

**Un-Audited
Standalone & Consolidated
Condensed Interim Financial Information
For The Half Year Ended
December 31, 2018**



HALF YEARLY REPORT



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

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

2018



B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

Managed by:

B.R.R. Investment (Private) Limited

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B.R.R. Guardian Modaraba

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B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

Managed by:

B.R.R. Investment (Private) Limited

CORPORATE INFORMATION

Modaraba Company	B.R.R. Investment (Private) Limited
Chairman	Mr. Rafique Dawood
Chief Executive	Mr. Ayaz Dawood
Directors	Mr. Waqas Anwar Qureshi - Director Syed Ali Raza - Director
Audit Committee	Mr. Waqas Anwar Qureshi - Chairman Mr. Rafique Dawood - Member Syed Ali Raza - Member
HR and Remuneration Committee	Syed Ali Raza - Chairman Mr. Rafique Dawood - Member Mr. Waqas Anwar Qureshi - Member
Shariah Advisor	Mufti Muhammad Aqeel
Chief Financial Officer	Syed Tariq Masood
Company Secretary	Mr. Tahir Mehmood
Head of Internal Audit, Risk and Compliance	Abdul Rahman Subhan
Auditors	Horwath Hussain Chaudhury & Co. Chartered Accountants
Legal Advisor	A.Q. Abbasi & Associates Malik & Malik Law Associates Minto & Mirza Nuruddin Saki & Co. Rabbani & Ansari Advocates S & B Durrani Law Associate
Bankers	Al Baraka Bank (Pakistan) Limited Habib Metropolitan Bank Limited National Bank of Pakistan
Web-site	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 : 92-21-32271912
Registrars	F.D. Registrar Services (SMC-Pvt.) Ltd 1705, 17th Floor, Saima Trade Tower "A" I.I. Chundrigar Road, Karachi-74000 Phone # 92-21- 35478192-3 # 92-21-32271905-6 Fax # 92-21-32213243
Branch Offices	Office No. 405 4th Floor, ISE Tower Jinnah Avenue, Islamabad
Security Vault	G-187, Block-2, Shahrah-e-Quaideen, PECHS Karachi-754000



DIRECTORS' REPORT

Dear Certificate holders,

The Board of Directors of B.R.R. Investment (Private) Limited, Manager of B.R.R. Guardian Modaraba (BRRGM), take pleasure in presenting the 2nd Quarter Financial statement of the Modaraba for the six months ended December 31, 2018.

Operations and performance

Financial highlights	December 31, 2018	December 31, 2017
 Rupees.....	
Total Income	104,874,859	103,828,620
Total Expenses	99,872,068	101,631,726
Profit After Management Fee & WWF	4,348,726	1,909,672
Earning per certificate	0.05	0.02

During the six months period under review the Modaraba has earned an operating profit of Rs. 4.349 million, as compared with Rs. 1.910 million profit in the same period last year.

Further the Certificate Holders' Equity of Modaraba stands at Rs. 1,358.861 million as compared with Rs. 1,273.414 million in the same period last year with an increase of 6.71%. The breakup value share comes to Rs 15.73 per certificate.

Operating expenses of the Modaraba have remained within the budget.

AUDITORS' OBSERVATIONS

The auditors have expressed their unmodified opinion on the condensed interim financial information except for certain emphasis of matter paragraphs with explanations below:

I. Refer to note 6.1 to the condensed interim financial information which states that the Modaraba had swapped certain assets with an office premises valuing Rs. 70 million from an associated undertaking, the title of which has not been transferred in the name of Modaraba as a commercial bank has obtained a stay order against the same. However, the original title documents and possession of the property rest with Modaraba.

II. Refer to note 1.3 to the condensed interim financial information which provide details regarding the scheme of arrangement for merger by way of amalgamation sanctioned by the High Court of Sindh on September 04, 2018 of Crescent Standard Modaraba (CSM) with and into B.R.R. Guardian Modaraba (BRRGM) with effect from July 1, 2017, where by the entire undertaking and business inclusive of all assets, properties, rights, liabilities and dues of CSM were transferred to and assumed by BRRGM and CSM upon amalgamation ceases to exist.



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

CONCLUSION & APPRECIATION:

With the PSX performing strongly since Jan 1st 2019, we are expecting better results for the remaining year.

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

Waqas Anwar Qureshi
Director

February 22, 2019
Karachi

Ayaz Dawood
Chief Executive Officer



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

بی.آر.آر. گارجین مضاربہ

ڈائریکٹرز کی رپورٹ

معزز سرٹیفکیٹ ہولڈرز،

بی.آر.آر. انویسٹمنٹ (پرائیویٹ) لمیٹڈ ("بی.آر.آر. آئی" یا کمپنی) کے بورڈ آف ڈائریکٹرز، بی.آر.آر. گارجین مضاربہ (بی.آر.آر. جی ایم) کے ناظم کی حیثیت سے دسمبر 2018:31 کو ختم ہونے والی دوسری سہ ماہی اور ششماہی کے مالیاتی گوشوارے پیش کرتے ہوئے بے حد مسرت محسوس کر رہے ہیں۔

آپریشن اور کارکردگی

دسمبر 2017:31 (دوبارہ بیان کردہ)	دسمبر 2018:31	مالیاتی جھلکیاں
پاکستانی روپے میں		
103,828,620	104,874,859	کل آمدنی
101,631,726	99,872,068	کل اخراجات
1,909,672	4,348,726	منافع بعد از انتظامیہ کی فیس اور ڈیلیوڈبلو ایف
0.02	0.05	نفع فی سرٹیفکیٹ

آپ کے مضاربہ نے پچھلے سال کی اسی ششماہی کے 1.910 ملین روپے منافع کے مقابلے میں اس سال کی ششماہی میں 4.349 ملین روپے کا آپریٹنگ منافع کمایا ہے۔

مزید یہ کہ مضاربہ کے سرٹیفکیٹ ہولڈرز کی اکونٹی 6.71 فیصد اضافے کے ساتھ گزشتہ سال کی اسی مدت میں 1,273.414 ملین روپے کے مقابلے میں 1,358.861 ملین روپے ہو گئی ہے۔ بریک اپ ویلیو شیئر 15.73 روپے فی سرٹیفکیٹ ہے۔

مضاربہ کے آپریٹنگ اخراجات بجٹ کے اندر رہے ہیں۔

آڈیٹرز کے مشاہدات

آڈیٹرز نے عبوری مالیاتی گوشوارے پر مجموعی اعتبار سے اطمینان کا اظہار کرتے ہوئے چند ایک امور کی نشاندہی اور تصریح کی ہے جو حسب ذیل ہیں:

I. عبوری مالیاتی گوشوارے کے نوٹ 6.1 کے مطابق مضاربہ نے سات کروڑ مالیت کی جائیداد اپنے کچھ اثاثوں کے بدلے میں تصفیہ کے طور پر ایک منسلک ادارے سے لی جس کی ملکیت مضاربہ کے نام پر منتقل نہیں ہوئی ہے کیونکہ ایک کمرشل بینک نے اس کے خلاف حکم امتناع لیا ہوا ہے۔ تاہم، جائیداد کے اصل کاغذات اور قبضہ مضاربہ کے پاس ہے۔

II. عبوری مالیاتی گوشوارے کے نوٹ 1.3 میں کریڈنٹ اسٹینڈرڈ مضاربہ (ایس ایم) کے بی.آر.آر. گارجین مضاربہ (بی.آر.آر. جی ایم) میں انضمام کی منصوبہ بندی کی تفصیلات فراہم کی گئی ہیں جس کی منظوری سندھ ہائی کورٹ نے ستمبر 4، 2018 کو دی اور اس کا اطلاق جولائی 1، 2017 سے ہوا، جس کے تحت سی ایس ایم کا مکمل کاروبار اور کام بشمول تمام اثاثے، جائیداد، حقوق، ذمہ داریاں اور واجبات بی.آر.آر. جی ایم کو منتقل ہو گئے اور انضمام کے نتیجے میں سی ایس ایم کا وجود ختم ہو گیا۔



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

بی.آر.آر. گارجین مڈاربا

اختتامی کلمات اور اظہارِ تشکر

پہلیس ایکس جنوری 1، 2019 سے زبردست کارکردگی کا مظاہرہ کر رہا ہے، ہم باقی سال کے لئے بہتر نتائج کی توقع کر رہے ہیں۔

از طرف بورڈ آف ڈائریکٹرز

بی.آر.آر. انویسٹمنٹ (پرائیوٹ) لمیٹڈ

ایاز داؤد

چیف ایگزیکٹو آفیسر

وقاص انور قریشی

ڈائریکٹر

فروری 22، 2019

کراچی

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE CERTIFICATE HOLDERS**Introduction**

We have reviewed the accompanying condensed interim balance sheet of B.R.R Guardian Modaraba ("the Modaraba") as at December 31, 2018 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six-months period then ended (here-in-after referred as the 'condensed interim financial information'). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these accompanying interim financial information as at and for the half year ended December 31, 2018 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

Without modifying our opinion, we draw attention to:

- i. note 6.1 to the condensed interim financial information which states that the Modaraba had swapped certain assets with an office premises valuing Rs. 70 million from an associated undertaking, the title of which has not been transferred in the name of Modaraba as a commercial bank has obtained a stay order against the same. However, the original title documents and possession of the property rest with Modaraba.



- ii. note 1.3 to the condensed interim financial information which provide details regarding the scheme of arrangement for merger by way of amalgamation sanctioned by the High Court of Sindh on September 04, 2018 of Crescent Standard Modaraba (CSM) with and into BRR Guardian Modaraba (BRRGM) with effect from July 1, 2017, whereby the entire undertaking and business inclusive of all assets, properties, rights, liabilities and dues of CSM were transferred to and assumed by BRRGM and CSM upon amalgamation ceases to exist.

Other matter

The figures for the quarters ended December 31, 2018 and December 31, 2017 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The financial statements of the Modaraba for the year and period ended June 30, 2018 and December 31, 2017 were audited and reviewed respectively by another firm of Chartered Accountants, whose report dated October 31, 2018 and February 27, 2018 expressed an unqualified opinion and conclusion on such statements.



HORWATH HUSSAIN CHAUDHURY & Co.

