

**Un-Audited
Standalone & Consolidated
Condensed Interim Financial Information
For The Nine Months Period Ended
March 31, 2021**



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

Managed by:

B.R.R. Investment (Private) Limited

2021



B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

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B.R.R. Investment (Private) Limited

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B.R.R. Guardian Modaraba

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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	Crowe 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	AlBaraka Bank (Pakistan) Limited Habib Metropolitan Bank Limited National Bank of Pakistan
Website	www.firstdawood.com/brr
Registered Office & Head Office	1900-B, Saima Trade Tower, I.I. Chundrigar Road, Karachi-74000 Tel : 92-21-32270181-6 Fax : 92-21-3227-1912
Registrars	F.D. Registrar Services (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



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

DIRECTORS REPORT

Dear Certificate holders,

The Board of Directors of B.R.R. Investment (Private) Limited, Manager of B.R.R. Guardian Modaraba (BRRGM), take pleasure in presenting the 3rd Quarter Financial statement of the Modaraba for the nine months ended March 31, 2021.

OPERATIONS AND PERFORMANCE

Financial highlights	March 31, 2021	March 31, 2020
 Rupees.....	
Rental Income	170,775,242	158,606,892
Total Income	473,228,042	211,967,328
Total Expenses	125,144,452	122,191,141
Profit after Management Fee & WWF	302,575,141	78,038,848
Earning per certificate	3.19	0.90
Other Comprehensive Income per certificate	9.97	1.31

During the nine months period under review the Modaraba has earned historical record net operating profit of Rs. 302.575 million, as compared with Rs. 78.039 million profit in the same period last year.

During the period, the right issue of the Modaraba commenced trading on December 30th, 2020 which successfully completed on January 28th, 2021 with full amount received.

Further, the Certificate Holders' Equity of Modaraba stands at Rs. 2,697.624 million as compared with Rs. 1,466.303 million in the same period last year with an increase of 84%. The breakup value share comes to Rs 28.40 per certificate.

Operating expenses of the Modaraba have remained within the budget.

WITHDRAWAL OF TAX EXEMPTION TO THE MODARABAS

On March 22, 2021, the President of Pakistan promulgated the Tax Law (Second Amendment) Ordinance, 2021,(Ordinance 2021) whereby Clause 100 of the Part 1 of the Second Schedule to the Income Tax Ordinance, 2001 relating to the Income Tax Exemption available to the Modarabas stands withdrawn. However, the monetary impact of the aforesaid withdrawal of tax exemption from its application date i.e. March 22, 2021 till March 31, 2021 is not material for modaraba. Accordingly, no provision for Income Tax has been made in the quarterly accounts for the period ended March 31, 2021.

CONCLUSION & APPRECIATION:

We are closely watching the business scenario and our target is to continue profitable growth 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

April 26, 2021
Karachi



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

بی.آر.آر. گارجین مَضارَبہ ڈائریکٹرز کی رپورٹ

محترم سرٹیفکیٹ ہولڈرز،

بی.آر.آر. انویسٹمنٹ (پرائیویٹ) لمیٹڈ ("بی.آر.آر. آئی" یا کمپنی)، بورڈ آف ڈائریکٹرز کی طرف سے، بی.آر.آر. گارجین مَضارَبہ (بی.آر.آر. جی ایم) کے ناظم کی حیثیت سے ہم مارچ 31، 2021 کو ختم ہونے والی تیسری سہ ماہی کے عبوری مالیاتی گوشوارے پیش کرتے ہوئے بے حد مسرت محسوس کر رہے ہیں۔

آپریشن اور کارکردگی

مارچ 31، 2020	مارچ 31، 2021	مالیاتی جھلکیاں
..... پاکستانی روپے میں		
158,606,892	170,775,242	کرایہ سے آمدنی
211,967,328	473,228,042	کل آمدنی
122,191,141	125,144,452	کل اخراجات
78,038,848	302,575,141	منافع بعد از انتظامیہ کی ٹیکس اور ڈیبوڈ ایڈجسٹمنٹ
0.90	3.19	نفعی سرٹیفکیٹ
1.31	9.97	جامع آمدنی فی سرٹیفکیٹ

زیر جائزہ سہ ماہی کے دوران مَضارَبہ نے تاریخی ریکارڈ خالص آپریٹنگ منافع 302,575,141 ملین روپے کمایا، جبکہ گزشتہ سال کے اسی عرصہ میں 78,039 ملین روپے منافع ہوا تھا۔

اس عرصہ کے دوران مَضارَبہ کے راستہ کی تیارگی کا آغاز 30 دسمبر 2020 کو ہوا جو 28 جنوری 2021 کو کل رقم کی وصولی کے ساتھ کامیابی سے مکمل ہو گیا۔

اس کے علاوہ مَضارَبہ کے سرٹیفکیٹ ہولڈرز کی ایکویٹی 2,697.624 ملین روپے رہی جو کہ پچھلے سال کے اسی عرصہ میں 1,466.303 ملین روپے یعنی 84 فیصد کا اضافہ ہوا ہے۔ بریک اپ ویڈیو شیئر 28.40 روپے فی سرٹیفکیٹ ہے۔

مَضارَبہ کے آپریٹنگ اخراجات بجٹ کے اندر رہے ہیں۔

مَضارَبہ کو ٹیکس رعایت کی واپسی

22 مارچ، 2021، کو صدر پاکستان نے ٹیکس لاء (دوسری ترمیم) آرڈیننس، 2021، (آرڈیننس 2021) جاری کیا جس کے تحت مَضارَبہ کو دستیاب آنرنگس اسٹینڈی سے متعلق آنرنگس آرڈیننس 2001 کے دوسرے شیڈول کے پارٹ 1 کی کلاز 100 واپس لے لی گئی ہے۔ تاہم، مذکورہ بالا ٹیکس اسٹینڈی کی واپسی کے مالیاتی اثرات مَضارَبہ کے لئے اس کی عمل درآمد کی تاریخ 22 مارچ 2021 سے 31 مارچ 2021 تک کے لئے میٹرل نہیں ہے۔ اسی مناسبت سے، 31 مارچ 2021 کو ختم ہونے والی مدت کے سہ ماہی کھاتوں میں آنرنگس کے لئے کوئی پروویژن نہیں کی گئی ہے۔

اختصاصی کلمات اور اظہار تشکر

ہم کاروباری حالات کو بغور دیکھ رہے ہیں اور 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 داؤد
چیف ایگزیکٹو آفیسر

