



MODARABA

Crescent Standard Modaraba

(An Islamic Financial Institution)

Managed by:

B.R.R. Investment (Private) Limited

ANNUAL REPORT 2017



CRESCENT STANDARD MODARABA
(An Islamic Financial Institution)

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**CRESCENT STANDARD MODARABA**

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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 Muhammad Aqeel
Chief Financial Officer	Syed Tariq Masood
Company Secretary	Mr. Tahir Mehmood
Head of Internal Audit, Risk and Compliance	Mr. Umair Nizam
Auditors	BDO Ebrahim & Co. Chartered Accountants
Legal Advisor	Malik & Maliks Law Associates S. & B. Durrani Law Associates
Bankers	Al-Baraka Bank (Pakistan) Limited
Web-site	www.firstdawood.com/csm
Registered Office & Head Office	18th Floor, B.R.R. Tower Hassan Ali Street off. I.I. Chundrigar Road, Karachi-74000 PABX : 92-21-32602401-06 Fax : 92-21-3227-1912
Registrars	F.D. Registrar Services (SMC-Pvt.) Ltd. 1705, 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
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MISSION

To become a symbol for spreading a variety of Islamic modes of financing, thereby providing ample and profitable investment opportunities to the stake holders who demand Halal profits according to Sharia Laws, optimizing returns to the certificate holders, management and customers.

VISION

To innovate and promote Islamic Financial Products, based on Sharia Principles and to curb interest based financial systems, thereby facilitating establishment of an equitable economic system.



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NOTICE OF ANNUAL REVIEW MEETING

The Board of Directors of B.R.R. Investment (Pvt) Ltd, Manager of Crescent Standard Modaraba (CSM) in their meeting held on September 29, 2017 has declared cash dividend @ Re. 0.08 per Modaraba Certificate for the year ended June 30, 2017.

To determine the names of Certificate-Holders entitled to receive dividend and to attend the Annual Review Meeting, the Certificate Transfer Books of the Modaraba will be closed from October 21, 2017 to October 28, 2017 (both days inclusive) the Transfers received at the Registrar Office, F.D. Registrar Services (SMC-Pvt.) Ltd at 1705, 17th Floor, Saima Trade Towers A, I.I. Chundrigar Road Karachi (Registrar Office), before the close of business hours on October 20, 2017 will be treated in time for the purpose of above entitlement to the transferees. Further, the Certificate-Holders are advised to notify to the Registrar Office of any change in their addresses.

The ARM of Certificate-Holders of CSM will be held on Saturday October 28, 2017 at 5:30 p.m.at First Floor, BRR Tower, Hassan Ali Street, off: I.I Chundrigar Road Karachi, 74000

Place Karachi
October 05, 2017

BY ORDER OF THE BOARD
Tahir Mehmood
Company Secretary

REQUEST TO CERTIFICATE-HOLDERS

Pursuant to the directives of the Securities and Exchange Commission of Pakistan (SECP) CNIC number of Modaraba Certificate-Holders has become mandatory to be mentioned on Dividend Warrant. Therefore, all those physical Modaraba Certificate-Holders not yet submitted their CNIC are hereby requested to immediately send valid copy of CNIC at above mentioned address of Registrar Office.

In order to comply with the directives of SECP vide their SRO 831(1)/2012 dated July 5, 2012 the Registrar Office may withhold the dispatch of Dividend Warrant under Section 243(2) (a) of the Companies Act, 2017 of those Certificate-Holders who fails to submit the copy of CNIC before the close of book of Certificate-Holders for entitlement of dividend as for the year ended June 30, 2017 announced by the Board of Directors in their meeting held on September 29, 2017.



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New Tax Implications on dividends

Increased Tax Rates on Filers/ Non-Filers

Through the Finance Act, 2017, enhanced rate of withholding tax on dividend amount has been prescribed in the Income Tax Ordinance, 2001, (Ordinance). New tax rates are as under:

- a) For Filers of Income Tax return 15%
- b) For Non-Filers of Income Tax return 20%

A 'filer' is a taxpayer, whose name appears in the Active Taxpayers List (ATL) issued by FBR, from time to time, whereas 'non-filer' is a person other than a 'filer'. FBR has uploaded an ATL on its web-site, which can be accessed at [http:// fbr.gov.pk](http://fbr.gov.pk).

The Modaraba will check each certificate holder's status on the latest ATL available at the first day of Book Closure and, if the certificate holder's name does not appear on the ATL, the increased rate of withholding tax at 20% would be applied. In case of 'filer', withholding tax rate of 15% will be applicable

The corporate certificate holders having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate physical certificate holders should send a copy of their NTN certificate to our Registrar Office, mentioning their Folio No. and the name of the Company.

Taxation for Joint Certificate holders

The FBR has clarified that where the certificates are held in joint accounts/ names, each account/ joint holder will be treated individually as either a filer or a non-filer and tax will be deducted according to his/her certificate holding. The certificate holders, are having joint certificate holding status, are requested to kindly intimate their joint certificate holding proportions to the Registrar Office of the Modaraba as mentioned above latest by October 20, 2017 in the following format:

Folio/ CDC A/c No.	Name of Certificate Holders (principle/ joint holders)	No. of Certificates or percentage (Proportion)	CNIC No.	Signature

If the certificate holding proportion is not advised or determined, each joint certificate holder will be assumed to hold equal proportion of certificates and deduction of withholding tax will be made accordingly.

Requirement of Valid Tax Exemption Certificate for Claiming Exemption from Withholding Tax

As per FBR Circulars C.No.1(29)WHT/2006 dated 30 June 2010 and C.No. 1(43)DG(WHT)/2008-VoI.II-66417-R dated 12 May 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance 2001 (tax on dividend amount) where the statutory exemption under Clause 47B of Part-IV of Second Schedule is available. The certificate holders who fall in the category mentioned in above clause and want to avail exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to our Registrars Office before book closure otherwise tax will be deducted on dividend as per applicable rates.



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Unclaimed Dividend & Bonus

Certificate holders, who by any reason, could not claim their dividend or bonus certificate or did not collect their physical certificates, are advised to contact our Share Registrar F.D. Registrar Services (SMC-Pvt.) Ltd to collect enquire about their unclaimed dividend or pending certificates, if any.

Please note that in compliance with Section 244 of the Companies Act 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government and in case of certificates, shall be delivered to the Securities and Exchange Commission of Pakistan.

Dividend Bank Mandate

As per Section 242 of the Companies Act 2017, in case of a public listed company, any dividend payable in cash shall only be paid through electronic mode into the bank account designated by the entitled certificate holders. Therefore, through this notice, all certificate holders are requested to update their bank account details in the Central Depository Company through respective participants and in case of physical certificates, to provide following bank account details to our Share Registrar, F.D. Registrar Services (SMC-Pvt.) Ltd same is also available on the website of the Modaraba

<http://www.firstdawood.com/csm/>

Please note that As Per Circular No. CLD/CCD/PR(11)/2017 18 /2017 dated August 1, 2017 the SECP has granted one time relaxation till October 31, 2017 to comply with the said requirement

Name of Certificate Holder	
Folio No.	
Title of the Bank Account	
Bank Account Number	
Bank's Name	
Branch Name and Address	
Cell Number of the Certificate Holder if any,	
Land Line Number of the Certificate Holder if any,	
CNIC No. and NTN (Please attach copy)	

Signature of Certificate Holder (s)

(Signature should agree with specimen signature registered with the modaraba)

The Certificate Holders having certificates in their CDC accounts are required to have their bank mandates updated with their respective participant.



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**Review Report by the Chairman on Board's overall Performance u/s 192
of the Companies Act 2017:**

It was impressive to note that Pakistan Economy has achieved its 10 year highest real GDP growth rate of 5.28%. We hope that the growth rate will continue its upward trend in the following years.

For the year ended 30th June, 2016 Modaraba Sector has performed well. Modaraba Sector booked a profit of Rs. 1,184 million and out of 25 Modarabas 21 declared profit while 19 Modarabas announced cash dividend between the ranges of 1.30% to 120%, the highest dividend ever paid by any Modaraba. The total payout to the certificate holders comes to Rs.858 million. The total assets of the Modaraba sector stood at Rs. 36,806 million and the total equity was Rs. 20,438 million. The market Capitalization of Modaraba Sector has increased during the year from Rs. 12,905 million to Rs. 19,242 million as compared to last year.

A comparative position of Market Capitalization, Total Equity, Total Assets and Total Profit are as under:

Particulars	June 30, 2016	June 30, 2015
Market Capitalization	19,242	12,905
Total Equity	20,439	15,894
Total Asset	36,806	30,736
Profit	1,184	1,353

The Board has recently completed its annual self-evaluation for the year ended June 30, 2017 to ensure that the Board's overall performance and efficiency are measured and benchmarked against expectations in the context of objectives set for the Modaraba and I report that the Board members are familiar with the current vision, mission and objectives and have clear understanding of all the concerned stakeholders (including Certificate holders, customers, employees, and community at large) to whom the Modaraba serves. The overall performance of the Board is satisfactory and is based on an evaluation of all the integral-components, which have a direct bearing on the Board's role in achievement of the Modaraba's objectives. The Board has effectively set the tone-at-the-top, by putting in place transparent and robust system of governance. This is reflected by setting up an effective control environment, compliance with best practices of Corporate Governance and by promoting ethical and fair behavior across the Modaraba. Areas where improvements are required are duly considered and action plans have been framed accordingly.

Rafique Dawood
Chairman



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DIRECTORS' REPORT

On behalf of the Board of Directors of B.R.R. Investment (Private) Limited ('BRR' or 'the company'), manager of Crescent Standard Modaraba ('CSM' or 'the Modaraba'), we present to you the Annual Report and Audited Financial Statements for the year ended June 30, 2017

MODARABA'S PERFORMANCE

Summary of the comparative financial performance is given below:

	June 30, 2017	June 30, 2016
	Rupees.....	
Profit Before Management Fee & WWF	4,025,210	8,358,332
Management Fee	402,521	835,833
Sales Tax on Management Fee	52,328	117,017
Provision for Workers' Welfare Fund	71,407	148,110
Profit After Management Fee & WWF	3,498,954	7,257,372
Certificate Holder's Equity	128,062,647	125,052,060
Earnings per certificate	0.17	0.36
Breakup value - per certificate	6.40	6.25

During the Year ended June 30, 2017, the Modaraba has earned profit of Rs. 3.498 million as compared to Rs. 7.257 million in the same period of last year.

Further the Certificate Holders' Equity of Modaraba stands at Rs. 128.062 million as compared with Rs. 125.052 million in the same period last year with an increase of 2.4%. The breakup value share comes to Rs 6.40 per certificate.

Dividend:

The Board is pleased to announce dividend of Rs. 0.08 per certificate cash dividend for the year ended June 30, 2017 versus Rs. 0.165 per certificate last year.

NATURE OF BUSINESS AND MARKET DYNAMICS:

This is the 10th year of operations since the management control of Crescent Standard Modaraba has been taken over by BRR Investment (Private) Ltd. Since then, the Modaraba has deployed its sincere efforts to report profits and distribute dividends to its certificate holders.

The management is trying best to deploy the funds in a prudent manner and ensures returns which would benefit the Modaraba.

ECONOMIC REVIEW

Economic growth in Pakistan has historically remained volatile, lacking a steady growth path and adding to the economic uncertainty about the country's economic conditions. Historical data suggests that the economy reached a high of above 10 percent growth level in 1954.

Country's overall economic growth rate recorded highest 5.28 percent in nine years, while last year it was 4.51 percent. Gross Public Debt Ratio improved to 59.3 percent to GDP from 60.2 percent to GDP last year.

Per capita income increased to \$1,629 from \$1,333 last year. Government focused on higher GDP growth that brings better living conditions to the people through higher increases in per capita incomes and more job opportunities.

Pakistan Stock Exchange (PSX 100 Index) was ranked best market in Asia and fifth best performing stock market in the world in the year 2016.



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Future Strategy:

Your Modaraba is comparatively smaller in size and due to small equity base it may not survive in the longer run. Further the fixed costs are considerably higher and keeping in view breakup value per certificate being less than the par value per certificate, the Board of Directors has decided to merge CSM by way of amalgamation with and into BRRGM subject to approval of Registrar Modaraba and to be filed under a petition for sanction by the High Court of Sindh at Karachi in terms of sections 279-283 of the Companies Act, 2017, read with SRO 840(I)/2017 dated August 17, 2017, "Scheme of Arrangement (Modarabas)", involving swap ratio 1,000 certificates of BRRGM for every 2,405 certificates of CSM on the basis of breakup values of the Certificates of BRRGM and CSM. The merger of both Modarabas will result in synergies which will reduce costs and increase efficiency.

COMPLIANCE WITH THE BEST PRACTICE OF THE CODE OF CORPORATE GOVERNANCE:

Your Management Company has implemented provisions of the code of corporate governance relevant for the year ended June 30, 2017. The external auditors review report on the statement of compliance with the code of corporate governance is annexed with this report.

