

**Un-Audited  
Standalone & Consolidated  
Condensed Interim Financial Information  
For The Three Months Period Ended  
September 30, 2019**

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**B.R.R. TOWER**



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

**Managed by:**  
**B.R.R. Investment (Private) Limited**

**2019**



**B.R.R. Guardian Modaraba**

(An Islamic Financial Institution)

Managed by:

**B.R.R. Investment (Private) Limited**

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**B.R.R. Guardian Modaraba**

(An Islamic Financial Institution)

Managed by:

**B.R.R. Investment (Private) Limited**

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## **B.R.R. Guardian Modaraba**

(An Islamic Financial Institution)

**Managed by:**

**B.R.R. Investment (Private) Limited**

### **CORPORATE INFORMATION**

Modaraba Company	B.R.R. Investment (Private) Limited
Chairman	Mr. Rafique Dawood
Chief Executive	Mr. Ayaz Dawood
Directors	Mr. Waqas Anwar Qureshi - Director Syed Ali Raza - Director
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	Abdul Rahman Subhan
Auditors	Horwath Hussain Chaudhury & Co. Chartered Accountants
Legal Advisor	A.Q. Abbasi & Associates Malik & Malik Law Associates Minto & Mirza Nuruddin Saki & Co. Rabbani & Ansari Advocates S & B Durrani Law Associate
Bankers	Al Baraka Bank (Pakistan) Limited Habib Metropolitan Bank Limited National Bank of Pakistan
Web-site	<a href="http://www.firstdawood.com/brr">www.firstdawood.com/brr</a>
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 : 92-21-32271912
Registrars	F.D. Registrar Services (SMC-Pvt.) Ltd 1705, 17th Floor, Saima Trade Tower "A" I.I. Chundrigar Road, Karachi-74000 Phone # 92-21- 35478192-3 # 92-21-32271905-6 Fax # 92-21-32213243
Branch Offices	Office No. 405 4th Floor, ISE Tower Jinnah Avenue, Islamabad
Security Vault	G-187, Block-2, Shahrah-e-Quaideen, PECHS Karachi-754000

## DIRECTORS' REPORT

**Dear Certificate holders,**

The Board of Directors of B.R.R. Investment (Private) Limited (BRRI or 'the company'), manager of B.R.R. Guardian Modaraba (BRRGM or 'the Modaraba'), takes pleasure in presenting to the certificate holders the 1st Quarter Condensed Interim Financial Statements of the Modaraba for the period ended September 30, 2019.

### FINANCIAL RESULTS

Financial highlights	September 30, 2019	September 30, 2018
	..... Rupees.....	
<b>Rental Income</b>	<b>52,953,412</b>	44,033,476
<b>Total Income</b>	<b>53,865,421</b>	40,015,212
<b>Unrealised loss on revaluation of fair value through profit or loss (FVTPL) investment</b>	<b>(5,246,794)</b>	(19,473,627)
<b>Total Expenses</b>	<b>47,680,785</b>	37,863,489
<b>Profit before Management fee, WWF &amp; Sales Tax</b>	<b>6,184,636</b>	2,151,723

Your Modaraba has reported profit before Management fee, WWF & Sales Tax of Rs 6.184 million in the 1st Quarter as compared to profit in the same Quarter of the last year of Rs 2.152 million with rental income increasing by 20%.

Operating expenses of the Modaraba have remained within the budget.

### CONCLUSION & APPRECIATION:

We are closely watching the business scenario and strengthening our risk management strategies for future market opportunities. Our target is to continue profitable growth in the current line of business with the aim of creation of value for certificate holders.

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

\_\_\_\_\_  
**Syed Ali Raza**  
Director

\_\_\_\_\_  
**Ayaz Dawood**  
Chief Executive Officer

October 25, 2019  
Karachi



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

بی.آر.آر. گارجین مزاربہ

ڈائریکٹرز کی رپورٹ

محترم سرٹیفکیٹ ہولڈرز

بی.آر.آر. انویسٹمنٹ (پرائیوٹ) لمیٹڈ ("بی.آر.آر. آئی" یا کمپنی)، بورڈ آف ڈائریکٹرز کی طرف سے، بی.آر.آر. گارجین مزاربہ (بی.آر.آر. ایم) کے مینیجر کی حیثیت سے ہم ستمبر 30، 2019 کو ختم ہونے والی پہلی سہ ماہی کے عبوری مالیاتی گوشوارے پیش کرتے ہوئے بے حد مسرت محسوس کر رہے ہیں۔

مالیاتی نتائج

تفصیل	ستمبر 30، 2019	ستمبر 30، 2018
کرایہ سے آمدنی	52,953,412	44,033,476
کل آمدنی	53,865,421	40,015,212
ایف ڈی بی ایل سرمایہ کاری کی دوبارہ قیمت کے تعین پر غیر حاصل شدہ نقصان	(5,246,794)	(19,473,627)
کل اخراجات	47,680,785	37,863,489
منافع قبل از انتظامی فیس، ڈیپو ڈیلو ایف اور سیلز ٹیکس	6,184,636	2,151,723

آپ کے مزاربہ نے گزشتہ سال کی اسی سہ ماہی میں 2.152 ملین روپے منافع کے مقابلے میں رواں پہلی سہ ماہی میں 6.184 ملین روپے کا منافع قبل از انتظامی فیس، ڈیپو ڈیلو ایف اور سیلز ٹیکس درج کرایا ہے جب کہ اسے سے آمدن 20 فیصد بڑھی ہے۔

مزاربہ کے آپریٹنگ اخراجات بجٹ کے اندر رہے ہیں۔

انتظامی کلمات اور اظہار تشکر

ہم کاروباری حالات کو بخیر دیکھ رہے ہیں اور مستقبل میں آنے والے مواقع کے لئے اپنی رسک منجمنٹ کی حکمت عملیوں کو مضبوط بنا رہے ہیں۔ ہمارا ہدف اپنے موجودہ کاروبار میں منافع بخش ترقی کے ساتھ اپنے سرٹیفکیٹ ہولڈرز کی قدر میں اضافہ کرنا ہے۔

