

**SCHEME OF ARRANGEMENT**  
**UNDER SECTIONS 279 TO 283 OF THE**  
**COMPANIES ACT, 2017**  
**FOR**  
**AMALGAMATION**  
**OF**  
**CRESCENT STANDARD MODARABA**  
**WITH AND INTO**  
**B.R.R. GUARDIAN MODARABA**

## **SCHEME OF ARRANGEMENT**

### **UNDER SECTIONS 279, 280, 281, 282 and 283 READ WITH SECTION 505 AND SRO 840(I) OF AUGUST 17, 2017 OF THE COMPANIES ACT XIX of 2017 (Hereinafter referred to as the "ACT")**

ENTERED INTO BY AND BETWEEN

**B.R.R. INVESTMENT (PRIVATE) LIMITED**, a company incorporated under the laws of Pakistan and registered as a modaraba company under Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and having its registered office at 18th Floor, B.R.R Tower, Hassan Ali Street Off I. I. Chundrigar Road, Karachi-74000 (hereinafter referred to as "**BIL**");

**And**

**CRESCENT STANDARD MODARABA**, a modaraba floated under the Modaraba Companies and Modarabas (Flotation and Control) Ordinance 1980 (XXXI of 1980) managed by BIL (hereinafter referred to as the "**CSM**");

**And**

**B.R.R. GUARDIAN MODARABA**, a modaraba floated under the Modaraba Companies and Modarabas (Flotation and Control) Ordinance 1980 (XXXI of 1980) managed by BIL (hereinafter referred to as the "**BRRGM**");

**And**

**FOR AMALGAMATION OF CRESCENT STANDARD MODARABA WITH AND INTO B.R.R. GUARDIAN MODARABA**

### **RECITALS**

**WHEREAS** it is proposed that the entire undertaking comprising of all of the Assets, Liabilities and Obligations (as hereinafter defined) of CSM at the Effective Date (as hereinafter defined) shall stand transferred to and be vested in and assumed by BRRGM and CSM shall be dissolved without winding-up;

**AND WHEREAS** as at the Effective Date BIL will have the sole rights to manage the post merged amalgamated modaraba being BRRGM;

**AND WHEREAS** the Registrar Modarabas, the Securities and Exchange Commission of Pakistan has granted approval for the proposed amalgamation of CSM into BRRGM;

**AND WHEREAS** this Scheme, if sanctioned by the Court by an order passed in this behalf, is to be binding on CSM, BRRGM and BIL, Certificate Holders of CSM, Certificate Holders of BRRGM, Creditors of CSM and the Creditors of BRRGM.

### **BENEFITS OF THIS SCHEME**

#### **Larger Equity Base**

The merger would lead to increased asset base and the size and strength of the entity. This would in turn assist the management gain access to increased external funds at competitive rates. A larger size of fund capital would in turn provide greater comfort to potential creditors. Access to larger resources would also in turn improve future growth prospects and the management's ability to undertake large assignments with increased and securer returns.

## **Synergies**

Both the modarabas are multi purpose modarabas. The merger would give an opportunity to operate the business of both the modarabas through singular unified operations department, accounts department and one set of employees working in both, thus resulting in economies of scales and improved utilization of human resources.

## **Increase In Risk Absorption Capacity**

The larger financial size of the merged modaraba would enhance its risk absorption capacity thus an increased and improved capacity to manage the potential risks arising out of any adverse and uncertain operating environment. In the long run this factor would provide greater stability as well as sustainability in operations.

## **Reduction in Administrative Costs**

The merger would enable the merged entity to carry out its business through singular operations, accounts, treasury and MIS department with one set of management and staff, thus resulting in substantial cost savings and economies of scales leading to enhanced profitability.

## **Single Corporate and Tax Reporting**

The merger will make single corporate and tax reporting possible. It will entail elimination of maintenance of separate records for business operation, selling, purchasing, marketing, legal, administrative, and secretarial and other records under the various laws resulting in duplication of work and higher costs of human resource and operations.

**NOW THEREFORE**, this Scheme is presented as follows:

## **ARTICLE 1**

### **DEFINITIONS**

Unless the context requires otherwise, all capitalized terms in this Scheme shall have the meanings assigned to them below:

- 1.01 **"Amalgamation"** is defined in Section 4.01.
- 1.02 **"Annexure A"** is the annexure attached hereto that lists the names of each of the members of the board of directors of BIL.
- 1.03 **"Annexure B"** is the annexure attached hereto that contains the annual audited accounts of BRRGM for the year June 30, 2017.
- 1.04 **"Annexure C"** is the annexure attached hereto that lists the particulars of each of creditors of BRRGM.
- 1.05 **"Annexure D"** is the annexure attached hereto that contains the annual audited accounts of CSM for the year June 30, 2017.
- 1.06 **"Annexure E"** is the annexure attached hereto that lists the particulars of each of creditors of CSM.
- 1.07 **"Assets"** mean assets, properties and rights of every description and kind (whether present or future, actual or contingent, tangible or intangible) and includes properties held on trust and benefit of securities obtained from Customers, benefits, powers, rights, authorities, privileges, contracts, Government consents, sanctions and authorizations, including all registrations, licenses, permits, categories, entitlements, sanctions, permissions and benefits relating to the business, all trade marks, patents, copyrights, licenses, liberties, secret processes, know-how and confidential information. Without in any way limiting or prejudicing the generality of the foregoing, Assets shall include: (a) all properties, immovable and movable, real,

corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated belonging to CSM; (b) all choses-in-action, instruments, decretal amounts, bank and other accounts, cash balances, lease receivables, reserve funds, revenue balances, investments, loans, advances, guarantees, deposits, prepayments, receivables, book debts, trade debts and all other rights and interest in and arising out of such property in the ownership, possession, power or control of CSM, whether legal or beneficial, whether within or out of Pakistan, and all books of accounts, registers, records and all other documents of whatever nature relating thereto; (c) all the connections and facilities for telecommunications, electricity and other installations, owned by, leased or licensed to CSM; (d) the Contingent Claims and proceeds realized from the Liquidation of the Contingent Claims.