Chartered Accountants

Place: Karachi

Date: 22 February, 2019



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

Condensed Interim Balance Sheet As at December 31, 2018

	Note	(Un-audited) December 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	157,824,137	184,731,099
Investment properties	6	948,027,801	964,343,832
Long-term investment	7	55,000,000	55,000,000
Long-term musharaka finances	8	26,699,602	35,806,578
Long-term loans, advances and deposits		6,384,276	9,595,857
		1,193,935,816	1,249,477,366
CURRENT ASSETS			
Short-term investments	9	638,944,804	705,241,075
Current portion of musharaka finances	8	19,074,396	12,761,216
Ijarah / lease rental receivable		2,210,231	955,181
Loans, advances and prepayments		9,628,027	18,709,926
Accrued profit	10	370,120	515,836
Other receivables	11	6,282,741	3,541,507
Taxation		15,799,778	14,552,678
Cash and bank balances	12	11,066,450	20,221,135
		703,376,547	776,498,554
Non current asset held for sale	13	55,800,000	55,800,000
TOTAL CURRENT ASSETS		759,176,547	832,298,554
TOTAL ASSETS		1,953,112,363	2,081,775,920
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
140,000,000 (2018: 115,000,000) Modaraba certificates of Rs. 10/- each		1,400,000,000	1,150,000,000
Issued, subscribed and paid-up certificate capital		863,622,630	863,622,630
Reserves		209,931,362	234,945,805
Surplus on revaluation of investments		285,306,640	293,330,362
		1,358,860,632	1,391,898,797
LIABILITIES			
NON-CURRENT LIABILITIES			
Diminishing musharaka based term finance certificates	14	-	-
Long-term loans	15	117,348,684	128,616,684
Long-term murabaha, musharaka and finance under mark-up arrangements	16	-	28,225,802
Long-term security deposits		84,205,973	81,641,692
TOTAL NON-CURRENT LIABILITIES		201,554,657	238,484,178
CURRENT LIABILITIES			
Current portion of long-term loan	15	27,536,000	27,536,000
Current portion of long-term murabaha, musharaka and finance under mark-up arrangements	16	80,523,034	93,776,446
Current portion of diminishing musharaka based term finance certificates	14	28,345,949	72,449,843
Current portion of security deposits		3,729,800	11,941,410
Creditors, accrued and other liabilities	17	222,594,802	217,445,463
Accrued profit on borrowings		224,878	407,573
Profit distribution payable		29,742,611	27,836,210
TOTAL CURRENT LIABILITIES		392,697,074	451,392,945
TOTAL EQUITY AND LIABILITIES		1,953,112,363	2,081,775,920
CONTINGENCIES AND COMMITMENTS	18		

The annexed notes from 1 to 26 form an integral part of this 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 Half Year And Quarter Ended December 31, 2018
(Un-Audited)**

	Note	Half year ended		Quarter ended	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
		(Rupees)			
		(Restated)		(Restated)	
INCOME					
Rental income		91,491,589	85,199,941	47,458,113	44,721,239
Income on musharaka finances		2,950,268	2,327,553	1,519,728	1,308,035
Ijarah rental income		16,998,042	27,331,719	7,408,696	12,387,612
Return on investments - net	19	11,072,407	16,354,227	6,690,898	13,594,991
Profit on bank balances		306,505	1,348,430	125,622	204,670
Reversal of provision for doubtful receivables	20	16,297,130	16,214,946	8,878,799	8,051,612
Unrealised loss on revaluation of held-for-trading investment		(42,676,208)	(61,974,469)	(23,202,581)	(26,755,209)
Gain/(loss) on disposal of ijarah assets		1,114,207	(331,986)	603,594	(30,759)
Other income	21	7,320,919	17,358,259	6,889,089	16,621,856
		104,874,859	103,828,620	56,371,958	70,104,047
EXPENSES					
Amortisation on ijarah assets		15,062,369	21,276,269	6,574,680	10,256,114
Provision against doubtful receivables		-	50,815	-	50,815
Administrative expenses		67,752,262	74,788,707	39,363,505	50,394,251
Financial charges		17,057,437	5,515,935	7,582,705	3,552,872
		99,872,068	101,631,726	53,520,890	64,254,052
		5,002,791	2,196,894	2,851,068	5,849,995
Modaraba management company's fee		500,279	219,689	285,107	585,000
Sales tax on modaraba management company's fee		65,036	28,560	37,064	76,050
Provision for Sindh Workers' Welfare Fund		88,750	38,973	50,578	103,779
Profit before taxation		4,348,726	1,909,672	2,478,319	5,085,166
Taxation	23	-	-	-	-
Net profit for the period		4,348,726	1,909,672	2,478,319	5,085,166
Earnings per certificate - basic and diluted		0.05	0.02	0.03	0.06

The annexed notes from 1 to 26 form an integral part of this 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 Half Year And Quarter Ended December 31, 2018
(Un-Audited)

	Half year ended		Quarter ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	----- (Rupees) -----		----- (Rupees) -----	
	(Restated)		(Restated)	
Profit for the period	4,348,726	1,909,672	2,478,319	5,085,166
Other comprehensive loss for the period				
Items that will be subsequently reclassified to profit or loss:				
Unrealised loss on revaluation of available-for-sale investments	(6,591,923)	(41,355,694)	(32,064,913)	(29,739,400)
Unrealised gain on revaluation of available for sale investments transferred to the income statement on disposal	(1,431,799)	-	(1,431,799)	-
Total comprehensive loss for the period	(3,674,996)	(39,446,022)	(31,018,393)	(24,654,234)

The annexed notes from 1 to 26 form an integral part of this 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 Half Year Ended December 31, 2018
(Un-Audited)

	Half year ended	
	December 31,	December 31,
	2018	2017
	----- (Rupees) -----	----- (Rupees) -----
CASH FLOWS FROM OPERATING ACTIVITIES		(Restated)
Profit before taxation	4,348,726	1,909,672
Adjustment of non-cash and other items:		
Depreciation	21,557,205	21,213,530
Amortisation on ijarah assets	15,062,369	21,276,269
Provision against doubtful receivable - net	(16,297,130)	(16,175,285)
Gain on disposal of property and equipment - owned	(152,690)	(480,954)
Gain on disposal of property, plant and equipment - leased / ijarah	(1,114,207)	331,986
Profit on musharaka, murabaha and finance under mark-up arrangements	17,057,437	5,515,634
Unrealised loss on revaluation of held-for-trading investment	42,676,208	61,974,469
Return on investments - net	(11,072,407)	(16,354,227)
	67,716,785	77,301,422
	72,065,511	79,211,094
Increase / (decrease) in current assets		
Ijarah / lease rentals receivable	(1,255,050)	2,513,926
Loans, advances and prepayments	12,293,480	(695,236)
Accrued profit	145,716	57,210
Other receivables	(2,741,234)	260,914
	8,442,912	2,136,814
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	(5,154,754)	906,363
Rent received in advance	9,650,028	-
Customers' security deposit	(5,647,329)	(7,241,757)
	(1,152,055)	(6,335,394)
Income tax paid	(1,247,100)	(1,471,783)
Net cash generated from operating activities	78,109,268	73,540,730
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property and equipment - owned	(1,676,500)	(7,079,482)
Addition to property, plant and equipment - ijarah	-	509,500
Proceeds from disposal of property and equipment - owned	1,079,110	918,732
Proceeds from disposal of property, plant and equipment - leased / ijarah	1,351,108	2,988,097
Investments disposed / (purchased) - net	27,772,874	(47,445,345)
Income received on investments	6,666,537	7,644,950
Musharaka finances	19,090,926	(2,490,345)
Net cash generated / (used in) from investing activities	54,284,055	(44,953,893)
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit paid to certificate holders	(27,456,768)	(76,156,280)
Finance under murabaha, musharaka and finance under mark-up arrangements	(100,315,195)	(44,103,894)
Long-term loan	(11,268,000)	16,228,000
Financial charges paid	(2,508,045)	(5,528,846)
Net cash used in financing activities	(141,548,008)	(109,561,020)
Net decrease in cash and cash equivalents	(9,154,685)	(80,974,183)
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	11,066,450	28,524,277

The annexed notes from 1 to 26 form an integral part of this 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 Changes In Equity
For The Half Year Ended December 31, 2018
(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, 2017 - restated	863,622,630	10,532,683	44,902,567	701,898,993	279,215,719	(507,666,335)	1,392,506,257
Profit for the half year ended December 31, 2017	-	-	-	-	-	1,909,672	1,909,672
Other comprehensive loss	-	-	-	-	(41,355,694)	-	(41,355,694)
Total comprehensive loss for the period	-	-	-	-	(41,355,694)	1,909,672	(39,446,022)
Profit distribution for the year ended June 30, 2017*	-	-	-	-	-	(79,646,255)	(79,646,255)
Balance as at December 31, 2017- restated	863,622,630	10,532,683	44,902,567	701,898,993	237,860,025	(585,402,918)	1,273,413,980
Profit for the half year ended June 30, 2018	-	-	-	-	-	63,014,480	63,014,480
Other comprehensive income	-	-	-	-	55,470,337	-	55,470,337
Total comprehensive income for the period	-	-	-	-	55,470,337	63,014,480	118,484,817
Transfer to statutory reserve	-	-	-	32,299,766	-	(32,299,766)	-
Balance as at July 01, 2018	863,622,630	10,532,683	44,902,567	734,198,759	293,330,362	(554,688,204)	1,391,898,797
Profit for the half year ended December 31, 2018	-	-	-	-	-	4,348,726	4,348,726
Other comprehensive loss	-	-	-	-	(8,023,722)	-	(8,023,722)
Total comprehensive loss for the period	-	-	-	-	(8,023,722)	4,348,726	(3,674,996)
Profit distribution for the year ended June 30, 2018	-	-	-	-	-	-	-
@ Re.0.34 per certificate	-	-	-	-	-	(29,363,169)	(29,363,169)
Balance as at December 31, 2018	863,622,630	10,532,683	44,902,567	734,198,759	285,306,640	(579,702,647)	1,358,860,632

* @ Re. 0.1 and 0.08 per certificate for BRR and CSM, respectively.

The annexed notes from 1 to 26 form an integral part of this 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



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Notes To The Condensed Interim Financial Information For The Half Year Ended December 31, 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 Modaraba Companies and Modaraba Rules, 1981 framed there under and is managed by B.R.R. Investment (Private) Limited, having its registered office at 18th Floor, BRR Tower, Hassan Ali Street off I.I. Chundrigar Road, Karachi.

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

- 1.2** The Modaraba has incorporated a wholly owned subsidiary namely BRR Financial Services (Private) Limited (the Company) which was incorporated on November 30, 2015. The subsidiary has not yet commenced operations as at period end (Please refer note 7).

These represents the stand alone financial statements of the Modaraba.

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

On the scheme becoming effective, the authorised modaraba capital of CSM of Rs. 250,000,000 merged and combined with the authorised capital of BRRGM, consequently the merged authorised capital of BRRGM 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 paid-up capital of CSM of Rs.200,000,000 merged and combined with the issued, subscribed and paid-up capital of BRGM, consequently the issued, subscribed and paidup capital of BRRGM stand increased to Rs.863,622,630 divided into 86,362,263 modaraba certificates of Rs. 10 each at a swap ratio of 1.00 : 2.405 (BRRGM : CSM). Accordingly, comparative information for the half year and quarter ended December 31, 2018 have been restated to incorporate the effect of amalgamation of CSM with and into BRRGM with effect from July 1, 2017.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Modaraba for the six months period ended December 31, 2018 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas.

In case where requirements differ, the provisions of or directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas have been followed.

The disclosures made in this condensed interim financial information have been limited, based on the requirements of International Accounting Standard 34 - "Interim Financial Reporting". These condensed interim financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Modaraba for the year ended June 30, 2018.

This condensed interim financial information is un-audited. However, limited scope review has been performed by the statutory auditors, except for the figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017, in accordance with the requirement of clause 27 of the Listed Companies (Code of Corporate Governance) Regulations, 2017 and are being submitted to the Certificate holders as required by Rule 10 of Modaraba Companies and Modaraba Rules, 1981.



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2.2 Basis of measurement

This condensed interim financial information has been prepared under the "historical cost convention" except for the revaluation of certain financial assets which are stated at fair value. This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of this condensed interim financial information are same as those applied in the preparation of annual financial statements for the year ended June 30, 2018.