سید علی رضا
ڈائریکٹر

اپریل 26، 2021

کراچی



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

CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2021

	Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
------(Rupees)-----			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	94,767,041	93,450,103
Investment properties	5	959,932,010	982,181,780
Long-term investment	6	55,000,000	55,000,000
Long-term musharaka finances		51,075,242	36,575,223
Long-term loans, advances and deposits		6,259,712	5,629,675
		1,167,034,005	1,172,836,781
CURRENT ASSETS			
Short-term investments	7	1,717,315,776	838,559,271
Current portion of musharaka finances		24,859,899	21,074,868
Ijarah / lease rental receivable		65,288	671,145
Loans, advances and prepayments		18,913,812	7,814,581
Accrued profit		1,217,688	1,257,718
Other receivables		55,557,084	13,851,751
Taxation		26,545,116	24,878,439
Cash and bank balances		30,777,571	32,487,352
		1,875,252,234	940,595,125
TOTAL ASSETS		3,042,286,239	2,113,431,906
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital		1,400,000,000	1,400,000,000
140,000,000 (2020: 140,000,000) Modaraba certificates of Rs. 10/- each		949,984,890	863,622,630
Issued, subscribed and paid-up certificate capital		605,383,656	380,609,428
Reserves	8	1,142,255,174	486,928,899
Surplus on revaluation of investments		2,697,623,720	1,731,160,957
LIABILITIES			
NON CURRENT LIABILITIES			
Long-term loans		6,892,684	20,652,000
Long-term murabaha, musharaka		-	-
Long-term security deposits		90,226,429	84,784,856
		97,119,113	105,436,856
CURRENT LIABILITIES			
Current portion of long-term loan		27,536,000	69,428,684
Current portion of long-term murabaha, musharaka		50,000,000	50,000,000
Current portion of security deposits		2,176,540	800,590
Creditors, accrued and other liabilities		135,266,345	126,164,369
Accrued profit on borrowings		359,100	613,854
Profit distribution payable		32,205,421	29,826,596
		247,543,406	276,834,093
TOTAL EQUITY AND LIABILITIES		3,042,286,239	2,113,431,906
CONTINGENCIES AND COMMITMENTS			
	9		

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information

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

Rafiq Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

Syed Tariq Masood
Chief Financial Officer



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

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021
(UN-AUDITED)**

	Nine Months Ended		Quarter Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- Rupees -----			
INCOME				
Rental income	170,775,242	158,606,892	56,219,470	55,128,141
Income on musharaka finances	7,648,685	11,279,304	2,162,421	7,871,345
Ijarah rental income - net	889,499	4,671,721	166,745	862,130
Return on investments - net	79,114,600	10,259,488	24,246,705	(2,366,014)
Profit on bank balances	455,112	706,466	146,546	199,787
Reversal of provision for doubtful receivables-net	2,412,895	23,414,592	875,200	22,468,395
Unrealised gain / (loss) on revaluation of FVTPL investment	202,382,805	(455,700)	120,771,808	(35,595,283)
Gain on disposal of ijarah assets	374,032	975,427	92,659	496,810
Other income	9,175,172	2,509,138	279,873	300,506
	473,228,042	211,967,328	204,961,427	49,365,817
EXPENSES				
Administrative expenses	97,858,993	88,212,760	32,468,278	20,151,952
Depreciation on Investment properties	22,249,770	25,317,462	7,416,593	8,511,664
Financial charges	5,035,689	8,660,919	1,289,196	2,867,532
	125,144,452	122,191,141	41,174,067	31,531,148
Profit before management fee	348,083,590	89,776,187	163,787,360	17,834,669
Modaraba management company's fee	34,808,359	8,977,619	16,378,736	1,783,467
Sales tax on modaraba management company's fee	4,525,087	1,167,090	2,129,236	231,850
Provision for Sindh Worker's Welfare Fund	6,175,003	1,592,630	2,905,588	316,387
Profit before taxation	302,575,141	78,038,848	142,373,800	15,502,965
Taxation	-	-	-	-
Net Profit for the period	302,575,141	78,038,848	142,373,800	15,502,965
Earnings per certificate-basic and diluted	3.19	0.90	1.50	0.18

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information

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

Rafiq Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

Syed Tariq Masood
Chief Financial Officer



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

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021
(UN-AUDITED)**

	Nine Months ended		Quarter Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- Rupees -----			
Profit for the period	302,575,141	78,038,848	142,373,800	15,502,965
Other comprehensive income / (loss) loss for the period				
Items that will be subsequently reclassified :				
Unrealised gain / (loss) on revaluation of fair value thorough OCI investments	644,887,927	35,245,042	105,142,645	(51,843,769)
Total comprehensive income / (loss) for the period	947,463,068	113,283,890	247,516,445	(36,340,804)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information

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

Rafiq Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

Syed Tariq Masood
Chief Financial Officer



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

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021
(UN-AUDITED)

	March 31, 2021 Rupees	March 31, 2020 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period	302,575,141	78,038,848
Adjustment for non-cash and other items		
Depreciation	30,356,342	32,956,063
Amortisation on ijarah assets	1,602,556	6,003,101
Provision for doubtful receivables - net	(2,412,895)	(23,414,592)
Gain on disposal of property, plant and equipment - leased / ijarah	(349,384)	(975,427)
Gain on disposal of property and equipment - owned	(374,032)	(533,586)
Ijarah Rental Income	(2,492,055)	(10,674,822)
Income on murabaha, musharaka	(7,648,685)	(11,279,304)
Financial charges	5,035,689	8,660,919
Unrealized (gain) / loss on revaluation of held-for-trading investment	(202,382,805)	455,700
Return on investments - net	(80,801,566)	(10,675,832)
	(259,466,835)	(9,477,780)
(Increase) / decrease in current assets		
Ijarah / lease rentals receivable	3,097,912	10,259,859
Loans, advances and prepayments	(11,729,268)	(5,698,863)
Accrued profit	7,688,715	10,920,207
Other receivables	(41,705,333)	(3,361,345)
	(42,647,974)	12,119,858
(Decrease) / increase in current liabilities		
Creditors, accrued and other liabilities	21,192,836	(31,517,594)
Rentals received in advance	(12,090,860)	(5,061,338)
Customers' security deposits	6,817,523	3,325,823
Income tax paid	15,919,499	(33,253,109)
Net cash generated from operating activities	(1,666,663)	(6,526,515)
	14,713,168	40,901,302
B CASH FLOW FROM INVESTING ACTIVITIES		
Investments disposed / (purchased) - net	22,394,177	(11,487,658)
Income received on investments	26,921,616	3,584,488
Musharaka finances	(15,872,155)	48,254,105
Addition to property and equipment - owned	(15,905,430)	(11,325,570)
Addition to investment property	-	(5,551,712)
Proceeds from disposal of property, plant and equipment - leased / ijarah	5,253,382	7,173,595
Proceeds from disposal of property and equipment - owned	349,384	1,277,339
Net cash generated from investing activities	23,140,974	31,924,587
C CASH FLOW FROM FINANCING ACTIVITIES		
Financial charges paid	(5,290,443)	(6,717,266)
Finance under murabaha, musharaka- net	-	(29,677,418)
Long term loan	(55,652,000)	(45,552,000)
Right share subscription money received	86,362,260	-
Profit paid to certificate holders	(64,983,740)	(20,201,248)
Net cash used in financing activities	(39,563,923)	(102,147,932)
Net decrease in cash and cash equivalents	(1,709,781)	(29,322,043)
Cash and cash equivalents at the beginning of the period	32,487,352	42,027,988
Cash and cash equivalents at the end of the period	30,777,571	12,705,945

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information

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

Rafiq Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

Syed Tariq Masood
Chief Financial Officer



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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021
(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 1900-B, Saima Trade Towers, 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 Company) which was incorporated on November 30, 2015. The subsidiary has not yet commenced operations as at period end. (Refer note 6)

These represents the stand alone financial statements of the Modaraba.