- 1.09 **"BIL"** is defined in the Preamble.
- 1.10 **"BRRGM"** is defined in the Preamble.
- 1.11 **"Certificate Holders"** means holders of Modaraba Certificates as defined in the Modaraba Ordinance.
- 1.12 **"Certificate Holders of BRRGM"** means the persons that are the registered modaraba certificate holders of BRRGM.
- 1.13 **"Certificate Holders of CSM"** means the persons that are the registered modaraba certificate holders of CSM.
- 1.14 **"Claim"** means claim, counter-claim, demand or cause of action and includes a Contingent Claim.
- 1.15 **"Contract"** means any contract including musharika and morabaha, agreement(s), deed, instrument, letter or undertaking of every description, creating any obligations enforceable against the parties.
- 1.16 **"Court"** means the High Court of Sindh at Karachi.
- 1.17 **"Customer"** means any person having entered into a transaction, arrangement or other dealing with CSM.
- 1.18 **"Contingent Claims"** means any potential Claim that CSM may have against any person prior to the Effective Date which may not be disclosed or reflected as part of its Assets on its books or records.
- 1.19 **"Creditors of CSM"** means the creditors of CSM, as particularized in Annexure "E".
- 1.20 **"Creditors of BRRGM"** means the creditors of BRRGM, as particularized in Annexure "C".
- 1.21 **"Effective Date"** is defined in Article 5.
- 1.22 **"Existing"** means existing, outstanding or in force immediately prior to the Effective Date.
- 1.23 **"CSM"** is defined in the Preamble.
- 1.24 **"Liabilities and / or Obligations"** includes all borrowings, liabilities, duties, commitments and obligations of every description (whether present or future, actual or contingent) arising out of any Contract or otherwise whatsoever and the term "Liabilities" and /or "Obligations" are used interchangeably and /or in conjunction with each other.
- 1.25 **"Liquidation"** means the release, compromise, satisfaction, settlement or reduction to judgment of any Claim by a competent court of law.
- 1.26 **"Modaraba Ordinance"** means the Modaraba Companies and Modaraba (Floatation & Control) Ordinance, 1980.

- 1.27 **"ACT"** is defined in the preamble.
- 1.28 **"Registrar"** means the Registrar appointed under section 3 of the Modaraba Ordinance.
- 1.29 **"Scheme"** means this Scheme of Arrangement in its present form with any modification thereof or addition thereto approved or condition imposed by the Court.
- 1.30 **"Security" or "Securities"** means interest, right or title in and to any and all mortgages or charges (whether legal or equitable), debentures, bill of exchange, promissory note, guarantee, lien, pledge (whether actual or constructive), hypothecation, assignment by way of security, right of set-off, undertaking or other means of securing payment or discharge of any liabilities and obligations.

## **ARTICLE 2**

### **THE CAPITAL**

2.01 **Capital of CSM:**

The authorized modaraba capital of CSM is Rs. 250,000,000/- divided into 25,000,000 modaraba certificates of Rs. 10/- each, out of which 20,000,000 of Rs. 10/- each are currently issued modaraba certificates and fully paid up and remaining are un-issued.

2.02 **Capital of BRRGM:**

The authorized modaraba capital of BRRGM is Rs. 1,150,000,000/- divided into 115,000,000 modaraba certificates of Rs. 10/- each, out of which 78,046,255 modaraba certificates of Rs. 10 each are currently issued and fully paid up and remaining are un-issued.

2.03 **Authorized Share Capital After Merger:**

Consequent upon the Scheme becoming effective, the authorized modaraba capital of CSM of Rs. 250,000,000/- shall be merged and combined with the authorized modaraba capital of BRRGM of Rs. 1,150,000,000/- consequently the merged authorized share capital of BRRGM shall stand increased to Rs. 1,400,000,000/- divided into 140,000,000/- modaraba certificates of Rs.10/= each.

Consequent upon the Scheme becoming effective, the Issued, subscribed and paid up capital of CSM of Rs. 200,000,000/- shall be merged and combined with the currently Issued, subscribed and paid up capital of BRRGM of Rs. 780,462,550/- and which shall consequently stand increased to Rs 863,622,630/- divided into 86,362,263/- modaraba certificates of Rs. 10/- each calculated at a swap ratio of 1.00 : 2.405 where such swap ratio is calculated on the basis of the audited accounts for the year ending June 30, 2017.

## **ARTICLE 3**

### **DIRECTORS**

3.01 **Directors of BIL:**

The present directors of BIL are as listed in Annexure A.

3.02 **Interest of the directors:**

All the directors of BIL have interest in the Amalgamation to the extent of their respective certificate holdings in BRRGM and CSM. The effect of the Scheme on the interest of these directors does not differ from respective interest of other Certificate Holders of BRRGM and Certificate Holders of CSM.

The directors are also interested to the extent of remuneration and fringe benefits as per the policies of BRRGM/CSM.