As per directives of SECP / Pakistan Stock Exchange, the Directors hereby confirm the following code of good governance and ethical business practices required by clause (xix) of the Code:

The financial statements prepared by management present fairly Modaraba's state of affairs, the result of its operations, cash flows and changes in equity.

- Your Modaraba has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements on reasonable and prudent judgment.
- Relevant International Accounting Standards and Islamic Financial Accounting Standards, as applicable in Pakistan, provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies & Modaraba Rules, 1981 and directives of the Securities and Exchanges Commission of Pakistan have been followed in the preparation of financial statements.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts over the ability to continue as going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- There are no statutory payments on account of taxes, duties, levies and charges outstanding, except as disclosed in the financial statements.
- There has been no departure from the best practices of transfer pricing.

TRADING / DEALING IN CERTIFICATE OF MODARRABA:

During the fiscal year, no trade in the certificate of the Modaraba was carried out by the Directors, CFO, Company Secretary, and their spouses and minor children except the CEO has purchased 169,000 CSM's Certificates.

CODE OF CONDUCT:

The Board of Directors of the Management Company has adopted the required 'Code of Conduct' to which the management company & Modarabas is committed voluntarily maintaining the highest standards of conduct and ethical behavior is a moral right and legal requirement that requires the personal commitment.

The Code of Conduct indicates good business conduct that generally promotes the qualities of honesty, fairness, consideration and enlightened professionalism.

STAFF RETIREMENT BENEFITS:

CSM operates a Provident Fund scheme for all permanent employees. The value of investments as at June 30, 2017 is Rs 100.44 million (2016: Rs. 78.68 million).



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TRANSACTION WITH CONNECTED PERSONS / RELATED PARTIES:

All transactions between Crescent Standard Modaraba (CSM) and connected person/related parties are carried at an arm's length basis except for those transactions whose justification has been recorded.

AUDITORS

We would also like to apprise the certificate-holders that on recommendation of Audit Committee M/s. BDO Ebrahim & Company - Chartered Accountants have been reappointed as auditors for the year ended 2017-18 subject to approval of Registrar Modaraba Companies and Modarabas.

KEY OPERATING AND FINANCIAL DATA

The Key Operating and Financial data of last six years has been presented with analysis summarized on the last page.

RISK MANAGEMENT FRAMEWORK:

CSM manages risk through a framework of sound risk principles. Risk is an integral part of the financing business and risk management entails adoption of several measures to strengthen ability to cope with the dynamics of a complex business environment in which we operate. In the normal course of business, we manage these risks through a variety of strategies, including good balanced risk management controls and strong practices of Corporate Governance. Our fundamental objective is to maximize certificate's value, but this must be carried out in clearly articulated risk tolerance framework.

Board of Directors' Meetings

The status of Board of Directors Meetings is as follows:

Sr. No	Name	Designation	Attendance
1	Mr. Rafique Dawood	Chairman	4 out of 4
2	Mr. Ayaz Dawood	CEO	4 out of 4
3	Mr. Waqas Anwer Qureshi	Director	3 out of 4
4	Syed Ali Raza	Director	4 out of 4

Audit Committee Meetings

The status of Board's Audit Committee Meetings is as follows

Sr. No	Name	Designation	Attendance
1	Mr. Waqas Anwer Qureshi	Chairman	3 out of 4
2	Mr. Rafique Dawood	Member	4 out of 4
3	Syed Ali Raza	Member	4 out of 4

AUDITORS' OBSERVATIONS:

The auditors have expressed their unmodified opinion on the financial statement except for certain emphasis of matter paragraphs with explanations below:

- I. Refer to note 1.3 to the financial statements which provide details regarding the approval of scheme of arrangement for merger by way of amalgamation of Crescent Standard Modaraba (CSM) with and into B.R.R. Guardian Modaraba (BRRGM) by the Board of Directors of Modaraba Management Company in their meeting held on September 29, 2017. As a consequence of the scheme of amalgamation, CSM is not expected to continue as a going concern. BRRGM shall be taking over the business, functions, contracts, policies, proceedings, undertakings, assets, liabilities etc. of CSM at a specific date. Since there will be no change in operational activities of CSM pursuant to scheme of amalgamation, no adjustments are expected to the carrying values of the assets and liabilities.

INTERNAL CONTROL AND AUDIT FUNCTION:

The Board is responsible for effective implementation of a sound internal control system including compliance with control procedures. At CSM, Audit Committee has in-house Internal Audit Function, for wider functions and role identified as below:

1. Review compliance with responsible for monitoring compliance with Relevant International Accounting Standards, Islamic Financial Accounting Standards, as applicable in Pakistan, provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies & Modaraba Rules, 1981 and compliance of the policies and procedures framed by the Board.
2. Review accounting and internal control system
3. Review the economy, efficiency and effectiveness of operations (Value for Money Audits / VFM Audits)
4. Examining financial and operational information.



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5. Assisting with the identification of significant risks.

Dedicated Internal Audit Function helps to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. It is a control which functions by examining and evaluating the adequacy and effectiveness of other controls.

CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY:

At CSM, various initiatives have been taken that very clearly depict its dedication towards its Corporate Social Responsibility mission. The focus of the Modaraba is on achieving commercial success in a manner that honors ethical values, respects society and communities in meeting their needs in such a manner that the ability of future generations to meet their needs with pride and dignity is not compromised.

HEALTH, SAFETY & ENVIRONMENT:

We are committed to maintain a safe healthy working environment for our employees and factors attach to anybody or any institution. At CSM, it has been ensured at all times that no facility is made which is likely to affect human health, safety and working environment. CSM office premises have proper electric wiring, fire extinguishers and ready first aid to office personnel while maintaining smoking free environment.

CSM also provided group Takaful policy to all its employees for health and life.

PATTERN OF CERTIFICATE HOLDING

The pattern of certificate holding as on June 30, 2017 along with disclosure as required under the Code of Corporate Governance is annexed.

DIRECTORS' TRAINING PROGRAM

Out of four, three directors of the board are having more than 14 years of education and more than 15 years of experience. Further, the directors of the company have been provided with copies of the Code of Corporate Governance, Modaraba Rules, Company's Memorandum and Articles of Association, Modaraba Prospectus and all other relevant rules and regulations and hence are conversant of the relevant laws applicable to the Modaraba, its policies and procedures and provisions of memorandum and article of Associations and of their duties and responsibilities.

CONCLUSION & APPRECIATION:

At CSM our business is dependent on trusting relationships. Our reputation is founded on the integrity of the company's personnel and our commitment to our principles of Honesty, Excellence, Consistency, Compassion and Fairness. We believe that our ability to deliver superior long term financial returns is the cornerstone of enduring values for our stakeholders.

Moreover, appreciate the performance of our employees who worked diligently for the organization, our customers who paid back their obligations and our regulators who guided us on every step of the way.

We reaffirm our commitment to all our stake-holders to continue our efforts for furthering the cause of the Modaraba.

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

Waqas Anwar Qureshi
Director

Ayaz Dawood
Chief Executive Officer

September 29, 2017
Karachi.



تہربی۔ آر۔ آئی۔ اینسٹیتوٹ لمیٹیڈ) "لی آر آر آئی" یا کیمپ، میگزین کرینسٹ انسٹیٹیوٹ مضاربہ ("سی ایس ایم") یا مضاربہ کی جانب سے جون 2017ء کو ختم ہونے والے سال کی سالانہ رپورٹ اور اکاؤنٹ دکھائے گئے مالیاتی گوشوارے پیش کر رہے ہیں۔

تقابلی مالیاتی کارکردگی کا خلاصہ ذیل میں دیا جاتا ہے:

جون 30، 2017 کو ختم ہونے والے سال کے دوران مضارب نے 3.498 ملین روپے منافع کمایا ہے جبکہ گزشتہ سال اسی مدت میں 7.257 ملین روپے کا منافع ہوا تھا۔

ڈیویڈ ہینڈ

بورڈ گزشتہ سال 0.165 روپے فی سرٹیفکیٹ کے مقابلے میں جون 2017:30 کو ختم ہونے والے سال پر 0.08 روپے فی سرٹیفکیٹ کی ڈیویڈنڈ کا اعلان کرتا ہے۔



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کاروباری نوعیت اور مارکیٹ ڈائنامکس

بی. آر. آر. انویسٹمنٹ (پرائیویٹ) لمیٹڈ کی جانب سے کریڈیٹ اسٹینڈرڈ مضاربہ کا انتخابی کنٹرول سنبھالنے کے بعد تسلسل کے ساتھ 10 سالوں کے دوران مضاربہ کی انتظامیہ نے تبدیلی اور ایمانداری کے ساتھ منافع کو رپورٹ کرنے اور سرٹیفیکیٹ ہولڈرز کو ڈیویڈنڈ کی تقسیم کو یقینی بنانے رکھا ہے۔
انتظامیہ کی جانب سے مضاربہ کے فوائد کے لئے محتاط انداز میں فیڈز کے بہتر مصرف اور حصول آمدن کے لئے بھرپور کوششیں کی جارہی ہیں۔

اقتصادی جائزہ

پاکستان میں اقتصادی ترقی تاریخی طور پر غیر مستحکم رہی ہے، ایک مستحکم نمو کی راہ کا نہ ہونا ملک کے اقتصادی حالات میں غیر یقینی صورتحال میں اضافہ کرتا ہے۔ تاریخی اعداد و شمار سے پتہ چلتا ہے کہ 1954 میں معیشت 10 فیصد سے زائد کی نمو کی سطح پر پہنچی تھی۔

ملک کی مجموعی اقتصادی ترقی کی شرح نے نو سالوں میں سب سے زیادہ 5.28 فیصد رہی ہے، جبکہ گزشتہ سال میں یہ 4.51 فیصد تھی۔

مجموعی عوامی قرض کا پی ڈی پی سے تناسب گزشتہ سال کے 60.2 فیصد سے بہتر ہو کر 59.3 فیصد ہو گیا ہے۔

فی کس آمدنی گزشتہ سال کی \$1,333 سے بڑھ کے \$1,666 ہو گئی ہے۔ حکومت نے پی ڈی پی کی زیادہ سے زیادہ ترقی پر توجہ مرکوز رکھی جو کہ فی کس آمدنی میں زیادہ سے زیادہ اضافے اور ملازمت کے مزید مواقع کے ذریعے لوگوں کو بہتر حالات زندگی میں سرکرتے ہیں۔

پاکستان اسٹاک ایکسچینج (پی ایس ایکس) 100 انڈیکس (ایشیا میں سب سے بہترین مارکیٹ اور سال 2016 میں دنیا میں پانچویں بہترین کارکردگی کا مظاہرہ کرنے والی اسٹاک مارکیٹ قرار پائی۔

مستقبل کی حکمت عملی

آپ کا مضاربہ ساز میں نسبتاً چھوٹا ہے اور چھوٹی انکوبینی میں کی وجہ سے یہ طویل عرصہ میں زندہ نہیں رہ سکتا۔ مزید یہ کہ مقررہ اخراجات کافی زیادہ ہیں اور یہ دیکھتے ہوئے کہ بنیادی قیمت فی سرٹیفیکیٹ بڑھ رہی ہے، لہذا اور آف ڈائریکٹرز نے سی. ایس. ایم کو بی. آر. آر. گارنٹین مضاربہ، جو کہ سب سے پرانے اور متعدد مسلسل مضاربہ ہے، میں ضم کرنے کا فیصلہ کیا ہے جو کہ رجسٹرڈ مضاربہ کی منظوری سے مشروط ہے اور جس کی منظوری کی درخواست کمپنیز ایکٹ 2017 کی زیر دفعہ 279 تا 283، جس کو SRO 840(T)/2017 مورخہ 17 اگست 2017 کے ساتھ پڑھا جائے، کہ تحت سندھ ہائی کورٹ میں جمع کرائی جائے گی، اس میں بی. آر. آر. جی. ایم. اور سی. ایس. ایم. کے سرٹیفیکیٹس کی بڑھاپے کی تبدیلی کا تناسب (swap ratio) سی. ایس. ایم. کہ ہر 2,405 سرٹیفیکیٹس کے بدلے میں بی. آر. آر. جی. ایم. کہ 1,000 سرٹیفیکیٹس ہیں۔ دونوں مضاربہ کے انضمام سے مطابقت بڑھے گی جس سے اخراجات کو کم کرنے اور کارکردگی بڑھانے میں مدد ملے گی۔



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کوڈ آف کارپوریٹ گورننس کے ضوابط کی بہترین پریکٹس کے ساتھ تعمیل

آپ کی انتظامی کمپنی نے جون 2017، 30 کو ختم ہونے والے سال کی مناسبت سے کوڈ آف کارپوریٹ گورننس کے ضوابط کی تعمیل کی ہے۔ کمپلائنس پرائسٹنٹ بمعہ کارپوریٹ گورننس کے کوڈ کے ساتھ ایکسٹرینل آڈیٹر کی جائزہ رپورٹ منسلک کی جا رہی ہے۔