2 BASIS OF PREPARATION

These condensed interim financial information have been prepared under the historical cost convention, 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, 2020.

3.1 Standards and amendments to published approved accounting standards which are effective during the nine months ended March 31, 2021.

Following is a new standard and amendment to approved accounting standards which are mandatory for the Company's annual accounting period which began on July 1, 2020.

Standard or Interpretation	IASB effective date (Annual periods beginning on or after)
IFRS 9 - Financial Instruments	July 1, 2018
IFRS 15 - Revenue from Contracts with Customers	July 1, 2018

However, the application of above standard does not have any significant impact on the Company's financial reporting and, therefore, have not been presented in these condensed interim unconsolidated financial statements.

4 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
------(Rupees)-----			
Property and equipment - owned	4.1	71,267,495	63,468,651
Property, plant and equipment - leased / ijarah	4.2	23,499,546	29,981,452
		94,767,041	93,450,103



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:

	Additions / Transfer		Disposals / Transfer	
	(Un-audited) March 31, 2021	(Audited) June 30, 2020	(Un-audited) March 31, 2021	(Audited) June 30, 2020
	------(Rupees)-----			
Building on leasehold land	-	1,417,630	-	68,688,108
Office premises	-	14,299,162	-	-
Lockers	7,220,750	616,000	-	-
Furniture and fixtures	-	3,574,467	-	491,580
Vehicles	7,599,000	8,135,910	2,285,000	7,105,816
Office equipment and appliances	1,085,680	2,458,735	528,000	1,361,621
	15,905,430	30,501,904	2,813,000	77,647,125

4.2 Property, plant and equipment - Ijarah / leased

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

	Additions		Disposals / Transfer	
	(Un-audited) March 31, 2021	(Audited) June 30, 2020	(Un-audited) March 31, 2021	(Audited) June 30, 2020
	------(Rupees)-----			
Vehicles	-	-	11,849,990	46,363,430
Office equipment and appliances	-	-	-	1,514,000
	-	-	11,849,990	47,877,430
		Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
			------(Rupees)-----	

5 INVESTMENT PROPERTIES

Investment properties	5.1	950,843,010	973,092,780
Capital work-in-progress	5.2	9,089,000	9,089,000
		959,932,010	982,181,780

5.1 Following additions/disposals were made during the period:

	Additions / Transfer		Disposals / Transfer	
	(Un-audited) March 31, 2021	(Audited) June 30, 2020	(Un-audited) March 31, 2021	(Audited) June 30, 2020
	------(Rupees)-----			
Office premises	-	65,855,976	-	166,708
Building on leasehold land	-	5,551,712	-	34,833,154
	-	71,407,688	-	34,999,862
		Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
			------(Rupees)-----	

5.2 Capital work-in-progress

Advance for office premises - Jofa Tower, Karachi	66,420,000	66,420,000
Less: Provision against advance for office premises	(57,331,000)	(57,331,000)
	9,089,000	9,089,000

6 LONG TERM INVESTMENT

In unquoted wholly owned subsidiary companies - at cost
BRR Financial Services (Private) Limited
5,500,000 ordinary shares (2020: 5,500,000) of Rs. 10 each

55,000,000	55,000,000
-------------------	-------------------



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

- 6.1** In prior year, in accordance with the requirement of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the Act), the Modaraba has received 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. In 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 Board of Directors of the Management Company in their meeting held on July 15, 2020, has approved the Scheme of Arrangement for merger by way of amalgamation of wholly owned subsidiary, BRR Financial Services (Private) Limited with and into the Modaraba. However, both the company and the modaraba are in the process of fulfilling their legal formalities in respect of merger to the respective authorities. Accordingly, one time right of TREC transfer will remain with the Modaraba.

The net assets of BRR Financial Services (Private) Limited based on latest audited financial statement as at June 30, 2020 amounted to Rs. 69.97 million (June 30, 2019 : Rs.54.134 million).

Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
	------(Rupees)-----	
7 SHORT TERM INVESTMENTS		
Held for trading		
Listed ordinary shares	449,298,294	187,425,291
Mutual funds units	24,797,730	23,974,609
Preference shares	8,881,647	-
Listed debt securities	10,713,374	-
	493,691,045	211,399,900
Available for sale		
Listed ordinary shares / modaraba certificates	1,133,130,142	536,945,092
Mutual funds units	8,444,756	8,164,446
Unlisted ordinary shares	97,026,028	97,026,028
Unlisted debt securities	1,245,953	1,245,953
	1,239,846,879	643,381,519
	1,733,537,924	854,781,419
Less: Provision for diminution in the value of investments	(16,222,148)	(16,222,148)
	1,717,315,776	838,559,271
8 RESERVES		
Capital reserve		
Profit prior to floatation	10,532,683	10,532,683
Statutory reserve	830,269,870	830,269,870
Merger reserve	44,902,567	44,902,567
Revenue reserve		
Accumulated loss	(280,321,464)	(505,095,692)
	605,383,656	380,609,428
9 CONTINGENCIES AND COMMITMENTS		
9.1		

- A commercial bank has lodged a claim of Rs. 1.090 million on account of excess mark-up paid to the Modaraba during previous years which is not accepted by the Modaraba. The Modaraba has also lodged a claim before the banking tribunal against the said commercial bank for short payment of mark-up to the Modaraba to the extent of Rs. 2.498 million (June 30, 2020 : Rs. 2.498 million). The proceedings under both cases are pending to date. As a matter of abundant caution, full provision in respect of the said claim of commercial bank had been made by the Modaraba in 2015. During the prior year, bank balances have been written off against provision amounting to Rs. 1.090 million.



