

**Un-Audited
Standalone & Consolidated
Condensed Interim Financial Information
For The Three Months Period Ended
September 30, 2018**



B.R.R. TOWER



B.R.R. Guardian Modaraba
(An Islamic Financial Institution)
Managed by:
B.R.R. Investment (Private) Limited

**Q
U
A
R
T
E
R
L
Y

R
E
P
O
R
T**

2018



B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

Managed by:

B.R.R. Investment (Private) Limited

Contents	Page
Corporate Information	03
Directors' Report	04
ڈائریکٹرز کی رپورٹ	05
Condensed Interim Balance Sheet	06
Condensed Interim Profit and Loss Account	07
Condensed Interim Statement of Comprehensive Income	08
Condensed Interim Cash Flows Statement	09
Condensed Interim Statement of Changes in Equity	10
Notes to the Condensed Interim Financial Information	11



B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

Managed by:

B.R.R. Investment (Private) Limited

Contents	Page
Directors' Report to the Consolidated Condensed Interim Financial Information	18
ڈائریکٹرز کی رپورٹ برائے مجموعی مالیاتی حسابات	19
Consolidated Condensed Interim Balance Sheet	20
Consolidated Condensed Interim Profit and Loss Account	21
Consolidated Condensed Interim Statement of Comprehensive Income	22
Consolidated Condensed Interim Cash Flows Statement	23
Consolidated Condensed Interim Statement of Changes in Equity	24
Notes to the Consolidated Condensed Interim Financial Information	25

**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, Risk and Compliance	Abdul Rahman Subhan
Auditors	Horwath Hussain Chaudhury & Co. Chartered Accountants
Legal Advisor	S. & B Durrani Law Associate Rauf and Ghaffar Law Associates Malik & Malik Law Associates
Bankers	Al Baraka Bank (Pakistan) Limited Habib Metropolitan Bank Limited National Bank of Pakistan
Web-site	www.firstdawood.com/brr
Registered Office & Head Office	18th Floor, B.R.R. Tower Hassan Ali Street off. I.I. Chundrigar Road, Karachi-74000 PABX 92-21-32602401-06 Fax : 92-21-3227-1912
Registrars	F.D. Registrar Services (SMC-Pvt.) Ltd 1705, 17th Floor, Saima Trade 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, 2018.

Financial Results

	September 30, 2018	September 30, 2017 (Restated)
 Rupees	
Rental Income	44,033,476	40,478,702
Total Income	48,502,901	34,025,800
Unrealised loss on revaluation of held for trading investment	(19,473,627)	(35,219,260)
Total Expenses	46,351,178	37,678,901
Profit / (loss) before Management fee, WWF & Sales Tax	2,151,723	(3,653,101)

Your Modaraba has reported profit before Management fee, WWF & Sales Tax of Rs 2.152 million in the 1st Quarter as compared to loss in the same Quarter of the last year of Rs 3.653 million.

Further the Certificate Holders' Equity of Modaraba stands at Rs. 1,420.674 million as compared with Rs. 1,297.591 million in the same period last year with an increase of 9.49%. The breakup value share comes to Rs 16.45 per certificate.

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

Waqas Anwar Qureshi
Director

October 31, 2018
Karachi

Ayaz Dawood
Chief Executive Officer



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

بی۔آر۔آر۔ گارڈین مضاربہ ڈائریکٹرز کی رپورٹ

معزز سرٹیفکیٹ ہولڈرز،

بی۔آر۔آر۔انویسٹمنٹ (پرائیویٹ) لمیٹڈ ("بی آر آئی" یا کہیں) بورڈ آف ڈائریکٹرز کی طرف سے، بی آر گارڈین مضاربہ (بی آر آئی ایم) کے ناظم کی حیثیت سے ہم ستمبر 30، 2018 کو ختم ہونے والے پہلے سہ ماہی کے عبوری مالیاتی گوشوارے پیش کرتے ہوئے بے حد مسرت محسوس کر رہے ہیں۔

مالیاتی نتائج

تفصیل	ستمبر 30، 2018	ستمبر 30، 2017
پاکستانی روپے میں		
کرایہ سے آمدنی	44,033,476	40,478,702
کل آمدنی	48,502,901	34,025,800
تجارت کے لئے رکھی گئی سرمایہ کاری کی دوبارہ قیمت کے تعین پر حاصل ہونے والا غیر حقیقی (نقصان) / نفع	(19,473,627)	(35,219,260)
کل اخراجات	46,351,178	37,678,901
منافع / (نقصان) قبل از انتظامیہ کی فیس، ڈبلیو ڈبلیو ایف اور سیلز ٹیکس	2,151,723	(3,653,101)

آپ کے مضاربہ نے گزشتہ سال کی اسی سہ ماہی میں 3.653 ملین روپے نقصان کے مقابلے رواں پہلی سہ ماہی میں 2.152 ملین روپے کا منافع قبل از انتظامیہ فیس، ڈبلیو ڈبلیو ایف اور سیلز ٹیکس درج کرایا ہے۔

اس کے علاوہ مضاربہ کے سرٹیفکیٹ ہولڈرز کی ایکویٹی 9.49 فیصد اضافے کے ساتھ گزشتہ سال کی اسی مدت میں 1,297.591 ملین روپے کے مقابلے 1,420.674 ملین روپے رہی ہے۔ بریک اپ ویلیو فی سرٹیفکیٹ 16.45 روپے ہے۔

اختتامی کلمات اور اظہار تشکر

ہم کاروباری حالات کو بخیر دیکھ 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