## ARTICLE 4

### THE AMALGAMATION

- 4.01 **General Description:**
- (a) At the Effective Date CSM, as a going concern, shall be amalgamated with and vest in BRRGM upon the terms and conditions set forth in this Scheme (the "**Amalgamation**") and the post amalgamated modaraba shall retain the name BRRGM;
  - (b) BIL, which is the current management company of both CSM and BRRGM, shall be the management company for the post merger amalgamated modaraba being BRRGM;
  - (c) BRRGM shall be able to carry out all the business of CSM and shall be entitled to all the rights and the benefits thereof;
  - (d) CSM shall be dissolved, without winding up, on the date on which the modaraba certificates of BRRGM are allotted to the Certificates Holders of CSM or on such later date as the Court by order may prescribe.
- 4.02 **Transfer of the Assets:** At the Effective Date all the Assets of CSM shall immediately without any conveyance or transfer and without any further act or deed be vested in and become the undertaking and Assets of BRRGM, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by CSM prior to the Amalgamation but transfer of the Assets shall be subject to all mortgages, charges or other encumbrances subsisting thereon (if any).
- 4.03 **Transfer of Liabilities and Obligations:** At the Effective Date all the Liabilities and Obligations of CSM shall immediately and without any further act or deed be assumed by and become the Liabilities and Obligations of BRRGM, which shall pay, undertake, satisfy, discharge and perform, when due, all of the Liabilities and Obligations.
- 4.04 **BRRGM's Right to Execute Deeds:** Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and/or assumption of Liabilities may, if required, at any time be executed by officers of BRRGM authorized in this regard.
- 4.05 **References to Assets and Liabilities and Obligations:** Any reference in this Scheme to Assets or Liabilities and Obligations of CSM is a reference to Assets or Liabilities and Obligations to which CSM is for the time being entitled or subject to (whether beneficially or in any fiduciary capacity) immediately preceding the Effective Date, wherever such Assets or Liabilities are situated or arise and whether or not capable of being transferred or assigned to or by CSM under any applicable law or instrument.
- 4.06 **Assets held in Trust, etc:** Any Asset vested in CSM which immediately before the Effective Date was held by CSM as trustee or custodian in the form of any trust deed, settlement, covenant, agreement or will or as executor of the will, or administrator of the estate, of a deceased person or as judicial trustee appointed by order of any court, or in any other fiduciary capacity, shall, on and from the Effective Date, be held by BRRGM in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.
- 4.07 **Contracts:** Every Contract to which CSM is a party shall have effect on and from the Effective Date as if:
- (a) BRRGM had been a party thereto instead of CSM; and
  - (b) For any reference (however worded and whether express or implied) to CSM therein shall stand substituted, as respects anything falling to be done on or after the Effective Date, to a reference to BRRGM.

- 4.08 **Bank Accounts:** Any account/s maintained by CSM with any Bank or Financial Institution shall, at the Effective Date, become account(s) between BRRGM and such Bank or Financial Institution, subject to the same conditions and incidents as therefore; provided that nothing herein shall affect any right of BRRGM to vary the conditions or incidents subject to which any account is kept.
- 4.09 **Instructions:** Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to CSM in writing (whether or not in relation to an account) shall have effect, on and from the Effective Date, as if given to BRRGM.
- 4.10 **Negotiable Instruments:** Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by, CSM, or payable at any place of business of CSM, whether so drawn, given, accepted or endorsed before, on or after the Effective Date, shall have the same effect on and from the Effective Date, as if it had been drawn on, or given to, or accepted or endorsed by BRRGM, or were payable at the same place of business of BRRGM.
- 4.11 **Custody of Documents:** The custody of any document, record or goods held by CSM as bailee and duly recorded in their books, shall pass to BRRGM under any Contract of bailment relating to any such document, record or goods shall on that day become rights and obligations of BRRGM.
- 4.12 **Securities:**
- (a) Any Security held immediately before the Effective Date by CSM or by a nominee or agent of or trustee for CSM, as security for the payment or discharge of any liability and obligation of a Customer shall, on and from the Effective Date, be held by, or, as the case may require, by that nominee, agent or trustee for BRRGM and be available to BRRGM (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of that liability and obligation.
  - (b) In relation to any Security vested in BRRGM in accordance with provisions of this Scheme and any liabilities and obligations thereby secured, BRRGM shall be entitled to the rights and priorities to which CSM would have been entitled if it had continued to hold the Security.
  - (c) Any Security referred to in the foregoing provisions of this paragraph which extends to future advances or liabilities shall, on and from the Effective Date, be available to BRRGM (whether for its own benefit or as the case may be, for the benefit of any other person) as security for the payment or discharge of future advances and future liabilities to the same extent and in the same manner in all respects as future advances by or liabilities to, CSM or, as the case may be, BRRGM were secured thereby immediately before that time.
- 4.13 **Legal Proceedings:** Where by virtue of this Scheme any right, Claim or Liability of CSM, becomes a right, Claim or Liability of BRRGM on and from the Effective Date, BRRGM shall have the same rights, claims, powers and remedies (and in particular the same rights, Claims and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right, Claim or Liability as if it had at all times been a right, Claim or Liability of BRRGM, and any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against CSM may be continued by or against BRRGM.
- 4.14 **Judgments:** Any judgment or award obtained by or against CSM and not fully satisfied before the Effective Date shall at that time, to the extent to which it is enforceable by or against CSM, become enforceable by or against BRRGM.
- 4.15 **Evidence:** All books and other documents which would, before the Effective Date, have been evidenced in respect of any matter, for or against CSM shall be admissible in evidence in respect of the same matter for or against BRRGM.
- 4.16 **Clarification:** The provisions contained in Sections 4.04 to 4.15 above are without prejudice to the generality of any other provisions in this Scheme, but subject to any provisions in this Scheme to the contrary effect.

## **ARTICLE 5**

### **EFFECTIVE DATE**

- 5.01 This Scheme shall become operative as soon as certified copy of an order of the Court under Section 279 of the Act sanctioning the Scheme and making any necessary provisions under Section 282 of the Act have been filed with the Registrar of Companies, Karachi ("**Completion Date**"). When the Scheme becomes operative on the Completion Date, the Amalgamation in accordance with the Scheme will be treated as having effect from the close of business on June 30, 2017 or at such other date as may be stated by the Court ("**Effective Date**"). Accordingly, as from the Effective Date until the Assets and undertaking of CSM are actually transferred to and vested in BRRGM on the Completion Date, the business of CSM will be deemed to have been carried on for and on account and for the benefit of BRRGM. The reserves including unappropriated profits/ losses of CSM as at the Effective Date shall constitute and be treated as reserves / losses of a corresponding nature in BRRGM and shall be accounted for on that basis in the books of account of BRRGM.

## **ARTICLE 6**

### **CERTAIN OBLIGATIONS AND REPRESENTATIONS**

- 6.01 Upon the Amalgamation, BRRGM shall take all necessary and expedient steps to properly and efficiently manage its entire businesses and affairs.
- 6.02 Upon the Amalgamation, BRRGM shall operate and promote its entire business and affairs in the normal course.
- 6.03 As of the Effective Date, BRRGM shall undertake, pay, satisfy, discharge, perform and fulfill the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of CSM.

