rahimtoola - Chairman Mr. Rafique Dawood - Member Mr Muhammad Shahid Murtaza - Member
Chief Financial Officer	Syed Tariq Masood
Company Secretary	Mr Tahir Mehmood
Auditors	Ernst & Young Ford Rhode Sidat Hyder Chartered Accountants
Legal Advisor	Malik & Maliks Minto & Mirza
Bankers	Al -Baraka Bank (Pakistan) Limited NIB Bank Limited
Web-site	<a href="http://www.firsidawood.com/csm">www.firsidawood.com/csm</a>
Registered Office & Head Office	1900-B, Saima Trade Towers, I.I Chundrigar Road, Karachi-74000 PABX 32271874-84 37010960-65 37014641-4 Fax : 92-21-3227-1912
Registrars	F.D Registrar Services (SMC-Pvt.) Ltd 11th Floor, Trade Center I.I Chundrigar Road, Karachi-74000 Phone # 92-21-35478192-93 Fax # 92-21-32621233
Branch Offices	Suit No. 210, 5th Floor, Siddiq Trade Centre, Main Boulevard, Gulberg - III, Lahore  Office No. 20 & 21, 1st Floor, Beverly Centre, 56-G7, Jinnah Avenue, Islamabad-44000
Security Vault	G-187 Block 2, Shalrahe-e-Quaideen, PESH Karachi-75400



**Crescent Standard Modaraba**  
(An Islamic Financial Institution)

**DIRECTORS' REPORT**

**Dear Certificate holders,**

On behalf of the Board of Directors of B.R.R. Investments (Private) Limited ('BRRRI' or 'the company'), Manager of Crescent Standard Modaraba ('CSM' or 'the Modaraba'), presents to certificate holders the 2<sup>nd</sup> Quarter Financial statement of the modaraba for the six months ended December 31, 2011.

Operations and performance

	December 31, 2011	December 31, 2010
	..... Rupees.....	
<b>Total Income</b>	<b>9,745,657</b>	<b>10,291,227</b>
<b>Total Expenses</b>	<b>7,316,331</b>	<b>5,305,097</b>
<b>Modaraba Company Management Fee</b>	<b>242,933</b>	<b>498,613</b>
<b>Profit for the Period</b>	<b>2,142,665</b>	<b>4,487,517</b>

During the period under review the Modaraba earned a profit Rs. 2.412 million as compared to Rs 4.48 million in the same period last year.

Operating expenses remained control and within the budget.

Inshallah your modaraba will continue to profitable so that the management is able to pay a dividend to its valued certificates holders

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

February 25, 2012

Karachi

**Rafique Dawood**  
Chairman



**ERNST & YOUNG**

Ernst & Young Ford Rhodes Sialkot Hydr  
Chartered Accountants  
Progress Plaza, Dabul Road, KOTLI  
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## AUDITORS' REPORT TO THE CERTIFICATE HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

### Introduction

We have reviewed the accompanying condensed interim balance sheet of **Crescent Standard Modaraba** (the Modaraba) as at 31 December 2011 and the related condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity, together with the notes forming part thereof (herein after referred to as "interim financial information") for the six-months' period then ended. The Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

Except as explained in the following paragraph, we conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Basis of Qualified Conclusion

In the absence of supporting documents and required information, we were unable to verify the opening balances pertaining to the Cash and bank balances amounting to Rs. 1.159 (30 June 2011: Rs. 1.159) million against which a provision of Rs. 1.159 (30 June 2011: 1.159) million has been made (note 4.2), Murabaha finance amounting to Rs. 1.902 (30 June 2011: Rs. 1.902) million against which full provision has been made (note 6), Advances, deposits, prepayment and other receivables amounting to Rs. 101.517 (30 June 2011: Rs. 101.517) million against which full provision has been made (note 7), Advance tax amounting to Rs. 0.162 (30 June 2011: Rs. 0.162) million against which full provision has been made, Musharaka finance amounting to Rs. 10.182 (30 June 2011: Rs. 10.182) million against which full provision has been made (note 8) and Musharaka finance under mark-up arrangements amounting to Rs. 22.454 (30 June 2011: Rs. 22.454) million (note 10). Further, we were not provided with any supporting documents to verify the contingencies as disclosed in note 11 to the financial statements.