ایس. ای. سی. پی. / پاکستان اسٹاک ایکسچینج کے تقاضوں کے مطابق، ڈائریکٹرز کا رویہ باہمی اخلاقیات اور اچھے انتظامی عمل کے کوڈ کی شرح xix کی درج ذیل تصدیق کرتے ہیں:

انتظامیہ کی جانب سے تیار شدہ مالیاتی گوشوارے، مضاربہ کے معاملات، اس کی کاروباری سرگرمیوں کے نتائج، کمیشن فلوئز اور ایجوکیشن میں تبدیلیوں کو شفافیت کے ساتھ پیش کرتے ہیں۔

- آپ کے مضاربہ نے باضابطہ طور پر اکاؤنٹس کے کھاتوں کو برقرار رکھا ہے۔
- مالیاتی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کا معقول اور وائس مندرائے کی بنیاد پر مسلسل اطلاق کیا گیا ہے۔
- مالیاتی گوشواروں کی تیاری اکاؤنٹنگ کے متعلق بین الاقوامی معیارات اور اسلامی مالیاتی معیارات جہاں تک وہ پاکستان میں قابل اطلاق ہیں، مضاربہ کمپنیز اور مضاربہ (فلوئیشن اور کنٹرول) آرڈیننس 1980، مضاربہ کمپنیز اور مضاربہ قوانین 1981 اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایت کی روشنی میں کی گئی ہے۔
- انٹرنل کنٹرول کا نظام اپنے ڈیزائن کے اعتبار سے مستحکم ہے اور اس کا موثر اطلاق اور نگرانی کی جاتی ہے۔
- بطور ادارہ کمپنی کے کام جاری رکھنے کی صلاحیت پر کوئی شک نہیں۔
- اسٹاک کے ضوابط میں تصدیقاً درج کارپوریٹ گورننس کے رہنماء اصولوں سے انحراف نہیں کیا گیا ہے۔
- مالیاتی گوشواروں کے اندراجات کے علاوہ ٹیکس، ڈیوٹیز، لیویز اور بقایا جات کی مد میں کوئی رقم واجب الادا نہیں ہے۔
- ٹرانسفر پر اسٹاک کے رہنماء اصولوں سے انحراف نہیں کیا گیا ہے۔

مضاربہ سرٹیفیکیٹ میں تجارت / لین دین

مالی سال کے دوران، مضاربہ سرٹیفیکیٹس میں کوئی تجارت ڈائریکٹرز، سی. ایف. او، کمپنی سیکریٹری، اس کے اہلخانہ اور کم عمر بچوں کی طرف سے نہیں کی گئی علاوہ سی. ای. او. کے جنہوں نے 169,000 سی. ایس. ایم. کے سرٹیفیکیٹس خریدے ہیں۔

ضابطہ اخلاق

انتظامی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے درکار طرز عمل کو اپنایا گیا ہے جس کے تحت انتظامی کمپنی اور مضاربہ رضاکارانہ طور پر اخلاقی رویے اور ذاتی وابستگی کی قانونی ضرورت کے تحت اعلیٰ ترین معیارات کے اصولوں کے ساتھ مصروف عمل ہے۔



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ضابطہ اخلاق عمومی طور پر ایمانداری، انصاف پسندی، غور اور روشن خیال پیشہ ورانہ مہارت کی خصوصیات کو فروغ دینے والے بہتر کاروباری طرز عمل کی طرف اشارہ کرتا۔

قوائد برائے اسٹاف ریٹائرمنٹ

سی۔ ایس۔ ایم کی جانب سے مستقل ملازمین کو پراویڈینٹ فنڈ اسکیم دی جا رہی ہے۔ جون 30، 2017 تک سرمایہ کاری کی قدر 100.44 ملین روپے رہی جو 2016 میں 78.68 ملین روپے تھی۔

واقعات بعد از بیلنس شیٹ

بیلنس شیٹ کے اجراء تک کوئی غیر موافق صورت حال درپیش نہیں ہوئی جس کی رو سے مالیاتی گوشواروں میں رد و بدل کی ضرورت ہو۔

مشک افراد / متعلقہ فریقین سے لین دین

کریڈنٹ اسٹیٹرز و مضاربہ (سی ایس ایم) اور مشک افراد / متعلقہ فریقوں کے درمیان تمام لین دین بغیر کسی دباؤ یا غیر ضروری جانب داری کے انجام پائے ہیں، علاوہ ان افراد سے لین دین کے جن کا جواز بیان کیا گیا ہو۔

آڈیٹرز

ہم سرٹیفکیٹ ہولڈرز کو مطلع کرتے ہیں کہ آڈٹ کمیٹی کی تجویز پر میسرز بی ڈی او براہیم اینڈ کمپنی - چارٹرڈ اکاؤنٹنٹس کو برائے سال 2017-18 کے لئے رجسٹرڈ مضاربہ کمپنیز اور مضاربہ کی منواری سے مشروط آڈیٹرز دوبارہ تعینات کیا جا رہا ہے۔

اہم آپریٹنگ اور مالی اعداد و شمار

گزشتہ چھ سالوں کے اہم آپریٹنگ اور مالی اعداد و شمار آخری صفحے پر تجزیے کے خلاصے کے ساتھ پیش کیے گئے ہیں۔

رиск مینجمنٹ فریم ورک

سی۔ ایس۔ ایم نے ریسک بذریعہ فریم ورک رہنماء اصول اپنائے ہیں۔ ریسک فنانسنگ کے کاروبار کا ایک لازمی جز ہے اور ریسک کا مقصد ایک پیچیدہ کاروباری ماحول کی حرکیات کی صلاحیت کو مضبوط کرنے کے لئے کئی اقدامات کو اپنانے ضروری ہیں۔ کاروبار میں ہم بہتر متوازن ریسک مینجمنٹ کنٹرول اور کارپوریٹ گورننس کے مضبوط طریقوں سمیت مختلف حکمت عملیوں کے ذریعے ان خطرات کو منظم انداز کے ساتھ نمٹنے کی صلاحیت رکھتے ہیں۔ ہمارا بنیادی مقصد سرٹیفکیٹ کی قدر میں اضافہ ہے، جس کے لئے ریسک ٹولیرنس فریم ورک پر من و عن عمل درآمد ضروری ہے۔



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بورڈ آف ڈائریکٹرز کا اجلاس

بورڈ آف ڈائریکٹرز کے اجلاس کی صورت حال درج ذیل ہے:

نمبر	نام	عہدہ	حاضری
1	جناب رفیق داؤد	چیرمین	4 میں سے 4
2	جناب ایاز داؤد	سی ای او	4 میں سے 4
3	جناب قاسم انور قریشی	ڈائریکٹر	4 میں سے 3
4	سید علی رضا	ڈائریکٹر	4 میں سے 4

آڈٹ کمیٹی کا اجلاس

بورڈ کی آڈٹ کمیٹی کے اجلاس کی صورت حال درج ذیل ہے:

نمبر	نام	عہدہ	حاضری
1	جناب قاسم انور قریشی	چیرمین	4 میں سے 3
2	جناب رفیق داؤد	ممبر	4 میں سے 4
3	سید علی رضا	ممبر	4 میں سے 4

آڈیٹرز کے مشاہدات

آڈیٹرز نے فیصلہ سٹیٹمنٹس پر مجموعی اعتبار سے اطمینان کا اظہار کرتے ہوئے چند ایک امور کی نشاندہی اور تصریح کی ہے جو حسب ذیل ہیں:

- مالیاتی مجموعہ ارے کے نوٹ 1.3 کریڈٹ اسٹیٹمنٹس (سی ایس ایم) اور بی. آر. آر. گارجین مضاربہ کے انضمام کے منصوبے کی تفصیلات فراہم کرتا ہے جس کی منظوری مضاربہ کی انتظامیہ کمیٹی کے بورڈ آف ڈائریکٹرز کے اجلاس جس کا انعقاد ستمبر 2017، 29 کو ہوا میں قرار پائی۔ انضمام کے نتیجے میں سی ایس ایم کاروبار جاری نہیں رکھ سکے گا۔ بی آر آر سی ایس ایم کے کاروبار، افعال، معاہدے، پالیسیاں، کاروائیاں، ذمہ داریاں، اثاثے، واجبات وغیرہ کو ایک مخصوص تاریخ پہ حاصل کر لے گا۔ چونکہ انضمام کے نتیجے میں سی ایس ایم کی آپریشنل سرگرمیوں میں کوئی تبدیلی نہیں ہوگی، لہذا اثاثوں اور واجبات کی قیمتوں میں کوئی تبدیلی متوقع نہیں ہے۔



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انٹرئل کنٹرول اور آڈٹ فنکشن

یورڈی ذمہ داریوں میں اندرونی کنٹرول کے نظام اور کنٹرول کے طریقہ کار پر جو اثر عمل درآمد شامل ہے۔ سی۔ ایس۔ ایم کی آڈٹ کمیٹی نے درون خانہ انٹرئل آڈٹ فنکشن مندرجہ ذیل وسیع تر اور فعال کردار کے لئے رکھا ہے:

- (1) عملی جائزہ برطانیہ اکاؤنٹنگ کے متعلق بین الاقوامی معیارات اور اسلامی مالیاتی معیارات جہاں تک وہ پاکستان میں قابل اخلاق ہیں، مضاربہ کمپنیز اور مضاربہ (فلوئیشن اور کنٹرول) آرڈیننس 1980، مضاربہ کمپنیز اور مضاربہ قوانین 1981 اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایت کی روشنی میں اور یورڈی طرف سے لاگو کئے گئے پالیسیاں اور طریقہ کار کی تعمیل۔
- (2) اکاؤنٹنگ اور انٹرئل کنٹرول نظام کا جائزہ۔
- (3) اقتصادی، کارکردگی اور آپریشن کے اثرات (ویلیو فار منی آڈٹ/وی۔ ایف۔ ایم آڈٹ) کا جائزہ۔
- (4) مالیاتی اور آپریشنل معلومات کا معائنہ۔
- (5) اہم خطرات کی نشاندہی کے لئے معاونت۔

انٹرئل آڈٹ کے ذریعے حصول مقاصد کے لئے ترتیب وار اور درست سمت کے ساتھ رسک مینجمنٹ، کنٹرول اور گورننس کے مراحل سبب انداز میں طے کئے جاسکتے ہیں۔ یہ ایسا عملداری نظام ہے جو دیگر عملداری نظاموں سے وابستگی اور اثرات کا جائزہ اور ان کی نشاندہی کرتا ہے۔

کاروباری پائیداری اور سماجی ذمہ داری

سی۔ ایس۔ ایم کے تحت سماجی ذمہ داری کے جذبے سے سرشار متعدد اور نمایاں اقدامات کئے جاتے ہیں۔ مضاربہ کی توجہ تجارتی کامیابیوں کا حصول اس انداز میں ہے جو اخلاقی اور سماجی اقدار کا احترام کرے اور معاشرے کی ضروریات اس انداز میں پوری ہوں کہ آئندہ نسلوں کو اپنی ضروریات فخر و وقار سے پوری کرنے کی صلاحیت پہ کوئی سمجھوتہ نہ ہو۔

صحت، حفاظتی تدابیر اور ماحول

ہم اپنے ملازمین اور ان لوگوں کے لئے کسی بھی ادارے سے منسلک ہوں ایک محفوظ، صحت مند کام کے ماحول کو برقرار رکھنے کے لئے مصروف عمل ہیں۔ سی۔ ایس۔ ایم میں اس بات کو یقینی بنایا گیا ہے کہ ایسا کوئی عمل نہ ہو جو انسانی صحت، حفاظتی تدابیر اور کام کرنے کے ماحول کے لئے مضر ہو۔ سی۔ ایس۔ ایم آفس کے احاطے میں معیاری بجلی کی وائرنگ، آگ بجھانے کے آلات اور دفتر میں فرائض انجام دینے والے اسٹاف کے لئے ابتدائی طبی امداد کا انتظام بھی موجود ہے جبکہ سگریٹ نوشی سے پاک ماحول کو برقرار رکھا جاتا ہے۔

سی۔ ایس۔ ایم اپنے ملازمین کو صحت اور زندگی کی گروپ حفاظت پالیسی بھی فراہم کرتی ہے۔

سرٹیفکیٹ ہولڈنگ کی طرز

سرٹیفکیٹ ہولڈنگ کی طرز برطانیہ جون 30، 2017 ڈسکلوژر کے ساتھ جو کہ کارپوریٹ گورننس کوڈ کی ضرورت ہے، منسلک کی جا رہی ہے۔



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ترقیاتی پروگرام برائے ڈائریکٹرز