از طرف بورڈ آف ڈائریکٹرز

بی.آر.آر. انویسٹمنٹ (پرائیوٹ) لمیٹڈ

ایاز داؤد

چیف ایگزیکٹو آفیسر

سید علی رضا

ڈائریکٹر

اکتوبر 25، 2019

کراچی



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

**Condensed Interim Balance Sheet**  
**As at September 30, 2019**

		(Un-audited) September 30, 2019	(Audited) June 30, 2019
	Note	------(Rupees)-----	
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	4	136,752,843	144,248,875
Investment properties	5	940,769,240	943,576,499
Long-term investment	6	55,000,000	55,000,000
Long-term musharaka finances		22,106,620	18,882,742
Long-term loans, advances and deposits		6,014,485	6,138,991
<b>TOTAL NON CURRENT ASSETS</b>		<b>1,160,643,188</b>	<b>1,167,847,107</b>
<b>CURRENT ASSETS</b>			
Short-term investments	7	495,452,802	541,862,200
Current portion of musharaka finances		28,923,724	40,473,298
Ijarah / lease rental receivable		1,366,655	906,290
Loans, advances and prepayments		19,763,000	17,080,767
Accrued profit		750,739	406,957
Other receivables		13,176,859	9,550,113
Taxation		21,903,208	18,159,480
Cash and bank balances		5,893,343	42,027,988
		<b>587,230,330</b>	<b>670,467,093</b>
<b>TOTAL CURRENT ASSETS</b>		<b>587,230,330</b>	<b>670,467,093</b>
<b>TOTAL ASSETS</b>		<b>1,747,873,518</b>	<b>1,838,314,200</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorised capital			
140,000,000 (2019: 140,000,000) Modaraba certificates of Rs. 10/- each		1,400,000,000	1,400,000,000
Issued, subscribed and paid-up certificate capital		863,622,630	863,622,630
Reserves	8	236,574,770	251,948,416
Surplus on revaluation of investments		215,702,686	258,174,771
		<b>1,315,900,086</b>	<b>1,373,745,817</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Long-term loans		-	-
Long-term murabaha, musharaka and finance under mark-up arrangements		-	-
Long-term security deposits		77,477,391	78,317,753
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>77,477,391</b>	<b>78,317,753</b>
<b>CURRENT LIABILITIES</b>			
Current portion of long-term loan		125,632,684	132,516,684
Current portion of long-term murabaha, musharaka and finance under mark-up arrangements		50,000,000	79,677,418
Current portion of security deposits		4,993,650	5,315,800
Creditors, accrued and other liabilities		122,336,396	138,607,007
Accrued profit on borrowings		1,471,605	814,247
Profit distribution payable		50,061,706	29,319,474
<b>TOTAL CURRENT LIABILITIES</b>		<b>354,496,041</b>	<b>386,250,630</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,747,873,518</b>	<b>1,838,314,200</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9		

The annexed notes from 1 to 12 form an integral part of these condensed interim financial information.

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

**Syed Ali Raza**  
Director

**Waqas Anwar Qureshi**  
Director

**Ayaz Dawood**  
Chief Executive Officer

**Syed Tariq Masood**  
Chief Financial Officer



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

**Condensed Interim Profit And Loss Account  
For The Three Months Period Ended September 30, 2019  
(Un-Audited)**

	September 30, 2019	September 30, 2018
	----- Rupees -----	
<b>INCOME</b>		
Rental income	52,953,412	44,033,476
Income on musharaka finances	1,855,808	1,430,540
Ijarah rental income - net	2,289,338	1,101,657
Return on investments - net	(879,421)	4,381,509
Profit on bank balances	324,797	180,883
Reversal of provision for doubtful receivables	653,231	7,418,331
Unrealised loss on revaluation of FVTPL investment	(5,246,794)	(19,473,627)
Gain on disposal of ijarah assets	324,875	510,613
Other income	1,590,175	431,830
	<u>53,865,421</u>	<u>40,015,212</u>
<b>EXPENSES</b>		
Administrative expenses	44,909,558	28,388,757
Financial charges	2,771,227	9,474,732
	<u>47,680,785</u>	<u>37,863,489</u>
	6,184,636	2,151,723
Modaraba management company's fee	618,464	215,172
Sales Tax on Modaraba Management company's fee	80,400	27,972
Provision for Worker's Welfare Fund	109,715	38,172
Profit before taxation	5,376,057	1,870,407
Taxation	-	-
Profit for the period	<u>5,376,057</u>	<u>1,870,407</u>
	<u>0.06</u>	<u>0.02</u>
Earning per certificate basic and diluted		

The annexed notes from 1 to 12 form an integral part of these condensed interim financial information.

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

Syed Ali Raza  
Director

Waqas Anwar Qureshi  
Director

Ayaz Dawood  
Chief Executive Officer

Syed Tariq Masood  
Chief Financial Officer



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

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**For The Three Months Period Ended September 30, 2019**  
**(Un-Audited)**

	September 30, 2019	September 30, 2018
	----- Rupees -----	
Profit for the period	<b>5,376,057</b>	1,870,407
<b>Other comprehensive (loss) / income for the period</b>		
Unrealized (deficit) / surplus on revaluation of fair value through OCI investments - net	<b>(42,494,845)</b>	26,904,789
<b>Total comprehensive (loss) / income for the period</b>	<b><u>(37,118,788)</u></b>	<u>28,775,196</u>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial information.

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

\_\_\_\_\_  
Syed Ali Raza  
Director

\_\_\_\_\_  
Waqas Anwar Qureshi  
Director

\_\_\_\_\_  
Ayaz Dawood  
Chief Executive Officer

\_\_\_\_\_  
Syed Tariq Masood  
Chief Financial Officer



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

**Condensed Interim Statement of Cash Flows**  
**For The Three Months Period Ended September 30, 2019**  
**(Un-Audited)**

	September 30, 2019	September 30, 2018
	----- Rupees -----	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	5,376,057	1,870,407
<b>Adjustment for non-cash and other items</b>		
Depreciation	10,787,972	10,785,106
Amortisation on ijarah assets	2,442,322	8,487,689
Reversal of provision	(653,231)	(7,418,331)
Gain on disposal of property and equipment - owned	(182,949)	-
Gain on disposal of property, plant and equipment - leased / ijarah	(324,875)	(510,613)
Profit on musharaka, murabaha and finance under mark-up arrangements	2,771,227	-
Unrealised loss on revaluation of FVTPL investment	5,246,794	-
Financial charges	2,771,227	9,474,204
Return on investments - net	879,421	(4,562,392)
	<b>23,737,908</b>	<b>16,255,663</b>
<b>(Increase) / decrease in current assets</b>		
Ijarah / lease rentals receivable	(460,365)	(811,141)
Loans, advances and prepayments	(8,725,439)	13,862,766
Accrued profit	(343,782)	(1,314,844)
Other receivables	(2,704,496)	(1,816,136)
	<b>(12,234,082)</b>	<b>9,920,645</b>
<b>Increase / (decrease) in current liabilities</b>		
Creditors, accrued and other liabilities	16,259,607	23,025,741
Rent received in advance	(32,530,218)	(36,683,387)
Customers' security deposit	220,000	(4,372,300)
Income tax paid	(3,743,731)	(425,677)
	<b>(19,794,342)</b>	<b>(18,455,623)</b>
<b>Net cash (used) / generated from operating activities</b>	<b>(2,914,459)</b>	<b>9,591,092</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to property and equipment - owned	(310,612)	(937,300)
Proceeds from disposal of property and equipment - owned	4,450	65,200
Proceeds from disposal of property, plant and equipment - leased / ijarah	1,749,935	-
Investments (purchased) / disposed - net	(2,389,091)	26,874,705
Income received on investments	177,430	4,562,392
Musharaka finances	6,207,700	8,040,498
<b>Net cash generated from investing activities</b>	<b>5,439,812</b>	<b>38,605,495</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Profit paid to certificate holders	15,289	(3,792)
Finance under murabaha, musharaka and finance under mark-up arrangements	(29,677,418)	(49,551,947)
Long-term loan	(6,884,000)	(4,384,000)
Financial charges paid	(2,113,869)	(1,421,472)
<b>Net cash used in financing activities</b>	<b>(38,659,998)</b>	<b>(55,361,211)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(36,134,645)</b>	<b>(7,164,624)</b>
Cash and cash equivalents at the beginning of the period	42,027,988	20,221,135
<b>Cash and cash equivalents at the end of the period</b>	<b>5,893,343</b>	<b>13,056,511</b>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial information.