A member firm of Ernst & Young Global Limited



**ERNST & YOUNG**

Ernst & Young Ford Rhodes Sialkot Hydr  
Chartered Accountants

Owing to the non-availability of the supporting documents and required information, the effects on and / or adjustments in the accompanying financial statements cannot presently be determined.

### Qualified conclusion

Except for the adjustment to the interim financial information that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### Chartered Accountants

Review Engagement Partner : Shabbir Yunus

Date: February 25, 2012

Karachi

A member firm of Ernst & Young Global Limited



**Crescent Standard Modaraba**  
(An Islamic Financial Institution)

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT DECEMBER 31, 2011**

Note	(Un-audited)	(Audited)
	December 31, 2011	June 30, 2011
	(Rupees)	
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and bank balances	30,819,332	20,645,314
Short-term investments	20,269,170	22,845,740
Murabaha finance	-	-
Advances, deposits, prepayments and other receivables	2,535,704	9,911,394
Trade debts	34,480,783	34,539,642
Current portion of musharaka finance	8,498,516	8,431,720
Advance tax	384,674	356,601
	<b>96,988,179</b>	<b>96,730,411</b>
<b>Non current assets</b>		
Musharaka finance	21,313,485	25,644,585
Property and equipment	34,295,299	25,884,238
<b>Total assets</b>	<b>152,596,963</b>	<b>148,239,234</b>
<b>Current liabilities</b>		
Unclaimed profit distribution	2,053,960	481,430
Accrued expenses and other liabilities	1,677,511	1,574,499
Musharaka finance under mark-up arrangements	22,454,094	22,454,094
<b>Total current liabilities</b>	<b>26,185,565</b>	<b>24,510,023</b>
<b>Non current liabilities</b>		
Security deposits	9,463,445	6,178,145
<b>Net assets</b>	<b>116,947,953</b>	<b>117,551,066</b>
<b>Represented by:</b>		
Certificate capital	200,000,000	200,000,000
Statutory reserve	10,462,798	10,462,798
Accumulated loss	(92,168,390)	(91,911,055)
Deficit on revaluation of available-for-sale investments	(1,346,455)	(1,000,677)
	<b>116,947,953</b>	<b>117,551,066</b>

Contingencies

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The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For B.R.R. Investments (Private) Limited  
(Management Company)

Chief Executive

Director

Director



**Crescent Standard Modaraba**  
(An Islamic Financial Institution)

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2011**

Note	Half year ended		Quarter ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
	(Rupees)		(Rupees)	
<b>INCOME</b>				
Income on musharaka and murabaha finance	2,294,906	3,428,663	1,158,143	1,769,316
Ijarah rentals	5,871,891	1,384,945	3,306,282	1,066,015
Return on short-term investments - net	(87,975)	4,384,749	(1,415,906)	2,834,124
Income on bank balances	1,646,335	833,370	853,428	420,336
Other income	20,500	259,500	10,500	249,500
	<b>9,745,657</b>	<b>10,201,227</b>	<b>3,912,447</b>	<b>6,339,291</b>
<b>EXPENDITURE</b>				
Depreciation on Ijarah assets	(4,218,193)	(876,277)	(2,425,669)	(643,901)
Administrative and operating expenses	(2,465,820)	(2,740,709)	(1,333,392)	(1,748,238)
Impairment on available-for-sale securities	(628,759)	(505,894)	(628,759)	(505,894)
Financial charges	(3,559)	(1,182,217)	(1,044)	(590,909)
	<b>(7,316,331)</b>	<b>(5,305,097)</b>	<b>(4,388,854)</b>	<b>(3,488,942)</b>
	<b>2,429,326</b>	<b>4,896,130</b>	<b>(476,417)</b>	<b>2,850,349</b>
Modaraba management company's fee	(242,933)	(498,613)	-	(285,035)
Workers' Welfare Fund	(43,728)	-	-	-
<b>PROFIT BEFORE TAXATION</b>	<b>2,142,665</b>	<b>4,487,517</b>	<b>(476,417)</b>	<b>2,565,314</b>
Provision for taxation	-	-	-	-
<b>PROFIT / (LOSS) FOR THE PERIOD</b>	<b>2,142,665</b>	<b>4,487,517</b>	<b>(476,417)</b>	<b>2,565,314</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Deficit / Surplus on revaluation of available-for-sale investments	(345,778)	(288,453)	(60,126)	3,717,314
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<b>1,796,887</b>	<b>4,199,064</b>	<b>(536,543)</b>	<b>6,282,628</b>
<b>EARNINGS PER CERTIFICATE - BASIC AND DILUTED</b>	<b>0.11</b>	<b>0.22</b>	<b>(0.02)</b>	<b>0.13</b>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For B.R.R. Investments (Private) Limited  
(Management Company)