3.1 Standards and amendments to published approved accounting standards which are effective during the half year ended December 31, 2018.

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, 2018.

Standard or Interpretation

IASB effective date (Annual periods beginning on or after)

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 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Modaraba's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2018.

5 PROPERTY, PLANT AND EQUIPMENT

Property and equipment - owned
Property, plant and equipment-
leased / ijarah

Note	(Un-audited) December 31, 2018 ----- (Rupees) -----	(Audited) June 30, 2018
5.1	100,951,621	104,942,713
5.2	56,872,516	79,788,386
	<u>157,824,137</u>	<u>184,731,099</u>

5.1 Property and equipment - owned

Following additions and disposals were made during the period :

	Additions		Disposals / Transfer	
	(Un-audited) December 31, 2018 ----- (Rupees) -----	(Audited) June 30, 2018	(Un-audited) December 31, 2018 ----- (Rupees) -----	(Audited) June 30, 2018
Building on leasehold land	-	3,655,000	-	-
Furniture and fixtures	-	650,000	-	-
Vehicles	978,200	8,762,457	1,522,092	6,180,551
Office equipment and appliances	698,300	1,223,457	-	18,600
	<u>1,676,500</u>	<u>14,290,914</u>	<u>1,522,092</u>	<u>6,199,151</u>



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5.2 Property, plant and equipment - ijarah / leased

Following disposals were made during the period :

	Additions		Disposals / Transfer	
	(Un-audited) December 31, 2018	(Audited) June 30, 2018	(Un-audited) December 31, 2018	(Audited) June 30, 2018
	----- (Rupees) -----		----- (Rupees) -----	
Plant and machinery	-	-	-	7,639,805
Vehicles	-	-	37,657,962	57,825,768
Office equipment and appliances	-	-	677,000	785,000
	-	-	38,334,962	66,250,573

	Note	(Un-audited) December 31, 2018	(Audited) June 30, 2018
		----- (Rupees) -----	
6 INVESTMENT PROPERTIES			
Investment properties	6.1	938,938,801	955,254,832
Capital work-in-progress	6.2	9,089,000	9,089,000
		948,027,801	964,343,832

- 6.1** This includes an office premises costing Rs. 70 million, which was swapped by Modaraba in March 2012 from First Dawood Investment Bank Limited (FDIBL), an associated undertaking. The said property was earlier acquired by FDIBL from its borrower against the settlement of liabilities who had also defaulted in its obligation with commercial bank. The said commercial bank has obtained an stay order against the property due to which execution of the sale deed and transfer of title in the name of Modaraba are in abeyance.

FDIBL has filed an application of intervention with the Honorable High Court of Sindh, for removal of stay of the commercial bank and to affect the transfer of the title in its favour, which is pending adjudication.

The original title documents and possession of the property rest with the Modaraba. The portion of the said property has been rented out to associated undertakings. As soon as the case in question is decided, FDIBL will be able to execute the sale deed in favour of the Modaraba.

- 6.1.1** Addition and disposal at cost, in investment properties, made during the period are nil.

6.2 Capital work-in-progress

Advance for office premises - Jofa Tower, Karachi	6.2.1	66,420,000	66,420,000
Provision against advance for office premises		(57,331,000)	(57,331,000)
		9,089,000	9,089,000

- 6.2.1** This includes Rs. 57.331 million paid for the purchase of three shops of Jofa Tower. Because of a dispute in respect of payment for additional space due to structural changes in the design, the title or possession of the said property has not yet been transferred in the name of the Modaraba. In March 2012, the Modaraba filed a law suit for specific performance and deposited the balance amount of Rs. 9.089 million with Nazir High Court of Sindh. The law suit is currently pending before Honourable High Court of Sindh at Karachi. During prior year, Modaraba has made provision against the advance paid for the purchase of three shops amounting to Rs. 57.331 million.



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		(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Notes	----- (Rupees) -----	
7 LONG-TERM INVESTMENT			
In quoted wholly owned subsidiary companies - at cost			
BRR Financial Services (Private) Limited			
5,500,000 shares of Rs. 10 each (June 30, 2018: 5,500,000 shares)		55,000,000	55,000,000
7.1	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. 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 statement as at June 30, 2018 amounted to Rs. 54.663 million (2017 : 54.409 million).		
8 LONG-TERM MUSHARAKA FINANCES			
Considered good		45,773,998	48,567,794
Considered doubtful	8.3	139,170,660	155,351,790
	8.1	184,944,658	203,919,584
Provision for doubtful receivables	8.2	(139,170,660)	(155,351,790)
		45,773,998	48,567,794
Current portion of musharaka finances		(19,074,396)	(12,761,216)
		26,699,602	35,806,578
8.1	The expected profit receivable on these arrangements ranges from 9.66% to 14.14% (2018: 9.430% to 11.595%) per annum. The arrangements are secured by way of hypothecation of stock, mortgage of property and equipment and pledge of shares. These finances are receivable on various dates up to June 12, 2022.		
8.2 Movement of provision			
Opening balance		155,351,790	192,196,931
Transfer from amalgamated entity		-	7,262,809
Provision during the year		-	320,579
Written off during the year		-	(5,906,486)
Reversal during the year	20	(16,181,130)	(38,522,043)
Closing balance		139,170,660	155,351,790
8.3	This includes an amount of Rs. 34.766 million (2018: 49.603 million) in respect of Pak Hy Oils Limited as detailed in note 20.1 to the condensed interim financial information.		



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(Un-audited) (Audited)
December 31, June 30,
2018 2018
Note ----- (Rupees) -----

9 SHORT-TERM INVESTMENTS

Held-for-trading

Listed ordinary shares	9.1	173,736,983	213,612,057
Derivative financial instruments	9.2	2,497,338	-
		176,234,321	213,612,057

Available-for-sale

Listed ordinary shares / modaraba certificates	9.3	352,748,295	362,667,682
Unlisted ordinary shares	9.4	89,812,733	89,812,733
Unlisted debt securities	9.5	36,371,603	55,370,751
		478,932,631	507,851,166
		655,166,952	721,463,223
Provision for diminution in value of investments		(16,222,148)	(16,222,148)
		638,944,804	705,241,075

9.1 Held-for-trading: Listed ordinary shares

Unless stated otherwise, the holdings are in fully paid ordinary shares of Rs. 10 each.

Number of shares / units		Name of investee	(Un-audited)	(Audited)
December 31, 2018	June 30, 2018		December 31, 2018	June 30, 2018
			----- (Rupees) -----	
		Glass & ceramics		
-	37,900	Ghani Glass Limited	-	2,337,672
		Textile composite		
13,149	13,149	Kohinoor Textile Mills Limited	588,944	723,063
1,000	1,000	Nishat Mills Limited	128,890	140,920
		Cement		
5,283	5,283	Bestway Cement Limited	603,900	692,020
2,000	2,000	D.G. Khan Cement Company Limited	161,420	228,980
6,400	6,400	Lucky Cement Limited	2,821,632	3,250,752
220	220	Cherat Cement Company Limited	15,039	21,391
39,000	24,000	Fauji Cement Company Limited	808,080	548,399
576,500	572,500	Power Cement Limited	4,496,699	4,780,373
		Power generation & distribution		
992,746	762,246	K-Electric Limited (ordinary shares of Rs. 3.5 each).	5,857,201	4,329,558
11,100	12,600	The Hub Power Company Limited	948,051	1,161,215
		Refinery		
7,998	6,399	Attock Refinery Limited	1,179,865	1,377,769
41,050	41,050	National Refinery Limited	11,457,467	18,185,562



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Number of shares / units		Name of investee	(Un-audited)	(Audited)
December 31, 2018	June 30, 2018		December 31, 2018	June 30, 2018
----- (Rupees) -----				
Oil & gas exploration companies				
1,803	880	Mari Petroleum Company Limited	2,219,601	1,325,439
63,043	54,820	Pakistan Petroleum Limited	9,390,885	11,780,818
15,000	13,000	Oil & Gas Development Company Limited	1,919,700	2,023,060
600	-	Attock Petroleum Limited	256,842	-
1,500	-	Shell Pakistan Limited	456,615	-
Oil & gas marketing companies				
13,108	17,108	Sui Northern Gas Pipelines Limited	1,008,923	1,714,564
197,500	175,000	Sui Southern Gas Company Limited	4,518,799	5,743,499
Automobile Assembler				
7,650	4,500	General Tyre & Rubber Company Of Pakistan Limited	610,011	747,900
21,875	24,275	Sazgar Engineering Work Limited	4,988,812	6,917,890
3,120	3,320	Millat Tractors Limited	2,645,230	3,944,359
Automobile parts & accessories				
12,200	12,700	Agriauto Industries Limited	2,733,044	3,746,500
58,527	55,527	Loads Limited	1,261,258	1,731,334
Fertilizer				
2,000	3,000	Engro Corporation Limited	587,600	941,580
Chemical				
13,447	13,447	ICI Pakistan Limited	10,650,562	10,777,770
39,600	47,000	Ittehad Chemicals Limited	1,052,568	1,633,720
82,000	10,000	Sitara Peroxide Limited	2,397,680	173,600
1,700	1,700	Sitara Chemical Industries Limited	510,000	626,144
-	21,000	Lotte Chemical Pakistan Limited	-	251,159
1,499	1,499	Pakistan Oxygen (formerly Linde Pakistan limited)	329,015	359,759
2,400	2,400	Archroma Pakistan Limited	1,223,664	1,212,000
4,625	-	Berger Paints Pakistan Limited	390,998	-
Engineering				
44,375	44,375	Crescent Steel & Allied Products Limited	2,434,412	4,045,668
2,500	12,000	International Steels Limited	164,325	1,220,402
90,200	82,000	Ittefaq Iron Industries Limited	902,902	1,146,360
20,000	20,000	K.S.B Pumps Company Limited	3,600,000	5,600,000
126,486	126,486	Mughal Iron & Steel Industries Limited	5,070,824	7,768,770



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Number of shares / units		Name of investee	(Un-audited)	(Audited)
December 31,	June 30,		December 31,	June 30,
2018	2018		2018	2018
			----- (Rupees) -----	
		Transport		
3,200	3,200	Pakistan National Shipping Corporation Limited	176,352	262,208
100	100	Pakistan International Container Terminal Limited	21,400	22,812
300	-	Al-Ghazi Tractor Limited	166,590	-
		Technology & Communication		
-	6,500	Avanceon Limited	-	430,560
45,000	45,000	Pakistan Telecommunication Company Limited	432,900	514,800
		Leather & tanneries		
13,860	13,860	Service Industries Limited	10,184,882	10,879,823
		Food & personal care products		
35,000	-	At-Tahur Limited	662,900	-
157,575	157,575	Treet Corporation Limited	3,649,436	5,387,488
		Pharmaceuticals		
1,850	1,200	Abbott Laboratories (Pakistan) Limited	1,160,821	822,001
7,250	9,250	AGP Limited	627,343	821,307
8,847	9,347	Highnoon Laboratories Limited	3,073,800	3,837,035
16,800	16,800	Ferozsons Laboratories Limited	2,434,320	3,271,464
65,870	56,279	The Searle Company Limited	16,028,805	19,106,720
131,765	131,765	GlaxoSmithKline Pakistan Limited	14,913,161	21,872,989
13,000	13,300	GlaxoSmithKline Consumer Healthcare Pakistan Limited	3,386,760	5,387,165
		Cable & electrical goods		
30,600	15,100	Pak Elektron Limited	765,918	535,446
		Modarabas		
12,100	11,000	First UDL Modaraba	121,000	205,150
		Open-end mutual funds		
222,543	221,903	Dawood Islamic Fund	23,668,952	25,980,122
		Commercial banks		
-	291	BankIslami Pakistan Limited	-	3,478
		Paper & board		
1,725	-	Cherat Packaging Limited	294,734	-
		Woollen		
17,000	19,000	Bannu Woollen Mills Limited	819,060	945,250
		Miscellaneous		
6,363	-	United Distributors Pakistan	235,431	-
		Synthetic and rayon		
32,000	7,000	Tri-Star Polyester Limited	520,960	116,270
			173,736,983	213,612,057



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<u>Number of shares / units</u>		<u>Name of investee</u>	<u>(Un-audited)</u>	<u>(Audited)</u>
<u>December 31,</u>	<u>June 30,</u>		<u>December 31,</u>	<u>June 30,</u>
<u>2018</u>	<u>2018</u>		<u>2018</u>	<u>2018</u>
			----- (Rupees) -----	

9.2 Derivative financial instruments

Letter of rights	Glass & ceramics			
61,800	-	Ghani Glass Mills Limited	2,497,338	-

9.3 Available-for-sale: Listed ordinary shares/modaraba certificate

Unless stated otherwise, the holdings are in fully paid ordinary shares of Rs.10 each.

