



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, 2012**



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 (Private) Limited
Chairman	Mr. Rafique Dawood
Chief Executive	Mr. Ayaz Dawood
Directors	Mr. Farouq Habib Rahimtoola Mr. Muhammad Shahid Murtaza
Audit Committee	Mr. Farouq Habib Rahimtoola - Chairman Mr. Rafique Dawood - Member Mr. Muhammad Shahid Murtaza - Member
HR Committee	Mr. Farouq Habib Rahimtoola - Chairman Mr. Rafique Dawood - Member Mr. Muhammad Shahid Murtaza - Member
Shariah Advisor	Mufti Syed Sabir Hussain
Chief Financial Officer	Syed Tariq Masood
Company Secretary	Mr. Tahir Mehmood
Auditors	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountant
Legal Advisor	Malik & Maliks Minto & Mirza
Bankers	Al -Baraka Bank (Pakistan) Limited NIB Bank Limited
Web-site	www.firstdawood.com/csm
E-mail:	csm@firstdawood.com
Registered Office & Head Office	1900-B, Saima Trade Towers, I.I. Chundrigar Road, Karachi-74000 PABX 32271875-80 37010960-65 37014641-4 Fax : 92-21-227-1912
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 Fax # 92-21-32621233
Security Vault	G-187 Block 2, Shahr-eh-e-Quaideen, PECHS Karachi-75400



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DIRECTORS' REPORT

Dear Certificate holders,

On behalf of the Board of Directors of B.R.R. Investments (Private) Limited ('BRRI' or 'the company'), Manager of **Crescent Standard Modaraba** ('CSM' or 'the Modaraba'), presenting the 2ND Quarter Financial statement of the Modaraba for the six months ended December 31, 2012.

Operations and performance

	December 31, 2012	December 31, 2011
 Rupees.....	
Total Income	16,017,039	9,745,657
Total Expenses	11,910,462	7,316,331
Modaraba Company Management Fee	410,658	242,933
Profit for the Period	3,557,610	2,142,665

During the Six months period ended the Modaraba earned a profit Rs. 3.557 million as compared to Rs 2.14 million profit in the same period of last year which shows the increase profit of 65%.

Your Modaraba has returned to it certificate holders 101% since June 30, 2012 including dividends, thus out performing the KSE index return of 29.6%.

Inshallah your Modaraba will continue to profitable so that the management is able to pay higher dividends to its valued certificates holders

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

Karachi: February 27, 2013

Rafique Dawood
Chairman

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 2012** 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-month 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 2012: Rs.1.159) million against which a provision of Rs.1.159 (30 June 2012: 1.159) million has been made (note 4.2), Murabaha finance amounting to Rs.1.902 (30 June 2012: 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 2012: Rs.101.517) million against which full provision has been made (note 7), Advance tax amounting to Rs.0.162 (30 June 2012: Rs.0.162) million against which full provision has been made, Musharaka finance amounting to Rs.10.182 (30 June 2012: 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 2012: 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.

emh



Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530, Pakistan
Tel: +9221 3565 0007
Fax: +9221 3568 1965

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 possible effects of the matter described in the Basis for Qualified Conclusion paragraph, 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

Ernst & Young

Engagement Partner: Shabbir Yunus

Date: February 27, 2013

Karachi



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Shari'ah Advisor's Report

I have conducted the *Shari'ah* review of **Crescent Standard Modaraba** managed by B.R.R. Investments Pvt. Limited for Six months period ended 31st December, 2012. In accordance with the requirements of the *Shari'ah* Compliance and *Shari'ah* Audit Mechanism for Modarabas that except the observation as reported hereunder, in my opinion:

The Modaraba has adopted a mechanism under the circular 8 of SECP which has strengthened the *Shari'ah* compliance, in letter and spirit and the systems, procedures and policies are in line with the *Shari'ah* principles;
Following were the major developments that took place during the year:

1. Conducted a comprehensive training to create awareness among the staff of Mudaraba regarding the Islamic Modes of Finance.
2. The agreement(s) entered into by the Modaraba are *Shari'ah* compliant and the financing agreement(s) have been executed on the formats as approved by the Religious Board and all the related conditions have been met;
3. to the best of my information and according to the explanations given to me, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the *Shari'ah* requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and the *Shari'ah* Compliance and *Shari'ah* Audit Regulations for Modarabas
4. Profit sharing ratios, profits and charging of losses (if any) relating to any deposit raising product conform to the basis and principles of *Shari'ah*.
5. The earnings that have been realized from the sources or by means prohibited by *Shari'ah* have been credited to charity accounts before June 30, 2013.