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

9.2 The Modaraba had received a legal notice from Innovative Investment Bank Limited (formerly: Crescent Standard Investment Bank Limited) which was addressed to previous Management Company (Financial Link Limited) of the Modaraba, wherein they had asked Modaraba to settle an outstanding balance of short-term borrowing amounting to Rs. 171.143 million (June 30, 2020 : Rs. 171.143 million) along with the mark-up thereon on or before February 10, 2007. The management and the legal advisor of the Modaraba is confident that the matter will be decided in the favour of the Modaraba and, accordingly, no liability in respect of the above has been recognised in the financial statements. Further, the management has fully provided net amount of Rs. 44.9 million receivable from Innovative Investment Bank.

10 TAXATION

On March 22, 2021, the President of Pakistan promulgated the Tax Law (Second Amendment) Ordinance, 2021,(Ordinance 2021) whereby Clause 100 of the Part 1 of the Second Schedule to the Income Tax Ordinance, 2001 relating to the Tax Exemption available to the Modarabas stands withdrawn.

Tax Exemption has been available to the Modarabas under Section 37 of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, which is still operative and was specified under Clause 100 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, which exemption has been removed by Ordinance 2021. It is believed that the Ordinance 2021 will be placed before the Assembly to be ratified through a Finance Act. It is a settled law that the taxes can only be levied from prospective effect and any retrospective applicability thereof is ultra-vires under the Constitution. Based on the legal and professional advice, the Management along with other Modarabas, have made representations to the appropriate authorities to remove intended withdrawal of tax exemption available to the Modarabas, particularly any retrospective effect of the Ordinance 2021.

Further, the monetary impact of the aforesaid withdrawal of tax exemption from its application date i.e March 22, 2021 till March 31, 2021 is not material for the modaraba. Accordingly, no provision for Income Tax has been made in the quarterly accounts for the period ended July 1, 2020 to March 31, 2021.

11 RELATED PARTY TRANSACTIONS

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

The details of related party transactions and balances as at 31 March, 2021 are as follows:

Relationship with the Modaraba	Nature of transactions	(Un-audited) March 31, 2021 Rupees	(Un-audited) March 31, 2020 Rupees
Transactions during the period			
Management Company			
BRR Investment (Private) Limited	Management fee accrued	34,808,359	8,977,619
BRR Investment (Private) Limited	Management fee paid	17,152,959	5,158,795
BRR Investment (Private) Limited	Rent received	90,000	145,000
BRR Investment (Private) Limited	Advance received	4,000,000	-
BRR Investment (Private) Limited	Advance repaid	4,000,000	-
BRR Investment (Private) Limited	Reimbursement of expense	502	-
Subsidiary Company			
BRR Financial Services (Private) Limited	Loan received	5,000,000	6,000,000
BRR Financial Services (Private) Limited	Loan repaid	40,000,000	30,900,000
BRR Financial Services (Private) Limited	Profit paid	473,972	2,018,846
BRR Financial Services (Private) Limited	Profit returned	6,152,046	-
BRR Financial Services (Private) Limited	Dividend received	14,970,225	-
Associated companies / other related parties			
Dawood Family Takaful Limited	Rental Received against Ijarah / property	4,106,196	4,106,196
Dawood Family Takaful Limited	Musharaka finance recieved	105,000,000	50,000,000
Dawood Family Takaful Limited	Musharaka finance paid	105,000,000	100,000,000
Dawood Family Takaful Limited	Accrued profit on musharaka	1,755,544	3,703,123
Dawood Family Takaful Limited	Profit paid on musharaka finance	1,755,544	4,100,397



B.R.R. Guardian Modaraba
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		(Un-audited) March 31, 2021 Rupees	(Un-audited) March 31, 2020 Rupees
Associated companies / other related parties			
Dawood Family Takaful Limited	Group life insurance paid	191,633	322,762
First Dawood Investment Bank Limited	Rent received against property	90,000	371,000
First Dawood Investment Bank Limited	Share of common expenses - net	118,081	234,351
First Dawood Investment Bank Limited	Musharaka finance received-net	-	62,722,000
First Dawood Investment Bank Limited	Musharaka finance paid	-	12,722,000
First Dawood Investment Bank Limited	Profit accrued on musharaka	3,275,520	2,880,006
First Dawood Investment Bank Limited	Profit paid on Musharaka Finance	3,530,274	196,991
First Dawood Employees Provident Fund	Transfer to provident fund	2,343,324	2,384,287
Hydrochina Dawood Power (Private) Limited	Rent received against property	3,697,429	3,769,091
Dawood Global Foundation	Charity paid	215,321	55,417
		(Un-audited) March 31, 2021 Rupees	(Audited) June 30, 2020 Rupees
Relationship with the Modaraba	Nature of balances		
Period end balances			
Management Company			
BRR Investment (Private) Limited	Management fee payable	34,808,359	17,152,959
Subsidiary Company			
BRR Financial Services (Private) Limited	Loan payable	-	35,000,000
Associated companies / other related parties			
First Dawood Investment Bank Limited	Musharaka finance	50,000,000	50,000,000
First Dawood Investment Bank Limited	Profit payable	359,100	613,854
Dawood Family Takaful Limited	Musharaka finance	-	-
Dawood Family Takaful Limited	Advance rental	39,840	43,440
Hydrochina Dawood Power (Private) Limited	Advance rental	947,644	23,286

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements was authorised for issue on **26th April 2021** by the Board of Directors of B.R.R. Investment (Private) Limited.

13 GENERAL

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

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

Rafiq Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

Syed Tariq Masood
Chief Financial Officer

Un-Audited
Consolidated Condensed Interim
Financial Information
For The Nine Months Period Ended
March 31, 2021



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, Manager of B.R.R. Guardian Modaraba (BRRGM), take pleasure in presenting the 3rd Quarter consolidated financial statement of the Modaraba for the nine months ended March 31, 2021.

OPERATIONS AND PERFORMANCE

Financial highlights	March 31, 2021	March 31, 2020
 Rupees.....	
Rental Income	170,775,242	158,606,892
Total Income	458,099,864	211,797,594
Total Expenses	126,557,384	120,715,184
Profit after Management Fee & WWF	286,034,031	79,345,071
Earning per certificate	3.01	0.92
Other Comprehensive Income per certificate	9.95	1.32

During the nine months period under review the Modaraba has earned historical record net operating profit of Rs. 286.034 million, as compared with Rs. 79.345 million profit in the same period last year.

During the period, the right issue of the Modaraba commenced trading on December 30th, 2020 which successfully completed on January 28th, 2021 with full amount received.

Further, the Certificate Holders' Equity of Modaraba stands at Rs. 2,711.055 million as compared with Rs. 1,466.743 million in the same period last year with an increase of 84.84%. The breakup value share comes to Rs 28.54 per certificate.

Operating expenses of the Modaraba have remained within the budget.