چار میں سے بورڈ کے تین ڈائریکٹرز 14 سال سے زائد تعلیم اور 15 سال سے زائد تجربے کے حامل ہیں۔ اس کے علاوہ کمپنی کے ڈائریکٹرز کو کوڈ آف کارپوریٹ گورننس، مضاربہ رولز، کمپنی کے میمورینڈم اور آرٹیکلز آف اسیوشن، مضاربہ پراسیکشس اور دیگر تمام متعلقہ قواعد و ضوابط کی کاپیاں فراہم کی گئی ہیں جس کی وجہ سے وہ مضاربہ سے متعلق تمام قابل اطلاق قوانین، اس کی پالیسیوں اور طریقہ کار اور میمورینڈم اور آرٹیکلز آف اسیوشن کی شقوں اور اپنے فرائض اور ذمہ داریوں کا مکمل علم رکھتے ہیں۔

اختتامی کلمات اور اظہارِ تشکر

سی۔ ایس۔ ایم۔ میں ہمارے کاروبار کا انحصار قابل بھروسہ تعلقات پر ہے۔ ہماری ساکھ کی بنیاد کمپنی کے ملازمین کی دیانت داری اور ہماری اپنے ایمان داری، انکمپلینس، مستقل مزاجی، ہمدردی اور عدل کے اصولوں سے وابستگی پر قائم ہے۔ ہمیں یقین ہے کہ برتر طویل مدتی مالی منافع فراہم کرنے کی ہماری صلاحیت ہمارے اسٹیک ہولڈرز کے لئے اقدار میں اضافے کی بنیاد بنے گی۔

مزید یہ کہ ہم آرگنائزیشن کے لئے تبدیلی سے کام کرنے والے ہمارے ملازمین کی کارکردگی کی تعریف کرتے ہیں، ہمارے وہ صارفین جنہوں نے اپنے قرضہ جات واپس کیے اور ہمارے ریگولیٹرز جنہوں نے قدم بہ قدم ہماری رہنمائی کی۔

ہم اپنے اسٹیک ہولڈرز سے مضاربہ کے کاز کو آگے بڑھانے کے ہمارے عزم کو نیک نیتی کے ساتھ جاری رکھنے کی کوششوں کی بھی توثیق کرتے ہیں۔

از طرف بورڈ آف ڈائریکٹرز

بی۔ آر۔ آر۔ الویسٹنٹ (پرائیوٹ) لمیٹڈ

ایاز داؤد
چیف ایگزیکٹو آفیسر

وقاص انور قریشی
ڈائریکٹر

ستمبر 29، 2017

کراچی



CRESCENT STANDARD MODARABA
(An Islamic Financial Institution)

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2017.

This Statement is being presented to comply with the Code of Corporate Governance (CCG) contained in regulation No. 5.19.24 of PSX Rule Book of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed Modaraba is managed in compliance with the best practices of corporate governance.

Regardless of the fact that B.R.R Investment (Private) Limited the management company of Crescent Standard Modaraba (the Modaraba) is a Private Limited Company, the Board of Directors are pleased to confirm that the Modaraba complied with all material principles contained in CCG.

The Management Company of the Modaraba has applied the principles contained in the CCG in the following manner:

1. The Management Company encourages representation of independent non-executive directors and directors representing minority interest on its Board of directors. At present the board includes.

Category	Names
Independent Directors	Mr. Waqas Anwer Qureshi Syed Ali Raza
Executive Director	Mr. Ayaz Dawood
Non-Executive Director	Mr. Rafique Dawood

The independent directors meet the criteria of independence under clause 5.19.1. (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Modaraba.
3. All the resident directors of the Management Company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy was occurred during the year on the board.
5. The Management Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures. It has also been placed on the website of the Modaraba.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Modaraba. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of the employment of CEO, other executive and non - executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Out of four, three directors of the board are having more than 14 years of education and more than 15 years of experience. Further, the directors of the company have been provided with copies of the Code of Corporate Governance, Modaraba Rules, Company's Memorandum and Articles of Association, Modaraba Prospectus and all other relevant rules and regulations and hence are conversant of the relevant laws applicable to the Modaraba, its policies and procedures and provisions of memorandum and article of Associations and of their duties and responsibilities.
10. The Board has approved the appointment of CFO, Company secretary and Head of internal audit including their remuneration, term and conditions of employment. However no new appointment of CFO and Company secretary has been made during the year.



CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Modaraba were duly endorsed by the CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the certificates of the Modaraba other than that disclosed in the pattern of certificate holding.
14. The Modaraba has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises three members, of whom all are non-executive directors and the Chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Modaraba and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises three members, of whom the majority are non-executive directors and the chairman of the committee is an independent director.
18. The board has set up an effective internal audit function in house who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Modaraba.
19. The statutory auditors of the Modaraba have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold certificates of the Modaraba and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Modaraba's securities, was determined and intimated to directors, employees and stock exchange.
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchange.
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles contained in the CCG have been complied with.

September 29, 2017

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

Director

Chief Executive Officer



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Pakistan

REVIEW REPORT TO THE CERTIFICATE HOLDERS ON STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance for the year ended June 30, 2017 prepared by the Board of Directors of **B.R.R. INVESTMENT (PRIVATE) LIMITED (the Modaraba Management Company)** in respect of **CRESCENT STANDARD MODARABA (the Modaraba)** to comply with the requirements of Regulation No. 5.19 of Rule Book of the Pakistan Stock Exchange Limited, where the Modaraba is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Modaraba Management Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Modaraba's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Modaraba personnel and review of various documents prepared by the Modaraba to comply with the Code of Corporate Governance.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Modaraba's corporate governance procedures and risks.

The Code requires the Modaraba Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Modaraba's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance, for the year ended June 30, 2017.

KARACHI

DATED: September 29, 2017

CHARTERED ACCOUNTANTS

 Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



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Pakistan

AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed balance sheet of **CRESCENT STANDARD MODARABA** ("the Modaraba") as at June 30, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

These financial statements are the Modaraba Company's [B.R.R. Investment (Private) Limited] responsibility who is also responsible to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by the Modaraba Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion proper books of account have been kept by the Modaraba Company in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981, and are in agreement with the books of account and are further in agreement with accounting policies consistently applied;

BDO Ebrahim & Co. Chartered Accountants

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- ii) the expenditure incurred during the year was for the purpose of the Modaraba's business; and
- iii) the business conducted, investments made and expenditure incurred during the year were in accordance with the objects, terms and conditions of the Modaraba;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981, in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2017 and of the profit, its comprehensive income, cash flows and changes in equity for the year then ended; and
- d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Modaraba and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Without modifying our opinion, we draw attention to note 1.3 to the financial statements which provide details regarding the approval of scheme of arrangement for merger by way of amalgamation of Crescent Standard Modaraba (CSM) with and into B.R.R. Guardian Modaraba (BRRGM) by the Board of Directors of Modaraba Management Company in their meeting held on September 29, 2017. As a consequence of the scheme of amalgamation, CSM is not expected to continue as a going concern. BRRGM shall be taking over the business, functions, contracts, policies, proceedings, undertakings, assets, liabilities, etc. of CSM at a specific date. Since there will be no change in operational activities of CSM pursuant to scheme of amalgamation, no adjustments are expected to the carrying values of the assets and liabilities.

KARACHI

DATED: September 29, 2017

 CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

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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 the year ended 30th June, 2017. In accordance with the requirements of the Shari'ah Compliance and Shari'ah Audit Mechanism (SCSAM) for Modarabas issued by Security and Exchange Commission of Pakistan via circular # 8 of 2012 dated 3rd February, 2012 that except the observation as reported hereunder. In my opinion:

1. All 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;
2. 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
3. The dividend that have been realized during the period has been purified and transferred to Charity account.

Observations:

- Charity should be paid to any recognized Charitable institution obtaining prior approval from Shari'ah advisor.

Conclusion

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



Mufit Syed Sabir Hussain

Shari'ah Advisor

Date: August 15, 2017



CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

**BALANCE SHEET
AS AT JUNE 30, 2017**

	Note	2017 Rupees	2016 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	82,920,381	88,741,627
Long term musharaka finance	6	7,358,852	-
Advance against ijarah assets		509,500	7,039,900
		<u>90,788,733</u>	<u>95,781,527</u>
CURRENT ASSETS			
Short-term investments	7	44,778,159	40,218,427
Current portion of musharaka finance	6	1,657,889	-
Advances, deposits, prepayments and other receivables	8	1,211,786	1,004,270
Trade debts	9	512,657	191,002
Advance tax		1,570,635	732,663
Cash and bank balances	10	20,405,143	17,718,494
		<u>70,136,269</u>	<u>59,864,856</u>
TOTAL ASSETS		<u>160,925,002</u>	<u>155,646,383</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized capital			
25,000,000 (2016: 25,000,000) Modaraba certificate of Rs. 10/- each		<u>250,000,000</u>	<u>250,000,000</u>
Issued, subscribed and paid-up certificate capital	11	200,000,000	200,000,000
Reserves	12	(74,767,847)	(74,966,801)
Surplus on revaluation of investments		2,830,494	18,861
		<u>128,062,647</u>	<u>125,052,060</u>
NON-CURRENT LIABILITIES			
Long-term portion of customers' security deposits	13	23,845,605	23,522,632
		<u>23,845,605</u>	<u>23,522,632</u>
CURRENT LIABILITIES			
Current portion of customers' security deposits	13	3,032,085	-
Accrued expenses and other liabilities	14	3,438,235	3,888,588
Unclaimed profit distribution		2,546,430	3,183,103
		<u>9,016,750</u>	<u>7,071,691</u>
TOTAL EQUITY AND LIABILITIES		<u>160,925,002</u>	<u>155,646,383</u>
CONTINGENCIES AND COMMITMENTS	15		

The annexed notes from 1 to 32 form an integral part of these financial statements.

**For B.R.R. Investment (Private) Limited
(Modaraba Management Company)**

**Rafique Dawood
Chairman**

**Ayaz Dawood
Chief Executive Officer**

**Waqas Anwar Qureshi
Director**

**Syed Tariq Masood
Chief Financial Officer**



CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017**

	Note	2017 Rupees	2016 Rupees
INCOME			
Ijarah rentals		32,197,500	25,580,631
Income on musharaka and murabaha finance		643,399	-
Income on short-term investments	16	5,606,155	10,753,663
Income on bank balances		750,977	623,365
Gain on disposal of ijarah assets		-	304,874
Other income	17	325,467	2,000
		39,523,498	37,264,533
EXPENSES			
Depreciation on ijarah assets		27,680,059	21,447,040
Provision for doubtful receivables	7.5	622,976	339,160
Administrative and operating expenses	18	7,076,069	7,118,720
Loss on disposal of ijarah assets		117,324	-
Financial charges		1,860	1,281
		35,498,288	28,906,201
		4,025,210	8,358,332
Modaraba Management Company fee	19	(402,521)	(835,833)
Sales tax on Modaraba Management Company fee	19	(52,328)	(117,017)
Workers' Welfare Fund	20	(71,407)	(148,110)
Profit before taxation		3,498,954	7,257,372
Provision for taxation	21	-	-
Net profit for the year		3,498,954	7,257,372
Earnings per certificate - Basic and diluted	22	0.17	0.36

The annexed notes from 1 to 32 form an integral part of these financial statements.

**For B.R.R. Investment (Private) Limited
(Modaraba Management Company)**

**Rafique Dawood
Chairman**

**Ayaz Dawood
Chief Executive Officer**

**Waqas Anwar Qureshi
Director**

**Syed Tariq Masood
Chief Financial Officer**



CRESCENT STANDARD MODARABA

(An Islamic Financial Institution)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017**

	2017	2016
	Rupees	Rupees
Profit for the year	3,498,954	7,257,372
Other comprehensive income for the year		
Items that will be subsequently reclassified to profit or loss:		
Unrealized surplus on revaluation of available-for-sale investments - net	2,811,633	160,475
Total comprehensive income for the year	6,310,587	7,417,847

The annexed notes from 1 to 32 form an integral part of these financial statements.

**For B.R.R. Investment (Private) Limited
(Modaraba Management Company)**

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Waqas Anwar Qureshi
Director

Syed Tariq Masood
Chief Financial Officer



CRESCENT STANDARD MODARABA
(An Islamic Financial Institution)

**STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2017**

	2017	2016
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,498,954	7,257,372
Adjustments for non-cash items:		
Depreciation on ijarah assets	27,680,059	21,447,040
Depreciation on owned assets	296,878	356,272
Provision for doubtful receivables	622,976	339,160
Unrealised gain on revaluation of held-for-trading investments	(1,126,707)	(2,075,238)
Gain on sale of investments - net	(2,331,766)	(5,379,661)
Income on investments in debt securities	(1,479,019)	(2,480,056)
Loss/ (gain) on disposal of ijarah assets	117,324	(304,874)
Dividend income	(668,663)	(818,708)
	23,111,082	11,083,935
(Increase) / decrease in current assets		
Trade debts	(321,655)	741,652
Advances, deposits, prepayments and other receivables	(207,516)	387,329
Advance tax	(837,972)	(298,923)
	(1,367,143)	830,058
(Decrease) / increase in current liabilities		
Accrued expenses and other liabilities	(450,353)	2,014,570
Profit paid to the certificate holders	(636,673)	(9,051)
	(1,087,026)	2,005,519
Net cash flow generated from operating activities	24,155,867	21,176,884
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale / redemption of short term investments	63,998,339	55,806,442
Purchase of short term investments	(62,910,941)	(33,709,371)
Additions to property and equipment - owned	(8,100)	-
Additions to property and equipment - ijarah	(32,586,890)	(52,273,420)
Proceed on disposal of ijarah assets	10,321,975	7,585,342
Advance against ijarah assets	6,530,400	(1,912,900)
Income on investments in debt securities	1,479,019	-
Investments under musharaka finance	(9,016,741)	-
Dividend received	668,663	818,708
Customers' security deposits received	3,355,058	7,244,342
Net cash flow used in investing activities	(18,169,218)	(16,440,857)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(3,300,000)	-
Net cash flow used in financing activities	(3,300,000)	-
Net increase in cash and cash equivalents	2,686,649	4,736,027
Cash and cash equivalents at beginning of the year	17,718,494	12,982,467
Cash and cash equivalents at end of the year	20,405,143	17,718,494

The annexed notes from 1 to 32 form an integral part of these financial statements.