وفاقی انورٹریٹ

ڈائریکٹر

اکتوبر 31، 2018

کراچی

ایاز داؤد

چیف ایگزیکٹو آفیسر



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

Condensed Interim Balance Sheet
As at September 30, 2018

		(Un-audited) September 30, 2018	(Audited) June 30, 2018
		------(Rupees)-----	
ASSETS	Note		
NON CURRENT ASSETS			
Property, plant and equipment	4	168,666,377	184,731,099
Investment properties	5	956,185,819	964,343,832
Long term investment	6	55,000,000	55,000,000
Long-term musharaka finances		27,766,080	35,806,578
Long-term loans, advances and deposits		9,167,419	9,595,857
TOTAL NON CURRENT ASSETS		1,216,785,695	1,249,477,366
CURRENT ASSETS			
Short-term investments	7	713,023,946	705,241,075
Current portion of musharaka finances		18,759,413	12,761,216
Ijarah / lease rental receivable		1,766,322	955,181
Loan, deposits, advances and prepayments		5,275,598	18,709,926
Accrued profit		1,830,680	515,836
Other receivables		5,357,643	3,541,507
Taxation		14,978,355	14,552,678
Cash and bank balances		13,056,511	20,221,135
		774,048,468	776,498,554
Non current asset held for sale		55,800,000	55,800,000
TOTAL CURRENT ASSETS		829,848,468	832,298,554
TOTAL ASSETS		2,046,634,163	2,081,775,920
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital		1,150,000,000	1,150,000,000
115,000,000 (June 30, 2018: 115,000,000) certificate of Rs 10/- each			
Issued, subscribed and paid up certificate capital		863,622,630	863,622,630
Reserves	8	191,913,645	190,043,238
Merger Reserve	8	44,902,567	44,902,567
Surplus on revaluation of investments		320,235,151	293,330,362
		1,420,673,993	1,391,898,797
LIABILITIES			
NON CURRENT LIABILITIES			
Diminishing musharaka based Term Finance Certificates		-	-
Long-term loan		124,232,684	128,616,684
Long-term murabaha, musharaka and finance under mark-up arrangements		-	28,225,802
Long-term security deposits		81,472,602	81,641,692
TOTAL NON CURRENT LIABILITIES		205,705,286	238,484,178
CURRENT LIABILITIES			
Current portion of long term loan		27,536,000	27,536,000
Current portion of long term murabaha, musharaka and finance under mark-up arrangements		102,042,964	93,776,446
Current portion of diminishing musharaka based Term Finance Certificates		50,397,896	72,449,843
Current portion of security deposits		7,738,200	11,941,410
Creditors, accrued and other liabilities		203,787,817	217,445,463
Accrued profit on borrowings		919,589	407,573
Profit distribution payable		27,832,418	27,836,210
TOTAL CURRENT LIABILITIES		420,254,884	451,392,945
TOTAL EQUITY AND LIABILITIES		2,046,634,163	2,081,775,920
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)

Rafique 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 Three Months Period Ended September 30, 2018
(Un-Audited)**

	September 30, 2018	September 30, 2017 (Restated)
	----- Rupees -----	
INCOME		
Rental income	44,033,476	40,478,702
Ijarah rentals	9,589,346	14,944,107
Income on musharaka finances	1,430,540	1,019,518
Return on investments - net	4,381,509	2,759,236
Profit on bank balances	180,883	1,143,760
Reversal of provision	7,418,331	8,163,334
Unrealized loss on revaluation of held-for-trading investment	(19,473,627)	(35,219,260)
Gain on disposal of ijarah assets	510,613	-
Other income	431,830	736,403
	48,502,901	34,025,800
EXPENSES		
Amortization on ijarah assets	8,487,689	11,020,155
Administrative expenses	28,388,757	24,394,456
Financial charges	9,474,732	1,963,063
Loss on sale of property and equipment	-	301,227
	46,351,178	37,678,901
	2,151,723	(3,653,101)
Modaraba management company's fee	215,172	-
Sales Tax on Modaraba Management company's fee	27,972	-
Provision for Worker's Welfare Fund	38,172	-
Profit / (loss) before taxation	1,870,407	(3,653,101)
Taxation	-	-
Profit / (loss) for the period	1,870,407	(3,653,101)
Profit / (loss) per certificate basic and diluted	0.02	(0.04)

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)**

Rafique 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 Three Months Period Ended September 30, 2018
(Un-Audited)

	September 30, 2018	September 30, 2017 (Restated)
	----- Rupees -----	
Profit / (loss) for the period	1,870,407	(3,653,101)
Other comprehensive (loss) / income for the period		
Unrealized surplus / (deficit) on revaluation of available for sale investments - net	26,904,789	(11,616,294)
Total comprehensive income / (loss) for the period	<u>28,775,196</u>	<u>(15,269,395)</u>

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)

Rafique 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 Three Months Period Ended September 30, 2018
(Un-Audited)

	September 30, 2018	September 30, 2017 (Restated)
	----- Rupees -----	
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) for the period	1,870,407	(3,653,101)
Adjustment for non-cash and other items		
Depreciation	10,785,106	10,447,122
Amortization on ijarah assets	8,487,689	11,020,155
(Gain) / loss on sale of ijarah assets	(510,613)	162,161
Reversal of provision	(7,418,331)	(8,163,334)
Gain on sale of own property	-	(329,331)
Financial charges	9,474,204	1,963,063
Income on investments - net	(4,562,392)	1,084,192
	16,255,663	16,184,028
(Increase) / decrease in current assets		
Ijarah rentals receivable	(811,141)	977,447
Loans, advances and prepayments	13,862,766	(7,601,545)
Accrued profit	(1,314,844)	102,559
Other receivable	(1,816,135)	71,933
	9,920,646	(6,449,606)
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	23,025,741	6,553,407
Rentals received in advance	(36,683,387)	(5,743,346)
Customers' security deposits	(4,372,300)	(2,715,500)
Income tax paid	(425,677)	(1,305,335)
	(18,455,623)	(3,210,774)
Net cash generated from operating activities	9,591,092	2,870,547
B CASH FLOW FROM INVESTING ACTIVITIES		
Investments disposed / (made) - net	26,874,705	(39,790,603)
Income received on investments	4,562,392	2,616,908
Decrease / (increase) in musharakas and morabahas finances	8,040,498	(16,876,503)
Proceeds on Disposal of ijarah Assets	-	1,943,225
Proceeds on Disposal of Assets in Own Use	65,200	151,900
Advance against ijarah assets	-	509,500
Addition to property and equipment owned	(937,300)	(1,146,000)
Addition to property, plant and equipment ijarah	-	(1,900,700)
Net cash generated from / (used in) investing activities	38,605,495	(54,492,273)
C CASH FLOW FROM FINANCING ACTIVITIES		
Decrease in Musharaka, Morabaha and Finance		
Under Mark-up arrangements	(49,551,947)	(22,051,947)
Long term loan paid	(4,384,000)	(6,888,000)
Financial charges paid	(1,421,472)	(2,984,283)
Profit paid to certificate holders	(3,792)	(1,493,455)
Net cash used in financing activities	(55,361,211)	(33,417,685)
Net decrease in cash and cash equivalents	(7,164,624)	(85,039,411)
Cash and cash equivalents at the beginning of the period	20,221,135	109,498,460
Cash and cash equivalents at the end of the period	13,056,511	24,459,049