Chief Executive

Director

Director



**Crescent Standard Modaraba**  
(An Islamic Financial Institution)

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2011**

	December 31, 2011	December 31, 2010
	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,142,665	4,487,517
Adjustments for non-cash items:		
Depreciation on Ijarah assets	4,218,193	876,277
Depreciation on assets in own use	199,248	61,884
(Gain) / Loss on revaluation of held-for-trading investments	-	(126,657)
(Gain) / Loss on sale of investment	164	(247,843)
Financial charges	-	1,179,618
Profit on available-for-sale investments - debt securities	(450,993)	(3,352,936)
Amortisation of debt securities	-	(591,133)
Impairment loss on available-for-sale investments	628,759	505,894
	4,595,371	(1,694,896)
(Increase) / decrease in current assets		
Trade debts	58,859	3,847,712
Advances, deposits, prepayments and other receivables	6,000,663	(135,205)
	6,059,522	3,712,507
Increase / (decrease) in current liabilities		
Accrued expenses and other liabilities	103,012	(59,632)
Profit paid to certificate holders	(827,473)	(1,941,416)
Net cash flows generated from operating activities	12,073,097	4,504,078
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Return on shari-term investments	1,797,783	4,265,016
Short term investment - net	1,602,038	5,613,159
Additions to property and equipment - Ijarah	(12,848,503)	(8,257,000)
Additions to property and equipment - assets in own use	-	(1,992,493)
Investments / (repayments) under musharaka finance	4,264,304	(263,777)
Security deposits	3,285,300	1,243,250
Net cash flows generated from / (used in) investing activities	(1,899,078)	608,155
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Profit paid on musharaka arrangement	-	(2,340,000)
Net Cash used in financing activities	-	(2,340,000)
Net increase in cash and cash equivalents	10,174,019	2,772,233
Cash and cash equivalents at beginning of the period	20,645,313	20,812,016
Cash and cash equivalents at end of the period	30,819,332	23,584,249

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

**B.R.R. Investments (Private) Limited**  
(Management Company)

Chief Executive

Director

Director



**Crescent Standard Modaraba**  
(An Islamic Financial Institution)

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2011**

	Certificate capital	Statutory reserve	Net unrealise loss on revaluation of investment - available-for-sale (Rupees)	Accumulated loss	Total
<b>Balance as at July 01, 2010</b>	200,000,000	7,949,958	(895,802)	(92,023,894)	115,030,262
Profit for the half year ended December 31, 2010	-	-	-	4,487,517	4,487,517
Other comprehensive income - unrealized gain/(loss) on available-for-sale investment	-	-	(268,454)	-	(268,454)
Total comprehensive income for the period	-	-	(268,454)	4,487,517	4,199,063
Profit distribution for the year ended June 30, 2011 @ 0.12 per certificate	-	-	-	(2,400,000)	(2,400,000)
<b>Balance as at December 31, 2010</b>	200,000,000	7,949,958	(1,164,256)	(89,936,377)	116,829,325
Profit for the half year ended June 30, 2011	-	-	-	538,162	538,162
Other comprehensive income - unrealized gain on available-for-sale investment	-	-	183,579	-	183,579
Total comprehensive income for the year	-	-	183,579	538,162	721,741
Transfer to statutory reserve	-	2,512,840	-	(2,512,840)	-
<b>Balance as at June 30, 2011</b>	200,000,000	10,462,798	(1,000,677)	(91,911,055)	117,551,066
Profit for the half year ended December 31, 2011	-	-	-	2,142,665	2,142,665
Other comprehensive income - unrealized gain/(loss) on available-for-sale investment	-	-	(345,778)	-	(345,778)
Total comprehensive income for the period	-	-	(345,778)	2,142,665	1,796,887
Profit distribution for the year ended June 30, 2011 @ 0.12 per certificate	-	-	-	(2,400,000)	(2,400,000)
<b>Balance as at December 31, 2011</b>	200,000,000	10,462,798	(1,346,455)	(92,168,390)	116,947,953

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

**For B.R.R. Investments (Private) Limited**  
(Management Company)

Chief Executive

Director

Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2011**

**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. The Modaraba was managed by Financial Link Limited upto January 19, 2007. However vide order dated January 19, 2007, Deputy Registrar, Modaraba Wing, SECP, Management of the Modaraba was transferred to Providence Modaraba Limited. Subsequently Providence Modaraba Limited was merged into B.R.R Investments (Private) Limited, and since then Modaraba is under the management of B.R.R Investments (Private) Limited.