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

Syed Ali Raza  
Director

Waqas Anwar Qureshi  
Director

Ayaz Dawood  
Chief Executive Officer

Syed Tariq Masood  
Chief Financial Officer



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

**Condensed Interim Statement of Changes In Equity  
For The Three Months Period Ended September 30, 2019  
(Un-Audited)**

	Certificate capital	Capital Reserve			Revenue reserve	Surplus on revaluation	Total
		Profit prior to flotation	Merger reserve	Statutory reserve	Accumulated Loss		
-----Rupees-----							
<b>Balance as at July 01, 2018</b>	<b>863,622,630</b>	<b>10,532,683</b>	<b>44,902,567</b>	<b>734,198,759</b>	<b>(554,688,204)</b>	<b>293,330,362</b>	<b>1,391,898,797</b>
Profit for quarter ended September 30, 2018	-	-	-	-	1,870,407	-	1,870,407
Other comprehensive income	-	-	-	-	-	26,904,789	26,904,789
	-	-	-	-	1,870,407	26,904,789	28,775,196
<b>Balance as at September 30, 2018</b>	<b>863,622,630</b>	<b>10,532,683</b>	<b>44,902,567</b>	<b>734,198,759</b>	<b>(552,817,797)</b>	<b>320,235,151</b>	<b>1,420,673,993</b>
<b>Balance as at July 01, 2019</b>	<b>863,622,630</b>	<b>10,532,683</b>	<b>44,902,567</b>	<b>756,012,170</b>	<b>(559,499,004)</b>	<b>258,174,771</b>	<b>1,373,745,817</b>
Profit for quarter ended September 30, 2019	-	-	-	-	5,376,057	-	5,376,057
Other comprehensive income	-	-	-	-	-	(42,494,845)	(42,494,845)
Transfer of gain on disposal of fair value through OCI investments	-	-	-	-	(22,760)	22,760	-
Profit distribution for the year ended June 30, 2019	-	-	-	-	(20,726,943)	-	(20,726,943)
	-	-	-	-	(15,373,646)	(42,472,085)	(57,845,731)
<b>Balance as at September 30, 2019</b>	<b>863,622,630</b>	<b>10,532,683</b>	<b>44,902,567</b>	<b>756,012,170</b>	<b>(574,872,650)</b>	<b>215,702,686</b>	<b>1,315,900,086</b>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial information.

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

**Syed Ali Raza**  
Director

**Waqas Anwar Qureshi**  
Director

**Ayaz Dawood**  
Chief Executive Officer

**Syed Tariq Masood**  
Chief Financial Officer



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

**Notes To The Condensed Interim Financial Information  
For The Three Months Period Ended September 30, 2019  
(Un-Audited)**

**1. LEGAL STATUS AND NATURE OF THE BUSINESS**

- 1.1** B.R.R. Guardian Modaraba (the Modaraba) is a multipurpose, perpetual modaraba floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Modaraba Companies and Modaraba Rules, 1981 framed there under and is managed by B.R.R. Investment (Private) Limited, having its registered office at 18th Floor, BRR Tower, Hassan Ali Street off I.I. Chundrigar Road, Karachi.

The Modaraba is listed on the Pakistan Stock Exchange Limited. The Modaraba's principal activity is leasing (ijarah) of assets, deployment of funds in musharakas, murabahas and investment in properties, equity and debt securities. The Modaraba also provides custodial and management services in the name of B.R.R. Security Vault.

- 1.2** The Modaraba has incorporated a wholly owned subsidiary namely BRR Financial Services (Private) Limited (the Subsidiary) which was incorporated on November 30, 2015 under the Companies Ordinance 1984 now Companies Act 2017. The Subsidiary has not yet commenced its operations.

These represent the standalone financial statements of the Modaraba.

- 1.3** On September 4, 2018, the High Court of Sindh sanctioned the scheme of arrangement for merger by way of amalgamation of Crescent Standard Modaraba (CSM) with and into the Modaraba with effect from July 1, 2017, whereby the entire undertaking and business inclusive of all assets, properties, rights, liabilities and dues of CSM were transferred to and assumed by the Modaraba and CSM upon amalgamation ceases to exist from effective date.

**2. BASIS OF PREPARATION**

These condensed interim financial information have been prepared under the historical cost conventions, except that certain financial instruments have been included at fair value in accordance with the recognition / measurement criteria mentioned in the relevant international standards applicable.

These condensed interim financial information are unaudited and are submitted to Certificate Holders and have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation followed in the preparation of these condensed interim financial information are the same as those applied in preparing the audited financial statements for the year ended June 30, 2019.

		(Un-audited) September 30, 2019	(Audited) June 30, 2019
	Note	------(Rupees)-----	
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Property and equipment - owned	4.1	<b>97,228,485</b>	99,474,623
Property, plant and equipment - Ijarah / leased	4.2	<b>39,524,358</b>	44,774,252
		<b><u>136,752,843</u></b>	<u>144,248,875</u>



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

**4.1 Property and equipment - Owned**

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

	-----Addition/Transfer *-----		-----Disposal/Transfer *-----	
	(Un-audited) September 30, 2019	(Audited) June 30, 2019	(Un-audited) September 30, 2019	(Audited) June 30, 2019
	------(Rupees)-----			
Building on leasehold	-	-	-	-
Lockers	616,000	967,500	-	-
Furniture and fixtures	-	-	-	-
Vehicles	-	3,706,900	1,829,508	2,997,260
Office equipment and appliances	310,612	879,515	-	76,040
	<u>926,612</u>	<u>5,553,915</u>	<u>1,829,508</u>	<u>3,073,300</u>

**4.2 Property, plant and equipment - Ijarah**

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

	----- Additions -----		----- Disposal -----	
	(Un-audited) September 30, 2019	(Audited) June 30, 2019	(Un-audited) September 30, 2019	(Audited) June 30, 2019
	----- (Rupees) -----		----- (Rupees) -----	
Plant and Machinery	-	-	-	40,000,000
Vehicles	-	-	11,980,570	48,859,442
Office equipment and appliances	-	-	-	677,000
	<u>-</u>	<u>-</u>	<u>11,980,570</u>	<u>89,536,442</u>