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)

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

Syed Tariq Masood
Chief Financial Officer



Certificate capital	Capital Reserve			(Deficit)/ Surplus on revaluation	Accumulated Loss	Total
	Profit prior to floatation	Merger reserve	Statutory reserve	of investment Available for sale		
	Rupees					
780,462,550	10,532,683	-	701,898,993	279,215,719	(507,666,335)	1,264,443,610
-	-	-	-	-	(3,653,101)	(3,653,101)
83,160,080	-	-	-	-	-	83,160,080
-	-	44,902,567	-	-	-	44,902,567
-	-	-	-	-	(79,646,255)	(79,646,255)
-	-	-	-	(11,616,294)	-	(11,616,294)
83,160,080	-	44,902,567	-	(11,616,294)	(83,299,356)	33,146,997
863,622,630	10,532,683	44,902,567	701,898,993	267,599,425	(590,965,691)	1,297,590,607
863,622,630	10,532,683	44,902,567	734,198,759	293,330,362	(554,688,204)	1,391,898,797
-	-	-	-	-	1,870,407	1,870,407
-	-	-	-	26,904,789	-	26,904,789
-	-	-	-	26,904,789	1,870,407	28,775,196
863,622,630	10,532,683	44,902,567	734,198,759	320,235,151	(552,817,797)	1,420,673,993

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

Rafique 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 Three Months Period Ended September 30, 2018
(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 Rules 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 debts securities. The Modaraba also provides custodial and management services in the name of B.R.R. Security Vault.

- 1.2** During prior year, pursuant to approval from Securities and Exchange Commission of Pakistan the Modaraba has incorporated a wholly owned subsidiary namely BRR Financial Services (Private) Limited (the Company) which was incorporated on November 30, 2015. As per the Memorandum of Association (MoA) of the Company, the Modaraba has undertaken to subscribe to 100,000 ordinary shares of Rs. 10 each of the Company. During the year, the shares have been subscribed by the Modaraba. Further to comply with minimum paid-up capital requirement under Securities Brokers (Licensing and Operations) Regulations, 2017, the Modaraba has subscribed to 5,400,000 right shares of Rs. 10 each of the Company. The subsidiary has not yet commenced operations as at year end.

These represents 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 CSM with and into BRRGM with effect from July 1, 2017, whereby the entire undertaking and business inclusive of all assets, properties, rights, liabilities and dues of CSM will be transferred to and assumed by BRRGM. BRRGM will continue as a going concern and CSM upon amalgamation will cease to exist.

On the scheme becoming effective, the authorized modaraba capital of CSM of Rs. 250,000,000 shall be merged and combined with the authorized capital of BRRGM, consequently the merged authorized capital of BRRGM shall stand increased at Rs.1,400,000,000 divided into 140,000,000 modaraba certificates of Rs.10 each. Further, consequent on the scheme becoming effective the Issued, subscribed and paidup capital of CSM of Rs.200,000,000 shall be merged with and combined with the Issued, subscribed and paidup capital of BRGM, consequently the Issued, subscribed and paidup capital of BRRGM shall stand increased to Rs.863,622,630 divided into 86,362,263 modarba certificates of Rs. 10 each at a swap ratio of 1.00 : 2.405 (BRRGM : CSM). Accordingly, comparative information for the quarter ended September 30, 2017 has been restated to incorporate the effect of amalgamation of CSM with and into BRRGM with effect from July 1, 2017.

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, 2018.



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

**Notes To The Condensed Interim Financial Information
For The Three Months Period Ended September 30, 2018
(Un-Audited)**

		(Un-audited) September 30, 2018	(Audited) June 30, 2018
4 PROPERTY, PLANT AND EQUIPMENT	Note	------(Rupees)-----	
Property and equipment - owned	4.1	103,252,921	104,942,713
Property, plant and equipment - Ijarah	4.2	65,413,456	79,788,386
		168,666,377	184,731,099

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, 2018	(Audited) June 30, 2018	(Un-audited) September 30, 2018	(Audited) June 30, 2018
	------(Rupees)-----			
Building on leasehold	-	3,655,000	-	-
Lockers	-	-	-	-
Furniture and fixtures	-	650,000	-	-
Vehicles	855,300	8,786,681	652,000	(6,180,551)
Office equipment and appliances	82,000	1,229,552	-	(18,600)
	937,300	14,321,233	652,000	(6,199,151)

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, 2018	(Audited) June 30, 2018	(Un-audited) September 30, 2018	(Audited) June 30, 2018
	------(Rupees)-----			
Plant and Machinery	-	-	-	-
Vehicles	-	-	24,260,300	-
Office equipment and appliances	-	-	677,000	-
	-	-	24,937,300	-

		(Un-audited) September 30, 2018	(Audited) June 30, 2018
5 INVESTMENT PROPERTY	Note	------(Rupees)-----	
Investment property	5.1	947,096,819	955,254,832
Capital work-in-progress		9,089,000	9,089,000
		956,185,819	964,343,832



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

**Notes To The Condensed Interim Financial Information
For The Three Months Period Ended September 30, 2018
(Un-Audited)**

5.1 Investment Property

No additions and disposals in investment properties at cost, were made during the period.

	(Un-audited)	(Audited)
	September 30,	June 30,
	2018	2018
	----- (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	<u>55,000,000</u>	<u>55,000,000</u>

- 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. Board of Directors resolved to engage in the business of brokerage vide resolution passed in meeting held on April 21, 2014. For this purpose an application has been sent to Registrar Modaraba, SECP and ISE for addition of new clause in their prospectus which was rejected by SECP.