1.2 The Modaraba is a multipurpose perpetual modaraba and is primarily engaged in ijarah financing, finance leasing, musharaka financing, morahaba financing, modaraba financing, diminishing musharaka and investment in listed securities. The address of registered office is 1900-B, Saima Trade Tower, I/I Chundrigar Road, Karachi. The Modaraba is listed on the Karachi.

**2. STATEMENT OF COMPLIANCE**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard- 34 "Interim Financial Reporting" as applicable in Pakistan.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Modaraba for the year ended 30 June 2011.

These condensed interim financial statements are unaudited but subject to limited scope review by the auditors except for the figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2011 and 31 December 2010.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The Company has adopted the following amended IFRS and IFRIC interpretation which became effective during the period:

IFRS 7 - Financial Instruments: Disclosures

IAS 24 - Related Party Disclosures (Revised)

IFRIC 14 - Prepayments of a Minimum Funding Requirement (Amendment)

In May 2010, International Accounting Standards Board (IASB) issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

IFRS 7 - Financial Instrument Disclosures - Clarification of disclosures

IAS 1 - Presentation of Financial Statements - Clarification of statement of changes in equity

IAS 34 - Interim Financial Reporting - Significant events and transactions

IFRIC 13 - Customer Loyalty Programmes - Fair value of award credits

The adoption of the above standards, amendments / improvements and interpretations did not have any effect on these condensed interim financial statements.

**4. CASH AND BANK BALANCES**

Note	(Un-audited) December 31, 2011	(Audited) June 30, 2011
	(Rupees)	
Cash in hand	4,000	3,408
With banks on:		
Current accounts	1,710,048	481,436
Deposit account	4.1 30,264,533	21,319,719
Less: Provision for doubtful balances	4.2 (1,159,249)	(1,159,249)
	29,105,284	20,160,470
	<b>30,819,332</b>	<b>20,645,314</b>

4.1 These carry profit at rates ranging from 5% to 13% (June 30, 2011: 3% to 11%).

4.2 This includes (a) a sum of Rs.1,090 (2011: Rs.1,090) million against which a claim has been lodged by a commercial bank as referred to in note 11.1 and (b) a sum of Rs.0.069 (2011: Rs.0.069) million representing balance in a dividend account with a commercial bank. The Modaraba has made full provision against the above balances.

**5. SHORT-TERM INVESTMENTS**

**At fair value through profit and loss - held-for-trading**

Investment in listed equity securities	5.1	7,141,335	4,500,212
<b>Investment in available-for-sale</b>			
Investment in listed equity securities	5.2	778,750	1,137,500
Investment in debt securities	5.3	12,349,085	17,208,028
		13,127,835	18,345,528
		<b>20,269,170</b>	<b>22,845,740</b>

**5.1 At fair value through profit or loss - held-for-trading: Investment in listed equity securities**

Unless stated otherwise, the holdings are in the fully paid ordinary shares / units of Rs.10 each.

(Un-audited) December 31, 2011	(Audited) June 30, 2011	(Un-audited) December 31, 2011	(Audited) June 30, 2011
Number of shares	Name of Investee	(Rupees)	
263,000	-	2,961,380	-
	<b>Power Generation</b>		
	Paikun Power Limited		
210,000	200,000	4,050,901	4,334,000
	<b>Gas Water and Multi-Utilities</b>		
	Sui Southern Gas Company Limited		
300	300	22,512	21,252
	<b>Cement</b>		
	Lucky Cement Limited		
10,601	10,651	106,542	144,960
	<b>Miscellaneous</b>		
	United Distributors Pakistan Limited		
		<b>7,141,335</b>	<b>4,500,212</b>



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**5.2 Available-for-sale: Investment in listed equity securities**