Observation(s)

1. Two Ijarah transactions with The AVECINNA School were executed in the month of Dec 2012, in which the client was given waiver by the Management of Modaraba for having its insurance with a conventional insurance company (Century Insurance Company) instead of having it insured by Takaful (its Islamic alternative). This waiver should be avoided next time and it should be made sure that all the transactions are in strict compliance with *Shari'ah*.
2. The Modaraba is having investment in TFC (Investment Capital Limited/Al-Zamin Leasing Corporation) which is non-*Shari'ah* compliant, therefore should be immediately disposed off.



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3. The charity of dividend income is not applicable as no non-shariah compliant dividend has been received during the period;
4. All Non-Shari'ah compliant income generated out trading in shares & TFC of companies during the period which are not included in the list must be transferred to Charity Account before June 30, 2013.

Recommendation(s)

1. Non Shari'ah TFC should be divest before Feb 03, 2013 in compliance of Circular 8 of SECP Shari'ah Compliance and Shari'ah Audit Mechanism for Mdoaraba.
2. Dividend income from Non Shari'ah Compliant scripts should be charity.
3. All Non Shari'ah Compliant income should be Charity before June 30, 2012

Conclusion

Based on the above mentioned facts I am of the view that the business operation of Crescent Standard Modaraba are Shari'ah compliant up to the best of my knowledge

A handwritten signature in black ink, appearing to read "Mufti Syed Sabir Hussain".

Mufti Syed Sabir Hussain
Shari'ah Advisor
Date; February 27, 2013



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**Condensed Interim Balance Sheet
As at December 31, 2012**

		(Un-audited) December 31, 2012	(Audited) June 30, 2012
	Note	----- (Rupees) -----	
ASSETS			
Current assets			
Cash and bank balances	4	34,809,384	34,243,587
Short-term investments	5	26,688,846	23,429,777
Murabaha finance	6	-	-
Advances, deposits, prepayments and other receivables	7	2,653,164	3,058,388
Lease rental receivable		964,881	128,050
Trade debts		33,810,400	33,810,400
Current portion of musharaka finance	8	2,555,281	6,039,905
Advance tax		483,756	427,330
		101,965,712	101,137,437
Non-current assets			
Musharaka finance	8	21,623,862	21,686,782
Property and equipment	9	35,443,967	35,095,921
Total assets		159,033,541	157,920,140
LIABILITIES			
Current liabilities			
Unclaimed profit distribution		2,674,608	1,711,704
Accrued expenses and other liabilities		1,817,663	1,866,030
Musharaka finance under mark-up arrangements	10	22,454,094	22,454,094
Total current liabilities		26,946,365	26,031,828
Non-current liabilities			
Security deposits		9,243,158	9,727,620
NET ASSETS		122,844,018	122,160,692
REPRESENTED BY:			
Certificate capital		200,000,000	200,000,000
Statutory reserve		13,362,798	13,362,798
Accumulated loss		(90,662,764)	(91,220,374)
Surplus on revaluation of available-for-sale investments		143,984	18,268
		122,844,018	122,160,692

Contingencies 11

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

Director



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**Condensed Interim Profit And Loss Account
For The Half Year And Quarter Ended December 31, 2012
(Un-Audited)**