## **ARTICLE 7**

### **SCHEME'S EFFECT**

- 7.01 The provisions of this Scheme shall be effective and binding by operation of law and shall become effective in terms of Article 5 above.
- 7.02 The Amalgamation in terms of this Scheme shall not: (i) constitute any assignment, transfer, devolution, conveyance, alienation, parting with possession, or other disposition under any law for the time being in force; (ii) give rise to any forfeiture; (iii) invalidate or discharge any Contract or Security; and (iv) give rise to any right of first refusal or pre-emptive right that any person may have in respect of any investment made by such person in CSM.
- 7.03 As of the Effective Date, the terms of this Scheme shall be binding on CSM and BRRGM and also on all the Certificate Holders of BRRGM and the Certificate Holders of CSM and BIL, Customers and the Creditors of each of CSM and BRRGM, and on any other person having any right or Liability in relation to either of them.



## ARTICLE 8

### CONSIDERATION AND RELATED MATTERS

- 8.01 As consideration for the Amalgamation, BRRGM shall issue at par and allot 1.00 modaraba certificates of BRRGM to persons who on a day to be fixed by the directors of BIL after the Effective Date, are the Certificate Holders of CSM, and such allotment shall be made on the following terms, namely, in respect of every 2.405 modaraba certificate of Rs. 10/- (Rupees Ten) each of CSM held by a Certificate Holder of CSM, there shall be allotted 1.00 modaraba certificate(s) of Rs. 10/- (Rupees Ten) each of BRRGM i.e. on the swap ratio of 1.00:2.405 ("Swap Ratio") and all entitlement of the Certificate Holders of CSM shall be determined in the proportion aforesaid. Fractional modaraba certificates shall not be issued.
- 8.02 The Swap Ratio has been determined on the basis of audited accounts for the year ending June 30, 2017.
- 8.03 At least seven days notice shall be given to the Certificate Holders of CSM in the manner provided in the prospectus of CSM, of the date fixed by the directors of BIL by reference to which the Certificate Holders of CSM are to be determined for entitlement to the modaraba certificates of BRRGM. Such notice shall also specify the date by which the Certificate Holders of CSM holding modaraba certificate of CSM (in physical form) shall deliver to BRRGM for cancellation of all modaraba certificates of CSM held by them and such modaraba certificates shall be delivered to BRRGM on or before that date.
- 8.04 The allotment of the modaraba certificates of BRRGM shall be made by BRRGM within 30 days from the date so notified. The modaraba certificates of BRRGM shall be made ready for delivery as soon as practicable thereafter and notices of their readiness for their delivery shall be given to the Certificate Holders of CSM in the manner provided in the prospectus of CSM. Certificates not collected within the time specified in any such notice shall be sent by post in prepaid envelopes addressed to the persons entitled thereto at their respective registered addresses. In the case of joint certificate holders, modaraba certificates may be delivered to or may be sent to the address of that one of the joint holders whose name appears first in respect of such joint holding. BRRGM shall not be responsible for loss of the modaraba certificate in such transmission.
- Those modaraba certificates of CSM that have been inducted in the Central Depository System ("CDS") shall stand cancelled and scripless certificates of BRRGM shall be directly credited by book entries in the CDS in lieu of the modaraba certificates of CSM.
- 8.05 The modaraba certificates of BRRGM issued and allotted to the Certificate Holders of CSM shall, in all respect, rank *pari passu* with the existing modaraba certificates of BRRGM held by the Certificate Holders of BRRGM and shall be entitled to all dividends declared after the Effective Date.
- 8.06 Upon the allotment of the modaraba certificates of BRRGM to the Certificate Holders of CSM in the manner aforesaid, all modaraba certificates of CSM shall stand cancelled.
- 8.07 Subject to an order of the Court, CSM shall, without winding up, stand dissolved from the date on which all the modaraba certificates of BRRGM to be allotted by BRRGM as above to the Certificate Holders of CSM have been so allotted.

## ARTICLE 9

### EMPLOYEES OF CSM

- (i) All full time officers and employees (including workmen) of CSM ("CSM's Employees") shall become the employees of BRRGM at the same level of remuneration and under the same terms and conditions of service, which they were receiving or, as the case may be, by which they were governed, immediately before the Effective Date, including those relating to entitlements and benefits arising upon termination of service on the basis of continuation of service.

## ARTICLE 10

### GENERAL

- 10.01 Modifications by the High Court: This Scheme shall be subject to such modification of conditions, as the Court may deem expedient to impose. The Board of Directors of BIL may consent to any modifications or additions to this Scheme or to any conditions, which the Court may think fit.
- 10.02 Headings: Section headings are not to be considered part of this Scheme, but are solely for convenience of reference, and shall not affect the meaning or interpretation of this Scheme or any of its provisions.
- 10.03 Severability: If any provision of this Scheme is found to be unlawful and unenforceable by a competent court of law, then to the fullest extent possible, all of the remaining provisions of the Scheme shall remain in full force and effect.
- 10.04 Costs and expenses: All costs, charges and expenses of CSM and BRRGM in respect of the preparation of this Scheme and carrying the same into effect shall be borne by CSM and BRRGM equally.

Karachi

Dated \_\_\_\_\_

\_\_\_\_\_  
For and on behalf of

**B.R.R. GUARDIAN MODARABA**

\_\_\_\_\_  
For and on behalf of

**B.R.R. INVESTMENT (PRIVATE) LIMITED**

\_\_\_\_\_  
For and on behalf of

**CRESCENT STANDARD MODARABA**

"Annexure A" - Lists the names of each of the members of the board of directors of BIL.

"Annexure B" - Annual audited accounts of BRRGM for the year ending June 30, 2017.

"Annexure C" - Lists the particulars of each of creditors of BRRGM.

"Annexure D" - The annual audited accounts of CSM for the year ending June 30, 2017.