(Un-audited) December 31, 2011	(Audited) June 30, 2011		(Un-audited) December 31, 2011	(Audited) June 30, 2011
Number of shares		Name of Investee	----- (Rupees) -----	
		<b>Financial services</b>		
875,000	875,000	Dawood Equities Limited	778,750	1,137,500

**5.3 Available-for-sale: Investment in debt securities**

(Un-audited) December 31, 2011	(Audited) June 30, 2011		(Un-audited) December 31, 2011	(Audited) June 30, 2011
Number of certificates		Name of Investee	----- (Rupees) -----	
		Haq Bahoo Sugar Mills Limited	-	2,375,000
1,267	1,267	Eden Housing Limited	4,274,875	4,512,437
1,013	1,013	Avani Hotels Limited	4,302,342	4,302,342
		Trust Investment Bank Limited	1,984,689	2,981,491
1,000	1,000	Invest Capital Investment Bank Limited	1,500,000	1,500,000
400	400	Pace Pakistan Limited	628,759	422,847
200	200	Worldcall Telecom Limited	-	748,968
-	151	Escort Investment Bank Limited	1,920,232	1,997,996
1,499	1,499		14,610,897	18,841,081
		Less: Impairment there against	(2,261,812)	(1,633,053)
			<u>12,349,085</u>	<u>17,208,028</u>

**6. MURABAHA FINANCE**

Considered doubtful-unsecured	1,902,053	1,902,053
Less: Provision for doubtful receivables	(1,902,053)	(1,902,053)
	-	-



**Crescent Standard Modaraba**  
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**7. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

	(Un-audited) December 31, 2011	(Audited) June 30, 2011
	----- (Rupees) -----	
<b>Considered good</b>		
<b>Advances</b>		
Advance against purchase of securities	-	6,045,391
<b>Prepayment</b>		
Insurance	82,190	65,536
<b>Other receivables</b>		
Accrued profit on:		
Bank balances	843,728	647,108
Debt securities	969,260	2,431,594
Musharaka finance	620,286	567,679
	<u>2,433,274</u>	<u>3,646,381</u>
Dividend receivable	20,240	20,240
	<u>2,535,704</u>	<u>9,777,547</u>
<b>Considered doubtful</b>		
<b>Advances</b>		
Advance for purchases	90,387,701	90,387,701
<b>Deposits</b>		
Security deposit	25,000	25,000
<b>Other receivables</b>		
Accrued profit	7,715,387	7,849,234
Sales tax receivable	3,350,922	3,350,922
Other receivables	37,592	37,592
	<u>101,516,602</u>	<u>101,650,449</u>
Less: Provision for doubtful receivables	(101,516,602)	(101,516,602)
	<u>2,535,704</u>	<u>9,911,394</u>

**8. MUSHARAKA FINANCE**

Considered good	29,812,001	34,076,305
Considered doubtful	10,182,339	10,182,339
	<u>39,994,340</u>	<u>44,258,644</u>
Less: provision for doubtful receivables current portion of musharaka finances	(10,182,339)	(10,182,339)
	<u>(8,498,516)</u>	<u>(8,431,720)</u>
	<u>21,313,485</u>	<u>25,644,585</u>





**Crescent Standard Modaraba**  
(An Islamic Financial Institution)

	Note	(Un-audited) December 31, 2011	(Audited) June 30, 2011
		----- (Rupees) -----	
<b>9. PROPERTY AND EQUIPMENT</b>			
Property and equipment - owned	9.1	1,536,644	1,735,893
Property, plant and equipment - leased/ljarah	9.2	32,758,655	24,128,345
		<u>34,295,299</u>	<u>25,864,238</u>

**9.1 Property and equipment - owned**

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

	----- Additions -----		----- Disposals -----		
	(Un-audited) December 31, 2011	(Audited) June 30, 2011	(Un-audited) December 31, 2011	(Audited) June 30, 2011	
		----- (Rupees) -----		----- (Rupees) -----	
Vehicles	-	1,992,493	-	-	-