For B.R.R. Investment (Private) Limited
(Modaraba Management Company)

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Waqas Anwar Qureshi
Director

Syed Tariq Masood
Chief Financial Officer



CRESCENT STANDARD MODARABA
(An Islamic Financial Institution)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017**

	Issued, subscribed and paid-up certificate capital	*Statutory reserve	Surplus / (deficit) on revaluation of investment	Accumulated profit / (loss)	Total
	----- (Rupees) -----				
Balance as at July 01, 2015	200,000,000	18,470,201	(141,614)	(100,694,374)	117,634,213
Profit for the year ended June 30, 2016	-	-	-	7,257,372	7,257,372
Unrealised gain on available-for-sale investments - net	-	-	160,475	-	160,475
Total comprehensive income for the year	-	-	160,475	7,257,372	7,417,847
Transfer to statutory reserve	-	3,591,418	-	(3,591,418)	-
Balance as at June 30, 2016	200,000,000	22,061,619	18,861	(97,028,420)	125,052,060
Profit for the year ended June 30, 2017	-	-	-	3,498,954	3,498,954
Unrealised gain on available-for-sale investments - net	-	-	2,811,633	-	2,811,633
Total comprehensive income for the year	-	-	2,811,633	3,498,954	6,310,587
Profit distribution for the year ended June 30, 2016 @ Rs. 0.165 per certificate	-	-	-	(3,300,000)	(3,300,000)
Transfer to statutory reserve	-	1,721,485	-	(1,721,485)	-
Balance as at June 30, 2017	200,000,000	23,783,104	2,830,494	(98,550,951)	128,062,647

* Statutory reserve represents profit set aside to comply with the Prudential Regulation for Modarabas issued by Securities and Exchange Commission of Pakistan.

The annexed notes from 1 to 32 form an integral part of these financial statements.

**For B.R.R. Investment (Private) Limited
(Modaraba Management Company)**

**Rafique Dawood
Chairman**

**Ayaz Dawood
Chief Executive Officer**

**Waqas Anwar Qureshi
Director**

**Syed Tariq Masood
Chief Financial Officer**



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NOTES TO THE FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2017

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 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** The Modaraba is a perpetual and multipurpose Modaraba and is engaged in investing in equity and debt securities, musharaka and murabaha finance, etc. The address of registered office is 18th floor, BRR Tower, Hassan Ali Street off I. I. Chundrigar Road, Karachi. The Modaraba is listed on the Pakistan Stock Exchange Limited.
- 1.3** Subsequent to the balance sheet date, the Board of Directors of B.R.R. Investment (Private) Limited (the Modaraba Management Company) in their meeting held on September 29, 2017 has approved the scheme of arrangement for merger by way of amalgamation of Crescent Standard Modaraba (CSM) with and into B.R.R. Guardian Modaraba (BRRGM) to be filed under a petition for sanction by the High Court of Sindh at Karachi in terms of Section 279-283 of the Companies Act, 2017 read with SRO 840(I)/2017 dated August 17, 2017 "Scheme of Arrangement (Modarabas)" involving swap ratio of 2.405:1 on the basis of breakup values of the certificates of CSM and BRRGM subject to approval of Registrar Modaraba and such changes, modifications as may be required or advised by legal counsel and/or accounting consultants and/or by the High Court of Sindh.

Under the scheme of amalgamation, all the assets, liabilities, contracts, policies, proceedings and undertakings of CSM shall stand transferred to and vest in BRRGM on a specific date. Accordingly, CSM is not expected to continue as going concern. Since there will be no change in operational activities of CSM pursuant to scheme of amalgamation, no adjustments are expected to the carrying amounts of assets and liabilities.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies & Modaraba Rules, 1981, Trust Deed and directives issued by the Securities and Exchange Commission of Pakistan (SECP) [the Modaraba Regulations] together with approved accounting standards as applicable in Pakistan to Modarabas. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) and Islamic Financial Accounting Standards (IFAS) as notified under the provisions of the repealed Companies Ordinance, 1984 and made applicable to Modarabas under the Modaraba Regulations. Wherever the requirements of the Modaraba Regulations differ from the requirements of these standards, the requirements of the Modaraba Regulations take precedence.

The financial statements of the Modaraba have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984 as per the directive of Securities and Exchange Commission of Pakistan issued vide Circular No. 17 dated July 20, 2017.

The Securities and Exchange Commission of Pakistan (SECP) vide its circular no. 29 dated September 5, 2016, had prescribed certain additional disclosures to facilitate shariah screening of listed companies for Islamic Equity Index and encouraged all listed companies to voluntarily disclose the information. Accordingly, the Modaraba has opted to present these disclosures in these financial statements.



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2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain investments which are classified as held-for-trading and available-for-sale which are stated at fair value.

These financial statements have been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

These financial statements have been presented in Pakistan Rupees, which is the functional and presentation currency of the Modaraba.

2.4 Significant accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period effected.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

Depreciation of property and equipment

For details please refer note 4.1 to these financial statements.

Classification and valuation of investments

For details please refer note 4.2 to these financial statements.

Provision for doubtful receivables

For details please refer note 4.3 to these financial statements.

Impairment of investments

For details please refer note 4.6 to these financial statements.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards or interpretations that are effective in current year but not relevant to the Modaraba

The Modaraba has adopted the amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year from the dates mentioned below against the respective standard:



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		Effective date (annual periods beginning on or after)
IFRS 10	Consolidated Financial Statements - Amendments regarding application of the consolidation exception	January 01, 2016
IFRS 11	Joint Arrangements - Amendments regarding the accounting for acquisitions of an interest in a joint operation	January 01, 2016
IFRS 12	Disclosure of Interests in Other Entities - Amendments regarding the application of the consolidation exception	January 01, 2016
IAS 1	Presentation of Financial Statements - Amendments resulting from the disclosure initiative	January 01, 2016
IAS 16	Property, Plant and Equipment - Amendments regarding the clarification of acceptable methods of depreciation and amortisation and amendments bringing bearer plants into the scope of IAS 16	January 01, 2016
IAS 27	Separate Financial Statements (as amended in 2011) - Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements	January 01, 2016
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding the application of the consolidation exception	January 01, 2016
IAS 38	Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation	January 01, 2016
IAS 41	Agriculture - Amendments bringing bearer plants into the scope of IAS 16	January 01, 2016

Other than the amendments to standards mentioned above, there are certain annual improvements made to IFRS that became effective during the year:

Annual Improvements to IFRSs (2012 – 2014) Cycle:

IFRS 5	Non-current Assets Held for Sale and Discontinued Operations
IFRS 7	Financial Instruments: Disclosures
IAS 19	Employee Benefits
IAS 34	Interim Financial Reporting

3.2 Amendments not yet effective

The following amendments to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard:



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Accounting standards and interpretations:

IFRS 2	Share-based Payments - Amendment to clarify the classification and measurement of share-based payment transactions	January 01, 2018
IFRS 10	Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	Deferred indefinitely
IAS 7	Statement of Cash flows - Amendments resulting from the disclosure initiative	January 01, 2017
IAS 12	Income Taxes - Amendment regarding the recognition of deferred tax assets for unrealized losses	January 01, 2017
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	Deferred indefinitely
IAS 40	Investment Property - Amendments to clarify transfers or property to, or from, investment property	January 01, 2018

The Annual Improvements to IFRSs that are effective for annual periods beginning on or after January 01, 2017 are as follows:

Annual Improvements to IFRSs (2014 – 2016) Cycle:

IFRS 12	Disclosure of Interests in Other Entities	January 01, 2017
IAS 28	Investments in Associates and Joint Ventures	January 01, 2018

3.3 Standards or interpretations not yet effective

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 9	Financial Instruments
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
IFRS 17	Insurance Contracts

The effects of IFRS 15 - Revenues from Contracts with Customers and IFRS 9 - Financial Instruments are still being assessed, as these new standards may have a significant effect on the Modaraba's future financial statements.



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The Modaraba expects that the adoption of the above amendments and interpretations of the standards will not have any material impact and therefore, will not affect the Modaraba's financial statements in the period of initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below.

4.1 Property and equipment

4.1.1 Property and equipment - owned

Operating assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Modaraba and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss account during the period in which they are incurred.

Depreciation is charged to income applying the straight-line method whereby the cost of an asset is written off over its estimated useful life. In respect of additions and disposals during the year, depreciation is charged proportionately to the period of use.

The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the profit and loss account.

Depreciation method, useful lives and residual values are reassessed at least at each balance sheet date and changes, if any, are recognized prospectively.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalised and assets so replaced, if any, are retired.

4.1.2 Property, plant and equipment - Ijarah

The assets subject to ijarah are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged on these assets using the straight line method over the ijarah period which is from date of delivery of respective assets to mustajir upto the date of maturity / termination of ijarah agreement. In respect of the addition or deletion during the year, amortization is charged proportionately to the period of ijarah.

4.2 Investments

All investments are initially recognised at cost, being the fair value of the consideration given, including the transaction costs associated with the investment, except in the case of held for trading investments in which case these transaction costs are charged off to the profit and loss account. After initial recognition these investments are categorised and accounted for as follows:



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4.2.1 Held-for-trading 'at fair value through profit or loss'

These investments are initially recognized at cost, being the fair value of the consideration given and subsequently measured at fair value. As per requirement of IAS-39 "Financial Instruments, Recognition and Measurement" the gain or loss on revaluation of investments classified as held-for-trading is to be included in profit and loss account.

4.2.2 Available-for-sale

Investment in securities held by the Modaraba which may be sold in response to needs for liquidity or changes in interest rates or equity prices are classified as available for sale. These investments are initially recognised at fair value plus transaction cost and subsequently measured at fair value. The investments for which quoted market price is not available, are measured at cost as it is not possible to apply any other valuation methodology. Gains and losses arising from re-measurement at fair value is recognised in equity through other comprehensive income under fair value reserve until sold, collected, or otherwise disposed of, at which time the cumulative gain or loss previously recognised in equity is included in profit and loss account.

4.2.3 Held to maturity

These are investments with fixed or determinable payments and fixed maturity, and for which, the Modaraba has positive intent and ability to hold till maturity. Held to maturity investments are initially recognised at fair value plus transaction cost and are subsequently measured at amortised cost using effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

4.2.4 Loans and receivables

Loans and receivables are non-derivative investments with fixed or determinable payments that are not quoted on the active market. The Modaraba's loans and receivables comprise of cash and bank balances, ijarah rental receivable, musharaka finance, advances, deposits, prepayments and other receivables and trade debts.

All investments are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Modaraba has transferred substantially all risks and rewards of ownership.

4.3 Provisions

Provisions are recognised when the Modaraba has a present, legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.4 Trade date accounting

All 'regular way' purchases and sales of quoted equity securities are recognized on the trade date i.e. the date that the Modaraba commits to purchase / sell the asset. 'Regular way' purchases or sales of quoted investments require delivery within two working days after the transaction date as per stock exchange regulations.



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4.5 Recognition and derecognition of financial instruments

Financial assets are recognized initially at fair value or in case of financial assets that are not carried at fair value through profit or loss, at fair value plus transaction cost. All financial assets and liabilities are recognized at the time when the entity becomes party to the contractual provisions of the instrument and are recognized in case of assets, when the contractual rights under the instrument are recognized, expired or surrendered and in case of a liability, when the obligation is discharged, cancelled or expired.

Any gain / (loss) on the recognition and derecognition of the financial assets and liabilities is included in the profit / (loss) for the period in which it arises.

Assets and liabilities that are not of contractual nature and that are created as a result of statutory requirements imposed by the Government are not financial instruments of the Modaraba.

4.6 Impairment

4.6.1 Financial assets

Impairment is recognized by the Modaraba on the basis of provision requirements given under Prudential Regulations for Modaraba and subjective evaluation carried out on an ongoing basis.

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

4.6.2 Available-for-sale investments

For available-for-sale financial investments, the Modaraba assesses at each balance sheet date whether there is an objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value less any impairment loss on that investment previously recognized in the income statement, is removed from equity and recognized in the profit and loss account.

Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognized directly in equity.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortized cost. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the profit and loss account.

All impairment losses are recognized in profit or loss. Any cumulative loss in respect of available for-sale financial assets recognized previously in equity is transferred to profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.



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4.6.3 Non-financial assets

The Modaraba assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss for asset subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. Reversal of impairment loss is recognized as income in profit and loss account.

4.7 Revenue recognition

4.7.1 Musharaka and murabaha transactions

Profit from musharaka transactions is recognised on the basis of pro-rata accrual of the profit estimated for the transaction over the period.

Profit from murabaha finance is accounted for, on culmination of murabaha transaction. However, the profit on that portion of murabaha finance not due for payment is deferred and recorded as "Deferred murabaha income". The same is then recognised on a time proportion basis.

4.7.2 Ijarah rental income

"In accordance with the requirements of IFAS 2 - Ijarah, rental from Ijarah arrangements are recognised in profit and loss account on accrual basis as and when rentals become due. Unrealised income in respect of non-performing ijarah finance is held in suspense account, where necessary, in accordance with the requirements of the Prudential Regulations for Modarabas issued by the SECP."

4.7.3 Dividend income

Dividend income is recognised as income when the right to receive is established.

4.7.4 Income on debt securities

Income on debt securities is accrued on a time proportion basis, by reference to the principal outstanding and at the effective profit rate applicable.

4.7.5 Gain / losses on sale of investments

Gains and losses on sale of investments are accounted for when their commitment (trade date) for sale of security is made.

4.7.6 Income on bank balances

Income on bank balances are accounted on the basis of pro rata accrual of the profit estimated for the average balance over the period.



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4.7.7 Unrealised income on non-performing assets

Unrealised income is suspended, where necessary, on non-performing assets (including non-performing net investment in ijarah and murabaha and musharaka finances), in accordance with the requirements of the Prudential Regulations for Modarabas issued by the Securities and Exchange Commission of Pakistan. Unrealised suspense income is recognized in profit and loss account on receipt basis.

4.8 Taxation

4.8.1 Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates, if any. The Modaraba is exempt from taxation under clause 99 of Part I of the 2nd Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income excluding realised and unrealised capital gains for the year are distributed amongst the certificate holders.

The Modaraba intends to avail this exemption for current and future periods. Accordingly, no provision is made for current and deferred taxation in these financial statements.

4.8.2 Deferred

The Modaraba accounts for deferred taxation on all material temporary differences using the liability method arising between the amounts attributed to assets and liabilities for financial reporting purposes and financial statements used for taxation purposes. However, deferred tax liability has not been provided in these financial statements as the management believes that the future income of Modaraba will not be taxable in the foreseeable future due to the fact that the Modaraba intends to continue availing the tax exemption through profit distribution to the extent of 90 percent of distributable profit.

4.9 Staff Provident Fund

The Modaraba contributes to an approved group fund scheme covering all its employees who are eligible under the scheme. Equal monthly contributions are made by the Modaraba and the employees to the fund at 10% of the basic salary.

4.10 Foreign currencies translation

Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange approximating to those prevalent on the balance sheet date. Foreign currency transactions are converted into Pak Rupees at the rate of exchange prevailing on the date of transactions. Exchange gains and losses on translation are recognized in profit and loss account.

4.11 Financial assets and financial liabilities

All financial assets and financial liabilities are recognised at the time when the Modaraba becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to receive cash flows related to the assets expire. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income.



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Financial assets include investments, musharaka and murabaha finances, trade debts, deposits and other receivables, excluding taxation and bank balances. Musharaka, murabaha, trade debts, deposits and other receivables are stated at cost as reduced by appropriate allowances for estimated irrecoverable amounts.

Financial liabilities are classified according to the substance of contractual arrangements entered into. Significant financial liabilities are short-term borrowings, musharaka finance under mark-up arrangements and accrued and other liabilities.

4.12 Cash and bank balances

Cash in hand and at banks are carried at nominal amount.

4.13 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, balances at banks in current and deposit accounts and stamps in hand.

4.14 Profit distribution and other appropriations of profit

Profit distributions to the certificate holders and other appropriations of profit are recognized in the year in which these are approved. Transfer to statutory reserve and any of the mandatory appropriations as may be required by law are recognized in the period to which these relate.

4.15 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the balance sheet, if the Modaraba has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Corresponding income on the assets and charge on the liability is also off-set.

4.16 Related party transactions

All transactions with the related parties are priced on arm's length basis. Prices for those transactions are determined on the basis of admissible valuation methods.

4.17 Segment reporting

As per IFRS 8, "Operating Segments", operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision maker. The chief executive officer of the management company has been identified as the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. An operating segment is a component of the Modaraba that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Modaraba's other components. The Modaraba has only one reportable segment.

4.18 Earnings per certificate

The Modaraba presents earnings per certificate (EPC) data for its certificates. Basic EPC is calculated by dividing the profit or loss attributable to certificate holders of the Modaraba by weighted average number of ordinary shares outstanding during the year. Diluted EPC is determined by adjusting the profit or loss attributable to certificate holders and the weighted average number of certificates outstanding for the effects of all dilutive potential certificates.



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5 PROPERTY AND EQUIPMENT

Particulars	2 0 1 7							
	Cost			Depreciation			Written down value as at June 30, 2017	Rate of depreciation per annum
	As at July 01, 2016	Additions / (disposal) during the year	As at June 30, 2017	As at July 01, 2016	For the year / (on disposal)	As at June 30, 2017		
	Rupees							
Owned assets								
Vehicles	1,604,233	-	1,604,233	1,309,702	270,307	1,580,009	24,224	20%
Computers	107,344	8,100	115,444	82,778	26,571	109,349	6,095	33%
Ijarah assets								
Machinery	27,650,125	-	27,650,125	12,354,826	5,622,960	17,977,786	9,672,339	20%- 33%
Vehicles	95,879,775	31,182,890 (16,728,000)	110,334,665	23,748,383	21,515,876 (6,739,023)	38,525,236	71,809,429	20%- 33%
Computers and equipment	1,414,510	1,404,000 (692,800)	2,125,710	418,671	541,223 (242,478)	717,416	1,408,294	33%
Total	126,655,987	32,594,990 (17,420,800)	141,830,177	37,914,360	27,976,937 (6,981,501)	58,909,796	82,920,381	
Particulars	2 0 1 6							
	Cost			Depreciation			Written down value as at June 30, 2016	Rate of depreciation per annum
	As at July 01, 2015	Additions / (disposal) during the year	As at June 30, 2016	As at July 01, 2015	For the year / (on disposal)	As at June 30, 2016		
	Rupees							
Owned assets								
Vehicles	1,604,233	-	1,604,233	988,854	320,848	1,309,702	294,531	20%
Computers	107,344	-	107,344	47,354	35,424	82,778	24,566	33%
Ijarah assets								
Machinery	31,410,425	- (3,760,300)	27,650,125	9,740,098	5,622,960 (3,008,232)	12,354,826	15,295,299	20%- 33%
Vehicles	52,890,355	52,273,420 (9,284,000)	95,879,775	11,072,649	15,431,334 (2,755,600)	23,748,383	72,131,392	20%- 33%
Computers and equipment	2,610,510	- (1,196,000)	1,414,510	1,221,925	392,746 (1,196,000)	418,671	995,839	33%
Total	88,622,867	52,273,420 (14,240,300)	126,655,987	23,070,880	21,803,312 (6,959,832)	37,914,360	88,741,627	

6 MUSHARAKA FINANCE	Note	2017 Rupees	2016 Rupees
Secured - Considered good		9,016,741	-
Considered doubtful	6.1	7,262,809	7,262,809
		16,279,550	7,262,809
Less: Provision for doubtful receivables	6.2	(7,262,809)	(7,262,809)
		9,016,741	-
Less: Current portion of musharaka finance		(1,657,889)	-
		7,358,852	-

6.1 This musharaka finance was receivable by October 12, 2015.



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	Note	2017 Rupees	2016 Rupees
6.2 Movement of provision			
Opening balance		7,262,809	7,262,809
Charge for the year		-	-
Closing balance		<u>7,262,809</u>	<u>7,262,809</u>
6.3 The aging of musharaka finance is as follows:			
Neither past due nor impaired		9,016,741	-
Past due over 180 days but not impaired		-	-
Past due over 180 days and impaired		<u>7,262,809</u>	<u>7,262,809</u>
		<u>16,279,550</u>	<u>7,262,809</u>
7 SHORT-TERM INVESTMENTS			
Held-for-trading			
Listed ordinary shares	7.1	21,529,300	20,153,945
Derivative financial instruments	7.2	<u>451,584</u>	-
		<u>21,980,884</u>	20,153,945
Available-for-sale			
Listed ordinary shares	7.3	<u>4,064,415</u>	587,376
Debt securities	7.4	<u>18,732,860</u>	<u>19,477,106</u>
		<u>22,797,275</u>	<u>20,064,482</u>
		<u>44,778,159</u>	<u>40,218,427</u>

7.1 Held-for-trading: listed ordinary shares

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

No. of shares		Name of investee	Note	2017 Rupees	2016 Rupees
2017	2016				
		Power generation and distribution			
45,000	65,000	K- Electric Limited (ordinary shares of Rs. 3.5 each)		310,500	523,607
		Oil and gas marketing			
2,500	-	Sui Southern Gas Company Limited		91,025	-
		Oil and Gas exploration			
200	300	Mari Petroleum Limited		315,128	272,466
8,000	10,000	Pakistan Petroleum Limited		1,185,120	1,550,500
5,000	-	Oil and Gas Development Company Limited		703,450	-



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No. of shares		Name of investee	Note	2017	2016
2017	2016			Rupees	Rupees
		Refinery			
2,600	4,500	National Refinery Limited		1,887,576	2,139,302
		Chemicals and Fertilizer			
-	35,000	Fauji Fertilizer Bin Qasim Limited		-	1,855,351
7,000	7,000	Linde Pakistan Limited		1,687,140	731,500
100	-	Archroma Pakistan Limited		71,279	-
200	-	ICI Pakistan Limited		218,910	-
35,000	78,000	Lotte Chemical Pakistan Limited		344,751	468,781
		Automobile & Parts			
-	50	Thal Limited		-	14,152
		Cable and electrical goods			
-	1,100	Siemens Pakistan Engineering Company Limited		-	1,094,038
		Engineering			
2,000	-	Crescent Steel and Allied Products Limited		477,140	-
19,000	-	Mughal Iron and Steel Industries Limited		1,533,870	-
		Leather & Tanneries			
2,300	-	Service Industries Limited		3,171,700	-
		Pharmaceuticals			
3,600	3,800	Feroz Sons Laboratories Limited		1,391,436	3,917,572
12,565	10,865	Glaxo SmithKline Pakistan Limited		2,474,299	2,250,250
700	750	Abbott Laboratories Limited		654,221	565,501
816	779	High Noon Laboratories Limited		511,035	449,015
3,382	3,049	The Searle Pakistan Limited		1,731,515	1,634,722
		Communications			
5,000	20,000	Pakistan Telecommunications Company Limited		78,050	300,600



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No. of shares		Name of investee	Note	2017	2016
2017	2016			Rupees	Rupees
Food and personal care products					
47,250	47,750	Treet Corporation Limited		2,687,580	2,360,283
Cement					
20	220	Cherat Cement Company Limited		3,575	26,305
				21,529,300	20,153,945
7.2 Derivative financial instruments					
Letter of rights		Glass and ceramics			
6,400	-	Ghani Glass Mills Limited R		451,584	-
Total value as at June 30				451,584	-
7.3 Available for Sale : Listed ordinary shares					
Unless stated otherwise, the holdings are in the fully paid ordinary shares of Rs. 10 each.					
Engineering					
2,625	5,125	Crescent Steel and Allied Products Limited		626,246	587,376
Automobile & Parts					
28,750	-	Loads Limited		1,192,262	-
1,000	-	Millat Tractors Limited		1,374,440	-
Pharmaceuticals					
3,258	-	GlaxoSmithKline Consumer Healthcare Pakistan Limited		680,955	-
Glass & Ceramics					
2,700	-	Ghani Glass Limited		190,512	-
				4,064,415	587,376
7.4 Available for Sale: Debt securities					
Sukuk Certificates		7.4.1		18,732,860	19,477,106
				18,732,860	19,477,106
7.4.1 Sukuk Certificates					
1,267	1,267	Eden Housing Limited		1,245,953	1,245,953
3,000	3,000	K-Electric Limited		15,522,555	14,970,390
5	5	Al Baraka Bank Limited		3,210,305	3,883,740
				19,978,813	20,100,083
		Less: Provision for impairment	7.5	(1,245,953)	(622,977)
				18,732,860	19,477,106



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7.4.2 Details of particulars of Term Finance Certificates / Sukuk Certificates

Name of the investee	Repayment frequency	Profit Rate per annum	Face value per certificate Rupees	Original maturity date	Secured / Unsecured
Eden Housing Limited	Quarterly	3 months KIBOR + 2.5%	1,874	June 29, 2014	Secured against hypothecated assets and mortgaged property
K-Electric	Quarterly	3 months KIBOR + 2.75%	5,000	June 23, 2017	Secured against hypothecation charge on Sukuk Assets of up to Rs. 8,000 million
Al Baraka Bank Limited	Semi-Annually	6 Months KIBOR + 1.25%	1,000,000	July 14, 2021	Unsecured

7.5 Particulars of provision	Note	2017 Rupees	2016 Rupees
Opening balance		622,977	283,817
Charge for the year		622,976	339,160
Closing balance		<u>1,245,953</u>	<u>622,977</u>

8 ADVANCES, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES

Considered good

Advances - secured

Advances to staff against salary	8.1	462,000	346,990
		<u>462,000</u>	<u>346,990</u>

Prepayments

Takaful		4,062	4,338
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Other receivables

Accrued profit on:

Sukuk certificates		106,280	231,310
Other		217,957	-
Takaful premium receivable		421,487	421,632
		<u>745,724</u>	<u>652,942</u>
		<u>1,211,786</u>	<u>1,004,270</u>

Considered doubtful

Advances

Advance for purchases		44,922,678	44,922,678
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Other receivables

Accrued profit		1,368,702	1,368,702
		<u>46,291,380</u>	<u>46,291,380</u>
Less: Provision for doubtful receivables		<u>(46,291,380)</u>	<u>(46,291,380)</u>
		<u>1,211,786</u>	<u>1,004,270</u>



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- 8.1** This includes advances provided to employees against salaries. These advances do not carry any interest or mark-up.