WITHDRAWAL OF TAX EXEMPTION TO THE MODARABAS

On March 22, 2021, the President of Pakistan promulgated the Tax Law (Second Amendment) Ordinance, 2021, (Ordinance 2021) whereby Clause 100 of the Part 1 of the Second Schedule to the Income Tax Ordinance, 2001 relating to the Income Tax Exemption available to the Modarabas stands withdrawn. However, the monetary impact of the aforesaid withdrawal of tax exemption from its application date i.e. March 22, 2021 till March 31, 2021 is not material for modaraba. Accordingly, no provision for Income Tax has been made in the quarterly accounts for the period ended March 31, 2021.

CONCLUSION & APPRECIATION:

We are closely watching the business scenario and our target is to continue profitable growth 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

April 26, 2021
Karachi



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

بی۔آر۔آر۔ گارڈین مَضارِبہ

ڈائریکٹرز کی رپورٹ برائے مجموعی مالیاتی گوشوارے

محترم سرٹیفکیٹ ہولڈرز،

بی۔آر۔آر۔ انویسٹمنٹ (پرائیویٹ) لمیٹڈ ("بی آر آئی" یا کمپنی)، بورڈ آف ڈائریکٹرز کی طرف سے، بی آر آر گارڈین مَضارِبہ (بی آر آئی ایم) کے ناظم کی حیثیت سے ہم مارچ 31، 2021 کو ختم ہونے والی تیسری سہ ماہی کے مجموعی مالیاتی گوشوارے پیش کرتے ہوئے بے حد مسرت محسوس کر رہے ہیں۔

آپریشن اور کارکردگی

مارچ 31، 2020	مارچ 31، 2021	مالیاتی جھلکیاں
..... پاکستانی روپے میں		
158,606,892	170,775,242	کرایہ سے آمدنی
211,797,594	458,099,864	کل آمدنی
120,715,184	126,557,384	کل اخراجات
79,345,071	286,034,031	منافع بعد از انتظامیہ کی ٹیس اور ڈیلویڈیو ایف
0.92	3.01	نفعی سرٹیفکیٹ
1.32	9.95	جامع آمدنی سرٹیفکیٹ

زیر جائزہ دو ماہی کے دوران مَضارِبہ نے تاریخی ریکارڈ خالص آپریٹنگ منافع 286.034 ملین روپے کمایا، جبکہ گذشتہ سال کے اسی عرصہ میں 79.345 ملین روپے منافع ہوا تھا۔

اس عرصہ کے دوران، مَضارِبہ کے راستہ اجراء کی تجارت کا آغاز 30 دسمبر 2020 کو ہوا جو 28 جنوری 2021 کو کل رقم کی وصولی کے ساتھ کامیابی سے مکمل ہو گیا۔

اس کے علاوہ مَضارِبہ کے سرٹیفکیٹ ہولڈرز کی ایکویٹی 2,711.055 ملین روپے رہی جو کہ پچھلے سال کے اسی عرصہ میں 1,466.743 ملین روپے یعنی 84.84 فیصد کا اضافہ ہوا ہے۔ بریک اپ ویلیوشینز 28.54 روپے فی سرٹیفکیٹ ہے۔

مَضارِبہ کے آپریٹنگ اخراجات بجٹ کے اندر رہے ہیں۔

مَضارِبہ کی ٹیکس رعایت کی واپسی

22 مارچ، 2021 کو صدر پاکستان نے ٹیکس لاء (دوسری ترمیم) آرڈیننس، 2021، (آرڈیننس 2021) جاری کیا جس کے تحت مَضارِبہ کو دستیاب آنکم ٹیکس استثنیٰ سے متعلق، آنکم ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے پارٹ 1 کی کلاز 100 واپس لے لی گئی ہے۔ تاہم، مذکورہ بالا ٹیکس استثنیٰ کی واپسی کے مالیاتی اثرات مَضارِبہ کے لئے اس کی عمل درآمد کی تاریخ 22 مارچ 2021 سے 31 مارچ 2021 تک کے لئے میٹرل نہیں ہے۔ اسی سہ ماہی سے، 31 مارچ 2021 کو ختم ہونے والی مدت کے سماہی کھاتوں میں آنکم ٹیکس کے لئے کوئی پروویژن نہیں کی گئی ہے۔

اختتامی کلمات اور اظہار تشکر

ہم کاروباری حالات کو بخوبی سمجھ رہے ہیں اور 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 اؤڈو
چیف ایگزیکٹو آفیسر

سید علی رضا
ڈائریکٹر

اپریل 26، 2021

کراچی



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

**CONSOLIDATED CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2021**

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
	Note	------(Rupees)-----	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	94,767,041	93,450,103
Investment properties	5	959,932,010	982,181,780
Long-term musharaka finances		51,075,242	36,575,223
Long-term loans, advances and deposits		6,559,712	5,929,675
		1,112,334,005	1,118,136,781
CURRENT ASSETS			
Short-term investments	6	1,784,312,815	865,012,982
Current portion of musharaka finances		24,859,899	21,074,868
Ijarah / lease rental receivable		65,288	671,145
Loans, advances and prepayments		18,913,812	7,814,581
Accrued profit		1,217,688	1,257,718
Other receivables		56,778,985	14,470,000
Taxation		26,228,759	23,815,777
Cash and bank balances		31,007,130	41,530,052
		1,943,384,376	975,647,123
TOTAL ASSETS		3,055,718,381	2,093,783,904
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
140,000,000 (2020: 140,000,000) Modaraba certificates of Rs. 10/- each		1,400,000,000	1,400,000,000
Issued, subscribed and paid-up certificate capital		949,984,890	863,622,630
Reserves	7	603,812,771	395,579,653
Surplus on revaluation of investments		1,157,258,201	486,928,899
		2,711,055,862	1,746,131,182
LIABILITIES			
NON CURRENT LIABILITIES			
Long-term loans		6,892,684	20,652,000
Long-term murabaha, musharaka		-	-
Long-term security deposits		90,226,429	84,784,856
		97,119,113	105,436,856
CURRENT LIABILITIES			
Current portion of long-term loan		27,536,000	34,428,684
Current portion of long-term murabaha, musharaka		50,000,000	50,000,000
Current portion of security deposits		2,176,540	800,590
Creditors, accrued and other liabilities		135,266,345	126,546,142
Accrued profit on borrowings		359,100	613,854
Profit distribution payable		32,205,421	29,826,596
		247,543,406	242,215,866
TOTAL EQUITY AND LIABILITIES		3,055,718,381	2,093,783,904
CONTINGENCIES AND COMMITMENTS			
	8		

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)

Rafiq Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

Syed Tariq Masood
Chief Financial Officer



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

**Consolidated Condensed Interim Profit And Loss Account
For The Nine Months And Quarter Ended March 31, 2021
(Un-Audited)**