Subsequently, the Modaraba has received letter from SECP dated October 21, 2015 as per which SECP has allowed to form a wholly owned subsidiary subject to the following conditions:

- (a) The Modaraba shall ensure that the operations of the wholly owned subsidiary are conducted in accordance with Shariah Principles.
- (b) The Modaraba shall comply with any other condition imposed by the Registrar Modaraba in the best interest of Modaraba certificate holders.

Further, the Registrar Modaraba (RM) vide their letter dated October 26, 2015 also waived the requirement of regulation 7(7) of the Prudential Regulations for the said purpose for the Modaraba i.e. total exposure in shares of unlisted companies do not exceed 5% of the equity of the Modaraba.

Pursuant to approval from Securities and Exchange Commission of Pakistan the Modaraba has incorporated a wholly owned subsidiary, namely, BRR Financial Services (Private) Limited (the Company) on November 30, 2015. During the 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. As of the balance sheet date, the subsidiary has not yet commenced its operations. The Modaraba has requested Pakistan Stock Exchange to transfer TREC and other brokerage related assets to BRR Financial Services (Private) Limited which is still pending.

The net assets of BRR Financial Services (Private) Limited based on latest audited financial statements as at June 30, 2018 amounted to Rs. 54.663 million.(2017 : 54.409 million).



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

**Notes To The Condensed Interim Financial Information
For The Three Months Period Ended September 30, 2018
(Un-Audited)**

	(Unaudited) September 30, 2018	(Audited) June 30, 2018
	----- (Rupees) -----	
7 SHORT TERM INVESTMENTS		
Held for trading		
Listed ordinary shares	<u>205,815,135</u>	213,612,057
	205,815,135	213,612,057
Available for sale		
Listed ordinary shares	<u>379,500,776</u>	362,667,682
Unlisted ordinary shares	<u>89,812,733</u>	89,812,733
Investment in debts securities	<u>54,117,450</u>	55,370,751
	523,430,959	507,851,166
	729,246,094	721,463,223
Less: Provision for diminution in the value of investments	<u>(16,222,148)</u>	(16,222,148)
	713,023,946	705,241,075
8 RESERVES		
Capital reserve		
Profit prior to floatation	10,532,683	10,532,683
Statutory reserve	734,198,759	734,198,759
Merger reserve	44,902,567	44,902,567
Revenue reserve		
Accumulated loss	<u>(552,817,797)</u>	(554,688,204)
	236,816,212	234,945,805

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 (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.

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 (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 believe that the matter will be decided in the favour of the Modaraba and, accordingly, no liability in respect of the above has been recognised in the financial statements.



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

**Notes To The Condensed Interim Financial Information
For The Three Months Period Ended September 30, 2018
(Un-Audited)**

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.

The modaraba has related party relationship with its Management Company, Associated Undertakings, Employee Benefit Plans, and its Key Management Personnel.

A number of transactions are entered into with related parties in the normal course of business. These include financings, investments, borrowings, sharing of common expenses and rental income.

The detail of transactions with related parties and balances with them, apart from compensation to executives, is given below:

Relationship with the Modaraba	Nature of transactions / Balances	(Un-audited) September 30, 2018	(Un-audited) September 30, 2017 (Restated)
Management Company		2018	2017 (Restated)
		------(Rupees)-----	
BRR Investment (Private) Limited	Management fee accrued	215,172	-
BRR Investment (Private) Limited	Management fee paid	-	402,521
BRR Investment (Private) Limited	Rent received	75,000	75,000
BRR Investment (Private) Limited	Advance received	20,000,000	-
BRR Investment (Private) Limited	Advance paid	7,000,000	-
Subsidiary Company			
BRR Financial Services (Private) Limited	Preliminary expenses paid	-	4,305
BRR Financial Services (Private) Limited	Reimbursement of preliminary expenses - received	-	549,975
BRR Financial Services (Private) Limited	Loan received	2,500,000	-
Associated companies / other related parties			
Dawood Family Takaful Limited	Rental received against ijarah / property	1,073,367	1,248,720
Dawood Family Takaful Limited	Group life insurance paid	143,233	-
Dawood Family Takaful Limited	Principal paid against investment in Sukuk	4,694,805	4,694,805
Dawood Family Takaful Limited	Profit paid against investment in Sukuk	302,628	634,277
First Dawood Investment Bank Limited	Rent received against property	204,600	204,600
First Dawood Investment Bank Limited	Share of common expenses received -	48,616	25,412
First Dawood Investment Bank Limited	Principal paid against investment in Sukuk	2,674,092	2,674,092
First Dawood Investment Bank Limited	Profit paid against investment in Sukuk	172,372	361,275
First Dawood Employees Provident Fund	Transfer to provident fund	757,999	687,601
First Dawood Employees Provident Fund	Principal paid against investment in Sukuk	2,196,039	2,196,039
First Dawood Employees Provident Fund	Profit paid against investment in Sukuk	141,557	296,689
Hamida Dawood	Principal paid against investment in Sukuk	720,780	720,780
Hamida Dawood	Profit paid against investment in Sukuk	46,462	97,378
Dawood Global Foundation	Charity paid	57,932	60,232



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

**Notes To The Condensed Interim Financial Information
For The Three Months Period Ended September 30, 2018
(Un-Audited)**

10.1 Period end balances		(Un-audited) September 30, 2018	(Audited) June 30, 2018
Relationship with the Modaraba	Nature of transactions / Balances	----- (Rupees) -----	
Management Company			
BRR Investment (Private) Limited	Management fee payable	7,684,070	7,468,898
BRR Investment (Private) Limited	Advance payable	13,000,000	-
Subsidiary Company			
BRR Financial Services (Private) Limited	Loan payable	48,500,000	46,000,000
BRR Financial Services (Private) Limited	Profit payable	600,069	-
First Dawood Investment Bank Limited	Principal payable against investment in Sukuk	6,111,405	8,785,497
First Dawood Investment Bank Limited	Profit payable against investment in Sukuk	38,746	49,363
First Dawood Employees Provident Fund	Principal payable against investment in Sukuk	5,018,863	7,214,902
First Dawood Employees Provident Fund	Profit payable against investment in Sukuk	31,820	40,594
Dawood Family Takaful Limited	Principal payable against investment in Sukuk	10,729,586	15,424,391
Dawood Family Takaful Limited	Profit payable against investment in Sukuk	68,025	86,788
Hamida Dawood	Principal payable against investment in Sukuk	1,647,275	2,368,055
Hamida Dawood	Profit payable against investment in Sukuk	10,443	13,325
Hydrochina Dawood Power (Private) Limited	Advance rental	7,321	13,915

11 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in their meeting held on October 31, 2018 have approved profit distribution at the rate of 3.4% i.e. Re. 0.34 (2017: at the rate of 10% i.e. Rs. 1 per certificate) for the year ended June 30, 2018. These financial statements do not reflect this distribution.