"Annexure E" - The particulars of each of creditors of CSM.

**Annexure - A**

UPDATED LIST OF DIRECTORS OF B.R.R. INVESTMENT (PRIVATE) LIMITED MANAGER OF B.R.R. GUARDIAN MODARABA & CRESCENT STANDARD MODARABA

<b>Name</b>	<b>Designation</b>
Mr. Rafique Dawood	Director / Chairman
Mr. Ayaz Dawood	Director / CEO
Mr. Waqas Anwer Qureshi	Director
Syed Ali Raza	Director



**B.R.R. Guardian Modaraba**  
(An Islamic Financial Institution)

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

**Annexure - B**

	Note	2017 Rupees	2016 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	152,175,976	193,785,743
Investment properties	6	982,291,148	1,122,283,049
Long term investment	7	55,000,000	-
Long term musharaka finances	8	16,751,414	1,349,702
Long-term loans, advances and deposits	9	9,209,604	17,588,760
		<b>1,215,428,142</b>	<b>1,335,007,254</b>
<b>CURRENT ASSETS</b>			
Short-term investments	10	639,485,814	611,784,936
Current portion of musharaka finances	8	3,047,492	35,532,855
Ijarah / lease rental receivable	11	2,799,981	84,020
Loans, advances and prepayments	12	34,851,099	6,675,317
Accrued profit	13	201,089	1,597,773
Other receivables	14	2,538,285	12,327,208
Taxation	15	10,812,327	4,323,128
Cash and bank balances	16	89,093,317	15,153,463
		<b>782,829,404</b>	<b>687,478,700</b>
Non current asset held for sale	17	55,800,000	55,800,000
		<b>838,629,404</b>	<b>743,278,700</b>
		<b>2,054,057,546</b>	<b>2,078,285,954</b>
<b>TOTAL CURRENT ASSETS</b>			
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorized capital			
115,000,000 (2016: 87,000,000) Modaraba certificates of Rs. 10/- each	18	1,150,000,000	870,000,000
Issued, subscribed and paid-up certificate capital	19	780,462,550	780,462,550
Reserves	20	204,765,341	56,163,708
Surplus on revaluation of investments	21	279,215,719	219,972,192
		<b>1,264,443,610</b>	<b>1,056,598,450</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Diminishing musharaka based Term Finance Certificates	22	72,449,839	177,850,003
Long-term loan	23	110,156,684	-
Long-term murabaha, musharaka and finance under mark-up arrangements	24	-	-
Long-term security deposits	25	77,739,782	90,197,976
		<b>260,346,305</b>	<b>268,047,979</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Current portion of long term loan	23	27,536,000	-
Current portion of long term murabaha, musharaka and finance under mark-up arrangements	24	110,000,000	312,149,098
Current portion of diminishing musharaka based Term Finance Certificates	22	88,207,792	98,641,969
Current portion of security deposits	25	1,485,270	4,626,100
Creditors, accrued and other liabilities	26	218,335,655	74,461,337
Accrued profit on borrowings	27	58,645,425	240,008,423
Profit distribution payable	28	25,057,489	23,752,598
		<b>529,267,631</b>	<b>753,639,525</b>
		<b>2,054,057,546</b>	<b>2,078,285,954</b>
<b>TOTAL CURRENT LIABILITIES</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>CONTINGENCIES AND COMMITMENTS</b>			
	29		

The annexed notes from 1 to 52 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

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

	Note	2017 Rupees	2016 Rupees
<b>INCOME</b>			
Rental income	30	164,601,981	139,303,619
Ijarah / lease rentals		34,934,982	36,602,052
Income on musharaka finances		10,572,150	1,726,783
Return on investments - net	31	56,283,874	64,183,565
Profit on bank balances		3,795,217	1,190,448
Reversal of provision	32	-	5,063,458
Unrealized gain on revaluation of held-for-trading investment		43,432,693	85,373
Other income	33	148,430,907	29,410,781
		<u>462,051,804</u>	<u>277,566,079</u>
<b>EXPENSES</b>			
Amortization on ijarah assets	5.2.2	22,219,518	30,273,063
Provision against doubtful receivables - net	32	16,549,165	-
Loss on disposal of ijarah assets		-	129,677
Administrative expenses	34	155,599,175	138,084,427
Financial charges	35	24,780,322	37,314,167
Bad debt expenses		-	27,034
Impairment of assets	36	47,709,871	17,932,510
		<u>266,858,051</u>	<u>223,760,878</u>
		<u>195,193,753</u>	<u>53,805,201</u>
Modaraba management company's fee	37	19,519,375	5,380,520
Sales tax on Modaraba management company's fee		2,537,519	753,273
Provision for Workers' Welfare Fund	38	3,462,737	953,428
Profit before taxation		<u>169,674,122</u>	<u>46,717,980</u>
Taxation	39	-	-
Profit for the year		<u>169,674,122</u>	<u>46,717,980</u>
Earnings per certificate - basic and diluted	40	<u>2.17</u>	<u>0.60</u>

The annexed notes from 1 to 52 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

**B.R.R GUARDIAN MODARABA  
PARTICULARS OF CREDITORS  
AS ON JUNE 30, 2017**

**Annexure - C**

NAME OF CREDITORS	NAME OF CREDITORS	NATURE / MODE	AMOUNT
National Bank Of Pakistan	Special Asset Management Wing ARG, Head Office, I.I Chundrigar Road, Karachi	Musharika Finance	137,692,684