	Nine Months Ended		Quarter Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
----- Rupees -----				
INCOME				
Rental income	170,775,242	158,606,892	56,219,470	55,128,141
Income on musharaka finances	7,648,685	11,279,304	2,162,421	7,871,345
Ijarah rental income - net	889,499	4,671,721	166,745	862,130
Return on investments - net	60,469,376	9,881,254	24,364,687	(2,433,030)
Profit on bank balances	508,461	753,038	156,755	227,406
Reversal of provision for doubtful receivables-net	2,412,895	23,414,592	875,200	22,468,395
Unrealised gain / (loss) on revaluation of FVTPL investment	211,524,576	(293,772)	119,858,908	(36,428,439)
Gain on disposal of ijarah assets	374,032	975,427	92,659	496,810
Other income	3,497,098	2,509,138	279,873	300,506
	458,099,864	211,797,594	204,176,718	48,493,265
EXPENSES				
Administrative expenses	99,271,425	88,413,391	32,515,382	20,367,702
Depreciation on Investment properties	22,249,770	25,317,462	7,416,593	8,511,664
Financial charges	5,036,189	6,984,331	1,289,696	2,444,589
	126,557,384	120,715,184	41,221,671	31,323,955
Profit before management fee	331,542,480	91,082,410	162,955,047	17,169,310
Modaraba management company's fee	34,808,359	8,977,619	16,378,736	1,783,467
Sales tax on modaraba management company's fee	4,525,087	1,167,090	2,129,236	231,850
Provision for Sindh Worker's Welfare Fund	6,175,003	1,592,630	2,905,588	316,387
Profit before taxation	286,034,031	79,345,071	141,541,487	14,837,605
Taxation	10	-	-	-
Net Profit for the period	286,034,031	79,345,071	141,541,487	14,837,605
Earnings per certificate-basic and diluted	3.01	0.92	1.49	0.17

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)**

**Rafiq Dawood
Chairman**

**Ayaz Dawood
Chief Executive Officer**

**Syed Ali Raza
Director**

**Syed Tariq Masood
Chief Financial Officer**



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

**Consolidated Condensed Interim Statement of Comprehensive Income
For The Nine Months And Quarter Ended March 31, 2021
(Un-Audited)**

	Nine Months ended		Quarter Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- Rupees -----			
Profit for the period	286,034,031	79,345,071	141,541,487	14,837,605
Other comprehensive income / (loss) loss for the period				
Items that will be subsequently reclassified :				
Unrealised gain / (loss) on revaluation of fair value thorough OCI investments	659,890,954	35,245,042	104,437,213	(51,843,769)
Total comprehensive income / (loss) for the period	945,924,985	114,590,113	245,978,700	(37,006,164)

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)

Rafiq Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

Syed Tariq Masood
Chief Financial Officer



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

Consolidated Condensed Interim Statement of Cash Flows
For The Nine Months Period Ended March 31, 2021
(Un-Audited)

	March 31, 2021 Rupees	March 31, 2020 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period	286,034,031	79,345,071
Adjustment for non-cash and other items		
Depreciation	30,356,342	32,956,063
Amortisation on ijarah assets	1,602,556	6,003,101
Provision for doubtful receivables - net	(2,412,895)	(23,414,592)
Gain on disposal of property, plant and equipment - leased / ijarah	(349,384)	(975,427)
Gain on disposal of property and equipment - owned	(374,032)	(533,586)
Ijarah Rental Income	(2,492,055)	(10,674,822)
Income on murabaha, musharaka	(7,648,685)	(11,279,304)
Financial charges	5,036,189	6,984,331
Unrealized (gain) / loss on revaluation of held-for-trading investment	(211,524,576)	293,772
Return on investments - net	(62,283,640)	(10,343,157)
	(250,090,180)	(10,983,621)
(Increase) / decrease in current assets		
Ijarah / lease rentals receivable	3,097,912	10,259,859
Loans, advances and prepayments	(11,729,268)	(5,473,863)
Accrued profit	7,688,715	10,920,207
Other receivables	(42,308,985)	(3,361,346)
	(43,251,626)	12,344,857
(Decrease) / increase in current liabilities		
Creditors, accrued and other liabilities	20,811,063	(35,986,627)
Rentals received in advance	(12,090,860)	(5,061,338)
Customers' security deposits	6,817,523	3,325,823
	15,537,726	(37,722,142)
Income tax paid	(2,412,968)	(7,259,456)
Net cash generated from operating activities	5,816,983	35,724,709
B CASH FLOW FROM INVESTING ACTIVITIES		
Investments disposed / (purchased) - net	2,183,972	(33,755,146)
Income received on investments	12,215,366	3,607,631
Musharaka finances	(15,872,155)	48,254,105
Addition to property and equipment - owned	(15,905,430)	(11,325,570)
Addition to investment property	-	(5,551,712)
Proceeds from disposal of property, plant and equipment - leased / ijarah	5,253,382	7,173,595
Proceeds from disposal of property and equipment - owned	349,384	1,277,339
Net cash generated from investing activities	(11,775,481)	9,680,242
C CASH FLOW FROM FINANCING ACTIVITIES		
Financial charges paid	(5,290,943)	(4,623,705)
Finance under murabaha, musharaka- net	-	(29,677,418)
Long term loan	(20,652,000)	(20,726,885)
Right share subscription money received	86,362,260	-
Profit paid to certificate holders	(64,983,740)	(20,201,248)
Net cash used in financing activities	(4,564,423)	(75,229,256)
Net decrease in cash and cash equivalents	(10,522,922)	(29,824,305)
Cash and cash equivalents at the beginning of the period	41,530,052	42,702,758
Cash and cash equivalents at the end of the period	31,007,130	12,878,453

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)

Rafiq Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

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 Nine Months Period Ended March 31, 2021
(Un-Audited)