		Oil & gas exploration companies		
8,350	8,350	Mari Petroleum Company Limited	10,279,351	12,576,603
		Oil & Gas Marketing Companies		
5,962	7,962	Shell Pakistan Limited	1,814,892	2,516,709
39,660	39,660	Sui Northern Gas Pipelines Limited	3,052,631	3,974,726
		Leather & tanneries		
3,800	3,800	Service Industries Limited	2,792,392	2,982,924
		Modarabas		
1,000	1,000	ORIX Modaraba	17,250	16,610
		Real estate investment trust		
407,000	407,000	Dolmen City REIT	4,851,440	5,250,300
		Chemical		
17,974	17,974	Pakistan Oxygen (formerly Linde Pakistan Limited)	3,945,113	4,313,760
14,199	14,199	Sitara Chemical Industries Limited	4,259,700	5,229,776
		Cement		
90	90	Maple Leaf Cement Factory Limited	3,702	4,567
3,055,168	3,055,168	Power Cement Limited	23,830,310	25,508,711
		Engineering		
56,000	56,000	KSB Pumps Company Limited	10,080,000	15,680,000
11,000	11,000	Mughal Iron & Steel Industries Limited	440,990	675,620
2,625	2,625	Crescent Steel & Allied Products Limited	144,007	239,320
		Transport		
1,000	1,000	Pakistan International Container Terminal Limited	214,000	228,120
5,000	5,000	Pakistan National Shipping Corporation	275,550	409,700



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Number of shares / units		Name of investee	(Un-audited)	(Audited)
December 31, 2018	June 30, 2018		December 31, 2018	June 30, 2018
----- (Rupees) -----				
Pharmaceuticals				
38,276	42,576	Abbott Laboratories (Pakistan) Limited	24,017,042	29,164,560
32,165	32,165	GlaxoSmithKline Pakistan Limited	3,640,434	5,339,390
30,906	30,906	GlaxoSmithKline Consumer Healthcare Pakistan Limited	8,051,631	12,518,476
638	638	Highnoon Laboratories Limited	221,667	261,905
Power generation & distribution				
1,000	1,000	The Hub Power Company Limited	85,410	92,160
Technology & communication				
2,103,577	2,103,577	Systems Limited - a related party	230,320,646	212,924,064
Automobile parts & accessories				
98,400	98,400	Loads Limited	2,120,519	3,068,111
1,000	1,000	Millat Tractors Limited	847,830	1,188,060
Paper & board				
101,568	101,568	Roshan Packages Limited	2,455,903	2,861,171
Glass & ceramics				
200	10,800	Ghani Glass Limited	9,690	666,144
Financial services				
1,935,506	1,935,506	786 Investments Limited (Formerly Dawood Capital Management Limited) - a related party (fully provided)	9.3.1 4,722,634	4,722,634
3,339,922	3,339,922	First Dawood Investment Bank Limited - a related party (fully provided)	9.3.1 10,253,561	10,253,561
			352,748,295	362,667,682

9.3.1 This represents sponsor shares of the related party and is a non shariah compliant investment. The management is currently in process of finding prospective buyers as per instruction of SECP. Further, full amount of provision has also been recognised.



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9.4 Available-for-sale: Investment in unlisted ordinary shares

<u>Number of shares / units</u>		Name of investee	(Un-audited)	(Audited)
<u>December 31,</u> <u>2018</u>	<u>June 30,</u> <u>2018</u>		<u>December 31,</u> <u>2018</u>	<u>June 30,</u> <u>2018</u>
			----- (Rupees) -----	
The holdings are in fully paid ordinary shares of Rs.10 each.				
100,000	100,000	Al Baraka Bank (Pakistan) Limited - (note 9.4.1)	874,999	874,999
7,200,000	7,200,000	Dawood Family Takaful Limited - (note 9.4.2)	52,128,000	52,128,000
3,034,603	3,034,603	ISE Tower REIT Management Company Limited - (note 9.4.3)	36,809,734	36,809,734
			<u>89,812,733</u>	<u>89,812,733</u>

9.4.1 The break-up value of investment in shares of Al Baraka (Pakistan) Limited (ABPL) is Rs. 0.875 million (as per latest available post amalgamation audited financial statement dated December 31, 2017) whereas the book value of investment in shares of ABPL is Rs. 0.829 million resulting in revaluation surplus of Rs. 0.046 million.

9.4.2 The break-up value of investment in shares of Dawood Family Takaful (DFTL) is Rs. 35.568 million (as per latest audited accounts dated December 31, 2017) where as the cost of investment in shares of DFTL is Rs. 72 million. Upto June 30, 2017, management has recorded total impairment of Rs. 19.872 million based on embedded value of investment as at June 30, 2016 amounting to Rs. 52.128 million (Rs. 8.27 per share). Since, embedded value of the investments amounts to Rs. 67.968 million as at June 30, 2018 (Rs. 9.44 per share), therefore, management has not recorded further impairment on the grounds of embedded value being higher than the carrying value of this investment as per latest actuarial valuation.

9.4.3 Out of the total shares of Rs. 10 each, 60% shares are kept in blocked account and divestment of the same will be in accordance with the requirement of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012.

The breakup value of the investment in shares of ISE Tower REIT Management Company Limited amounted to Rs. 42.765 million, which is based on audited financial statement for the year ended June 30, 2018. Since the break up value of is higher than the carrying value, management has not recorded any impairment.

9.5 Available-for-sale: Investment in unlisted debt securities

Number of certificates		Name of investee	Note	(Un-audited)	(Audited)
December 31, 2018	June 30, 2018			December 31, 2018	June 30, 2018
				----- (Rupees) -----	
Sukuk					
1,267	1,267	Eden Housing	9.5.1	1,245,953	1,245,953
7,000	7,000	K- Electric Sukuk-3		35,125,650	35,491,785
-	23	AlBaraka Bank (Pakistan) Limited		-	7,535,617
-	5	Dubai Islamic Bank Pakistan Limited		-	5,093,520
-	60	Dawood Hercules Corp. Limited		-	6,003,876
				36,371,603	55,370,751

9.5.1 This represents investment in privately placed sukuk with a tenure of 5 years. In prior period, company has defaulted in its principal & profit payment, therefore full amount of the provision has been recorded.



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		(Un-audited) December 31, 2018	(Audited) June 30, 2018
Note		----- (Rupees) -----	
10 ACCRUED PROFIT			
Accrued profit on:			
Debt securities		165,546	457,238
Musharaka finances		204,574	58,598
		370,120	515,836
11 OTHER RECEIVABLES			
Rent receivable - unsecured, considered good		2,870,904	2,368,120
Takaful premium receivable		670,472	538,118
Other receivable		2,741,365	635,269
		6,282,741	3,541,507
Receivable from ex-employees - unsecured, considered doubtful	11.1	51,274,920	51,274,920
Provision for doubtful receivables		(51,274,920)	(51,274,920)
		-	-
Others	11.2	33,810,401	33,810,401
Provision for doubtful debts		(33,810,401)	(33,810,401)
		-	-
		6,282,741	3,541,507
11.1 This represents balance receivable from certain ex-employees and other parties in respect of embezzlement of funds. The matter is pending before the Special Court, Lahore. As a matter of prudence, full provision in respect of these receivables has been made in these condensed interim financial information.			
11.2 This represents finance facility which was partly secured against pledge of stock of jute while some of the stock was misappropriated from the factory premises of the borrower. During prior year, the Modaraba has filed a criminal case against the borrower and its owner against misappropriation of pledged stock.			
A suit was also been filed on September 29, 2012 by the Modaraba before the Modaraba Tribunal / Banking Court-II for the recovery of outstanding dues from borrower. The Tribunal passed a judgment order in favour of the Modaraba and directed the defendant (borrower) to pay all outstanding dues along with cost of the suit, however the recovery of the decretal amount is uncertain due to the misappropriation of pledged stock by the borrower. Therefore, in prior year the Modaraba has filed the execution petition for the recovery of decretal amount by attaching the other auctionable assets of the borrower including piece and parcel of land / building of factory situated at 40-More, Lahore Road, Jaranwala and one vehicle. The borrower filed an application in Honorable Lahore High Court against the judgment and pleaded to suspend the judgment and decree in favour of Modaraba. The Modaraba has also filed a reply to the application filed by the borrower which is currently pending consideration.			
Complete provision has been recorded against outstanding balance as per Prudential Regulations. The management is confident that the said lawsuit and criminal case will be decided in favour of the Modaraba.			
12 CASH AND BANK BALANCES			
Cash in hand		192,926	185,867
Cash with State Bank of Pakistan - current account		40	40
Cash with banks in:			
Savings accounts	12.1	10,490,763	18,369,737
Current accounts		382,721	1,665,491
		11,066,450	20,221,135



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- 12.1** These carry mark-up at rates ranging from 3.25% to 5.30% (2018: 2.65% to 5.05%) per annum. Saving accounts includes balances placed under arrangements permissible under shariah amounting to Rs. 10.491 million.

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Note	----- (Rupees) -----	
13 NON CURRENT ASSET HELD FOR SALE			
Non current asset held for sale	13.1	55,800,000	55,800,000

- 13.1** During prior year, Modaraba has entered into an agreement dated April 17, 2017 to sell land at Ghara, District Thatta, for an aggregate consideration of Rs. 60 million. The purchaser has made a down payment of Rs. 20 million and agreed to pay the remaining amount in installments. As at December 31, 2017 Modaraba has received Rs. 58.635 million out of the total amount of Rs. 60 million, which has been recorded as advance under note 17.1 to the condensed interim financial statement.