**9.2 Property, plant and equipment - ljarah / leased**

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

	----- Additions -----		----- Disposals -----		
	(Un-audited) December 31, 2011	(Audited) June 30, 2011	(Un-audited) December 31, 2011	(Audited) June 30, 2011	
		----- (Rupees) -----		----- (Rupees) -----	
Plant and machinery	-	8,610,300	-	-	-
Vehicles	11,603,500	24,631,531	-	8,061,061	-
Computers	1,245,000	-	-	-	-
	<u>12,848,500</u>	<u>33,241,831</u>	<u>-</u>	<u>8,061,061</u>	<u>-</u>

**10. MUSHARAKA FINANCE UNDER MARK-UP ARRANGEMENTS**

	Note	(Un-audited) December 31, 2011	(Audited) June 30, 2011
		----- (Rupees) -----	
Opening balance	10.1	22,454,094	40,454,094
Add: Funds paid during the year		-	(18,000,000)
		<u>22,454,094</u>	<u>22,454,094</u>

**10.1** These represents funds received under musharaka arrangements on profit and loss sharing basis. Pending complete information and documents, no accrual for profit payable, if any, on this amount.



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**11. CONTINGENCIES AND COMMITMENTS**

**11.1** A commercial bank has lodged a claim of Rs.1.090 (2011: 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 (2011: Rs.2.498) million. The proceeding under both cases are pending to-date. As a matter of abundant caution, full provision in respect of the said claim of commercial bank has been made in these financial statements.(refer note 4.2)

**11.2** The Modaraba had received a legal notice from Innovative Investment Bank Limited (formally: 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.171.143 (2011: 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 believe 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.

Half year ended	
December 31, 2011	December 31, 2010
----- (Rupees) -----	

**12. RETURN ON SHORT-TERM INVESTMENTS - NET**

Income on investment in debt securities profit on available-for-sale investments - debt securities	450,829	4,191,912
Unrealised (loss) / gain on re-measurement of - held-for-trading investments	(2,355,273)	126,657
Dividend income	1,816,469	86,180
	<u>(87,975)</u>	<u>4,384,749</u>

**13. PROVISION FOR TAXATION**

As per the Second Schedule to the Income Tax Ordinance, 2001, the income of a non-trading modaraba is exempt from income tax provided that it distributes 90% of its profits to its certificate holders for the year after making appropriation for statutory reserves. The modaraba intends to avail this exemption by distributing 90% of its profits to its certificate holders after making appropriation for statutory reserves. Accordingly, no provision in respect of current and deferred tax has been made in these condensed interim financial statements.

**14. FAIR VALUE HIERARCHY**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).



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	Level 1	Level 2	Level 3
	(Rupees)		
<b>December 31, 2011</b>			
<b>Investments at fair value through profit or loss - held-for-trading</b>			
- Listed Ordinary shares	7,141,335	-	-
<b>Available-for-sale investments</b>			
- Listed Ordinary shares	778,750	-	-
- Listed debt securities	-	3,513,063	-
- Unlisted debt securities	-	-	8,836,022
	<u>7,920,085</u>	<u>3,513,063</u>	<u>8,836,022</u>

	Level 1	Level 2	Level 3
	(Rupees)		
<b>June 30, 2011</b>			
<b>Investments at fair value through profit or loss - held-for-trading</b>			
- Listed Ordinary shares	4,500,212	-	-
<b>Available-for-sale investments</b>			
- Listed Ordinary shares	1,137,500	-	-
- Listed debt securities	-	11,953,644	-
- Unlisted debt securities	-	-	5,254,384
	<u>5,637,712</u>	<u>11,953,644</u>	<u>5,254,384</u>

During the half year ended December 31, 2011, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

**15. RELATED PARTY TRANSACTIONS**

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, directors, and key management personnel.

The modaraba has related party relationship with its 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 transactions are executed on the same terms as those prevailing at the time for comparable transactions with unrelated parties.

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

Relationship with the Company	Nature of Transactions	December 31, 2011	December 31, 2010
Management Company	Management fee	242,933	498,613
BRR Guardian Modaraba - an associated undertaking	Payment of sharing expenses	1,348,282	1,744,712
First Dawood Investment and other Employer Provident Fund - an associated undertaking	Transfer to provident funds	9,000	9,000



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**16. DATE OF ISSUE**

This condensed interim financial information was authorized for issue on February 25, 2012 by the Board of Directors of B.R.R. Investments (Private) Limited.

**17. GENERAL**

17.1 Figures have been rounded of nearest to Rupee.

For B.R.R. Investments (Private) Limited  
(Management Company)

Chief Executive

Director

Director