



B.R.R. Investment (Pvt.) Ltd.

The General Manager
Pakistan Stock Exchange Ltd.
Stock Exchange Building
Stock Exchange Road
Karachi.

October 31, 2018

Sub: **Financial Results of B.R.R. Guardian Modaraba For the Year Ended June 30, 2018**

Dear Sir,

We are pleased to inform you that the Board of Directors of B.R.R. Investment (Pvt) Limited Manager of B.R.R. Guardian Modaraba (BRRGM) in their meeting held on Wednesday October 31, 2018 at 4:00 p.m. at 18th Floor, B.R.R. Tower, Hassan Ali Street Off: I.I. Chundrigar Road Karachi recommended the following:

(i) **CASH DIVIDEND**

It has been approved by the Board of Directors to issue cash dividend of Re. 0.34 per Modaraba Certificate i.e. 3.4%

(ii) **BONUS ISSUE** -NIL-

AND/OR

(iii) **RIGHT SHARES** -NIL-

AND/OR

(iv) **ANY OTHER ENTITLEMENT/CORPORATE ACTION**

AND/OR

(v) **ANY OTHER PRICE-SENSITIVE INFORMATION** - NIL -

The Standalone & Consolidated Financial Results of BRRGM are enclosed.

The Annual Review Meeting of BRR Guardian Modaraba will be held on Tuesday December 4, 2018 at 10:30 a.m. at First Floor, BRR Tower, Hassan Ali Street, off: I.I Chundrigar Road Karachi, 74000.

The Certificate Transfer Books of the Modaraba will be closed from November 28, 2018 to December 4, 2018 (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 November 27, 2018 will be treated in time for the purpose of above entitlement to the transferees.

Annual Report of the Company will be transmitted through PUCARS at least 21 days before holding of Annual Review Meeting and we will send you 3 copies of Printed accounts for distribution amongst the TRE Certificate Holders of the exchange.

Yours Sincerely,

Syed Tariq Masood
Chief Financial Officer

**B.R.R. GUARDIAN MODARABA
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2018**

	Note	2018 Rupees	2017 Rupees
INCOME			
Rental income	30	174,128,459	164,601,981
Income on musharaka finances		10,271,961	10,572,150
Ijarah rental income		49,990,397	34,934,982
Return on investments - net	31	32,132,095	56,283,874
Profit on bank balances		1,845,366	3,795,217
Reversal of provision	32	38,181,803	-
Unrealized (loss) / gain on revaluation of held-for-trading investment		(60,848,367)	43,432,693
Gain on disposal of ijarah assets		1,504,607	-
Other income	33	11,653,291	148,430,907
Reversal of impairment	36	6,804,631	-
		<u>265,664,243</u>	<u>462,051,804</u>
EXPENSES			
Amortization on ijarah assets	5.2.2	39,683,547	22,219,518
Provision against doubtful receivables - net	32	-	16,549,165
Administrative expenses	34	139,451,547	155,599,175
Financial charges	35	11,840,158	24,780,322
Impairment of assets	36	-	47,709,871
		<u>190,975,252</u>	<u>266,858,051</u>
Modaraba management company's fee	37	74,688,991	195,193,753
Sales tax on Modaraba management company's fee		7,468,899	19,519,375
Provision for Workers' Welfare Fund	38	970,957	2,537,519
Provision for Workers' Welfare Fund	38	1,324,983	3,462,737
Profit before taxation		<u>64,924,152</u>	<u>169,674,122</u>
Taxation	39	-	-
Profit for the year		<u>64,924,152</u>	<u>169,674,122</u>
Earnings per certificate - basic and diluted	40	<u>0.75</u>	<u>2.17</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)**


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

**B.R.R. GUARDIAN MODARABA
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2018**

	Note	2018 Rupees	2017 Rupees
INCOME			
Rental income	29	174,128,459	164,601,981
Income on musharaka finances		10,271,961	10,572,150
Ijarah rental income		49,990,397	34,934,982
Return on investments - net	30	32,414,916	56,283,874
Profit on bank balances		2,457,434	3,811,142
Reversal of provision	31	38,181,803	-
Unrealized (loss) / gain on revaluation of held-for-trading investment		(61,874,882)	43,432,693
Gain on disposal of ijarah assets		1,504,607	-
Other income	32	11,653,291	148,430,907
Reversal of impairment	35	6,804,631	-
		<u>265,532,617</u>	<u>462,067,729</u>
EXPENSES			
Amortization on ijarah assets	5.2.2	39,683,547	22,219,518
Provision against doubtful receivables - net	31	-	16,549,165
Administrative expenses	33	140,224,656	156,205,984
Financial charges	34	10,681,456	24,780,322
Impairment of assets	35	-	47,709,871
		<u>190,589,659</u>	<u>267,464,860</u>
		74,942,958	194,602,869
Modaraba management company's fee	36	7,468,899	19,519,375
Sales tax on Modaraba management company's fee		970,957	2,537,519
Provision for Workers' Welfare Fund	37	1,324,983	3,462,737
Profit before taxation		<u>65,178,119</u>	<u>169,083,238</u>
Taxation	38	-	-
Profit for the year		<u>65,178,119</u>	<u>169,083,238</u>
Earnings per certificate - basic and diluted	39	<u>0.75</u>	<u>2.17</u>

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

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


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

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 6.1.1 to the financial statement which states that the Modaraba had swapped certain assets with an office premises valuing Rs. 70 million from an associated undertaking, the title of which has not been transferred in the name of Modaraba as a commercial bank has obtained a stay order against the same. However, the original title documents and possession of the property rest with Modaraba.
- II. Refer to note 24.1 to the financial statements which provides details relating to settlement agreement entered into with a commercial bank.
- III. Refer to note 32.1 to the financial statements which provides details in respect of Musharaka Settlement during the period.
- IV. Refer to note 1.3 to the financial statements which provide details regarding scheme of arrangement for merger by way of amalgamation of Crescent Standard Modaraba (CSM) with and into B.R.R. Guardian Modaraba (BRRGM). As a consequence of the scheme of amalgamation, BRRGM shall be taking over the business, functions, contracts, policies, proceedings, undertakings, assets, liabilities, etc. of CSM at a specific date subject to approval of Registrar of Modaraba and such changes, modifications as may be required or advised by legal counsel and/ or accounting consultants and/ or by the High court.

Subsequent to year end, the High Court of Sindh sanctioned the scheme of arrangement for merger by way of amalgamation of CSM with and into BRRGM with effect from July 1, 2017, where by the entire undertaking and business inclusive of all assets, properties, rights, liabilities and dues of CSM will be transferred to and assumed by BRRGM. BRRGM will continue as a going concern and CSM upon amalgamation will cease to exist. The financial statements of CSM has been merged with and into BRRGM on the basis of accounting detailed in notes 1.3 to the financial statements.

- V. Refer to Notes 10.7 and 16.3 to the financial statements which provide details in respect of transfer of securities and bank accounts, respectively, from CSM to BRRGM.