	Half year ended		Quarter ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Note	----- (Rupees) -----		----- (Rupees) -----	
INCOME				
Income on musharaka and murabaha finance	1,793,424	2,294,906	859,911	1,158,143
Ijarah rentals	7,645,646	5,871,891	3,819,898	3,306,282
Income on short-term investments - net	4,300,556	(87,975)	2,675,210	(1,415,906)
Income on bank balances	1,725,017	1,646,335	780,845	853,428
Other income	552,396	20,500	524,896	10,500
	16,017,039	9,745,657	8,660,760	3,912,447
EXPENDITURE				
Depreciation on Ijarah assets	(5,758,095)	(4,218,193)	(2,912,306)	(2,425,669)
Administrative and operating expenses	(3,554,869)	(2,465,820)	(2,152,352)	(1,333,392)
Impairment in available-for-sale securities	(300,000)	(628,759)	(300,000)	(628,759)
Investment in available-for-sale securities written off	(2,297,097)	-	(2,297,097)	-
Financial charges	(401)	(3,559)	(201)	(1,044)
	(11,910,462)	(7,316,331)	(7,661,956)	(4,388,864)
	4,106,577	2,429,326	998,804	(476,417)
Modaraba management company's fee	410,658	242,933	99,880	-
Sales tax on Modaraba Management fee	65,705	-	15,981	-
Workers' Welfare Fund	72,604	43,728	17,659	-
PROFIT BEFORE TAXATION	3,557,610	2,142,665	865,284	(476,417)
Provision for taxation	-	-	-	-
PROFIT / (LOSS) FOR THE PERIOD	3,557,610	2,142,665	865,284	(476,417)
OTHER COMPREHENSIVE INCOME				
Surplus / (deficit) on revaluation of available-for-sale investments	125,716	(345,778)	783,212	(60,126)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	3,683,326	1,796,887	1,648,496	(536,543)
EARNINGS / (LOSS) PER CERTIFICATE - BASIC AND DILUTED	0.18	0.11	0.20	(0.02)

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

Director



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**Condensed Interim Statement of Cash Flows
For The Half Year Ended December 31, 2012
(Un-Audited)**

	December 31, 2012	December 31, 2011
	-----	-----
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,557,610	2,142,665
Adjustments for non-cash items:		
Depreciation on Ijarah assets	5,758,095	4,218,193
Depreciation on assets in own use	362,714	199,248
Unrealised gain on revaluation of held-for-trading investments	(1,728,792)	-
(Gain) / loss on held-for-trading investments	(1,313,259)	164
Income on investments in debt securities	(784,572)	(450,993)
Gain on sale of Ijarah assets	(523,300)	-
Dividend income	(473,933)	-
Impairment loss on available-for-sale investments	-	628,759
	1,296,953	4,595,371
(Increase) / decrease in current assets		
Trade debts	(836,831)	58,859
Advances, deposits, prepayments and other receivables	141,649	6,045,391
Accrued profit	41,716	(52,607)
Advance tax	(218,267)	7,879
	(871,733)	6,059,522
Increase / (decrease) in current liabilities		
Accrued expenses and other liabilities	(48,348)	103,012
Profit paid to the certificate holders	(2,037,095)	(827,473)
Net cash flows generated from operating activities	1,897,387	12,073,097
CASH FLOWS FROM INVESTING ACTIVITIES		
Return on short-term investments	4,684,241	1,797,783
Short-term investment - net	(3,133,359)	1,602,038
Additions to property and equipment - Ijarah	(10,684,400)	(12,848,503)
Additions to property and equipment - assets in own use	(710,616)	-
Investments under musharaka finance	3,547,544	4,264,304
Proceed on disposal of Ijarah Assets	5,449,460	-
Security deposits acquired / (repaid)	(484,460)	3,285,300
Net cash flows generated used in investing activities	(1,331,590)	(1,899,078)
Net increase in cash and cash equivalents	565,797	10,174,019
Cash and cash equivalents at beginning of the year	34,243,587	20,645,313
Cash and cash equivalents at end of the year	34,809,384	30,819,332

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

Director



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**Condensed Interim Statement of Changes In Equity
For The Half Year Ended December 31, 2012
(Un-Audited)**