The Modaraba has applied for the N.O.C. for sale of land vide their letter dated April 06, 2017 from Mukhtiarkar Revenue, Mirpur Sakro, District Thatta. However, issuance of N.O.C. from Mukhtiarkar Revenue is still pending. The land will be derecognized from the books of the company and gain on sale of land will be recognized upon receipt of full consideration and transfer of title to the buyer.

**14 DIMINISHING MUSHARAKA BASED
TERM FINANCE CERTIFICATES**

Diminishing musharaka based Term Finance Certificates (TFCs)	14.1	28,345,949	72,449,843
Current maturity		(28,345,949)	(72,449,843)
		<u>-</u>	<u>-</u>

- 14.1** The above TFCs represent privately placed instruments in the form of diminishing musharaka and are secured against investment properties and BRR Tower of the Modaraba. During prior year, Diminishing musharaka based Term Finance Certificates (TFCs) were restructured as per the second restructuring agreement executed on June 30, 2016 and effective from December 07, 2015. The restructured terms of the agreement are as follows:

- The restructured principal amount will be redeemed in varying monthly instalments commencing from July 07, 2017 and ending on April 07, 2019.
- Mark-up will be charged at the rate of 1 month KIBOR plus 1.5% payable on monthly basis.
- The overdue principal, regular profit and deferred profit as at December 06, 2015 were paid till March 31, 2016.

15 LONG-TERM LOANS

National Bank of Pakistan	15.1	96,384,684	110,152,684
B.R.R. Financial Service (Pvt.) Limited	15.2	48,500,000	46,000,000
Current portion of long term loans		(27,536,000)	(27,536,000)
		<u>117,348,684</u>	<u>128,616,684</u>

- 15.1** The loan had been restructured on June 12, 2017 with the outstanding balance of Rs. 137.689 million payable over next five years in equal quarterly installments commencing from July 01, 2017. The loan is secured by way of registered mortgage of property situated at ground, mezzanine, first and second level, Business and Finance Centre, bearing plot No. 7/3, Seri Quarters, I. I. Chundrigar Road, Karachi and post dated cheques for the remaining loan amount.



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15.2 During the period, Modaraba has obtained loan from its subsidiary company B.R.R. Financial Services (Private) Limited (BRRFSL) amounting to Rs. 2.5 million. The loan carries profit at an expected rate upto 5% and is not repayable till the time Trading Right Entitlement Certificate (TREC) is transferred to BRRFSL.

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Note	----- (Rupees) -----	
16 LONG-TERM MURABAHA, MUSHARAKA AND FINANCE UNDER MARK-UP ARRANGEMENTS			
Musharaka arrangements	16.1	80,523,034	122,002,248
Current portion of musharaka arrangements		(80,523,034)	(93,776,446)
		-	28,225,802

16.1 The Modaraba has entered into musharaka agreements (Musharaka) with Taavun (Private) Limited. These Musharaka arrangements were on profit sharing basis and were payable upto December 28, 2014. In prior years, the Modaraba had stopped accruing profit on these balances.

During the prior year, Modaraba had entered into a settlement agreement with Taavun (Private) Limited according to which the repayment under Musharaka is to be made in seven instalments aggregating to Rs.190 million, as per the agreed repayment schedule, with the last instalment to be paid on July 14, 2019. Prior to the date of settlement, the outstanding balance of Finance under Musharaka amounted to Rs.110 million and accrued profit on Finance under Musharaka amounted to Rs. 57.813 million. The present value of the revised cash flows under the settlement agreement at the original profit rate amounted to Rs. 181.813 million which resulted in increase in liability of Rs. 14 million. During the prior year, the Modaraba had made payment of two instalments aggregating to Rs. 47.5 million as per the agreed repayment schedule and has amortised profit of Rs. 1.689 million on Musharaka based on amortisation schedule at modified IRR of 30.140%. As at June 30, 2018 the outstanding balance of Musharaka amounted to Rs. 122 million.

During the period, the Modaraba has made payment of two instalments aggregating to Rs. 55 million as per the agreed repayment schedule and has amortised profit of Rs. 13.521 million. As at December 31, 2018 the outstanding balance of Musharaka amounted to Rs. 80.523 million.

17 CREDITORS, ACCRUED AND OTHER LIABILITIES

Modaraba management fee payable	7,969,177	7,468,898
Sales tax on Modaraba management fee payable	1,035,993	970,957
Provision for Sindh Workers' Welfare Fund	7,826,451	7,737,701
Accrued liabilities	17,497,809	18,319,623
Rentals received in advance		
Lockers	34,889,403	29,947,667
Properties	42,116,346	32,466,318
Ijarah	423,915	821,958
Musharaka	35,017,410	49,488,931
Charity payable	35,328	100,687
Advance against sale of land	17.1	60,735,500
Others		9,387,223
		222,594,802
		217,445,463

17.1 This includes amount received as sale proceeds against sale of Gharo Land (refer note 13).



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18 CONTINGENCIES AND COMMITMENTS

18.1 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 (2017: 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.

18.2 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 (2017: 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 condensed interim financial information.

	Note	(Un-audited) December 31, 2018 ----- (Rupees) -----	(Un-audited) December 31, 2017 ----- (Restated) -----
19 RETURN ON INVESTMENTS - NET			
Dividend income		4,052,889	5,671,487
Profit on debt securities		2,613,649	2,214,438
Gain on sale of investments		4,405,869	8,468,302
		<u>11,072,407</u>	<u>16,354,227</u>

20 REVERSAL OF PROVISION FOR DOUBTFUL RECEIVABLES

Lease rentals		116,000	-
Musharaka	8.2 & 20.1	16,181,130	16,214,946
		<u>16,297,130</u>	<u>16,214,946</u>

20.1 This amount include Rs. 14.837 million against rentals received in advance against the musharika facility as per the settlement agreement between Pak Hy Oil Limited and the Modaraba, balance of the rentals received in advance as at December 31, 2018 amounts to Rs. 35.017 million.

21 OTHER INCOME

Gain on disposal of property and equipment - owned	152,690	480,954
Miscellaneous and other termination charges	764,577	471,533
Others	6,403,652	16,405,772
	<u>7,320,919</u>	<u>17,358,259</u>

22 FAIR VALUE HIERARCHY

The Modaraba uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted prices in active markets for identical assets.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.



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As at December 31, 2018, the Modaraba held the following financial instruments measured at fair value:

December 31, 2018				
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Investments at fair value				
Held-for-trading				
Listed ordinary shares	173,736,983	-	-	173,736,983
Derivative financial instrument	2,497,338	-	-	2,497,338
Available-for-sale				
Listed ordinary shares - Net	352,748,295	-	-	352,748,295
Unlisted ordinary shares	-	-	89,812,733	89,812,733
Unlisted debt securities	-	36,371,603	-	36,371,603
	<u>528,982,616</u>	<u>36,371,603</u>	<u>89,812,733</u>	<u>655,166,952</u>

As at June 30, 2018, the Modaraba held the following financial instruments measured at fair value:

June 30, 2018				
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Investments at fair value				
Held-for-trading				
Listed ordinary shares	213,612,057	-	-	213,612,057
Derivative financial instrument	-	-	-	-
Available-for-sale				
Listed ordinary shares - Net	362,667,682	-	-	362,667,682
Unlisted ordinary shares	-	-	89,812,733	89,812,733
Unlisted debt securities	-	55,370,751	-	55,370,751
	<u>576,279,739</u>	<u>55,370,751</u>	<u>89,812,733</u>	<u>721,463,223</u>

Valuation techniques

For Level 2 debt securities available for sale investments the Modaraba values the investments using rates prescribed by MUFAP. For Level 3 available-for-sale investments the Modaraba values the investment at carrying value which approximates the fair value of the investment.

Transfers during the period

During the half year ended December 31, 2018, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

23 TAXATION

23.1 The income of non-trading modarabas is exempt from tax under clause 100 of the second schedule of the Income Tax Ordinance 2001, provided not less than 90% of its profits after appropriation to statutory reserves as required under Modaraba Regulations is distributed to the certificate holders. The Modaraba has decided to continue availing the tax exemption and hence no provision has been made in these condensed interim financial information for tax liabilities for the current year.

23.2 The Additional Commissioner Inland Revenue has amended the assessment under section 122(5)(A) of the Income Tax Ordinance, 2001 for the Tax Year 2005 by creating demand of Rs. 954,036. The Modaraba has filed appeal before the Commissioner Inland Revenue (Appeals-I) and decision of the Commissioner Inland revenue (Appeals-I) was made in favor of the Modaraba. Further, the Department has filed appeal before the Appellate Tribunal, Inland revenue and the hearing of appeal is still pending.

23.3 Moreover, the Assistant Commissioner of Inland revenue has amended the assessment under section 122(5) of the Income Tax Ordinance, 2011 for the Tax Year 2014 by creating demand of Rs. 472,103. The Modaraba had filed appeal before the Commissioner Inland Revenue (Appeals-I) and the decision has been made in favour of Modaraba. Further, the Department has filed appeal before the Appellate Tribunal, Inland revenue and the hearing of appeal is still pending. There has been no further correspondence regarding the order.



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23.4 Assessment for the Tax Year 2012 was selected for audit by Deputy Commissioner (IR), Audit Unit-IV, under section 122(5)(A). The Deputy Commissioner (IR) vide order dated June 30, 2018 has amended the assessment for the Tax Year 2012 thereby creating a demand of Rs. 5,908,802. The Modaraba has filed an appeal before the Commissioner Appeals against the said demand which is pending adjudication.

24 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 December, 2018 are as follows:

Relationship with the Modaraba	Nature of transactions	(Un-audited) December 31, 2018 Rupees	(Un-audited) December 31, 2017 Rupees
Transactions during the period Management Company			
BRR Investment (Private) Limited	Management fee accrued	500,279	219,689
BRR Investment (Private) Limited	Management fee paid	-	19,921,896
BRR Investment (Private) Limited	Rent received	150,000	150,000
BRR Investment (Private) Limited	Advance received	32,500,000	14,200,000
BRR Investment (Private) Limited	Advance paid	32,500,000	10,000,000
Subsidiary Company			
BRR Financial Services (Private) Limited	Preliminary expenses	-	4,305
BRR Financial Services (Private) Limited	Preliminary expenses	-	549,975
BRR Financial Services (Private) Limited	Loan received	2,500,000	30,000,000
BRR Financial Services (Private) Limited	Profit repaid	1,211,301	-
Associated companies / other related parties			
Dawood Family Takaful Limited	Rental Received against Ijarah / Property	2,442,099	2,629,498
Dawood Family Takaful Limited	Sale of sukuk	17,428,520	6,251,536
Dawood Family Takaful Limited	Principal paid against investment in sukuk	9,389,610	9,389,610
Dawood Family Takaful Limited	Profit paid against investment in sukuk	532,864	1,175,923
First Dawood Investment Bank Limited	Rent received against	409,200	409,200
First Dawood Investment Bank Limited	Share of common expenses - net	110,752	81,060
First Dawood Investment Bank Limited	Principal paid against investment in sukuk	5,348,184	5,348,184
First Dawood Investment Bank Limited	Profit paid against investment in sukuk	303,511	669,788