12 DATE OF AUTHORISATION OF ISSUE

These condensed interim financial information was authorised for issue on **October 31, 2018** by the Board of Directors of the B.R.R. Investment (Private) Limited.

13 GENERAL

Figures have been rounded off to the nearest Rupee.

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

Rafique 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 Three Months Period Ended
SEPTEMBER 30, 2018



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 (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 Consolidated Condensed Interim Financial Statements of the Modaraba for the period ended September 30, 2018.

Financial Results

	September 30, 2018	September 30, 2017 (Restated)
 Rupees	
Rental Income	44,033,476	40,478,702
Total Income	48,158,661	34,025,800
Unrealised loss on revaluation of held for trading investment	(19,848,207)	(35,219,260)
Total Expenses	45,751,598	37,868,606
Profit / (loss) before Management fee, WWF & Sales Tax	2,407,063	(3,842,806)

Your Modaraba has reported profit before Management fee, WWF & Sales Tax of Rs 2.407 million in the 1st Quarter as compared to loss in the same Quarter of the last year of Rs 3.843 million.

Further the Certificate Holders' Equity of Modaraba stands at Rs. 1,420.592 million as compared with Rs. 1,296.810 million in the same period last year with an increase of 9.55%. The breakup value share comes to Rs 16.45 per certificate.

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

Waqas Anwar Qureshi
Director

Ayaz Dawood
Chief Executive Officer

October 31, 2018
Karachi



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

مجموعی مالیاتی حسابات برائے بی۔آر۔آر۔ گارجین مضرارہ ڈائریکٹرز کی رپورٹ

معزز سرٹیفکیٹ ہولڈرز،

بی۔آر۔آر۔ فوڈسٹنٹ (پرائیویٹ) لمیٹڈ ("بی آر آئی" یا کمپنی)، بورڈ آف ڈائریکٹرز کی طرف سے، بی آر گارجین مضرارہ (بی آر آئی ایم) کے عزم کی حیثیت سے ہم ستمبر 30، 2018 کو ختم ہونے والے پہلے سہ ماہی کے مجموعی عبوری مالیاتی گوشوارے پیش کرتے ہوئے بے حد مسرت محسوس کر رہے ہیں۔

مالیاتی نتائج

تفصیل	ستمبر 30، 2018	ستمبر 30، 2017
پاکستانی روپے میں		
کرایہ سے آمدنی	44,033,476	40,478,702
کل آمدنی	48,158,661	34,025,800
تجارت کے لئے رکھی گئی سرمایہ کاری کی دوبارہ قیمت کے تعین پر حاصل ہونے والا غیر حقیقی (نقصان) / نفع	(19,848,207)	(35,219,260)
کل اخراجات	45,751,598	37,868,606
منافع (نقصان) قبل از انتظامیہ کی فیس، ڈیپوڈیلیو ایف اور سیلز ٹیکس	2,407,063	(3,842,806)

آپ کے مضرارہ نے گزشتہ سال کی اسی سہ ماہی میں 3.843 ملین روپے نقصان کے مقابلے رواں پہلی سہ ماہی میں 2.407 ملین روپے کا منافع قبل از انتظامیہ فیس، ڈیپوڈیلیو ایف اور سیلز ٹیکس درج کرایا ہے۔

اس کے علاوہ مضرارہ کے سرٹیفکیٹ ہولڈرز کی ایکویٹی 9.55 فیصد اضافے کے ساتھ گزشتہ سال کی اسی مدت میں 1,296.810 ملین روپے کے مقابلے 1,420.592 ملین روپے رہی ہے۔ بریک اپ ویلیو فی سرٹیفکیٹ 16.45 روپے ہے۔

اختتامی کلمات اور اظہار تشکر

ہم کاروباری حالات کو بخیر و بھلا دیکھ رہے ہیں اور مستقبل میں آنے والے مواقع کے لئے اپنی رسک مینجمنٹ کی حکمت عملیوں کو مضبوط بنانا ہے 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۔ فوڈسٹنٹ (پرائیویٹ) لمیٹڈ

وقاص انور قریشی

ڈائریکٹر

ایاز داؤد

چیف ایگزیکٹو آفیسر

اکتوبر 31، 2018

کراچی



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

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF FINANCIAL POSITION
As at September 30, 2018**