	Certificate capital	Statutory reserve	Surplus on revaluation of investment - available-for-sale (Rupees)	Accumulated loss	Total
Balance as at July 01, 2011	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	-	-	(345,778)	-	(345,778)
Total comprehensive income for the year	-	-	(345,778)	2,142,665	1,796,887
Profit distribution for the year ended June 30, 2011 @ Rs.0.12 per certificate	-	-	-	(2,400,000)	(2,400,000)
Balance as at December 31, 2011	200,000,000	10,462,798	(1,346,455)	(92,168,390)	116,947,953
Profit for the half year ended June 30, 2012	-	-	-	3,848,016	3,848,016
Other comprehensive income	-	-	1,364,723	-	1,364,723
Total comprehensive income for the year	-	-	1,364,723	3,848,016	5,212,739
Transfer to statutory reserve	-	2,900,000	-	(2,900,000)	-
Balance as at June 30, 2012	200,000,000	13,362,798	18,268	(91,220,374)	122,160,692
Profit for the half year ended December 31, 2012	-	-	-	3,557,610	3,557,610
Other comprehensive income	-	-	125,716	-	125,716
Total comprehensive income for the year	-	-	125,716	3,557,610	3,683,326
Profit distribution for the year ended June 30, 2012 @ Rs.0.12 per certificate	-	-	-	(3,000,000)	(3,000,000)
Balance as at December 31, 2012	200,000,000	13,362,798	143,984	(90,662,764)	122,844,018

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

Director



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**Condensed Interim Notes To The Financial Statements
For The Three Months Period Ended December 31, 2012**

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 upto 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. Investments (Private) Limited, and since then the Modaraba is under management of B.R.R. Investments (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, etc. The certificates of the Modaraba are quoted on Karachi Stock Exchange Limited. The address of registered office is 1500-A, Saima Trade Tower, I. I. Chundrigar Road, Karachi. The Modaraba is listed on the Karachi Stock Exchange Limited.

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 June 30, 2012.

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 December 31, 2012 and December 31, 2011.

3. SIGNIFICANT ACCOUNTING POLICIES

The Modaraba has adopted the following amendments to IFRSs which became effective during the current period:

IAS 1 – Presentation of Financial Statements –
Presentation of items of other comprehensive income (Amendment)

IAS 12 – Income Taxes - Recovery of Underlying Assets (Amendment)

The adoption of the above amendments did not have any material effect on the financial statements.

		(Un-audited) December 31, 2012	(Audited) June 30, 2012
	Note	----- (Rupees) -----	
4. CASH AND BANK BALANCES			
Cash in hand		3,130	3,600
With banks in:			
Current accounts		2,290,127	1,666,535
PLS savings accounts	4.1	33,675,376	33,732,701
Provision for doubtful balances	4.2	(1,159,249)	(1,159,249)
		<u>32,516,127</u>	<u>32,573,452</u>
		<u>34,809,384</u>	<u>34,243,587</u>

4.1 These carry mark-up at the rate of 9.60% (2012: 11.50%) per annum.

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.



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	Note	(Un-audited) December 31, 2012	(Audited) June 30, 2012
		----- (Rupees) -----	
5. SHORT-TERM INVESTMENTS			
Held-for-trading	5.1	16,376,954	9,993,140
Available-for-sale	5.2	10,311,892	13,436,637
		<u>26,688,846</u>	<u>23,429,777</u>

5.1 Held-for-trading

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

<u>No. of shares</u>				
<u>December 31, 2012</u>	<u>June 30, 2012</u>	<u>Name of investee</u>		
5,000	-	Commercial Banks		
		BankIslami Pakistan Limited	46,050	-
-	27,500	Electricity		
		Karachi Electric Supply Company Limited	-	89,100
147,000	263,000	Power generation		
		Pakgen Power Limited	3,092,880	3,363,770
-	6,500	Personal goods		
		Nishat Mills Limited	-	309,270
210,000	210,000	Gas water and multi-utilities		
		Sui Southern Gas Company Limited	4,307,100	4,095,000
-	20,000	Construction and material		
		Fauji Cement Company Limited	-	72,600
300	300	Lucky Cement Limited	45,462	34,616
-	3,000	Oil and gas		
		Pakistan State Oil Company Limited	-	707,520
22,600	-	Pakistan Petroleum Limited	3,995,454	-
2,500	-	Shell Pakistan Limited	340,475	-
-	10,000	Chemicals		
		Descon Oxychem Limited	-	38,800
9,000	7,500	Fauji Fertilizer Company Limited	1,054,260	832,875
-	21,500	Sitara Peroxide Limited	-	212,850
10,601	10,601	United Distributors Pakistan Limited	104,950	99,439
4,450	-	General Industries		
		Thal Limited	475,573	-
5,000	-	Telecommunication		
		Pakistan Telecommunication Company	86,750	-
280	-	Food products		
		Unilever Pakistan Limited	2,828,000	-
-	10,000	Software and computer services		
		Netsol Technologies Limited	-	137,300
			<u>16,376,954</u>	<u>9,993,140</u>