(Un-audited) September 30, 2019  
(Audited) June 30, 2019

------(Rupees)-----

**5 INVESTMENT PROPERTY**

Investment property	5.1	931,680,240	934,487,499
Capital work-in-progress		9,089,000	9,089,000
		<u>940,769,240</u>	<u>943,576,499</u>

**5.1 Investment Property**

Following additions / transfer were made during the period:

	--- Additions / Transfer ---		----- Disposal -----	
	(Un-audited) September 30, 2019	(Audited) June 30, 2019	(Un-audited) September 30, 2019	(Audited) June 30, 2019
	------(Rupees)-----			
Office premises	5,551,712	-	-	-
Building	-	-	-	-
Leashold land	-	-	-	-
	<u>5,551,712</u>	<u>-</u>	<u>-</u>	<u>-</u>



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

(Unaudited)                      (Audited)  
September 30,                      June 30,  
2019                                      2019  
----- (Rupees) -----

**6 LONG TERM INVESTMENT**

In unquoted wholly owned subsidiary companies - at cost  
BRR Financial Services (Private) Limited  
5,500,000 ordinary shares of Rs. 10 each

55,000,000                      55,000,000

**6.1** The Modaraba, in accordance with the requirement of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the Act), the Modaraba has received Trading Right Entitlement Certificate (TREC) against surrender of Stock Exchange Membership Card.

Pursuant to approval from SECP the Modaraba has incorporated a wholly owned subsidiary, namely, BRR Financial Services (Private) Limited (the Company) on November 30, 2015. In prior year, the Modaraba has subscribed 5,500,000 ordinary shares of Rs. 10 each in order to comply with minimum paid-up capital requirement under Securities Brokers (Licensing and Operations) Regulations 2016. During prior year, PSX vide letter dated June 25, 2019 transferred TREC from Modaraba to BRR Financial Services (Private) Limited and thereby granted a TREC to BRR Financial Services (Private) Limited.

The net assets of BRR Financial Services (Private) Limited based on latest audited financial statement as at June 30, 2019 amounted to Rs. 54.134 million (June 30, 2018 : 54.663 million).

**7 SHORT TERM INVESTMENTS**

**Fair value through profit or loss -FVTPL**

Listed ordinary shares	<b>137,478,520</b>	140,730,861
Derivative financial instrument	-	530,001
	<b>137,478,520</b>	141,260,862

**Fair value through other comprehensive income - FVTOCI**

Listed ordinary shares / modaraba certificates	<b>277,285,821</b>	319,912,877
Unlisted ordinary shares	<b>95,664,656</b>	95,664,656
Unlisted debt securities	<b>1,245,953</b>	1,245,953
	<b>374,196,430</b>	416,823,486
	<b>511,674,949</b>	558,084,348
Less: Provision for diminution in the value of investments	<b>(16,222,148)</b>	(16,222,148)
	<b>495,452,802</b>	541,862,200

**8 RESERVES**

**Capital reserve**

Profit prior to floatation	<b>10,532,683</b>	10,532,683
Statutory reserve	<b>756,012,170</b>	756,012,170
Merger reserve	<b>44,902,567</b>	44,902,567

**Revenue reserve**

Accumulated loss	<b>(574,872,650)</b>	(559,499,004)
	<b>236,574,770</b>	251,948,416

## 9 CONTINGENCIES AND COMMITMENTS

9.1 There is no significant change in the status of contingencies as reported in note 29 to the annual audited financial statement of the modaraba for the year ended June 30, 2019.

## 10 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, retirement benefits funds, directors and 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 related party transactions and balances as at September 30, 2019 are as follows :

Relationship with the Modaraba	Nature of transactions	(Un-audited)	(Un-audited)
		September 30, 2019	September 30, 2018
		------(Rupees)-----	
<b>10.1 Transactions during the period</b>			
<b>Management Company</b>			
BRR Investment (Private) Limited	Management fee accrued	<b>618,464</b>	215,172
BRR Investment (Private) Limited	Management fee paid	-	-
BRR Investment (Private) Limited	Rent received	<b>75,000</b>	75,000
BRR Investment (Private) Limited	Advance received	<b>157,815</b>	20,000,000
BRR Investment (Private) Limited	Advance paid	-	7,000,000
<b>Subsidiary Company</b>			
BRR Financial Services (Private) Limited	Loan received	-	2,500,000
<b>Associated companies / other related parties</b>			
Dawood Family Takaful Limited	Rental received against ijarah / property	<b>1,368,732</b>	1,073,367
Dawood Family Takaful Limited	Group life insurance paid	<b>157,348</b>	143,233
Dawood Family Takaful Limited	Principal paid against investment in Sukuk	-	4,694,805
Dawood Family Takaful Limited	Profit paid against investment in Sukuk	-	302,628
Dawood Family Takaful Limited	Profit paid on musharaka finance	<b>1,785,451</b>	-
First Dawood Investment Bank Limited	Rent received against property	<b>204,600</b>	204,600
First Dawood Investment Bank Limited	Share of common expenses	<b>53,389</b>	48,616
First Dawood Investment Bank Limited	Principal paid against investment in Sukuk	-	2,674,092
First Dawood Investment Bank Limited	Profit paid against investment in Sukuk	-	172,372
First Dawood Employees Provident Fund	Transfer to provident fund	<b>797,965</b>	757,999
First Dawood Employees Provident Fund	Principal paid against investment in Sukuk	-	2,196,039
First Dawood Employees Provident Fund	Profit paid against investment in Sukuk	-	141,557



**B.R.R. Guardian Modaraba**  
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Relationship with the Modaraba	Nature of transactions	(Un-audited)	(Un-audited)
		September 30, 2019	September 30, 2018
		------(Rupees)-----	
Hamida Dawood	Principal paid against investment in Sukuk	-	720,780
Hamida Dawood	Profit paid against investment in Sukuk	-	46,462
Dawood Global Foundation	Charity paid	<b>43,616</b>	57,932
Hydrochina Dawood Power (Private) Limited	Rent received	<b>3,769,091</b>	-

Relationship with the Modaraba	Nature of Balances	(Un-audited)	(Audited)
		September 30, 2019	June 30, 2019
		------(Rupees)-----	
<b>10.2 Period end balances</b>			
<b>Management Company</b>			
BRR Investment (Private) Limited	Management fee payable	<b>5,777,258</b>	5,158,795
<b>Subsidiary Company</b>			
BRR Financial Services (Private) Limited	Loan payable	<b>49,900,000</b>	49,900,000
BRR Financial Services (Private) Limited	Profit payable	<b>1,045,850</b>	416,973
<b>Associated companies / other related parties</b>			
Dawood Family Takaful Limited	Advance rental against investment properties	<b>47,040</b>	48,240
Dawood Family Takaful Limited	Musharaka finance	<b>50,000,000</b>	50,000,000
Dawood Family Takaful Limited	Accrued profit on musharaka	<b>425,754</b>	397,274
Hydrochina Dawood Power (Private) Limited	Rental receivable	-	65,945
Hydrochina Dawood Power (Private) Limited	Advance rental	<b>2,447,965</b>	-

**11 DATE OF AUTHORISATION OF ISSUE**

These condensed interim financial information was authorised for issue on **October 25, 2019** by the Board of Directors of the B.R.R. Investment (Private) Limited.