**BANK AL FALAH LIMITED - (TRUSTEE) SUKUK HOLDERS LIST**

Security Papers Limited	Jinnah Avenue, Malir Halt, Karachi	Sukuk	6,276,990
Bank Alfalah Limited-Islamic Division	Head Office Mezzanine Floor, I .I Chundrigar Road Karachi.	Sukuk	28,531,777
Apna Microfinance Bank Ltd	K-4/3 & 414 Chaudhary Khaliq-uz-zaman Road,Ghazri, Karachi.	Sukuk	5,706,357
Hamida Dawood	18th Floor, BRR Tower Hassan Ali Street off: I.I Chundrigar Road Karachi.	Sukuk	5,278,377
First Dawood Inv. Bank Ltd. & Other Emp P.Fund	18th Floor, BRR Tower Hassan Ali Street off: I.I Chundrigar Road Karachi.	Sukuk	16,081,933
CDC - Trustee Nafa Income Opportunity Fund	07th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton Karachi	Sukuk	14,265,886
Dawood Family Takaful Limited	17th Floor, 1711 Saima Trade Tower, I.I Chundrigar Road, Karachi.	Sukuk	34,380,786
United Bank Limited	Special Assets Management Division, House # 31 / 1-C, Block 6, P.E.C.H.S,OFF, Shakra-e-Faisal, Karachi.	Sukuk	28,531,776
First Dawood Investment Bank Limited	18th Floor, BRR Tower Hassan Ali Street off: I.I Chundrigar Road Karachi.	Sukuk	19,582,711
Trust Modaraba	104 to 106, Kassam Court, BC-9, Block 5, Clifton Karachi.	Sukuk	2,853,176

**299,182,453**

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**CRESCENT STANDARD MODARABA**

(An Islamic Financial Institution)

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

**Annexure - D**

	Note	2017 Rupees	2016 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
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>
<b>CURRENT ASSETS</b>			
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>
<b>TOTAL ASSETS</b>		<u><b>160,925,002</b></u>	<u><b>155,646,383</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorized capital			
25,000,000 (2016: 25,000,000) Modaraba certificate of Rs. 10/- each		250,000,000	250,000,000
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>
<b>NON-CURRENT LIABILITIES</b>			
Long-term portion of customers' security deposits	13	23,845,605	23,522,632
		<u>23,845,605</u>	<u>23,522,632</u>
<b>CURRENT LIABILITIES</b>			
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>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>160,925,002</b></u>	<u><b>155,646,383</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	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
<b>INCOME</b>			
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
		<b>39,523,498</b>	<b>37,264,533</b>
<b>EXPENSES</b>			
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
		<b>35,498,288</b>	<b>28,906,201</b>
		<b>4,025,210</b>	<b>8,358,332</b>
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		<b>3,498,954</b>	<b>7,257,372</b>
Earnings per certificate - Basic and diluted	22	<b>0.17</b>	<b>0.36</b>

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  
PARTICULARS OF CREDITORS  
AS ON JUNE 30, 2017**

*Annexure - E*

NAME OF CREDITORS	NAME OF CREDITORS	NATURE / MODE	AMOUNT
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**NIL**

# STATEMENT OF INFORMATION

## 1. OBJECTIVE OF SCHEME

The object of the scheme of arrangement is to affect an amalgamation of Crescent Standard Modaraba "CSM" managed by B. R. R. Investment (Pvt) Limited "BIL" with and into B. R. R. Guardian Modaraba "BRRGM" managed by B. R. R. Investment (Pvt) Limited "BIL". The amalgamation involves the transfer to and vesting in BRRGM of the whole businesses of CSM, together with all the properties, assets, rights, liabilities, and obligations of every description of CSM against allotment of 01 modaraba certificates of BRRGM of the nominal value of Rs. 10/- each credited as fully paid up for every 2.405 modaraba certificates held by the certificate holders of CSM. On the completion of amalgamation and after the issuance of modaraba certificates of BRRGM, CSM will be dissolved without winding up. BIL will have the sole rights to manage the post amalgamated modaraba being BRRGM.

## 2. APPROVAL

The Scheme of Arrangement "Scheme" has been approved by the Board of Directors of BIL, the management company of BRRGM and CSM, have approved the effective date of the Scheme as July 1, 2017 or any other date as may be stipulated by the Honorable High Court of Sindh. The proportion based on a swap ratio in which the Certificates of BRRGM are to be allotted under the Scheme in lieu of Certificates of CSM held by the certificate holders of CSM has been recommended by Reanda Haroon Zakaria and Co. Chartered Accountants, on the basis of financial studies carried out by them and their recommendation has been accepted by the directors of BIL as being fair and reasonable.

## 3. SANCTION BY COURT

The scheme is subject to the sanction of the Honorable High Court of Sindh in its present form or with any modification thereof or addition thereto and is also subject to any conditions which the High Court may impose. The Chief Executive of BIL, the management company of BRRGM and CSM, has been duly authorized with the power to consent on behalf of all concerned to any modifications of or additions to the Scheme or to any conditions which the Court may think fit to impose.

## 4. ISSUANCE AND ALLOTMENT OF MODARABA CERTIFICATES

Under the Scheme of Arrangement, BIM is required to issue at par and allot 01 modaraba certificates of Rs. 10/- each credited as fully paid-up of BRRGM to the certificate holders of CSM on the basis of breakup value the swap ratio is 1.00 : 2.405 i.e. 1,000 modaraba certificates of the face value of Rs. 10/- each of BRRGM will be issued for every 2,405 modaraba certificates of the face value Rs. 10/- each of CSM held by the certificate holder of CSM.

The allotment of the modaraba certificates of BRRGM will be made within 30 days of the date after approval of the Scheme by the High Court. The new modaraba certificate issued pursuant to the Scheme shall rank paripassu with the existing modaraba certificates in all respect and will be entitled to all dividends, bonus, right issue declared after the Completion date specified in the Scheme.

## 5. ASSETS, LIABILITIES, OBLIGATION AND LEGAL PROCEEDINGS

The transfer to and vesting in BRRGM of the CSM's business and undertaking in accordance with the Scheme will include all the liabilities and obligations of CSM howsoever arising, and after the amalgamation is accomplished, BRRGM will discharge all such outstanding liabilities and will perform all such outstanding obligations as if they were originally the liabilities and obligations of BRRGM instead of CSM.