	Issued, subscribed and paid-up certificate capital	Capital reserves			Surplus on revaluation of investment	Accumulated loss	Total
		Profit prior to floatation	Merger reserve	Statutory reserve			
(Rupees)							
Balance as at July 01, 2019	863,622,630	10,532,683	44,902,567	756,012,170	258,174,771	(560,364,899)	1,372,879,922
Profit for the nine month ended March 31, 2020	-	-	-	-	-	79,345,071	79,345,071
Other comprehensive loss	-	-	-	-	35,245,042	-	35,245,042
Transfer of revaluation loss on disposal of fair value through OCI investments	-	-	-	-	22,760	(22,760)	-
Total comprehensive income for the period	-	-	-	-	35,267,802	79,322,311	114,590,113
Profit distribution for the year ended June 30, 2019 @ Re. 0.24 per certificate.	-	-	-	-	-	(20,726,943)	(20,726,943)
Balance as at March 31, 2020	863,622,630	10,532,683	44,902,567	756,012,170	293,442,573	(501,769,531)	1,466,743,092
Profit for the quarter ended June 30, 2020	-	-	-	-	-	85,594,859	85,594,859
Other comprehensive loss	-	-	-	-	193,793,231	-	193,793,231
Transfer of revaluation surplus on disposal of fair value through OCI investments	-	-	-	-	(306,905)	306,905	-
Total comprehensive income for the period	-	-	-	-	193,486,326	85,901,764	279,388,090
Transfer to statutory reserve	-	-	-	74,257,700	-	(74,257,700)	-
Balance as at June 30, 2020	863,622,630	10,532,683	44,902,567	830,269,870	486,928,899	(490,125,467)	1,746,131,182
Profit for the nine months ended March 31, 2021	-	-	-	-	-	286,034,031	286,034,031
Other comprehensive income	-	-	-	-	659,890,954	-	659,890,954
Transfer of revaluation surplus on disposal of fair value through OCI investments	-	-	-	-	10,438,348	(10,438,348)	-
Total comprehensive income for the period	-	-	-	-	670,329,302	275,595,683	945,924,985
Profit distribution for the year ended June 30, 2020 @ Re.0.78 per certificate	-	-	-	-	-	(67,362,565)	(67,362,565)
Issuance of right shares	86,362,260	-	-	-	-	-	86,362,260
Balance as at March 31, 2021	949,984,890	10,532,683	44,902,567	830,269,870	1,157,258,201	(281,892,349)	2,711,055,862

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

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)

Rafiq Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

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 Nine Months Period Ended March 31, 2021
(UN-AUDITED)**

1. LEGAL STATUS AND NATURE OF THE BUSINESS

This consolidated condensed interim financial information 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 1900-B, Saima Trade Towers, 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.

The Modaraba has incorporated a wholly owned subsidiary namely BRR Financial Services (Private) Limited (the Company) which was incorporated on November 30, 2015. The subsidiary has not yet commenced operations as at period end.

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. 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).

The Board of Directors of the Management Company in their meeting held on July 15, 2020, has approved the Scheme of Arrangement for merger by way of amalgamation of wholly owned subsidiary, BRR Financial Services (Private) Limited with and into the Modaraba. However, both the company and the modaraba are in the process of fulfilling their legal formalities in respect of merger to the respective authorities. Accordingly, one time right of TREC transfer will remain with the Modaraba.

2. BASIS OF PREPARATION

These consolidated condensed interim financial information have been prepared under the historical cost convention, 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. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of these consolidated condensed interim financial information are the same as those applied in the preparation of consolidated audited annual financial statements for the year ended June 30, 2020.

3.1 Standards and amendments to published approved accounting standards which are effective during the nine months ended March 31, 2021.

Following is a new standard and amendment to approved accounting standards which are mandatory for the Company's annual accounting period which began on July 1, 2020.

Standard or Interpretation

IFRS 9 - Financial Instruments
IFRS 15 - Revenue from Contracts with Customers

**IASB effective date
(Annual periods beginning on or after)**

July 1, 2018
July 1, 2018



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

However, the application of above standard does not have any significant impact on the Company's financial reporting and, therefore, have not been presented in these condensed interim unconsolidated financial statements.

	Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
------(Rupees)-----			
4 PROPERTY, PLANT AND EQUIPMENT			
Property and equipment - owned	4.1	71,267,495	63,468,651
Property, plant and equipment - leased / ijarah	4.2	23,499,546	29,981,452
		94,767,041	93,450,103

4.1 Property and equipment - Owned

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

	Additions / Transfer		Disposals / Transfer	
	(Un-audited) March 31, 2021	(Audited) June 30, 2020	(Un-audited) March 31, 2021	(Audited) June 30, 2020
------(Rupees)-----				
Building on leasehold land	-	1,417,630	-	68,688,108
Office premises	-	14,299,162	-	-
Lockers	7,220,750	616,000	-	-
Furniture and fixtures	-	3,574,467	-	491,580
Vehicles	7,599,000	8,135,910	2,285,000	7,105,816
Office equipment and appliances	1,085,680	2,458,735	528,000	1,361,621
	15,905,430	30,501,904	2,813,000	77,647,125

4.2 Property, plant and equipment - Ijarah / leased

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

	Additions		Disposals / Transfer	
	(Un-audited) March 31, 2021	(Audited) June 30, 2020	(Un-audited) March 31, 2021	(Audited) June 30, 2020
------(Rupees)-----				
Vehicles	-	-	11,849,990	46,363,430
Office equipment and appliances	-	-	-	1,514,000
	-	-	11,849,990	47,877,430

5 INVESTMENT PROPERTIES

	Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
------(Rupees)-----			
Investment properties	5.1	950,843,010	973,092,780
Capital work-in-progress	5.2	9,089,000	9,089,000
		959,932,010	982,181,780

5.1 Following additions/disposals were made during the period:

	Additions / Transfer		Disposals / Transfer	
	(Un-audited) March 31, 2021	(Audited) June 30, 2020	(Un-audited) March 31, 2021	(Audited) June 30, 2020
------(Rupees)-----				
Office premises	-	65,855,976	-	166,708
Building on leasehold land	-	5,551,712	-	34,833,154
	-	71,407,688	-	34,999,862



B.R.R. Guardian Modaraba
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	(Un-audited) March 31, 2021	(Audited) June 30, 2020
Note	------(Rupees)-----	
5.2 Capital work-in-progress		
Advance for office premises - Jofa Tower, Karachi	66,420,000	66,420,000
Less: Provision against advance for office premises	(57,331,000)	(57,331,000)
	9,089,000	9,089,000

6 SHORT TERM INVESTMENTS

Held for trading

Listed ordinary shares
Mutual funds units
Preference shares
Listed debt securities

478,932,631	211,555,336
24,797,730	26,298,276
8,881,647	-
10,713,374	-
523,325,382	237,853,612

Available for sale

Listed ordinary shares / modaraba certificates
Mutual funds units
Unlisted ordinary shares
Unlisted debt securities

1,170,492,844	536,945,091
8,444,756	8,164,446
97,026,028	97,026,028
1,245,953	1,245,953
1,277,209,581	643,381,518
1,800,534,963	881,235,130
(16,222,148)	(16,222,148)
1,784,312,815	865,012,982

Less: Provision for diminution in the value of investments

7 RESERVES

Capital reserve

Profit prior to floatation
Statutory reserve
Merger reserve

10,532,683 10,532,683
830,269,870 830,269,870
44,902,567 44,902,567

Revenue reserve

Accumulated loss

(281,892,349) (490,125,467)
603,812,771 395,579,653

8 CONTINGENCIES AND COMMITMENTS

8.1 A commercial bank has lodged a claim of Rs. 1.090 million on account of excess mark-up paid to the Modaraba during previous years which is not accepted by the Modaraba. The Modaraba has also lodged a claim before the banking tribunal against the said commercial bank for short payment of mark-up to the Modaraba to the extent of Rs. 2.498 million (2018: Rs. 2.498 million). The proceedings under both cases are pending to date. As a matter of abundant caution, full provision in respect of the said claim of commercial bank had been made by the Modaraba in 2015. During the prior year, bank balances have been written off against provision amounting to Rs. 1.090 million.