**12 GENERAL**

Figures have been rounded off to the nearest Rupee.

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

Syed Ali Raza  
Director

Waqas Anwar Qureshi  
Director

Ayaz Dawood  
Chief Executive Officer

Syed Tariq Masood  
Chief Financial Officer

**Un-Audited**  
**Consolidated Condensed Interim**  
**Financial Information**  
**For The Three Months Period Ended**  
**September 30, 2019**



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

## **DIRECTORS' REPORT TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**

**Dear Certificate holders,**

The Board of Directors of B.R.R. Investment (Private) Limited (BRRRI or 'the company'), manager of B.R.R. Guardian Modaraba (BRRGM or 'the Modaraba'), takes pleasure in presenting to the certificate holders the 1st Quarter Consolidated Condensed Interim Financial Statements of the Modaraba for the period ended September 30, 2019.

### **FINANCIAL RESULTS**

Financial highlights	September 30, 2019	September 30, 2018
	..... Rupees.....	
Rental Income	52,953,412	44,033,476
Total Income	53,568,239	39,670,972
Unrealised loss on revaluation of fair value through profit or loss (FVTPL) investment	(5,459,083)	(19,848,207)
Total Expenses	47,072,685	37,263,909
Profit before Management fee, WWF & Sales Tax	6,495,554	2,407,063

Your Modaraba has reported profit before Management fee, WWF & Sales Tax of Rs 6.496 million in the 1st Quarter as compared to profit in the same Quarter of the last year of Rs 2.407 million with rental income increasing by 20%.

Operating expenses of the Modaraba have remained within the budget.

### **CONCLUSION & APPRECIATION:**

We are closely watching the business scenario and strengthening our risk management strategies for future market opportunities. Our target is to continue profitable growth in the current line of business with the aim of creation of value for certificate holders.

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

\_\_\_\_\_  
**Syed Ali Raza**  
Director

\_\_\_\_\_  
**Ayaz Dawood**  
Chief Executive Officer

October 25, 2019  
Karachi



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

**بی۔آر۔آر۔ گارڈین مڈاربا**

**ڈائریکٹرز کی رپورٹ برائے مجموعی مالیاتی گوشوارے**

معزز سرٹیفکیٹ ہولڈرز

بی۔آر۔آر۔ انویسٹمنٹ (پرائیویٹ) لمیٹڈ ("بی۔آر۔آر۔ آئی" یا کمپنی)، بورڈ آف ڈائریکٹرز کی طرف سے، بی۔آر۔آر۔ گارڈین مڈاربا (بی۔آر۔آر۔ ایم) کے مینیجر کی حیثیت سے ہم ستمبر 30، 2019 کو ختم ہونے والی پہلی سہ ماہی کے مجموعی عبوری مالیاتی گوشوارے پیش کرتے ہوئے بے حد مسرت محسوس کر رہے ہیں۔

**مالیاتی نتائج**

تفصیل	ستمبر 30، 2019	ستمبر 30، 2018
کرایہ سے آمدنی	52,953,412	44,033,476
کل آمدنی	53,568,239	39,670,972
ایف ڈی ٹی بی ایل سرمایہ کاری کی دوبارہ قیمت کے تعین پر غیر حاصل شدہ نقصان	(5,459,083)	(19,848,207)
کل اخراجات	47,072,685	37,263,909
منافع قبل از انتظامی فیس، ڈیپو ڈیلوی ایف اور سیلز ٹیکس	6,495,554	2,407,063

آپ کے مضاربہ نے گزشتہ سال کی اسی سہ ماہی میں 2.407 ملین روپے منافع کے مقابلے میں رواں پہلی سہ ماہی میں 6.496 ملین روپے کا منافع قبل از انتظامی فیس، ڈیپو ڈیلوی ایف اور سیلز ٹیکس درج کر لیا ہے جب کہ کرائے سے آمدن 20 فیصد بڑھی ہے۔

مضاربہ کے آپریٹنگ اخراجات بجٹ کے اندر رہے ہیں۔

**انتظامی کلمات اور اظہار تشکر**

ہم کاروباری حالات کو بخوردیکھ رہے ہیں اور مستقبل میں آنے والے مواقع کے لئے اپنی رسک مینجمنٹ کی حکمت عملیوں کو مضبوط بنا رہے ہیں۔ ہمارا ہدف اپنے موجودہ کاروبار میں منافع بخش ترقی کے ساتھ اپنے سرٹیفکیٹ ہولڈرز کی قدر میں اضافہ کرنا ہے۔

از طرف بورڈ آف ڈائریکٹرز

بی۔آر۔آر۔ انویسٹمنٹ (پرائیویٹ) لمیٹڈ

ایاز اود

چیف ایگزیکٹو آفیسر

سید علی رضا

ڈائریکٹر

اکتوبر 25، 2019

کراچی



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

**CONSOLIDATED CONDENSED INTERIM BALANCE SHEET  
AS AT SEPTEMBER 30, 2019**

		(Un-audited) September 30, 2019	(Audited) June 30, 2019
	Note	----- (Rupees) -----	
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	136,752,843	144,248,875
Investment properties	6	940,769,240	943,576,499
Long-term musharaka finances		22,106,620	18,882,742
Long-term loans, advances and deposits		6,114,485	6,138,991
<b>TOTAL NON CURRENT ASSETS</b>		<b>1,105,743,188</b>	<b>1,112,847,107</b>
<b>CURRENT ASSETS</b>			
Short-term investments	7	497,826,527	545,210,694
Current portion of musharaka finances		28,923,724	40,473,298
Ijarah / lease rental receivable		1,366,655	906,290
Loans, advances and prepayments		19,763,000	17,605,767
Accrued profit		750,739	406,957
Other receivables		13,176,859	9,550,113
Taxation		21,927,434	17,467,159
Cash and bank balances		6,598,019	42,702,758
<b>TOTAL CURRENT ASSETS</b>		<b>590,332,957</b>	<b>674,323,036</b>
<b>TOTAL ASSETS</b>		<b>1,696,076,145</b>	<b>1,787,170,143</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorised capital			
140,000,000 (2019: 140,000,000) Modaraba certificates of Rs. 10/- each		1,400,000,000	1,400,000,000
Issued, subscribed and paid-up certificate capital		863,622,630	863,622,630
Reserves	8	236,019,793	251,082,521
Surplus on revaluation of investments		215,702,686	258,174,771
		<b>1,315,345,109</b>	<b>1,372,879,922</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Long-term loans		-	-
Long-term murabaha, musharaka and finance under mark-up arrangements		-	-
Long-term security deposits		77,477,391	78,317,753
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>77,477,391</b>	<b>78,317,753</b>
<b>CURRENT LIABILITIES</b>			
Current portion of long-term loan		75,732,684	82,616,684
Current portion of long-term murabaha, musharaka and finance under mark-up arrangements		50,000,000	79,677,418
Current portion of security deposits		4,993,650	5,315,800
Creditors, accrued and other liabilities		122,039,850	138,645,818
Accrued profit on borrowings		425,755	397,274
Profit distribution payable		50,061,706	29,319,474
<b>TOTAL CURRENT LIABILITIES</b>		<b>303,253,645</b>	<b>335,972,468</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,696,076,145</b>	<b>1,787,170,143</b>