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Relationship with the Modaraba	Nature of transactions	(Un-audited) December 31, 2018 Rupees	(Un-audited) December 31, 2017 Rupees
Associated companies / other related parties			
First Dawood Employees Provident Fund	Transfer to provident fund	1,526,996	1,385,869
First Dawood Employees Provident Fund	Principal paid against investment in sukuk	4,392,078	4,392,078
First Dawood Employees Provident Fund	Profit paid against investment in sukuk	249,252	550,049
Hamida Dawood	Principal paid against investment in sukuk	1,441,560	1,441,560
Hamida Dawood	Profit paid against investment in sukuk	81,809	180,535
Dawood Global Foundation	Charity paid	862,233	60,232

Relationship with the Modaraba	Nature of balances	(Un-audited) December 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
Period end balances			
Management Company			
BRR Investment (Private) Limited	Management fee payable	7,969,177	7,468,899
Subsidiary Company			
BRR Financial Services (Private) Limited	Loan payable	48,500,000	46,000,000
Associated companies / other related parties			
First Dawood Investment Bank Limited	Principal payable against investment in sukuk	3,437,313	8,785,497
First Dawood Investment Bank Limited	Profit payable against investment in sukuk	27,269	49,363
First Dawood Employees Provident Fund	Principal payable against investment in sukuk	2,822,824	7,214,902
First Dawood Employees Provident Fund	Profit payable against investment in sukuk	22,394	40,594
Dawood Family Takaful Limited	Principal payable against investment in sukuk	6,034,781	15,424,391
Dawood Family Takaful Limited	Profit payable against investment in sukuk	47,876	86,788
Dawood Family Takaful Limited	Advance rental	55,575	32,160
Hamida Dawood	Principal payable against investment in sukuk	926,495	2,368,055
Hamida Dawood	Profit payable against investment in sukuk	7,350	13,325
Hydrochina Dawood Power (Private) Limited	Advance rental	28,557	13,915



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25 AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on **22 February, 2019** by the Board of Directors of B.R.R. Investment (Private) Limited.

26 GENERAL

26.1 This condensed interim financial information is presented in Pak Rupees, which is the Modaraba's functional and presentation currency.

26.2 Amounts have been presented and 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 Half Year Ended
December 31, 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, Manager of B.R.R. Guardian Modaraba (BRRGM), take pleasure in presenting the 2nd Quarter consolidated financial statement of the Modaraba for the six months ended December 31, 2018.

Operations and performance

Financial highlights	December 31, 2018	December 31, 2017
 Rupees.....	
Total Income	104,037,666	104,002,095
Total Expenses	98,670,232	101,618,875
Profit After Management Fee & WWF	4,713,369	2,095,998
Earning per certificate	0.05	0.02

During the six months period under review the Modaraba has earned an operating profit of Rs. 4.713 million, as compared with Rs. 2.096 million profit in the same period last year.

Further the Certificate Holders' Equity of Modaraba stands at Rs. 1,358.888 million as compared with Rs. 1,273.009 million in the same period last year with an increase of 6.75%. The breakup value share comes to Rs 15.73 per certificate.

Operating expenses of the Modaraba have remained within the budget.

AUDITORS' OBSERVATIONS

The audit observations are same mentioned in financial statement as of June 30, 2018.

CONCLUSION & APPRECIATION:

With the PSX performing strongly since Jan 1st 2019, we are expecting better results for the remaining year.

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

Waqas Anwar Qureshi
Director

February 22, 2019
Karachi

Ayaz Dawood
Chief Executive Officer



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

بی۔آر۔آر۔ گارڈین مضاربہ

ڈائریکٹرز کی رپورٹ برائے مجموعی مالیاتی گوشوارے

معزز سرٹیفکیٹ ہولڈرز،

بی۔آر۔آر۔ انویسٹمنٹ (پرائیویٹ) لمیٹڈ ("بی آر آئی" یا کہتی) کے بورڈ آف ڈائریکٹرز نے بی آر گارڈین مضاربہ (بی آر آئی ایم) کے ناظم کی حیثیت سے دسمبر 2018-31 کو ختم ہونے والی دوسری سہ ماہی اور ششماہی کے مجموعی مالیاتی گوشوارے پیش کرتے ہوئے بے حد مسرت محسوس کر رہے ہیں۔

آپریشن اور کارکردگی

مالیاتی جھلکیاں	دسمبر 2018، 31	دسمبر 2017، 31 (دو ہارہ بیان کردہ)
کل آمدنی	104,037,666	104,002,095
کل اخراجات	98,670,232	101,618,875
منافع بعد از انتظامیہ کی فیس اور ڈیلیوڈبلو ایف	4,713,369	2,095,998
نفع فی سرٹیفکیٹ	0.05	0.02

آپ کے مضاربہ نے پچھلے سال کی اسی ششماہی کے 2.096 ملین روپے منافع کے مقابلے میں اس سال کی ششماہی میں 4.713 ملین روپے کا آپریشنل منافع کمایا ہے۔

مزید یہ کہ مضاربہ کے سرٹیفکیٹ ہولڈرز کی ایکونٹی 6.75 فیصد اضافے کے ساتھ گزشتہ سال کی اسی مدت میں 1,273,009 ملین روپے کے مقابلے میں 1,358.888 ملین روپے ہو گئی ہے۔ بریک اپ ویلیو شیئر 15.73 روپے فی سرٹیفکیٹ ہے۔

مضاربہ کے آپریشنل اخراجات بجٹ کے اندر رہے ہیں۔

آڈیٹرز کے مشاہدات

آڈٹ کے مشاہدات وہی ہیں جن کا ذکر جون 2018، 30 کے مالیاتی گوشواروں میں کیا گیا ہے۔

اختتامی کلمات اور اظہار تشکر

پی ایس ایکس جنوری 2019، 1 سے زبردست کارکردگی کا مظاہرہ کر رہا ہے، ہم باقی سال کے لئے بہتر نتائج کی توقع کر رہے ہیں۔

از طرف بورڈ آف ڈائریکٹرز

بی۔آر۔آر۔ انویسٹمنٹ (پرائیویٹ) لمیٹڈ

ایاز داؤد

چیف ایگزیکٹو آفیسر

وکاس انور قریشی

ڈائریکٹر

فروری 22، 2019

کراچی



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

**CONSOLIDATED CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2018**

	Note	(Un-audited) December 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	157,824,137	184,731,099
Investment properties	6	948,027,801	964,343,832
Long term musharaka finances	7	26,699,602	35,806,578
Long-term loans, advances and deposits		6,384,276	9,595,857
		1,138,935,816	1,194,477,366
CURRENT ASSETS			
Short-term investments	8	644,121,598	711,449,205
Current portion of musharaka finances	7	19,074,396	12,761,216
Ijarah / lease rental receivable		2,210,231	955,181
Loans, advances and prepayments		9,635,527	18,709,926
Accrued profit	9	370,120	515,836
Other receivables	10	6,282,741	3,541,507
Taxation		16,178,808	14,916,906
Cash and bank balances	11	12,442,568	22,854,663
		710,315,989	785,704,440
Non current asset held for sale	12	55,800,000	55,800,000
		766,115,989	841,504,440
TOTAL CURRENT ASSETS		1,905,051,805	2,035,981,806
TOTAL ASSETS			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital 140,000,000 (2018: 115,000,000) Modaraba certificates of Rs. 10/- each		1,400,000,000	1,150,000,000
Issued, subscribed and paid-up certificate capital		863,622,630	863,622,630
Reserves		209,959,088	234,608,888
Surplus on revaluation of investments		285,306,640	293,330,362
		1,358,888,358	1,391,561,880
LIABILITIES			
NON-CURRENT LIABILITIES			
Diminishing musharaka based Term Finance Certificates	13	-	-
Long-term loans	14	68,848,684	82,616,684
Long-term murabaha, musharaka and finance under mark-up arrangements	15	-	28,225,802
Long-term security deposits		84,205,973	81,641,692
TOTAL NON-CURRENT LIABILITIES		153,054,657	192,484,178
CURRENT LIABILITIES			
Current portion of long-term loan	14	27,536,000	27,536,000
Current portion of long-term murabaha, musharaka and finance under mark-up arrangements	15	80,523,034	93,776,446
Current portion of diminishing musharaka based Term Finance Certificates	13	28,345,949	72,449,843
Current portion of security deposits		3,729,800	11,941,410
Creditors, accrued and other liabilities	16	223,006,519	217,988,266
Accrued profit on borrowings		224,877	407,573
Profit distribution payable		29,742,611	27,836,210
TOTAL CURRENT LIABILITIES		393,108,790	451,935,748
TOTAL EQUITY AND LIABILITIES		1,905,051,805	2,035,981,806
CONTINGENCIES AND COMMITMENTS	17		

The annexed notes from 1 to 25 form an integral part of this consolidated 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 Half Year And Quarter Ended December 31, 2018
(Un-Audited)**

Note	Half year ended		Quarter ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	(Rupees)		(Rupees)	
	(Restated)		(Restated)	
INCOME				
Rental income	91,491,589	85,199,941	47,458,113	44,721,239
Income on musharaka finances	2,950,268	2,327,553	1,519,728	1,308,035
Ijarah rental income	16,998,042	27,331,719	7,408,696	12,387,612
Return on investments - net	18 11,172,712	16,494,421	6,784,348	13,735,185
Profit on bank balances	333,243	1,803,978	128,875	660,218
Reversal of provision for doubtful receivables	19 16,297,130	16,214,946	8,878,799	8,051,612
Unrealised loss on revaluation of held-for-trading investment	(43,640,444)	(62,396,736)	(23,792,237)	(27,177,476)
Gain/(loss) on disposal of ijarah assets	1,114,207	(331,986)	603,594	(30,759)
Other income	20 7,320,919	17,358,259	6,889,089	16,621,856
	104,037,666	104,002,095	55,879,005	70,277,522
EXPENSES				
Amortisation on ijarah assets	15,062,369	21,276,269	6,574,680	10,256,114
Provision against doubtful receivables	-	50,815	-	50,815
Administrative expenses	67,761,388	74,989,216	39,372,481	50,405,055
Financial charges	15,846,475	5,302,575	6,971,473	3,339,512
	98,670,232	101,618,875	52,918,634	64,051,496
	5,367,434	2,383,220	2,960,371	6,226,026
Modaraba management company's fee	500,279	219,689	285,107	585,000
Sales tax on Modaraba management company's fee	65,036	28,560	37,064	76,050
Provision for Sindh Workers' Welfare Fund	88,750	38,973	50,578	103,779
Profit before taxation	4,713,369	2,095,998	2,587,622	5,461,197
Taxation	22 -	-	-	-
Profit for the period	4,713,369	2,095,998	2,587,622	5,461,197
Earnings per certificate - basic and diluted	0.05	0.02	0.03	0.06

The annexed notes from 1 to 25 form an integral part of this consolidated condensed interim financial information.

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

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Director

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Chief Financial Officer



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

**Consolidated Condensed Interim Statement of Comprehensive Income
For The Half Year And Quarter Ended December 31, 2018
(Un-Audited)**

	Half year ended		Quarter ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	----- (Rupees) -----			
		(Restated)		(Restated)
Profit for the period	4,713,369	2,095,998	2,587,622	5,461,197
Other comprehensive loss for the period				
Items that will be subsequently reclassified to profit or loss:				
Unrealised loss on revaluation of available-for-sale investments	(6,591,923)	(41,355,694)	(32,064,913)	(29,739,400)
Unrealised loss on revaluation of available for sale investments transferred to the income statement on disposal	(1,431,799)	-	(1,431,799)	-
Total comprehensive loss for the period	(3,310,353)	(39,259,696)	(30,909,090)	(24,278,203)

The annexed notes from 1 to 25 form an integral part of this consolidated condensed interim financial information.