The transfer of all the assets and undertaking of CSM to BRRGM under the Scheme of Arrangement, including but not limited to properties of all kinds, rights of every description (whether present or future, actual or contingent, tangible or intangible), movable or immovable, tangible or intangible, leasehold property, actionable claims, stocks, receivables and book debts, will be subject to any mortgages or charges created over these assets before the amalgamation in favour of the creditors.

All the legal proceedings instituted by or against CSM and pending immediately before the Effective date will be treated as legal proceeding by or against the BRRGM and will be dealt with accordingly.

## 6. COSTS

In accordance with the Scheme of Arrangement all the costs, charges and expenses incurred in respect of preparation of the Scheme and carrying it into effect will be borne and paid jointly by BRRGM and CSM.

## 7. BUSINESS

The businesses presently carried on by CSM and BRRGM are as under:

### 7.1 BRRGM

B.R.R. Guardian Modaraba is a multipurpose, perpetual Modaraba floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The Modaraba is listed on Pakistan Stock Exchange. The Principal activity is leasing of assets, deployment of funds in musharika and morabaha finances and investments in equity and securities. The Modaraba also provides custodial and management services.

### 7.2 CSM

Crescent Standard Modaraba is a multipurpose, perpetual Modaraba floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The Modaraba is listed on Pakistan Stock Exchange. The Principal activity is leasing of assets, deployment of funds in musharika and morabaha finances and investments in equity and securities.

## 8. ADVANTAGES OF AMALGAMATION

### Larger Fund Capital

The amalgamation would lead to increased asset base and the financial strength and size of the entity. This would in turn assist the management to have access to more external funds at competitive rates. The larger size of fund capital would provide greater comfort and security to potential creditors. Access to larger resources would, in turn improve growth prospects and ability to undertake larger assignments with potential of increased returns.

### Synergies

Both the modarabas are multipurpose modarabas. The merger would give an opportunity to operate the business of both the modarabas through one operations department, one accounts department and one set of employees working in both, thus resulting in economies of scales.

### Increase in Risk Absorption Capacity

The larger size of the merged modaraba would increase its risk absorption capacity thus enhancing the capacity to manage the potential risks arising out of the adverse and uncertain operating environment. In the long run, this factor would provide greater stability as well as sustainability in operations.

### Reduction in Administrative Costs

The merger would enable the merged entity to carry out its business through singular operations, accounts, treasury and MIS department with singular management and staff, thus resulting in substantial cost savings and economies of scales leading to enhanced profitability and efficient utilization of quality human resource.

### Single Corporate and Tax Reporting

The merger will make singular corporate and tax reporting possible. It will entail elimination of maintenance of separate records for business operation, selling, purchasing, marketing, legal, administrative, and secretarial and other records under the various laws resulting in duplication of work and higher costs.

## 9. FINANCIAL RESULTS

9.1 BRRGM As per annexure A

9.2 CSM As per annexure B

**10. BREAKUP VALUE AND SWAP RATIO**

Breakup value per certificate of B. R. R. Guardian Modaraba is Rs. 15.20.  
Breakup value per certificate of Crescent Standard Modaraba is Rs. 6.32.  
Swap ratio between BRRGM : CSM was 1.00 : 2.405 as at June 30, 2017.

**11. DIRECTORS AND MANAGEMENT OF BIL**

The following are the present directors of and their shareholding in BIL, which is the management company of BRRGM and CSM

S.No	Name of Director	Shareholding
1.	Mr. Rafique Dawood	4,030,750 shares
2.	Mr. Ayaz Dawood	399,000 shares
3.	Mr. Waqas Anwar Qureshi	500 shares
4.	Mr. Syed Ali Raza	500 shares

**12. INTEREST OF DIRECTORS**

All the directors of BIL have interest in the Amalgamation to the extent of their respective certificate holdings in BRRGM and CSM. The effect of the Scheme on the interest of these directors does not differ from respective interest of other Certificate Holders of BRRGM and Certificate Holders of CSM.

The directors are also interested to the extent of remuneration and fringe benefits as per the policies of BRRGM/CSM.

**13. INSPECTION OF DOCUMENTS**

The documents of BRRGM and CSM, namely, copies of the Prospectus of each of BRRGM and CSM, Memorandum and Articles of Association of BIL, the Audited Financial Statements, Scheme of Arrangement, Statement of Information and the Certificate dated September 29, 2017 from Reanda Haroon Zakaria and Co. Chartered Accountants in respect of swap ratio for the allotment of Certificate by BRRGM to the Certificate holders of CSM may be inspected at the following address during the usual business hours on any working day till the conclusion of the meeting in which the resolution of amalgamation will be adopted:

- a) BRRGM  
18th Floor, B.R.R Tower,  
Hassan Ali Street Off I. I. Chundrigar Road,  
Karachi-74000



**B.R.R. Guardian Modaraba**  
(An Islamic Financial Institution)

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

**Annexure - A**

**ASSETS**

**NON-CURRENT ASSETS**

Property, plant and equipment  
Investment properties  
Long term investment  
Long term musharaka finances  
Long-term loans, advances and deposits

**CURRENT ASSETS**

Short-term investments  
Current portion of musharaka finances  
Ijarah / lease rental receivable  
Loans, advances and prepayments  
Accrued profit  
Other receivables  
Taxation  
Cash and bank balances

Non current asset held for sale

**TOTAL CURRENT ASSETS**

**TOTAL ASSETS**

**EQUITY AND LIABILITIES**

**CAPITAL AND RESERVES**

Authorized capital  
115,000,000 (2016: 87,000,000) Modaraba certificates of Rs. 10/- each  
Issued, subscribed and paid-up certificate capital  
Reserves  
Surplus on revaluation of investments

**LIABILITIES**

**NON-CURRENT LIABILITIES**

Diminishing musharaka based Term Finance Certificates  
Long-term loan  
Long-term murabaha, musharaka and  
finance under mark-up arrangements  
Long-term security deposits

**TOTAL NON-CURRENT LIABILITIES**

**CURRENT LIABILITIES**

Current portion of long term loan  
Current portion of long term murabaha, musharaka and finance under  
mark-up arrangements  
Current portion of diminishing musharaka based Term Finance Certificates  
Current portion of security deposits  
Creditors, accrued and other liabilities  
Accrued profit on borrowings  
Profit distribution payable