**CONTINGENCIES AND COMMITMENTS**

9

The annexed notes from 1 to 12 form an integral part of these consolidated condensed interim financial information.

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

**Syed Ali Raza**  
Director

**Waqas Anwar Qureshi**  
Director

**Ayaz Dawood**  
Chief Executive Officer

**Syed Tariq Masood**  
Chief Financial Officer



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

**Consolidated Condensed Interim Profit And Loss Account  
For The Three Months Period Ended September 30, 2019  
(Un-Audited)**

	September 30, 2019	September 30, 2018
	----- Rupees -----	
<b>INCOME</b>		
Rental income	<b>52,953,412</b>	44,033,476
Income on musharaka finances	<b>1,855,808</b>	1,430,540
Ijarah rental income - net	<b>2,289,338</b>	1,101,657
Return on investments - net	<b>(972,704)</b>	4,388,364
Profit on bank balances	<b>333,187</b>	204,368
Reversal of provision for doubtful receivables	<b>653,231</b>	7,418,331
Unrealised loss on revaluation of FVTPL investment	<b>(5,459,083)</b>	(19,848,207)
Gain on disposal of ijarah assets	<b>324,875</b>	510,613
Other income	<b>1,590,175</b>	431,830
	<b>53,568,239</b>	39,670,972
<b>EXPENSES</b>		
Administrative expenses	<b>44,930,335</b>	28,388,907
Financial charges	<b>2,142,350</b>	8,875,002
	<b>47,072,685</b>	37,263,909
Modaraba management company's fee	<b>6,495,554</b>	2,407,063
Sales Tax on Modaraba Management company's fee	<b>618,464</b>	215,172
Sales Tax on Modaraba Management company's fee	<b>80,400</b>	27,972
Provision for Worker's Welfare Fund	<b>109,715</b>	38,172
Profit before taxation	<b>5,686,975</b>	2,125,747
Taxation	<b>-</b>	-
Profit for the period	<b>5,686,975</b>	2,125,747
Earning per certificate basic and diluted	<b>0.07</b>	0.02

The annexed notes from 1 to 12 form an integral part of these consolidated condensed interim financial information.

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

Syed Ali Raza  
Director

Waqas Anwar Qureshi  
Director

Ayaz Dawood  
Chief Executive Officer

Syed Tariq Masood  
Chief Financial Officer



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

**Consolidated Condensed Interim Statement of Comprehensive Income  
For The Three Months Period Ended September 30, 2019  
(Un-Audited)**

	September 30, 2019	September 30, 2018
	----- Rupees -----	
Profit for the period	5,686,975	2,125,747
<b>Other comprehensive (loss) / income for the period</b>		
Unrealized (deficit) / surplus on revaluation of fair value through OCI investments - net	(42,494,845)	26,904,789
<b>Total comprehensive (loss) / income for the period</b>	<u>(36,807,870)</u>	<u>29,030,536</u>

The annexed notes from 1 to 12 form an integral part of these consolidated condensed interim financial information.

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

\_\_\_\_\_  
Syed Ali Raza  
Director

\_\_\_\_\_  
Waqas Anwar Qureshi  
Director

\_\_\_\_\_  
Ayaz Dawood  
Chief Executive Officer

\_\_\_\_\_  
Syed Tariq Masood  
Chief Financial Officer



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

**Consolidated Condensed Interim Statement of Cash Flows**  
**For The Three Months Period Ended September 30, 2019**  
**(Un-Audited)**

	September 30, 2019	September 30, 2018
	----- Rupees -----	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>5,686,975</b>	2,125,747
<b>Adjustment for non-cash and other items</b>		
Depreciation	<b>10,787,972</b>	10,785,106
Amortisation on ijarah assets	<b>2,442,322</b>	8,487,689
Reversal of provision	<b>(653,231)</b>	(7,418,331)
Gain on disposal of property and equipment - owned	<b>(182,949)</b>	-
Gain on disposal of property, plant and equipment - leased / ijarah	<b>(324,875)</b>	(510,613)
Profit on musharaka, murabaha and finance under mark-up arrangements	<b>2,142,350</b>	-
Unrealised loss on revaluation of FVTPL investment	<b>5,459,083</b>	-
Financial charges	<b>2,142,350</b>	8,874,474
Return on investments - net	<b>972,704</b>	(4,592,732)
	<b>22,785,726</b>	15,625,593
<b>(Increase) / decrease in current assets</b>		
Ijarah / lease rentals receivable	<b>(460,365)</b>	(811,141)
Loans, advances and prepayments	<b>(8,300,439)</b>	13,862,765
Accrued profit	<b>(343,782)</b>	(1,314,844)
Other receivables	<b>(2,704,496)</b>	(1,816,136)
	<b>(11,809,082)</b>	9,920,644
<b>Increase / (decrease) in current liabilities</b>		
Creditors, accrued and other liabilities	<b>15,924,250</b>	22,950,341
Rent received in advance	<b>(32,530,218)</b>	(36,683,387)
Customers' security deposit	<b>220,000</b>	(4,372,300)
Income tax paid	<b>(4,460,277)</b>	(428,025)
	<b>(20,846,245)</b>	(18,533,371)
<b>Net cash (used) / generated from operating activities</b>	<b>(4,182,626)</b>	9,138,613
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to property and equipment - owned	<b>(310,612)</b>	(937,300)
Proceeds from disposal of property and equipment - owned	<b>4,450</b>	65,200
Proceeds from disposal of property, plant and equipment - leased / ijarah	<b>1,749,935</b>	-
Investments (purchased) / disposed - net	<b>(1,719,912)</b>	27,316,384
Income received on investments	<b>177,448</b>	4,592,732
Musharaka finances	<b>6,836,577</b>	8,040,498
<b>Net cash generated from investing activities</b>	<b>6,737,886</b>	39,077,514
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Profit paid to certificate holders	<b>15,289</b>	(3,792)
Finance under murabaha, musharaka and finance under mark-up arrangements	<b>(29,677,418)</b>	(49,551,947)
Long-term loan	<b>(6,884,000)</b>	(6,884,000)
Financial charges paid	<b>(2,113,869)</b>	(1,421,811)
<b>Net cash used in financing activities</b>	<b>(38,659,998)</b>	(57,861,550)
<b>Net decrease in cash and cash equivalents</b>	<b>(36,104,739)</b>	(9,645,423)
Cash and cash equivalents at the beginning of the period	<b>42,702,758</b>	22,854,663
<b>Cash and cash equivalents at the end of the period</b>	<b>6,598,019</b>	13,209,240

The annexed notes from 1 to 12 form an integral part of these consolidated condensed interim financial information.