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		(Un-audited) December 31, 2012	(Audited) June 30, 2012
	Note	----- (Rupees) -----	
5.2 Available-for-sale			
Listed Ordinary shares	5.2.1	2,056,250	1,960,000
Debt securities	5.2.2	8,255,642	11,476,637
		<u>10,311,892</u>	<u>13,436,637</u>

5.2.1 Listed ordinary shares

<u>No. of shares / certificates</u>		Name of investee		
December 31, 2012	June 30, 2012			
875,000	875,000	Financial services Dawood Equities Limited	<u>2,056,250</u>	<u>1,960,000</u>
			<u>2,056,250</u>	<u>1,960,000</u>

5.2.2 Debt securities

1,267	1,267	Sukuk Certificates Eden Housing Limited	<u>3,384,015</u>	<u>3,680,970</u>
			<u>3,384,015</u>	<u>3,680,970</u>
1,013	1,013	Term Finance Certificates Avari Hotels Limited	4,152,728	4,187,203
-	1,000	Trust Investment Bank Limited	-	1,768,698
400	400	Invest Capital Investment Bank Limited (Formerly: Al-Zamin Leasing Corporation Limited)	1,500,000	1,500,000
-	200	Pace (Pakistan) Limited	-	422,847
-	-	Worldcall Telecom Limited	-	-
1,500	1,500	Escort Investment Bank Limited	<u>937,369</u>	<u>1,335,389</u>
			<u>6,590,097</u>	<u>9,214,137</u>
		Less: Provision for impairment	<u>(1,718,470)</u>	<u>(1,418,470)</u>
			<u>8,255,642</u>	<u>11,476,637</u>

6. MURABAHA FINANCE

Considered doubtful - unsecured	1,902,053	1,902,053
Less: Provision for doubtful receivables	<u>(1,902,053)</u>	<u>(1,902,053)</u>
	-	-



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		(Un-audited) December 31, 2012	(Audited) June 30, 2012
	Note	----- (Rupees) -----	
7. ADVANCES, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES			
Considered good			
Prepayment			
Insurance		109,178	160,714
Other receivables			
Accrued profit on:			
Bank balances		802,509	922,710
Sukuk certificates		260,737	152,468
Term Finance Certificates		779,110	1,271,058
Musharaka finance		509,723	551,438
Receivable in respect of sale of shares		191,907	-
		2,543,986	2,897,674
		2,653,164	3,058,388
Considered doubtful			
Advances			
Advance for purchases		90,387,701	90,387,701
Deposits			
Security deposit		25,000	25,000
Other receivables			
Accrued profit		7,715,387	7,715,387
Sales tax receivable		3,350,922	3,350,922
Other receivables		37,592	37,592
		101,516,602	101,516,602
Less: Provision for doubtful receivables		(101,516,602)	(101,516,602)
		2,653,164	3,058,388
8. MUSHARAKA FINANCE - Secured			
Considered good	8.1	24,179,143	27,726,687
Considered doubtful		10,182,339	10,182,339
		34,361,482	37,909,026
Less: Provision for doubtful receivables		(10,182,339)	(10,182,339)
Current portion of Musharaka finance		(2,555,281)	(6,039,905)
		21,623,862	21,686,782
8.1			
The Modaraba has entered into musharaka agreements with different parties on profit and loss sharing basis. The expected profit on these arrangements ranges from 13.94% to 17.03% (2012: 13.94% to 16.95%) per annum. The arrangement is secured against mortgage on property and hypothecation over stocks and receivables of the customers as well as a lien on cash deposited with a financial institution. These musharaka finances are receivable on various dates latest by April 13, 2022.			
9. PROPERTY AND EQUIPMENT			
Property and equipment - owned	9.1	3,150,981	2,803,079
Property, plant and equipment - leased / ijarah	9.2	32,292,986	32,292,842
		35,443,967	35,095,921