9. TRADE DEBTS

Secured and considered good

Ijarah rental	512,657	191,002
	512,657	191,002

Unsecured and considered doubtful

Others	9.1	33,810,401	33,810,401
		34,323,058	34,001,403
Less: Provision for doubtful debts	9.2	(33,810,401)	(33,810,401)
	9.3	512,657	191,002

- 9.1** This facility was partly secured against pledge of stock of jute while some of the stock was misappropriated from the factory premises of the borrower. During prior year, the Modaraba has filed a criminal case against the borrower and its owner against misappropriation of pledged stock.

A suit has also been filed on September 29, 2012 by the Modaraba before the Modaraba Tribunal / Banking Court-II for the recovery of outstanding dues from borrower. The Tribunal passed a judgment order in favor of the Modaraba and directed the defendant (borrower) to pay all outstanding dues along with cost of the suit, however the recovery of the decretal amount is uncertain due to the misappropriation of pledged stock by the borrower. Therefore, in current year the Modaraba has filed the execution petition for the recovery of decretal amount by attaching the other auctionable assets of the borrower including piece and parcel of land / building of factory situated at 40-More, Lahore Road, Jaranwala and one vehicle. The borrower filed an application in Honorable Lahore High Court against the judgment and pleaded to suspend the judgment and decree in favor of Modaraba. The Modaraba has also filed a reply to the application filed by the borrower which is currently pending consideration.

Complete provision has been recorded against outstanding balance as per Prudential Regulations. The management believes that the said lawsuit and criminal case will be decided in favour of the Modaraba.

	Note	2017 Rupees	2016 Rupees
9.2 Particulars of provision for doubtful receivables			
Opening balance		33,810,401	33,810,401
Charge for the year		-	-
Closing balance		33,810,401	33,810,401

9.3 The aging of trade debts is as follows:

Neither past due nor impaired	512,657	191,002
Past due over 180 days but not impaired	-	-
Past due over 180 days and impaired	33,810,401	33,810,401
	34,323,058	34,001,403



	Note	2017 Rupees	2016 Rupees
10 CASH AND BANK BALANCES			
Cash in hand		5,000	4,000
Cash with banks in:			
PLS savings accounts	10.1	20,293,167	17,450,204
Current accounts	10.2	106,976	264,290
		20,400,143	17,714,494
		20,405,143	17,718,494

10.2 These current accounts balances do not carry any mark up or interest.

11	ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL	Note	2017 Rupees	2016 Rupees
	2017 Number of certificates			
	<u>20,000,000</u>	Modaraba certificates of Rs. 10/- each fully paid in cash	200,000,000	200,000,000

Ayaz Dawood and Financial Link Limited held 2,340,164 (11.7%) and 2,000,000 (10%) certificates of Rs. 10 each as at June 30, 2017 (2016: 2,171,164 (10.8%) and 2,000,000 (10%) certificates).

Capital reserve		
Statutory reserve	23,783,104	22,061,619
Revenue reserve		
Accumulated loss	(98,550,951)	(97,028,420)
	<u>(74,767,847)</u>	<u>(74,966,801)</u>

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During the year, the Modaraba has credited an amount of Rs. 1.721 million to this reserve on account of profit for the year.

13. SECURITY DEPOSITS

These deposits are received under ijarah arrangements and are adjustable at the expiry of the lease period.

14 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2017 Rupees	2016 Rupees
Management fee payable		402,521	835,833
Sales tax on management fee payable		386,796	334,467
Provision for Workers' Welfare Fund		720,781	649,375
Advance ijarah rentals		1,290,501	996,420
Accrued expenses		350,490	803,815
Auditors' remuneration		283,000	265,000
Charity	14.1	4,146	3,678
		3,438,235	3,888,588
14.1 Charity payable			
Opening balance		3,678	16,179
Accrued during the year		5,932	14,160
Payment	14.1.1	(5,464)	(26,661)
Closing balance		4,146	3,678

14.1.1 This amount includes charity paid to Dawood Global Foundation amounting to Rs. 3,954 (2016: Rs.11,351). Chief Executive and the Chairman of the Board of the Mobaraba are members of the Management Committee of Dawood Global Foundation.

15. CONTINGENCIES AND COMMITMENTS

15.1 A commercial bank has lodged a claim of 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 million (2016: 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 had been made by the Modaraba in 2015. During the prior year, bank balances have been written off against provision amounting to Rs. 1.090 million.

15.2 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 million (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 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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	Note	2017 Rupees	2016 Rupees
16 INCOME ON SHORT-TERM INVESTMENTS			
Income on investment in debt securities	16.1	1,479,019	2,480,056
Gain on sale of investments	16.1	2,331,766	5,379,661
Unrealised gain on revaluation of investments	16.1	1,126,707	2,075,238
Dividend income	16.2	668,663	818,708
		<u>5,606,155</u>	<u>10,753,663</u>

16.1 These amounts are earned from arrangements permissible under shariah.

	Note	2017 Rupees	2016 Rupees
16.2 Dividend income			
Abbott Laboratories (Pakistan) Limited		28,027	24,967
Archroma Pakistan Limited		-	24,985
Cherat Cement Company Limited		65	875
Crescents Steel And Allied Products Limited		24,848	11,513
Ghani Glass Limited		31,250	-
Fauji Fertilizer Bin Qasim Limited		-	175,710
Fauji Fertilizer Company Limited		-	29,648
Ferozsons Laboratories Limited		53,603	122,601
Glaxo SmithKline Pakistan Limited		70,137	43,232
Highnoon Laboratories Limited		6,255	8,584
Indus Motor Company Limited		-	7,902
Linde Pakistan Limited		34,996	37,995
Mari Petroleum Company Limited		1,226	15,914
National Refinery Limited		69,486	59,808
Nishat Mills Limited		2,190	1,976
Pakcem Limited		-	661
Pakistan Petroleum Limited		50,257	126,356
Pakistan Telecommunication Company Limited		19,659	48,877
ICI Pakistan Limited		11,398	-
The Searle Company Limited		21,382	18,398
Siemens Pakistan Eng. Co. Limited		-	11,000
Thal Limited		300	429
Loads Limited		37,395	-
Service Industries Limited		75,434	-
Kohinoor Textile Mills Limited		1,893	-
Millat Tractors Limited		79,605	-
Treet Corporation Limited		49,257	47,277
		<u>668,663</u>	<u>818,708</u>



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	Note	2017 Rupees	2016 Rupees
17 OTHER INCOME			
Miscellaneous income		<u>325,467</u>	<u>2,000</u>
		<u>325,467</u>	<u>2,000</u>
18 ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries, allowances and other benefits	18.1	4,382,185	4,048,788
Printing, postage and stationery		238,896	153,350
Fees and subscription		682,350	652,342
Commission and brokerage		59,398	32,010
Takaful		90,854	97,889
Vehicle running expenses		359,268	384,349
Advertisement and entertainment		73,504	45,570
Auditors' remuneration	18.2	410,810	444,460
Legal and professional charges		378,122	438,870
Depreciation		296,878	356,272
Bad debts written off - Ijarah		-	8,460
Others		103,804	456,360
		<u>7,076,069</u>	<u>7,118,720</u>

18.1 During the year, the Modaraba contributed Rs. 0.238 million (2016: Rs. 0.216 million) to the provident fund.

18.2 Auditors' remuneration

Statutory audit fee	220,000	200,000
Half yearly review fee	52,500	50,000
CCG review	63,000	95,000
Out of pocket expenses	75,310	99,460
	<u>410,810</u>	<u>444,460</u>

18.3 Disclosures relating to Provident Fund

Size of the fund	124,684,909	110,024,193
Cost of investments made	100,475,972	74,462,389
Percentage of investments made	80.58%	67.68%
Fair value of investments	100,449,246	78,676,424

Break-up of investments

Government securities	25,000,000	25,000,000
Term Finance Certificates	11,837,056	1,837,792
Investment in sukuk	18,265,243	18,815,539
Listed securities	12,790,568	4,584,082
Unlisted securities	750,000	-
Mutual Funds	31,806,379	28,439,011
	<u>100,449,246</u>	<u>78,676,424</u>



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	Note	2017 Rupees	2016 Rupees
Break-up of investments		% age of size of the fund	
Government securities		24.89%	31.78%
Term Finance Certificates		11.78%	2.34%
Investment in sukuk		18.18%	23.92%
Listed securities		12.73%	5.83%
Unlisted securities		0.75%	0.00%
Mutual Funds		31.66%	36.15%
		<u>100%</u>	<u>100%</u>

The figures for 2017 are based on the unaudited financial statements of the Provident Fund. Investments out of Provident Fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

19. MODARABA MANAGEMENT COMPANY'S FEE

In accordance with the Modaraba Companies and Modaraba Rules, 1981, management fee at the rate of 10% of annual profits is payable to the Management Company amounting to Rs. 0.403 million (2016: Rs. 0.835 million).

During the year, an amount of Rs. 0.0523 million (2016: Rs. 0.117 million) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011.

20. WORKERS' WELFARE FUND

The Finance Act, 2008 made certain changes to the Workers' Welfare Fund Ordinance, 1971. As a result of these amendments, Workers' Welfare Fund (WWF) is payable at 2% of the profit before taxation as per the financial statements or taxable income as per the return of income, whichever is higher. During the current year, the management has made a provision of Rs. 0.0714 million (2016: Rs. 0.148 million) in respect of this liability.

21. PROVISION FOR TAXATION

"The income of non-trading modarabas is exempt from tax under clause 100 of the Second Schedule of the Income Tax Ordinance 2001, provided not less than 90% of its profits after appropriation to statutory reserves as required under Modaraba Regulations is distributed to the certificate holders. The Modaraba has decided to continue availing the tax exemption and hence no provision has been made in these financial statements for tax liabilities for the current year."

	2017 Rupees	2016 Rupees
22 EARNINGS PER CERTIFICATE - BASIC AND DILUTED		
The earnings per certificate as required under IAS 33 "Earnings per share" is given below:		
Profit for the year	3,498,954	7,257,372
Weighted average number of certificates outstanding	20,000,000	20,000,000
Earnings per certificate (Rupees)	0.17	0.36



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- 22.1** There were no convertible dilutive potential ordinary certificates outstanding as on June 30, 2017 and 2016 which have dilutive effect on earnings per certificate.

23. REMUNERATION OF OFFICERS / EXECUTIVES

Remuneration and staff retirement benefits	3,279,000	3,126,998
Medical expenses reimbursed	55,900	58,070
	3,334,900	3,185,068
Number of officers / executives at the end of the year	1	1

The officers and executives are also provided with the free use of vehicles owned and maintained by the Modaraba.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Modaraba's objective in managing risk is the creation and protection of certificate holders' value. Risk is inherent in the Modaraba's activities, but it is managed through monitoring and controlling activities which are primarily setup to be performed, based on limits established by the Management Company, Modaraba's constitutive documents and the regulations and directives of the SECP. The Modaraba's activities expose it to a variety of financial risks: market risk (including profit rate risk, equity price risk and fair value risk), credit risk and liquidity risk. The Board of Directors of the Management company has overall responsibility for the establishment and over sight of the Modaraba's risk management framework.

The Modaraba's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Modaraba's financial performance.

The Modaraba primarily invests in ijarah assets, musharaka, diversified portfolio of listed securities, sukuk certificates and term finance certificates. Such investments are subject to varying degrees of risk, which emanate from various factors that include but are not limited to market risk, liquidity risk and credit risk.