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

**Syed Ali Raza**  
Director

**Waqas Anwar Qureshi**  
Director

**Ayaz Dawood**  
Chief Executive Officer

**Syed Tariq Masood**  
Chief Financial Officer



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

**Consolidated Condensed Interim Statement of Changes In Equity  
For The Three Months Period Ended September 30, 2019  
(Un-Audited)**

	Certificate capital	Capital Reserve			Revenue reserve		Total
		Profit prior to floatation	Merger reserve	Statutory reserve	Accumulated Loss	Surplus on revaluation	
-----Rupees-----							
<b>Balance as at July 01, 2018</b>	<b>863,622,630</b>	<b>10,532,683</b>	<b>44,902,567</b>	<b>734,198,759</b>	<b>(555,025,121)</b>	<b>293,330,362</b>	<b>1,391,561,880</b>
Profit for quarter ended September 30, 2018	-	-	-	-	2,125,747	-	2,125,747
Other comprehensive income	-	-	-	-	-	26,904,789	26,904,789
	-	-	-	-	2,125,747	26,904,789	29,030,536
<b>Balance as at September 30, 2018</b>	<b>863,622,630</b>	<b>10,532,683</b>	<b>44,902,567</b>	<b>734,198,759</b>	<b>(552,899,374)</b>	<b>320,235,151</b>	<b>1,420,592,416</b>
<b>Balance as at July 01, 2019</b>	<b>863,622,630</b>	<b>10,532,683</b>	<b>44,902,567</b>	<b>756,012,170</b>	<b>(560,364,899)</b>	<b>258,174,771</b>	<b>1,372,879,922</b>
Profit for quarter ended September 30, 2019	-	-	-	-	5,686,975	-	5,686,975
Other comprehensive income	-	-	-	-	-	(42,494,845)	(42,494,845)
Transfer of loss on disposal of fair value through OCI investments	-	-	-	-	(22,760)	22,760	-
Profit distribution for the year ended June 30, 2019	-	-	-	-	(20,726,943)	-	(20,726,943)
	-	-	-	-	(15,062,728)	(42,472,085)	(57,534,813)
<b>Balance as at September 30, 2019</b>	<b>863,622,630</b>	<b>10,532,683</b>	<b>44,902,567</b>	<b>756,012,170</b>	<b>(575,427,627)</b>	<b>215,702,686</b>	<b>1,315,345,109</b>

The annexed notes from 1 to 12 form an integral part of these consolidated condensed interim financial information.

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

**Syed Ali Raza  
Director**

**Waqas Anwar Qureshi  
Director**

**Ayaz Dawood  
Chief Executive Officer**

**Syed Tariq Masood  
Chief Financial Officer**



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

## **Notes To The Consolidated Condensed Interim Financial Information For The Three Months Period Ended September 30, 2019 (UN-AUDITED)**

### **1. LEGAL STATUS AND NATURE OF THE BUSINESS**

These consolidated condensed interim financial statements consist of the following group companies:

#### **1.1 Holding Company**

B.R.R. Guardian Modaraba (the Modaraba) is a multipurpose, perpetual modaraba floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Modaraba Companies and Modaraba Rules, 1981 framed there under and is managed by B.R.R. Investment (Private) Limited, having its registered office at 18th Floor, BRR Tower, Hassan Ali Street off I.I. Chundrigar Road, Karachi.

The Modaraba is listed on the Pakistan Stock Exchange Limited. The Modaraba's principal activity is leasing (ijarah) of assets, deployment of funds in musharakas, murabahas and investment in properties, equity and debt securities. The Modaraba also provides custodial and management services in the name of B.R.R. Security Vault.

#### **1.2 Subsidiary Company**

The group comprises of the following subsidiary company.

BRR Financial Services (Private) Limited (the Company) was incorporated in Pakistan on November 30, 2015 as a private limited company under the repealed Companies Ordinance, 1984 now Companies Act 2017. The principal business activity of the Company is to render brokerage service in capital and money market and to render other consultancy services etc. The registered office of the Company is at 18th Floor, BRR Tower, Hassan Ali Street off I.I. Chundrigar Road, Karachi.

The Company is wholly owned subsidiary of B.R.R Guardian Modaraba (Modaraba).

### **2 BASIS OF PREPARATION**

These consolidated condensed interim financial information have been prepared under the historical cost conventions, except that certain financial instruments have been included at fair value in accordance with the recognition / measurement criteria mentioned in the relevant international standards applicable.

These consolidated condensed interim financial information are unaudited and are submitted to Certificate Holders and have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan.

### **3 BASIS OF CONSOLIDATION**

These consolidated condensed interim financial statements incorporate the condensed interim financial statements of the Modaraba and the condensed interim financial statements of subsidiary from the date that control of the subsidiary by the Group commences until the date that control ceases. The condensed interim financial statements of the subsidiary is incorporated on a line-by-line basis and the investment held by the Modaraba is eliminated against the corresponding share capital of subsidiary in the consolidated condensed interim financial statements.

The condensed interim financial statement of subsidiary is prepared for the same reporting period as the Holding Company, using accounting policies that are generally consistent with those of the Holding Company.

Material intra-group balances and transactions are eliminated.

### **4 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation followed in the preparation of these consolidated condensed interim financial information are the same as those applied in preparing the audited consolidated financial statements for the year ended June 30, 2019.