8.2 The Modaraba had received a legal notice from Innovative Investment Bank Limited (formerly: Crescent Standard Investment Bank Limited) which was addressed to previous Management Company (Financial Link Limited) of the Modaraba, wherein they had asked Modaraba to settle an outstanding balance of short-term borrowing amounting to Rs. 171.143 million (2018: Rs. 171.143 million) along with the mark-up thereon on or before February 10, 2007. The management and the legal advisor of the Modaraba is confident that the matter will be decided in the favour of the Modaraba and, accordingly, no liability in respect of the above has been recognised in the financial statements. Further, the management has fully provided net amount of Rs. 44.9 million receivable from Innovative Investment Bank.

9 TAXATION

On March 22, 2021, the President of Pakistan promulgated the Tax Law (Second Amendment) Ordinance, 2021, (Ordinance 2021) whereby Clause 100 of the Part 1 of the Second Schedule to the Income Tax Ordinance, 2001 relating to the Tax Exemption available to the Modarabas stands withdrawn.



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Tax Exemption has been available to the Modarabas under Section 37 of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, which is still operative and was specified under Clause 100 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, which exemption has been removed by Ordinance 2021. It is believed that the Ordinance 2021 will be placed before the Assembly to be ratified through a Finance Act. It is a settled law that the taxes can only be levied from prospective effect and any retrospective applicability thereof is ultra-vires under the Constitution. Based on the legal and professional advice, the Management along with other Modarabas, have made representations to the appropriate authorities to remove intended withdrawal of tax exemption available to the Modarabas, particularly any retrospective effect of the Ordinance 2021.

Further, the monetary impact of the aforesaid withdrawal of tax exemption from its application date i.e. March 22, 2021 till March 31, 2021 is not material for the modaraba. Accordingly, no provision for Income Tax has been made in the quarterly accounts for the period ended July 1, 2020 to March 31, 2021.

10 RELATED PARTY TRANSACTIONS

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

The details of related party transactions and balances as at 31 March, 2021 are as follows:

Relationship with the Modaraba	Nature of transactions	(Un-audited) March 31, 2021 Rupees	(Un-audited) March 31, 2020 Rupees
Transactions during the period			
Management Company			
BRR Investment (Private) Limited	Management fee accrued	34,808,359	8,977,619
BRR Investment (Private) Limited	Management fee paid	17,152,959	5,158,795
BRR Investment (Private) Limited	Rent received	90,000	145,000
BRR Investment (Private) Limited	Advance received	4,000,000	-
BRR Investment (Private) Limited	Advance repaid	4,000,000	-
BRR Investment (Private) Limited	Reimbursement of expense	502	-
Associated companies / other related parties			
Dawood Family Takaful Limited	Rental Received against Ijarah / property	4,106,196	4,106,196
Dawood Family Takaful Limited	Musharaka finance recieved	105,000,000	50,000,000
Dawood Family Takaful Limited	Musharaka finance paid	105,000,000	100,000,000
Dawood Family Takaful Limited	Accrued profit on musharaka	1,755,544	3,703,123
Dawood Family Takaful Limited	Profit paid on musharaka finance	1,755,544	4,100,397
Dawood Family Takaful Limited	Group life insurance paid	191,633	322,762
First Dawood Investment Bank Limited	Rent received against property	90,000	371,000
First Dawood Investment Bank Limited	Share of common expenses - net	118,081	234,351
First Dawood Investment Bank Limited	Musharaka finance received-net	-	62,722,000
First Dawood Investment Bank Limited	Musharaka finance paid	-	12,722,000
First Dawood Investment Bank Limited	Profit accrued on musharaka	3,275,520	2,880,006
First Dawood Investment Bank Limited	Profit paid on Musharaka Finance	3,530,274	196,991
First Dawood Employees Provident Fund	Transfer to provident fund	2,343,324	2,384,287
Hydrochina Dawood Power (Private) Limited	Rent received against property	3,697,429	3,769,091
Dawood Global Foundation	Charity paid	215,321	55,417



B.R.R. Guardian Modaraba
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Relationship with the Modaraba	Nature of balances	(Un-audited) March 31, 2021 Rupees	(Audited) June 30, 2020 Rupees
Period end balances			
Management Company			
BRR Investment (Private) Limited	Management fee payable	34,808,359	17,152,959
Associated companies / other related parties			
First Dawood Investment Bank Limited	Musharaka finance	50,000,000	50,000,000
First Dawood Investment Bank Limited	Profit payable	359,100	613,854
Dawood Family Takaful Limited	Advance rental	39,840	43,440
Hydrochina Dawood Power (Private) Limited	Advance rental	947,644	23,286

11 DATE OF AUTHORISATION FOR ISSUE

These financial statements was authorised for issue on **26th April 2021** by the Board of Directors of B.R.R. Investment (Private) Limited.

12 GENERAL

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

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

Rafiq Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

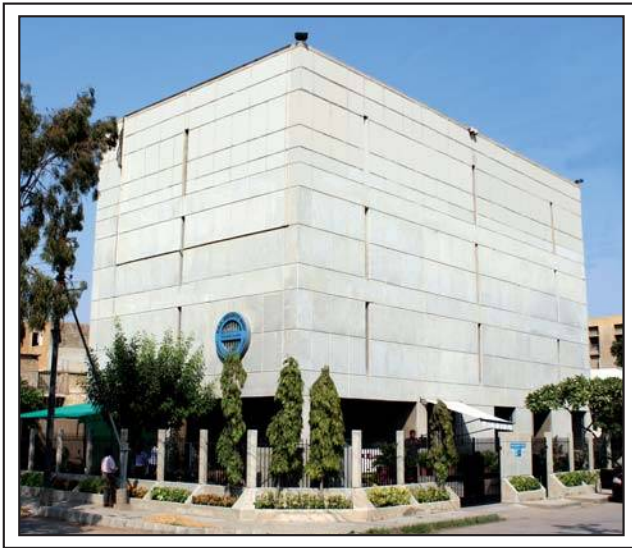
Syed Tariq Masood
Chief Financial Officer



B.R.R. SECURITY VAULT

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