**For B.R.R. Investment (Private) Limited
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B.R.R. Guardian Modaraba
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**Consolidated Condensed Interim Cash Flows Statement
For The Half Year Ended December 31, 2018
(Un-Audited)**

	Half year ended	
	December 31, 2018	December 31, 2017
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		(Restated)
Profit before taxation	4,713,369	2,095,998
Adjustment of non-cash and other items:		
Depreciation	21,557,205	21,213,530
Amortisation on ijarah assets	15,062,369	21,276,269
Provision against doubtful receivable-net	(16,297,130)	(16,175,285)
Gain on disposal of property and equipment - owned	(152,690)	(480,954)
Gain on disposal of property, plant and equipment - leased / ijarah	(1,114,207)	331,986
Profit on musharaka, murabaha and finance under mark-up arrangements	15,846,475	5,302,274
Unrealised loss on revaluation of held-for-trading investment	43,640,444	62,396,736
Return on investments - net	(11,172,712)	(16,494,421)
	67,369,754	77,370,135
	72,083,123	79,466,133
Increase / (decrease) in current assets		
Ijarah / lease rentals receivable	(1,255,050)	2,513,926
Loans, advances and prepayments	12,285,980	(695,236)
Accrued profit	145,716	57,210
Other receivables	(2,741,234)	(284,756)
	8,435,412	1,591,144
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	(5,285,840)	787,042
Rent received in advance	9,650,028	-
Customers' security deposit	(5,647,329)	(7,241,757)
	(1,283,141)	(6,454,715)
Income tax paid	(1,261,902)	(1,746,721)
Net cash generated from operating activities	77,973,492	72,855,841
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property and equipment - owned	(1,676,500)	(7,079,482)
Addition to property, plant and equipment - ijarah	-	509,500
Proceeds from disposal of property and equipment - owned	1,079,110	918,732
Proceeds from disposal of property, plant and equipment - leased / ijarah	1,351,108	2,988,097
Investments disposed / (purchased) -net	27,844,704	(52,229,881)
Income received on investments	6,762,112	7,700,950
Musharaka finances	19,090,926	(2,490,345)
Net cash generated / (used in) from investing activities	54,451,460	(49,682,429)
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit paid to certificate holders	(27,456,768)	(76,156,280)
Finance under murabaha, musharaka and finance under mark-up arrangements	(99,103,894)	(44,103,894)
Long-term loan	(13,768,000)	(13,772,000)
Financial charges paid	(2,508,385)	(5,529,185)
Net cash used in financing activities	(142,837,047)	(139,561,359)
Net decrease in cash and cash equivalents	(10,412,095)	(116,387,947)
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	12,442,568	48,114,947

The annexed notes from 1 to 25 form an integral part of this consolidated condensed interim financial information.

**For B.R.R. Investment (Private) Limited
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**Consolidated Condensed Interim Statement of Changes In Equity
For The Half Year Ended December 31, 2018
(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, 2017 - restated	863,622,630	10,532,683	44,902,567	701,898,993	279,215,719	(508,257,219)	1,391,915,373
Profit for the half year ended December 31, 2017	-	-	-	-	-	2,095,998	2,095,998
Other comprehensive income	-	-	-	-	(41,355,694)	-	(41,355,694)
Total comprehensive loss for the period	-	-	-	-	(41,355,694)	2,095,998	(39,259,696)
Profit distribution for the year ended June 30, 2017*	-	-	-	-	-	(79,646,255)	(79,646,255)
Balance as at December 31, 2017 - restated	863,622,630	10,532,683	44,902,567	701,898,993	237,860,025	(585,807,476)	1,273,009,422
Profit for the half year ended June 30, 2018	-	-	-	-	-	63,082,121	63,082,121
Other comprehensive income	-	-	-	-	55,470,337	-	55,470,337
Total comprehensive income for the period	-	-	-	-	55,470,337	63,082,121	118,552,458
Transfer to statutory reserve	-	-	-	32,299,766	-	(32,299,766)	-
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 the half year ended December 31, 2018	-	-	-	-	-	4,713,369	4,713,369
Other comprehensive loss	-	-	-	-	(8,023,722)	-	(8,023,722)
Total comprehensive loss for the period	-	-	-	-	(8,023,722)	4,713,369	(3,310,353)
Profit distribution for the year ended June 30, 2018	-	-	-	-	-	(29,363,169)	(29,363,169)
@ Re.0.34 per certificate	-	-	-	-	-	(29,363,169)	(29,363,169)
Balance as at December 31, 2018	863,622,630	10,532,683	44,902,567	734,198,759	285,306,640	(579,674,921)	1,358,888,358

* @ Re. 0.1 and 0.08 per certificate for BRR and CSM, respectively.

The annexed notes from 1 to 25 form an integral part of this consolidated condensed interim financial information.

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

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

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2018 (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 18th Floor, BRR Tower, Hassan Ali Street of 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. (Please refer note 7)

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

On the scheme becoming effective, the authorized modaraba capital of CSM of Rs. 250,000,000 merged and combined with the authorised capital of BRRGM, consequently the merged authorised capital of BRRGM 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 merged and combined with the Issued, subscribed and paidup capital of BRGM, consequently the issued, subscribed and paidup capital of BRRGM 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 half year and quarter ended December 31, 2018 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 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, 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 year end.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

This consolidated condensed interim financial information of the Modaraba for the six months period ended December 31, 2018 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas.



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

In case where requirements differ, the provisions of or directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas have been followed.

The disclosures made in this consolidated condensed interim financial information have been limited, based on the requirements of International Accounting Standard 34 - "Interim Financial Reporting". This consolidated condensed interim financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Modaraba for the year ended June 30, 2018.

This consolidated condensed interim financial information is un-audited.

2.2 Basis of measurement

This consolidated condensed interim financial information has been prepared under the "historical cost convention" except for the revaluation of certain financial assets which are stated at fair value. This consolidated condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of this consolidated condensed interim financial information are same as those applied in the preparation of annual financial statements for the year ended June 30, 2018.

3.1 Standards and amendments to published approved accounting standards which are effective during the half year ended December 31, 2018.

Following is a new standards and amendment to approved accounting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018.

Standard or Interpretation

IASB effective date (Annual periods beginning on or after)

IFRS 15 - Revenue from Contracts with Customers

July 1, 2018

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

4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Modaraba's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2018.

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Note	----- (Rupees) -----	
5 PROPERTY, PLANT AND EQUIPMENT			
Property and equipment - owned	5.1	100,951,621	104,942,713
Property, plant and equipment- leased / ijarah	5.2	56,872,516	79,788,386
		<u>157,824,137</u>	<u>184,731,099</u>



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

5.1 Property and equipment - owned

Following additions and disposals were made during the period :

	Additions		Disposals / Transfer	
	(Un-audited) December 31, 2018	(Audited) June 30, 2018	(Un-audited) December 31, 2018	(Audited) June 30, 2018
	----- (Rupees) -----		----- (Rupees) -----	
Building on leasehold land	-	3,655,000	-	-
Furniture and fixtures	-	650,000	-	-
Vehicles	978,200	8,762,457	1,522,092	6,180,551
Office equipment and appliances	698,300	1,223,457	-	18,600
	<u>1,676,500</u>	<u>14,290,914</u>	<u>1,522,092</u>	<u>6,199,151</u>

5.2 Property, plant and equipment - ijarah / leased

Following disposals were made during the period :

	Additions		Disposals / Transfer	
	(Un-audited) December 31, 2018	(Audited) June 30, 2018	(Un-audited) December 31, 2018	(Audited) June 30, 2018
	----- (Rupees) -----		----- (Rupees) -----	
Plant and machinery	-	-	-	7,639,805
Vehicles	-	-	37,657,962	57,825,768
Office equipment and appliances	-	-	677,000	785,000
	<u>-</u>	<u>-</u>	<u>38,334,962</u>	<u>66,250,573</u>

6 INVESTMENT PROPERTIES

	Note	(Un-audited) December 31, 2018	(Audited) June 30, 2018
		----- (Rupees) -----	
Investment properties	6.1	938,938,801	955,254,832
Capital work-in-progress	6.2	9,089,000	9,089,000
		<u>948,027,801</u>	<u>964,343,832</u>

- 6.1** This includes an office premises costing Rs. 70 million, which was swapped by Modaraba in March 2012 from First Dawood Investment Bank Limited (FDIBL), an associated undertaking. The said property was earlier acquired by FDIBL from its borrower against the settlement of liabilities who had also defaulted in its obligation with commercial bank. The said commercial bank has obtained a stay order against the property due to which execution of the sale deed and transfer of title in the name of Modaraba are in abeyance.

FDIBL has filed an application of intervention with the Honorable High Court of Sindh, for removal of stay of the commercial bank and to affect the transfer of the title in its favour, which is pending adjudication.

The original title documents and possession of the property rest with the Modaraba. The portion of the said property has been rented out to associated undertakings. As soon as the case in question is decided, FDIBL will be able to execute the sale deed in favour of the Modaraba.

Addition and disposal at cost, in investment properties, made during the period are nil.



B.R.R. Guardian Modaraba
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		(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Note	----- (Rupees) -----	
6.2 Capital work-in-progress			
Advance for office premises - Jofa Tower, Karachi	6.2.1	66,420,000	66,420,000
Provision against advance for office premises		(57,331,000)	(57,331,000)
		9,089,000	9,089,000

6.2.1 This includes Rs. 57.331 million paid for the purchase of three shops of Jofa Tower. Because of a dispute in respect of payment for additional space due to structural changes in the design, the title or possession of the said property has not yet been transferred in the name of the Modaraba. In March 2012, the Modaraba filed a law suit for specific performance and deposited Rs. 9.089 million with Nazir High Court of Sindh. The law suit is currently pending before Honourable High Court of Sindh at Karachi. During prior year, Modaraba has made provision against the advance paid for the purchase of three shops amounting to Rs. 57.331 million.

7 LONG-TERM MUSHARAKA FINANCES

Considered good		45,773,998	48,567,794
Considered doubtful	7.3	139,170,660	155,351,790
	7.1	184,944,658	203,919,584
Provision for doubtful receivables	7.2	(139,170,660)	(155,351,790)
		45,773,998	48,567,794
Current portion of musharaka finances		(19,074,396)	(12,761,216)
		26,699,602	35,806,578

7.1 The expected profit receivable on these arrangements ranges from 8.21% to 14.14% (2018: 9.430% to 11.595%) per annum. The arrangements are secured by way of hypothecation of stock, mortgage of property and equipment and pledge of shares. These finances are receivable on various dates up to June 12, 2022.

7.2 Movement of provision

Opening balance		155,351,790	192,196,931
Transfer from amalgamated entity		-	7,262,809
Provision during the year		-	320,579
Written off during the year		-	(5,906,486)
Reversal during the year	19	(16,181,130)	(38,522,043)
Closing balance		139,170,660	155,351,790

7.3 This includes an amount of Rs. 34.766 million (2018: 49.603 million) in respect of Pak Hy Oils Limited as detailed in note 19.1 to the condensed consolidated interim financial information.