	Note	(Un-audited) September 30, 2018	(Audited) June 30, 2018
		------(Rupees)-----	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	168,666,377	184,731,099
Investment properties	6	956,185,819	964,343,832
Long-term musharaka finances		27,766,080	35,806,578
Long-term loans, advances and deposits		9,167,420	9,595,857
TOTAL NON CURRENT ASSETS		1,161,785,696	1,194,477,366
CURRENT ASSETS			
Short-term investments	7	718,790,396	711,449,205
Current portion of musharaka finances		18,759,413	12,761,216
Ijarah / lease rental receivable		1,766,322	955,181
Loan, deposits, advances and prepayments		5,275,598	18,709,926
Accrued profit		1,830,680	515,836
Other receivables		5,357,643	3,541,507
Taxation		15,344,932	14,916,906
Cash and bank balances		13,209,240	22,854,663
		780,334,224	785,704,440
Non current asset held for sale		55,800,000	55,800,000
TOTAL CURRENT ASSETS		836,134,224	841,504,440
TOTAL ASSETS		1,997,919,920	2,035,981,806
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital		1,150,000,000	1,150,000,000
115,000,000 (June 30, 2018: 115,000,000) certificate of Rs 10/- each		863,622,630	863,622,630
Issued, subscribed and paid up certificate capital		191,832,068	189,706,321
Reserves	8	44,902,567	44,902,567
Merger Reserve	8	320,235,151	293,330,362
Surplus on revaluation of investments		1,420,592,416	1,391,561,880
LIABILITIES			
NON CURRENT LIABILITIES			
Diminishing musharaka based Term Finance Certificates		-	-
Long-term loan		75,732,684	82,616,684
Long-term murabaha, musharaka and finance under mark-up arrangements		-	28,225,802
Long-term security deposits		81,472,602	81,641,692
TOTAL NON CURRENT LIABILITIES		157,205,286	192,484,178
CURRENT LIABILITIES			
Current portion of long term loan		27,536,000	27,536,000
Current portion of long term murabaha, musharaka and finance under mark-up arrangements		102,042,964	93,776,446
Current portion of diminishing musharaka based Term Finance Certificates		50,397,896	72,449,843
Current portion of security deposits		7,738,200	11,941,410
Creditors, accrued and other liabilities		204,255,220	217,988,266
Accrued profit on borrowings		319,520	407,573
Profit distribution payable		27,832,418	27,836,210
TOTAL CURRENT LIABILITIES		420,122,218	451,935,748
TOTAL EQUITY AND LIABILITIES		1,997,919,920	2,035,981,806
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)**

Rafique 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 Three Months Period Ended September 30, 2018
(Un-Audited)**

	September 30, 2018	September 30, 2017 (Restated)
	-----	-----
	Rupees	Rupees
INCOME		
Rental income	44,033,476	40,478,702
Ijarah rentals	9,589,346	14,944,107
Income on musharaka finances	1,430,540	1,019,518
Return on investments - net	4,388,364	2,759,236
Profit on bank balances	204,368	1,143,760
Reversal of provision	7,418,331	8,163,334
Unrealized loss on revaluation of held-for-trading investment	(19,848,207)	(35,219,260)
Gain on disposal of ijarah assets	510,613	-
Other income	431,830	736,403
	48,158,661	34,025,800
EXPENSES		
Amortization on ijarah assets	8,487,689	11,020,155
Administrative expenses	28,388,907	24,584,161
Financial charges	8,875,002	1,963,063
Loss on sale of property and equipment	-	301,227
	45,751,598	37,868,606
	2,407,063	(3,842,806)
Modaraba management company's fee	215,172	-
Sales Tax on Modaraba Management company's fee	27,972	-
Provision for Worker's Welfare Fund	38,172	-
Profit / (loss) before taxation	2,125,747	(3,842,806)
Taxation	-	-
Profit / (loss) for the period	2,125,747	(3,842,806)
Profit / (loss) per certificate basic and diluted	0.02	(0.04)

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)**

Rafique 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 Three Months Period Ended September 30, 2018
(Un-Audited)

	September 30, 2018	September 30, 2017 (Restated)
	-----	Rupees -----
Profit / (loss) for the period	2,125,747	(3,842,806)
Other comprehensive (loss) / income for the period		
Unrealized surplus / (deficit) on revaluation of available for sale investments - net	26,904,789	(11,616,294)
Total comprehensive income / (loss) for the period	<u>29,030,536</u>	<u>(15,459,100)</u>

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)

Rafique 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 Three Months Period Ended September 30, 2018
(Un-Audited)**

	September 30, 2018	September 30, 2017 (Restated)
	----- Rupees -----	
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) for the period	2,125,747	(3,842,806)
Adjustment for non-cash and other items		
Depreciation	10,785,106	10,447,122
Amortization on ijarah assets	8,487,689	11,020,155
(Gain) / loss on sale of assets leased out	(510,613)	162,161
Reversal of provision	(7,418,331)	(8,163,334)
Gain on sale of own property	-	(329,331)
Financial charges	8,874,474	1,963,063
Income on investments - net	(4,592,732)	1,084,192
	15,625,593	16,184,028
(Increase) / decrease in current assets		
Ijarah rentals receivable	(811,141)	977,447
Loans, advances and prepayments	13,862,765	(31,601,545)
Accrued profit	(1,314,844)	102,559
Other receivable	(1,816,136)	(473,737)
	9,920,644	(30,995,276)
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	22,950,341	6,520,697
Rentals received in advance	(36,683,387)	(5,743,346)
Customers' security deposits	(4,372,300)	(2,715,500)
Income tax paid	(428,025)	(1,305,335)
	(18,533,371)	(3,243,484)
Net cash generated from operating activities	9,138,613	(21,897,538)
B CASH FLOW FROM INVESTING ACTIVITIES		
Investments disposed / (made) - net	27,316,384	(39,790,603)
Income received on investments	4,592,732	2,616,908
Decrease / (increase) in musharakas and morabahas finances	8,040,498	(16,876,503)
Proceeds on Disposal of Ijarah Assets	-	1,943,225
Proceeds on Disposal of Assets in Own Use	65,200	151,900
Advance against ijarah assets	-	509,500
Addition to property and equipment owned	(937,300)	(1,146,000)
Addition to property, plant and equipment ijarah	-	(1,900,700)
Net cash generated from / (used in) investing activities	39,077,514	(54,492,273)
C CASH FLOW FROM FINANCING ACTIVITIES		
Decrease in Musharaka, Morabaha and Finance		
Under Mark-up arrangements	(49,551,947)	(22,051,947)
Long term loan paid	(6,884,000)	(6,888,000)
Financial charges paid	(1,421,811)	(2,984,283)
Profit paid to certificate holders	(3,792)	(1,493,455)
Net cash used in financing activities	(57,861,550)	(33,417,685)
Net decrease in cash and cash equivalents	(9,645,423)	(109,807,496)
Cash and cash equivalents at the beginning of the period	22,854,663	164,502,894
Cash and cash equivalents at the end of the period	13,209,240	54,695,398

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)**

Rafique 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 Three Months Period Ended September 30, 2018
(Un-Audited)**