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

5	PROPERTY, PLANT AND EQUIPMENT	Note	(Un-audited)	(Audited)
			September 30, 2019	June 30, 2019
------(Rupees)-----				
	Property and equipment - owned	5.1	<b>97,228,485</b>	99,474,623
	Property, plant and equipment - Ijarah / leased	5.2	<b>39,524,358</b>	44,774,252
			<b>136,752,843</b>	<b>144,248,875</b>

**5.1 Property and equipment - Owned**

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

	----- Addition/Transfer * -----		----- Disposal/Transfer * -----	
	(Un-audited) September 30, 2019	(Audited) June 30, 2019	(Un-audited) September 30, 2019	(Audited) June 30, 2019
------(Rupees)-----				
Building on leasehold	-	-	-	-
Lockers	<b>616,000</b>	967,500	-	-
Furniture and fixtures	-	-	-	-
Vehicles	-	3,706,900	<b>1,829,508</b>	2,997,260
Office equipment and appliances	<b>310,612</b>	879,515	-	76,040
			<b>1,829,508</b>	<b>3,073,300</b>

**5.2 Property, plant and equipment - Ijarah**

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

	-----Additions-----		-----Disposal-----	
	(Un-audited) September 30, 2019	(Audited) June 30, 2019	(Un-audited) September 30, 2019	(Audited) June 30, 2019
------(Rupees)-----				
Plant and Machinery	-	-	-	40,000,000
Vehicles	-	-	<b>11,980,570</b>	48,859,442
Office equipment and appliances	-	-	-	677,000
			<b>11,980,570</b>	<b>89,536,442</b>

**6 INVESTMENT PROPERTY**

Investment property	6.1	<b>931,680,240</b>	934,487,499
Capital work-in-progress		<b>9,089,000</b>	9,089,000
		<b>940,769,240</b>	<b>943,576,499</b>



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

**6.1 Investment Property**

Following additions / transfer were made during the period:

	-----Additions / Transfer-----		-----Disposal-----	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	September 30,	June 30,	September 30,	June 30,
	2019	2019	2019	2019
	------(Rupees)-----		------(Rupees)-----	
Office premises	5,551,712	-	-	-
Building	-	-	-	-
Leashold land	-	-	-	-
	<u>5,551,712</u>	<u>-</u>	<u>-</u>	<u>-</u>

**7 SHORT TERM INVESTMENTS**

**Fair value through profit or loss - FVTPL**

	(Unaudited) September 30, 2019	(Audited) June 30, 2019
Listed ordinary shares	139,852,245	143,801,105
Derivative financial instrument	-	808,251
	<u>139,852,245</u>	<u>144,609,356</u>

**Fair value through other comprehensive income - FVTOCI**

	(Unaudited) September 30, 2019	(Audited) June 30, 2019
Listed ordinary shares / modaraba certificates	277,285,821	319,912,877
Unlisted ordinary shares	95,664,656	95,664,656
Unlisted debt securities	1,245,953	1,245,953
	<u>374,196,430</u>	<u>416,823,486</u>
	<u>514,048,675</u>	<u>561,432,842</u>
Less: Provision for diminution in the value of investments	(16,222,148)	(16,222,148)
	<u>497,826,527</u>	<u>545,210,694</u>

**8 RESERVES**

**Capital reserve**

	(Unaudited) September 30, 2019	(Audited) June 30, 2019
Profit prior to floatation	10,532,683	10,532,683
Statutory reserve	756,012,170	756,012,170
Merger reserve	44,902,567	44,902,567

**Revenue reserve**

Accumulated loss	(575,427,627)	(560,364,899)
	<u>236,019,793</u>	<u>251,082,521</u>

**9 CONTINGENCIES AND COMMITMENTS**

**9.1** There is no significant change in the status of contingencies as reported in note 28 to the annual audited financial statement of the modaraba for the year ended June 30, 2019.

**10 RELATED PARTY TRANSACTIONS**

The modaraba has related party relationship with its Management Company, associated undertakings, employee benefit plans and its key management personnel.



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

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 related party transactions and balances as at September 30, 2019 are as follows :

Relationship with the Modaraba	Nature of transactions	(Un-audited) September 30, 2019	(Un-audited) September 30, 2018
		------(Rupees)-----	
<b>10.1 Transactions during the period</b>			
<b>Management Company</b>			
BRR Investment (Private) Limited	Management fee accrued	<b>618,464</b>	215,172
BRR Investment (Private) Limited	Management fee paid	-	-
BRR Investment (Private) Limited	Rent received	<b>75,000</b>	75,000
BRR Investment (Private) Limited	Advance received	<b>157,815</b>	20,000,000
BRR Investment (Private) Limited	Advance paid	-	7,000,000
<b>Associated companies / other related parties</b>			
Dawood Family Takaful Limited	Rental received against ijarah / property	<b>1,368,732</b>	1,073,367
Dawood Family Takaful Limited	Group life insurance paid	<b>157,348</b>	143,233
Dawood Family Takaful Limited	Principal paid against investment in Sukuk	-	4,694,805
Dawood Family Takaful Limited	Profit paid against investment in Sukuk	-	302,628
Dawood Family Takaful Limited	Profit paid on musharaka finance	<b>1,785,451</b>	-
First Dawood Investment Bank Limited	Rent received against property	<b>204,600</b>	204,600
First Dawood Investment Bank Limited	Share of common expenses	<b>53,389</b>	48,616
First Dawood Investment Bank Limited	Principal paid against investment in Sukuk	-	2,674,092
First Dawood Investment Bank Limited	Profit paid against investment in Sukuk	-	172,372
First Dawood Employees Provident Fund	Transfer to provident fund	<b>797,965</b>	757,999
First Dawood Employees Provident Fund	Principal paid against investment in Sukuk	-	2,196,039
First Dawood Employees Provident Fund	Profit paid against investment in Sukuk	-	141,557
Hamida Dawood	Principal paid against investment in Sukuk	-	720,780
Hamida Dawood	Profit paid against investment in Sukuk	-	46,462
Dawood Global Foundation	Charity paid	<b>43,616</b>	57,932
Hydrochina Dawood Power (Private) Limited	Rent received	<b>3,769,091</b>	-



**B.R.R. Guardian Modaraba**  
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Relationship with the Modaraba	Nature of Balances	(Un-audited)	(Audited)
		September 30, 2019	June 30, 2019
		----- (Rupees) -----	
<b>10.2 Period end balances</b>			
<b>Management Company</b>			
BRR Investment (Private) Limited	Management fee payable	<b>5,777,258</b>	5,158,795
<b>Associated companies / other related parties</b>			
Dawood Family Takaful Limited	Advance rental against investment properties	<b>47,040</b>	48,240
Dawood Family Takaful Limited	Musharaka finance	<b>50,000,000</b>	50,000,000
Dawood Family Takaful Limited	Accrued profit on musharaka	<b>425,754</b>	397,274
Hydrochina Dawood Power (Private) Limited	Rental receivable	-	65,945
Hydrochina Dawood Power (Private) Limited	Advance rental	<b>2,447,965</b>	-

**11 DATE OF AUTHORISATION OF ISSUE**

These consolidated condensed interim financial information was authorised for issue on October 25, 2019 by the Board of Directors of the B.R.R. Investment (Private) Limited.

**12 GENERAL**

Figures have been rounded off to the nearest Rupee.

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

\_\_\_\_\_  
Syed Ali Raza  
Director

\_\_\_\_\_  
Waqas Anwar Qureshi  
Director

\_\_\_\_\_  
Ayaz Dawood  
Chief Executive Officer

\_\_\_\_\_  
Syed Tariq Masood  
Chief Financial Officer

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





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



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