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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, 2012	(Audited) June 30, 2012	(Un-audited) December 31, 2012	(Audited) June 30, 2012
	----- (Rupees) -----		----- (Rupees) -----	
Vehicles	710,616	1,516,225	-	-

9.2 Property, plant and equipment - Ijarah / leased

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

	----- Additions -----		----- Disposals -----	
	(Un-audited) December 31, 2012	(Audited) June 30, 2012	(Un-audited) December 31, 2012	(Audited) June 30, 2012
	----- (Rupees) -----		----- (Rupees) -----	
Plant and machinery	1,175,000	65,750	-	-
Vehicles	8,085,500	18,125,500	8,061,000	4,389,000
Computers	1,423,900	2,400,000	-	-
	10,684,400	20,591,250	8,061,000	4,389,000

10. MUSHARAKA FINANCE UNDER MARK-UP ARRANGEMENTS

	(Un-audited) December 31, 2012	(Audited) June 30, 2012
	----- (Rupees) -----	
Note		
10.1	22,454,094	22,454,094

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 has been made.

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 proceedings 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 by the Modaraba (refer note 4.2).

11.2 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.171.143 (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.



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	December 31, 2012	December 31, 2011
	----- (Rupees) -----	
12. INCOME ON SHORT-TERM INVESTMENTS - net		
Income on investment in debt securities	784,572	450,829
Gain on sale of held-for-trading investments	1,313,259	-
Unrealised gain / (loss) on revaluation of held-for-trading investments	1,728,792	(2,355,273)
Dividend income	473,933	1,816,469
Total	<u>4,300,556</u>	<u>(87,975)</u>
13. OTHER INCOME		
Gain on sale of Ijarah assets	523,300	-
Miscellaneous income	29,096	20,500
	<u>552,396</u>	<u>20,500</u>
14. 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.

15. 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).

	Level 1	Level 2	Level 3
	-----	-----	-----
	----- (Rupees) -----		
December 31, 2012			
Investments at fair value through profit or loss - held-for-trading			
- Listed Ordinary shares	16,376,954	-	-
Available-for-sale investments			
- Listed Ordinary shares	2,056,250	-	-
- Debt securities	-	8,255,642	-
	<u>18,433,204</u>	<u>8,255,642</u>	<u>-</u>
June 30, 2012			
Investments at fair value through profit or loss - held-for-trading			
- Listed Ordinary shares	9,993,140	-	-
Available-for-sale investments			
- Listed Ordinary shares	1,960,000	-	-
- Debt securities	-	7,291,290	4,185,347
	<u>11,953,140</u>	<u>7,291,290</u>	<u>4,185,347</u>



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16. 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 relationships 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 include financings, investments, borrowings, sharing of common expenses and rental income.

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

Relationship with the Company	Nature of Transactions	December 31, 2012	December 31, 2011
Management Company	Management fee	410,658	242,933
BRR Guardian Modaraba - an associated undertaking	Payment of shared expenses	1,541,449	1,348,282
BRR Guardian Modaraba - an associated undertaking	Purchase of vehicle	676,033	-
First Dawood Investment Bank Limited	Purchase of vehicle	34,583	-
First Dawood Investment and other Employer Provident Fund	Contribution to provident fund	12,099	9,000

17. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 27, 2013 by the Board of Directors of B.R.R. Investments (Private) Limited.

18. GENERAL

18.1 Figures have been rounded of nearest to Rupee.

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

Chief Executive Officer

Director

Director

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