	Certificate capital	Capital Reserve Profit prior to floatation	Merger reserve	Statutory reserve	(Deficit)/ Surplus on revaluation of investment Available for sale	Accumulated Loss	Total
	Rupees						
Balance as at July 01, 2017	780,462,550	10,532,683	-	701,898,993	279,215,719	(508,257,219)	1,263,852,726
Loss for quarter ended September 30, 2017	-	-	-	-	-	(3,842,806)	(3,842,806)
Issue of shares on amalgamation	83,160,080	-	-	-	-	-	83,160,080
Reserve on amalgamation	-	-	44,902,567	-	-	-	44,902,567
Total profit distribution for the year ended June 30, 2017 @ 0.01 per certificate	-	-	-	-	-	(79,646,255)	(79,646,255)
Other comprehensive income	-	-	-	-	(11,616,294)	-	(11,616,294)
	83,160,080	-	44,902,567	-	(11,616,294)	(83,489,061)	32,957,292
Balance as at September 30, 2017 (Restated)	863,622,630	10,532,683	44,902,567	701,898,993	267,599,425	(591,746,280)	1,296,810,018
Balance as at July 01, 2018	863,622,630	10,532,683	44,902,567	734,198,759	293,330,362	(555,025,121)	1,391,561,880
Profit for quarter ended September 30, 2018	-	-	-	-	-	2,125,747	2,125,747
Other comprehensive income	-	-	-	-	26,904,789	-	26,904,789
	-	-	-	-	26,904,789	2,125,747	29,030,536
Balance as at September 30, 2018	863,622,630	10,532,683	44,902,567	734,198,759	320,235,151	(552,899,374)	1,420,592,416

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)**

Rafique 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 Three Months Period Ended September 30, 2018
(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 Rules framed there under and is managed by B.R.R. Investments (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.

During prior year, pursuant to approval from Securities and Exchange Commission of Pakistan the Modaraba has incorporated a wholly owned subsidiary namely BRR Financial Services (Private) Limited (the Company) which was incorporated on November 30, 2015. As per the Memorandum of Association (MoA) of the Company, the Modaraba has undertaken to subscribe to 100,000 ordinary shares of Rs. 10 each of the Company. During the year, the shares have been subscribed by the Modaraba. Further to comply with minimum paid-up capital requirement under Securities Brokers (Licensing and Operations) Regulations, 2017, the Modaraba has subscribed to 5,400,000 right shares of Rs. 10 each of the Company. The subsidiary has not yet commenced operations as at year end.

On September 4, 2018 the High Court of Sindh sanctioned the scheme of arrangement for merger by way of amalgamation of CSM with and into BRRGM with effect from July 1, 2017, whereby the entire undertaking and business inclusive of all assets, properties, rights, liabilities and dues of CSM will be transferred to and assumed by BRRGM. BRRGM will continue as a going concern and CSM upon amalgamation will cease to exist.

On the scheme becoming effective, the authorized modaraba capital of CSM of Rs. 250,000,000 shall be merged and combined with the authorized capital of BRRGM, consequently the merged authorized capital of BRRGM shall stand increased at Rs.1,400,000,000 divided into 140,000,000 modaraba certificates of Rs.10 each. Further, consequent on the scheme becoming effective the Issued, subscribed and paidup capital of CSM of Rs.200,000,000 shall be merged with and combined with the Issued, subscribed and paidup capital of BRGM, consequently the Issued, subscribed and paidup capital of BRRGM shall stand increased to Rs.863,622,630 divided into 86,362,263 modarba certificates of Rs. 10 each at a swap ratio of 1.00 : 2.405 (BRRGM : CSM). Accordingly, comparative information for the quarter ended September 30, 2017 has been restated to incorporate the effect of amalgamation of CSM with and into BRRGM with effect from July 1, 2017.

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.

As per the Memorandum of Association (MoA) of the Company, the Modaraba has undertaken to subscribe to 100,000 ordinary shares of Rs. 10 each of the Company. During prior year, the shares have been subscribed by the Modaraba. Further to comply with minimum paid-up capital requirement under Securities Brokers (Licensing and Operations) Regulations, 2016, the Modaraba has subscribed to 5,400,000 right shares of Rs. 10 each of the Company. The subsidiary has not yet commenced operations as at period end.



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, 2018
(Un-Audited)**

The Company is wholly owned subsidiary of the 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, 2018.

			(Un-audited)	(Audited)
			September 30, 2018	June 30, 2018
5 PROPERTY, PLANT AND EQUIPMENT	Note		------(Rupees)-----	
Property and equipment - owned	5.1		103,252,921	104,942,713
Property, plant and equipment - Ijarah	5.2		65,413,456	79,788,386
			168,666,377	184,731,099

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)	(Audited)	(Un-audited)	(Audited)
	September 30, 2018	June 30, 2018	September 30, 2018	June 30, 2018
	------(Rupees)-----			
Building on leasehold	-	3,655,000	-	-
Lockers	-	-	-	-
Furniture and fixtures	-	650,000	-	-
Vehicles	855,300	8,786,681	652,000	(6,180,551)
Office equipment and appliances	82,000	1,229,552	-	(18,600)
	937,300	14,321,233	652,000	(6,199,151)



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, 2018
(Un-Audited)**

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)	(Audited)	(Un-audited)	(Audited)
	September 30,	June 30,	September 30,	June 30,
	2018	2018	2018	2018
	------(Rupees)-----		------(Rupees)-----	
Plant and Machinery	-	-	-	-
Vehicles	-	-	24,260,300	-
Office equipment and appliances	-	-	677,000	-
	-	-	24,937,300	-

		(Un-audited)	(Audited)
		September 30,	June 30,
		2018	2018
		------(Rupees)-----	
6 INVESTMENT PROPERTY	Note		
Investment property	6.1	947,096,819	955,254,832
Capital work-in-progress		9,089,000	9,089,000
		956,185,819	964,343,832

6.1 Investment Property

No additions and disposals in investment properties at cost, were made during the period.