24.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

24.1.1 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates. As of June 30, 2017, the Modaraba's exposure to the risk of changes in market profit rates relates primarily to bank balances in PLS saving accounts, musharaka finance and debt securities. The bank balances in PLS saving accounts are subject to profit rates as declared by the respective banks on periodic basis while, the debt securities are subject to floating profit rates. As at June 30, 2017, approximately 64% (2016: 63%) of the Modaraba's financial assets are subject to floating profit rates. Management of the Modaraba estimates that an increase of 100 basis points in the market profit rate, with all other factors remaining constant, would increase the Modaraba's income by Rs. 0.493 million (2016: Rs. 0.37 million) and a decrease of 100 basis points would result in a decrease in the Modaraba's income by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

24.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Modaraba does not have any financial instruments in foreign currencies and hence is not exposed to such risk.



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24.1.3 Equity price risk

Equity price risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the Company in which the investment is made, change in business circumstances of the Company, its business sector, industry and / or the economy in general.

At the balance sheet date, the exposure to listed equity securities has increased to Rs. 26.045 million from Rs. 20.741 million in prior year. Management of the Modaraba estimates that 5% increase or decrease in the overall equity prices in the market with all other factors remaining constant would result in increase or decrease of Modaraba's net assets by Rs. 1.302 million (2016: Rs. 1.037 million). However, in practice, the actual results may differ from the sensitivity analysis.

24.2 Liquidity risk

Liquidity risk is defined as the risk that the Modaraba will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Modaraba could be required to pay its liabilities earlier than expected. The Modaraba's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Modaraba's reputation.

The table below summarizes the maturity profile of the Modaraba's financial liabilities based on contractual undiscounted payments.

2017	Upto one month	More than one month and upto three months	More than three months and upto one year	More than one year	Total contractual cash flows
	Rupees				
Accrued expenses and other liabilities	2,147,734	-	-	-	2,147,734
Security deposits	-	-	3,032,085	23,845,605	26,877,690
Unclaimed profit distribution	-	2,546,430	-	-	2,546,430
	2,147,734	2,546,430	3,032,085	23,845,605	31,571,854
2016	Upto one month	More than one month and upto three months	More than three months and upto one year	More than one year	Total contractual cash flows
	Rupees				
Accrued expenses and other liabilities	2,068,913	-	-	-	2,068,913
Security deposits	-	-	-	23,522,632	23,522,632
Unclaimed profit distribution	-	3,183,103	-	-	3,183,103
	2,068,913	3,183,103	-	23,522,632	28,774,648



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24.3 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Modaraba by failing to discharge its obligation. The Modaraba's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines, offering document and regulatory requirements. The table below analyses the Modaraba's maximum exposure to credit risk. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements at reporting date:

	2017	2016
	Rupees	Rupees
Bank balances	20,400,143	17,714,494
Investment in debt securities	18,732,860	19,477,106
Musharaka finance	9,016,741	-
Trade debts	512,657	191,002
Advances to staff against salary	462,000	346,990
Other receivables	745,724	652,942
	49,870,125	38,382,534

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Modaraba's total credit exposure. The Modaraba's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. The table below analyses the Modaraba's concentration of credit risk by industrial distribution:

	%	%
Banks	40.91%	46.15%
Other financial institutions	55.64%	50.74%
Miscellaneous	3.45%	3.10%
	100.00%	100.00%

24.4 Financial instruments by category

	2017	2016
	Rupees	Rupees
Financial assets		
Loans and receivables at amortised cost		
Musharaka finance	9,016,741	-
Trade debts	512,657	191,002
Other receivables	745,724	652,942
Advance tax	1,570,635	732,663
Cash and bank balances	20,405,143	17,718,494
Available-for-sale		
Listed companies	4,064,415	587,376
Debt securities	18,732,860	19,477,106
Held-for-trading		
Listed companies	21,529,300	20,153,945
Derivative financial instruments	451,584	-
	77,029,059	59,513,528



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	2017	2016
	Rupees	Rupees
Financial liabilities		
Financial liabilities at amortised cost		
Customers' security deposits	26,877,690	23,522,632
Accrued expenses and other liabilities	2,147,734	3,554,121
Unclaimed profit distribution	2,546,430	3,183,103
	<u>31,571,854</u>	<u>30,259,856</u>

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Modaraba is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value as the items are short term in nature.

The carrying values of all financial assets and liabilities reflected in the financial statements are approximate to their fair values except for held to maturity investments. Fair value is determined on the basis of the objective evidence at each required date. The following table compares the carrying amounts and fair values of the Modaraba's financial assets and financial liabilities as at June 30, 2017.

	As at June 30, 2017		As at June 30, 2016	
	Carrying	Fair	Carrying	Fair
Financial Assets	amount	value	amount	value
Financial assets				
Loans and receivables at amortised cost				
Musharaka finance	9,016,741	9,016,741	-	-
Trade debts	512,657	512,657	191,002	191,002
Other receivables	745,724	745,724	652,942	652,942
Advance tax	1,570,635	1,570,635	732,663	732,663
Cash and bank balances	20,405,143	20,405,143	17,718,494	17,718,494
Available-for-sale				
Listed companies	3,909,153	4,064,415	599,202	587,376
Debt securities	18,214,275	18,732,860	19,551,541	19,477,106
Held-for-trading				
Listed companies	24,305,018	21,529,300	17,708,956	20,153,945
Derivative financial instruments	451,584	451,584	-	-
Financial liabilities				
Financial liabilities at amortised cost				
Customers' security deposits	26,877,690	26,877,690	23,522,632	23,522,632
Accrued expenses and other liabilities	2,147,734	2,147,734	3,554,121	3,554,121
Unclaimed profit distribution	2,546,430	2,546,430	3,183,103	3,183,103



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25.1 Fair value hierarchy

"The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement."

Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

- 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).

As at June 30, 2017, the Modaraba held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	Rupees			
Investments at fair value through profit or loss - held-for-trading				
Listed ordinary shares	21,529,300	-	-	21,529,300
Derivative financial instruments	451,584	-	-	451,584
Available-for-sale investments				
Listed ordinary shares	4,064,415	-	-	4,064,415
Debt securities	18,732,860	-	-	18,732,860
	<u>44,778,159</u>	<u>-</u>	<u>-</u>	<u>44,778,159</u>

As at June 30, 2016, the Modaraba held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	Rupees			
Investments at fair value through profit or loss - held-for-trading				
Listed ordinary shares	20,153,945	-	-	20,153,945
Derivative financial instruments	-	-	-	-
Available-for-sale investments				
Listed ordinary shares	587,376	-	-	587,376
Debt securities	18,854,130	-	622,976	19,477,106
	<u>39,595,451</u>	<u>-</u>	<u>622,976</u>	<u>40,218,427</u>

Valuation techniques

For Level 3 available-for-sale investments the Modaraba values the investment at carrying value which approximates the fair value of the investment.

Transfers during the year

During the year, there were no transfer between Level 1 and Level 2 fair value hierarchies and no transfer into or out of Level 3 fair value hierarchy .



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The following table presents the movement in level 3 instruments:

	2017	2016
	Rupees	Rupees
Opening balance	622,976	962,136
Provision during the year	(622,976)	(339,160)
Closing balance	<u>-</u>	<u>622,976</u>

26. CAPITAL RISK MANAGEMENT

The Modaraba's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for certificate-holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Modaraba may adjust the amount of profit distributed to certificate-holders, issue new certificates or sell assets to reduce debt.

The Modaraba's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Modaraba monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as musharaka finance under mark-up arrangements less cash and bank balances.

27. 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, Employee Benefit Plans, 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 as disclosed in note 23, are given below:

Relationship with the Modaraba	Nature of transactions	2017	2016
		Rupees	Rupees
27.1 Year end balances			
Management Company			
BRR Investments (Private) Limited	Management fee accrued	402,521	835,833



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Relationship with the Modaraba	Nature of transactions	2017 Rupees	2016 Rupees
Associated companies / other related parties			
B.R.R Guardian Modaraba	Share of common expenses paid	174,346	270,607
First Dawood Employee Provident Fund	Transfer to provident fund	238,002	216,558
Dawood Family Takaful Limited	Rental received against ijarah	592,944	1,376,232
Dawood Equities Limited	Brokerage and commission paid	49,158	21,339
Dawood Global Foundation	Charity paid	3,954	11,351
Management Company			
BRR Investment (Private) Limited	Management fee accrued	402,521	835,833

28. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in their meeting held on September 29, 2017 have approved profit distribution at the rate of 0.8% i.e. Re. 0.08 (2016: 0.165) for the year ended June 30, 2017. These financial statements do not reflect this distribution.

29. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **September 29, 2017** by the Board of Directors of B.R.R. Investment (Private) Limited.

30. NUMBER OF EMPLOYEES

The number of employees as at year end was 2 (2016: 3) and average number of employees during the year was 2 (2016: 3).

31. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison.

32. GENERAL

Amounts have been presented and rounded off to the nearest Rupees.

**For B.R.R. Investment (Private) Limited
(Modaraba Management Company)**

**Rafique Dawood
Chairman**

**Ayaz Dawood
Chief Executive Officer**

**Waqas Anwar Qureshi
Director**

**Syed Tariq Masood
Chief Financial Officer**



CRESCENT STANDARD MODARABA

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PATTERN OF CERTIFICATE HOLDING - FORM “34”

Certificate Holders Statistics as at June 30, 2017

Number Of Certificate Holders	From	Certificate Holding	To	Total Certificates Held
117	1	-	100	5,019
1154	101	-	500	562,642
99	501	-	1,000	95,485
174	1,001	-	5,000	524,162
60	5,001	-	10,000	491,500
20	10,001	-	15,000	257,400
19	15,001	-	20,000	349,733
10	20,001	-	25,000	231,551
7	25,001	-	30,000	191,500
3	30,001	-	35,000	95,640
1	35,001	-	40,000	40,000
3	40,001	-	45,000	135,000
6	45,001	-	50,000	292,200
2	55,001	-	60,000	117,500
2	60,001	-	65,000	125,000
1	70,001	-	75,000	72,000
6	95,001	-	100,000	593,500
1	110,001	-	115,000	112,500
2	125,001	-	130,000	253,000
1	160,001	-	165,000	164,000
1	220,001	-	225,000	222,503
1	275,001	-	280,000	277,500
1	375,001	-	380,000	376,001
1	395,001	-	400,000	397,000
1	470,001	-	475,000	475,000
1	590,001	-	595,000	594,500
1	880,001	-	885,000	884,900
1	995,001	-	1,000,000	998,500
1	1,020,001	-	1,025,000	1,024,300
1	1,315,001	-	1,320,000	1,315,864
1	6,720,001	-	6,725,000	6,724,600
1	1,995,001	-	2,000,000	2,000,000
1700				20,000,000



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S. No.	Categories Of Certificate Holders	Number Of Certificate Holders	Total Certificates Held	Percentage
1	Individuals	1662	9,104,266	45.52
2	Investment Companies	5	6,745,700	33.73
3	Financial Institutions	4	1,012,504	5.06
4	Joint Stock Companies	23	2,184,903	10.92
5	Modarabas	2	47,700	0.24
6	Insurance Company	1	2,500	0.01
8	Others	3	902,427	4.51
		1700	20,000,000	100.00



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ADDITIONAL INFORMATION AS ON JUNE 30, 2017

S. No.	Categories of Certificates Holders	Number	Certificates Held	% Age
1	NIT & ICP	1	12,000	0.06
	Investment Corporation of Pakistan		12,000	
2	Directors, CEO their Spouse & Minor Children	1	2,340,164	11.70
	Ayaz Dawood		2,340,164	
3	Banks, DFIs, NBFIs, Insurance Companies, Modarabas Joint Stock Companies, Mutual Funds and others	37	10,883,734	54.42

Certificate Holders holding five percent or more in the Modaraba

Paid Up Capital	20,000,000	
Innovative Investment Bank Limited	6,724,600	33.62
Ayaz Dawood	2,340,164	11.70
Financial Link Limited	2,000,000	10.00



CRESCENT STANDARD MODARABA
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SIX YEARS FINANCIAL SUMMARY

Particulars	2017	2016	2015	2014	2013	2012
	(Rupees in Thousands)					
Paid up Capital	200,000	200,000	200,000	200,000	200,000	200,000
Equity	128,063	125,052	117,634	127,781	124,771	122,160
Current Liabilities	9,017	7,072	5,172	9,531	29,470	26,032
Current Assets	70,136	59,865	68,300	93,139	114,375	101,137
Operating Profit / (Loss)	4,025	8,358	(7,140)	6,844	6,747	6,918
Profit / (Loss) for the Year	3,499	7,257	(7,140)	5,929	5,845	5,991
Dividend	1,600	3,300	-	3,000	3,000	3,000
Earning / (Loss) per Certificate	0.17	0.36	(0.36)	0.30	0.29	0.30

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