**TOTAL CURRENT LIABILITIES**

**TOTAL EQUITY AND LIABILITIES**

**CONTINGENCIES AND COMMITMENTS**

Note	2017 Rupees	2016 Rupees
5	152,175,976	193,785,743
6	982,291,148	1,122,283,049
7	55,000,000	-
8	16,751,414	1,349,702
9	9,209,604	17,588,760
	<b>1,215,428,142</b>	<b>1,335,007,254</b>
10	639,485,814	611,784,936
8	3,047,492	35,532,855
11	2,799,981	84,020
12	34,851,099	6,675,317
13	201,089	1,597,773
14	2,538,285	12,327,208
15	10,812,327	4,323,128
16	89,093,317	15,153,463
	<b>782,829,404</b>	<b>687,478,700</b>
17	55,800,000	55,800,000
	<b>838,629,404</b>	<b>743,278,700</b>
	<b>2,054,057,546</b>	<b>2,078,285,954</b>
18	1,150,000,000	870,000,000
19	780,462,550	780,462,550
20	204,765,341	56,163,708
21	279,215,719	219,972,192
	<b>1,264,443,610</b>	<b>1,056,598,450</b>
22	72,449,839	177,850,003
23	110,156,684	-
24	-	-
25	77,739,782	90,197,976
	<b>260,346,305</b>	<b>268,047,979</b>
23	27,536,000	-
24	110,000,000	312,149,098
22	88,207,792	98,641,969
25	1,485,270	4,626,100
26	218,335,655	74,461,337
27	58,645,425	240,008,423
28	25,057,489	23,752,598
	<b>529,267,631</b>	<b>753,639,525</b>
	<b>2,054,057,546</b>	<b>2,078,285,954</b>
29		

The annexed notes from 1 to 52 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



**B.R.R. Guardian Modaraba**  
(An Islamic Financial Institution)

**Annexure - A**

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

	Note	2017 Rupees	2016 Rupees
<b>INCOME</b>			
Rental income	30	164,601,981	139,303,619
Ijarah / lease rentals		34,934,982	36,602,052
Income on musharaka finances		10,572,150	1,726,783
Return on investments - net	31	56,283,874	64,183,565
Profit on bank balances		3,795,217	1,190,448
Reversal of provision	32	-	5,063,458
Unrealized gain on revaluation of held-for-trading investment		43,432,693	85,373
Other income	33	148,430,907	29,410,781
		<u>462,051,804</u>	<u>277,566,079</u>
<b>EXPENSES</b>			
Amortization on ijarah assets	5.2.2	22,219,518	30,273,063
Provision against doubtful receivables - net	32	16,549,165	-
Loss on disposal of ijarah assets		-	129,677
Administrative expenses	34	155,599,175	138,084,427
Financial charges	35	24,780,322	37,314,167
Bad debt expenses		-	27,034
Impairment of assets	36	47,709,871	17,932,510
		<u>266,858,051</u>	<u>223,760,878</u>
		195,193,753	53,805,201
Modaraba management company's fee	37	19,519,375	5,380,520
Sales tax on Modaraba management company's fee		2,537,519	753,273
Provision for Workers' Welfare Fund	38	3,462,737	953,428
Profit before taxation		169,674,122	46,717,980
Taxation	39	-	-
Profit for the year		<u>169,674,122</u>	<u>46,717,980</u>
Earnings per certificate - basic and diluted	40	<u>2.17</u>	<u>0.60</u>

The annexed notes from 1 to 52 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



**Annexure - B**

**CRESCENT STANDARD MODARABA**  
(An Islamic Financial Institution)  
**BALANCE SHEET**  
AS AT JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	82,920,381	88,741,627
Long term musharaka finance	6	7,358,852	-
Advance against ijarah assets		<u>509,500</u>	<u>7,039,900</u>
		<u>90,788,733</u>	<u>95,781,527</u>
<b>CURRENT ASSETS</b>			
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
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Cash and bank balances	10	<u>20,405,143</u>	<u>17,718,494</u>
		<u>70,136,269</u>	<u>59,864,856</u>
<b>TOTAL ASSETS</b>		<u><u>160,925,002</u></u>	<u><u>155,646,383</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
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	<u>200,000,000</u>	<u>200,000,000</u>
Reserves	12	<u>(74,767,847)</u>	<u>(74,966,801)</u>
Surplus on revaluation of investments		<u>2,830,494</u>	<u>18,861</u>
		<u>128,062,647</u>	<u>125,052,060</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term portion of customers' security deposits	13	<u>23,845,605</u>	<u>23,522,632</u>
		<u>23,845,605</u>	<u>23,522,632</u>
<b>CURRENT LIABILITIES</b>			
Current portion of customers' security deposits	13	<u>3,032,085</u>	<u>-</u>
Accrued expenses and other liabilities	14	<u>3,438,235</u>	<u>3,888,588</u>
Unclaimed profit distribution		<u>2,546,430</u>	<u>3,183,103</u>
		<u>9,016,750</u>	<u>7,071,691</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>160,925,002</u></u>	<u><u>155,646,383</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	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)

**Annexure - B**

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

	Note	2017 Rupees	2016 Rupees
<b>INCOME</b>			
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
		<u>39,523,498</u>	<u>37,264,533</u>
<b>EXPENSES</b>			
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
		<u>35,498,288</u>	<u>28,906,201</u>
Modaraba Management Company fee	19	4,025,210	8,358,332
Sales tax on Modaraba Management Company fee	19	(52,328)	(117,017)
Workers' Welfare Fund	20	(71,407)	(148,110)
Profit before taxation		<u>3,498,954</u>	<u>7,257,372</u>
Provision for taxation	21	-	-
Net profit for the year		<u>3,498,954</u>	<u>7,257,372</u>
Earnings per certificate - Basic and diluted	22	<u>0.17</u>	<u>0.36</u>

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