(Unaudited)	(Audited)
September 30,	June 30,
2018	2018
------(Rupees)-----	

7 SHORT TERM INVESTMENTS

Held for trading

Listed ordinary shares	211,581,585	219,665,987
	211,581,585	219,665,987

Available for sale

Listed ordinary shares	379,500,776	362,821,882
Unlisted ordinary shares	89,812,733	89,812,733
Investment in debts securities	54,117,450	55,370,751
	523,430,959	508,005,366
	735,012,544	727,671,353
Less: Provision for diminution in the value of investments	(16,222,148)	(16,222,148)
	718,790,396	711,449,205



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, 2018
(Un-Audited)**

	(Unaudited) September 30, 2018	(Audited) June 30, 2018
	------(Rupees)-----	
8 RESERVES		
Capital reserve		
Profit prior to floatation	10,532,683	10,532,683
Statutory reserve	734,198,759	734,198,759
Merger reserve	44,902,567	44,902,567
Revenue reserve		
Accumulated loss	<u>(552,899,374)</u>	<u>(555,025,121)</u>
	<u>236,734,635</u>	<u>234,608,888</u>

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 (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.
- 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 (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 believe that the matter will be decided in the favour of the Modaraba and, accordingly, no liability in respect of the above has been recognised in the financial statements.

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.

The modaraba has related party relationship with its Management Company, Associated Undertakings, Employee Benefit Plans, and its Key Management Personnel.

A number of transactions are entered into with related parties in the normal course of business. These include financings, investments, borrowings, sharing of common expenses and rental income.

The detail of transactions with related parties and balances with them, apart from compensation to executives, is given below:



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, 2018
(Un-Audited)**

Relationship with the Modaraba	Nature of transactions / Balances	(Un-audited) September 30, 2018	(Un-audited) September 30, 2017 (Restated)
Management Company		----- (Rupees) -----	
BRR Investment (Private) Limited	Management fee accrued	215,172	-
BRR Investment (Private) Limited	Management fee paid	-	402,521
BRR Investment (Private) Limited	Rent received	75,000	75,000
BRR Investment (Private) Limited	Advance received	20,000,000	-
BRR Investment (Private) Limited	Advance paid	7,000,000	-
Associated companies / other related parties			
Dawood Family Takaful Limited	Rental received against ijarah / property	1,073,367	1,248,720
Dawood Family Takaful Limited	Group life insurance paid	143,233	-
Dawood Family Takaful Limited	Principal paid against investment in Sukuk	4,694,805	4,694,805
Dawood Family Takaful Limited	Profit paid against investment in Sukuk	302,628	634,277
First Dawood Investment Bank Limited	Rent received against property	204,600	204,600
First Dawood Investment Bank Limited	Share of common expenses received - net	48,616	25,412
First Dawood Investment Bank Limited	Principal paid against investment in Sukuk	2,674,092	2,674,092
First Dawood Investment Bank Limited	Profit paid against investment in Sukuk	172,372	361,275
First Dawood Employees Provident Fund	Transfer to provident fund	757,999	687,601
First Dawood Employees Provident Fund	Principal paid against investment in Sukuk	2,196,039	2,196,039
First Dawood Employees Provident Fund	Profit paid against investment in Sukuk	141,557	296,689
Hamida Dawood	Principal paid against investment in Sukuk	720,780	720,780
Hamida Dawood	Profit paid against investment in Sukuk	46,462	97,378
Dawood Global Foundation	Charity paid	57,932	60,232
10.1 Period end balances		(Un-audited) September 30, 2018	(Audited) June 30, 2018
Management Company		----- (Rupees) -----	
BRR Investment (Private) Limited	Management fee payable	7,684,070	7,468,898
BRR Investment (Private) Limited	Advance payable	13,000,000	-
Associated companies / other related parties			
First Dawood Investment Bank Limited	Principal payable against investment in Sukuk	6,111,405	8,785,497
First Dawood Investment Bank Limited	Profit payable against investment in Sukuk	38,746	49,363
First Dawood Employees Provident Fund	Principal payable against investment in Sukuk	5,018,863	7,214,902
First Dawood Employees Provident Fund	Profit payable against investment in Sukuk	31,820	40,594
Dawood Family Takaful Limited	Principal payable against investment in Sukuk	10,729,586	15,424,391
Dawood Family Takaful Limited	Profit payable against investment in Sukuk	68,025	86,788
Hamida Dawood	Principal payable against investment in Sukuk	1,647,275	2,368,055



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, 2018
(Un-Audited)**

		(Un-audited) September 30, 2018	(Audited) June 30, 2018
		------(Rupees)-----	
Hamida Dawood	Profit payable against investment in Sukuk	10,443	13,325
Hydrochina Dawood Power (Private) Limited	Advance rental	7,321	13,915

11 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in their meeting held on October 31, 2018 have approved profit distribution at the rate of 3.4% i.e. Re. 0.34 (2017: at the rate of 10% i.e. Rs. 1 per certificate) for the year ended June 30, 2018. These financial statements do not reflect this distribution.

12 DATE OF AUTHORISATION OF ISSUE

These consolidated condensed interim financial information was authorised for issue on **October 31, 2018** by the Board of Directors of the B.R.R. Investment (Private) Limited.

13 GENERAL

Figures have been rounded off to the nearest Rupee.

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

Syed Tariq Masood
Chief Financial Officer

www.jamapunji.pk



**Be aware, Be alert,
Be safe**
Learn about investing at
www.jamapunji.pk

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered
- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

jamapunji.pk [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices

BOOK POST
Printed Matter

IN SERVICE SINCE 1989

UNDER CERTIFICATE
OF POSTING



B.R.R. SECURITY VAULT

CUSTODIAL & REPOSITORY SERVICE

A DIVISION OF B.R.R. GUARDIAN MODARABA



Country's premier safe deposit locker service offers a unique and effective solution

- ◆ A purpose built structure designed on the "Fortress Formula"
- ◆ Computerised access procedures, secure yet quick
- ◆ Advanced security systems and closed-circuit TV monitors
- ◆ Full load standby generator with instant automatic switch-on
- ◆ Specially trained armed guards on duty round the clock
- ◆ All risks insurance cover, including unaccountable losses
- ◆ Wide variety of sizes in lockers and cabinets
- ◆ Convenient service hours.

Opens 365 days of the year

If undelivered, please return to:

B.R.R. Guardian Modaraba
18th Floor B.R.R. Tower,
Hassan Ali Street Off: I.I.
Chundrigar Road, Karachi- 74000