8 SHORT-TERM INVESTMENTS

Held-for-trading

Listed ordinary shares	8.1	178,913,777	219,665,987
Derivative financial instruments	8.2	2,497,338	-
		181,411,115	219,665,987



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

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Note	----- (Rupees) -----	
Available-for-sale			
Listed ordinary shares/ modaraba certificates	8.3	352,748,295	362,821,882
Unlisted ordinary shares	8.4	89,812,733	89,812,733
Unlisted debt securities	8.5	36,371,603	55,370,751
		478,932,631	508,005,366
		660,343,746	727,671,353
Provision for diminution in value of investments		(16,222,148)	(16,222,148)
		644,121,598	711,449,205

8.1 Held-for-trading: Listed ordinary shares

Unless stated otherwise, the holdings are in fully paid ordinary shares of Rs. 10 each.

Number of shares / units		Name of investee	(Un-audited) December 31, 2018	(Audited) June 30, 2018
December 31, 2018	June 30, 2018		----- (Rupees) -----	
		Glass & ceramics		
2,500	37,900	Ghani Glass Limited	121,125	2,337,672
		Textile Composite		
38,649	38,649	Kohinoor Textile Mills Limited	1,738,484	2,125,308
6,000	6,000	Nishat Mills Limited	761,540	845,520
		Cement		
5,283	5,283	Bestway Cement Limited	603,900	692,020
2,000	2,000	D.G. Khan Cement Company Limited	161,420	228,980
6,400	6,400	Lucky Cement Limited	2,821,632	3,250,752
220	220	Cherat Cement Company Limited	15,039	21,391
44,000	29,000	Fauji Cement Company Limited	912,730	662,649
576,500	572,500	Power Cement Limited	4,496,699	4,780,373
		Power generation & distribution		
1,190,246	959,746	K-Electric Limited (ordinary shares of Rs. 3.5 each).	7,030,351	5,451,358
20,100	21,600	The Hub Power Company Limited	1,720,161	1,990,655
		Refinery		
7,998	6,399	Attock Refinery Limited	1,179,865	1,377,769
41,050	41,050	National Refinery Limited	11,457,467	18,185,562
-	5,000	Byco Petroleum Limited	-	67,100
		Oil & gas exploration companies		
1,803	880	Mari Petroleum Company Limited	2,219,601	1,325,439
63,043	54,820	Pakistan Petroleum Limited	9,390,885	11,780,818
15,000	13,000	Oil & Gas Development Company Limited	1,919,700	2,023,060
600	-	Attock Petroleum Limited	256,842	-
1,500	-	Shell Pakistan Limited	456,615	-



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<u>Number of shares / units</u>		Name of investee	(Un-audited)	(Audited)
December 31, 2018	June 30, 2018		December 31, 2018	June 30, 2018
			----- (Rupees) -----	
		Oil & gas marketing companies		
13,108	17,108	Sui Northern Gas Pipelines Limited	1,008,923	1,714,564
197,500	175,000	Sui Southern Gas Company Limited	4,518,799	5,743,499
		Automobile assembler		
7,650	4,500	General Tyre & Rubber Company Of Pakistan Limited	610,011	747,900
21,875	24,275	Sazgar Engineering Work Limited	4,988,812	6,917,890
3,120	3,320	Millat Tractors Limited	2,645,230	3,944,359
		Automobile parts & accessories		
12,200	12,700	Agriauto Industries Limited	2,733,044	3,746,500
74,502	71,502	Loads Limited	1,599,927	2,229,434
		Fertilizer		
2,000	3,000	Engro Corporation Limited	587,600	941,580
		Chemical		
13,447	13,447	ICI Pakistan Limited	10,650,562	10,777,770
39,600	47,000	Ittehad Chemicals Limited	1,052,568	1,633,720
82,000	10,000	Sitara Peroxide Limited	2,397,680	173,600
1,700	1,700	Sitara Chemical Industries Limited	510,000	626,144
-	21,000	Lotte Chemical Pakistan Limited	-	251,159
1,499	1,499	Pakistan Oxygen (formerly Linde Pakistan limited)	329,015	359,759
2,400	2,400	Archroma Pakistan Limited	1,223,664	1,212,000
4,625	-	Berger Paints Pakistan Limited	390,998	-
		Engineering		
46,375	46,375	Crescent Steel & Allied Products Limited	2,545,532	4,228,008
2,500	12,000	International Steels Limited	164,325	1,220,402
95,700	87,000	Ittefaq Iron Industries Limited	957,902	1,216,260
20,000	20,000	K.S.B Pumps Company Limited	3,600,000	5,600,000
126,486	126,486	Mughal Iron & Steel Industries Limited	5,070,824	7,768,770
7,500	7,500	Dost Steel Limited	41,700	59,325
		Transport		
3,200	3,200	Pakistan National Shipping Corporation Limited	176,352	262,208
100	100	Pakistan International Container Terminal Limited	21,400	22,812
300	-	AL-Ghazi Tractor Limited	166,590	-
		Technology & Communication		
-	6,500	Avanceon Limited	-	430,560
45,000	45,000	Pakistan Telecommunication Company Limited	432,900	514,800



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<u>Number of shares / units</u>		Name of investee	(Un-audited)	(Audited)
December 31, 2018	June 30, 2018		December 31, 2018	June 30, 2018
			----- (Rupees) -----	
		Leather & tanneries		
13,860	13,860	Service Industries Limited	10,184,882	10,879,823
		Food & personal care products		
35,000	-	At-Tahur Limited	662,900	-
157,575	157,575	Treet Corporation Limited	3,649,436	5,387,488
		Pharmaceuticals		
1,850	1,200	Abbott Laboratories (Pakistan) Limited	1,160,821	822,001
7,250	9,250	AGP Limited	627,343	821,307
8,847	9,347	Highnoon Laboratories Limited	3,073,800	3,837,035
17,800	3,900	Ferozsons Laboratories Limited	2,578,620	3,466,194
65,870	56,279	The Searle Company Limited	16,028,805	19,106,720
131,765	131,765	GlaxoSmithKline Pakistan Limited	14,913,161	21,872,989
15,000	14,500	GlaxoSmithKline Consumer Healthcare Pakistan Limited	3,919,540	6,197,265
		Cable & electrical goods		
30,600	15,100	Pak Elektron Limited	765,918	535,446
		Modarabas		
12,100	11,000	First UDL Modaraba	121,000	205,150
		Open-end mutual funds		
222,543	221,903	Dawood Islamic Fund	23,668,952	25,980,122
		Commercial banks		
-	291	Bank Islami Pakistan Limited	-	3,478
		Paper & board		
1,725	-	Cherat Packaging Limited	294,734	-
		Woollen		
17,000	19,000	Bannu Woollen Mills Limited	819,060	945,250
		Miscellaneous		
6,363	-	United Distributors Pakistan	235,431	-
		Synthetic and rayon		
32,000	7,000	Tri-Star Polyester Limited	520,960	116,270
			<u>178,913,777</u>	<u>219,665,987</u>

8.2 Derivative financial instruments

Letter of rights		Glass & ceramics	
61,800	-	Ghani Glass Mills Limited	
			<u>2,497,338</u>
			-



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Number of shares / certificates		Name of investee	(Un-audited)	(Audited)
December 31, 2018	June 30, 2018		December 31, 2018	June 30, 2018
			----- (Rupees) -----	

8.3 Available-for-sale: Listed ordinary shares/modaraba certificate

Unless stated otherwise, the holdings are in fully paid ordinary shares of Rs.10 each.

8,350	8,350	Oil & gas exploration companies		
		Mari Petroleum Company Limited	10,279,351	12,576,603
5,962	7,962	Oil & gas marketing companies		
39,660	39,660	Shell Pakistan Limited	1,814,892	2,516,709
		Sui Northern Gas Pipelines Limited	3,052,631	3,974,726
3,800	3,800	Leather & tanneries		
		Service Industries Limited	2,792,392	2,982,924
1,000	1,000	Modarabas		
		ORIX Modaraba	17,250	16,610
407,000	407,000	Real estate investment trust		
		Dolmen City REIT	4,851,440	5,250,300
17,974	17,974	Chemical		
		Pakistan Oxygen (formerly Linde Pakistan Limited)	3,945,113	4,313,760
14,199	14,199	Sitara Chemical Industries Limited	4,259,700	5,229,776
90	90	Cement		
3,055,168	3,055,168	Maple Leaf Cement Factory Limited	3,702	4,567
		Power Cement Limited	23,830,310	25,508,711
56,000	56,000	Engineering		
11,000	11,000	KSB Pumps Company Limited	10,080,000	15,680,000
		Mughal Iron & Steel Industries Limited	440,990	675,620
2,625	2,625	Crescent Steel & Allied Products Limited	144,007	239,320
1,000	1,000	Transport		
		Pakistan International Container Terminal Limited	214,000	228,120
5,000	5,000	Pakistan National Shipping Corporation	275,550	409,700
38,276	42,576	Pharmaceuticals		
		Abbott Laboratories (Pakistan) Limited	24,017,042	29,164,560
32,165	32,165	GlaxoSmithKline Pakistan Limited	3,640,434	5,339,390
638	638	Highnoon Laboratories Limited	221,667	261,905
30,906	30,906	GlaxoSmithKline Consumer Healthcare Pakistan Limited	8,051,631	12,518,476



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Number of shares / units		Name of investee	Note	(Un-audited)	(Audited)
December 31, 2018	June 30, 2018			December 31, 2018	June 30, 2018
				----- (Rupees) -----	
		Power generation & distribution			
1,000	1,000	The Hub Power Company Limited		85,410	92,160
		Technology & communication			
2,103,577	2,103,577	Systems Limited - a related party		230,320,646	212,924,064
		Automobile parts & accessories			
98,400	98,400	Loads Limited		2,120,519	3,068,111
1,000	1,000	Millat Tractors Limited		847,830	1,188,060
		Paper & Board			
101,568	101,568	Roshan Packages Limited		2,455,903	2,861,171
		Glass & ceramics			
200	13,300	Ghani Glass Limited		9,690	820,344
		Financial services			
1,935,506	1,935,506	786 Investments Limited (Formerly Dawood Capital Management Limited) - a related party (fully provided)	8.3.1	4,722,634	4,722,634
3,339,922	3,339,922	First Dawood Investment Bank Limited - a related party	8.3.1	10,253,561	10,253,561
				352,748,295	362,821,882

8.3.1 This represents sponsor shares of the related party and is a non shariah compliant investment. The management is currently in process of finding prospective buyers as per instruction of SECP. Further, full amount of provision has also been recognised.

8.4 Available-for-sale: Investment in unlisted ordinary shares

<u>Number of shares / units</u>		Name of investee	(Un-audited)	(Audited)
December 31	June 30,		December 31,	June 30,
2018	2018		2018	2018
			----- (Rupees) -----	
The holdings are in fully paid ordinary shares of Rs.10 each.				
100,000	100,000	Al Baraka Bank (Pakistan) Limited - (note 8.4.1)	874,999	874,999
7,200,000	7,200,000	Dawood Family Takaful Limited - (note 8.4.2)	52,128,000	52,128,000
3,034,603	3,034,603	ISE Tower REIT Management Company Limited - (note 8.4.1 & 8.4.4)	36,809,734	36,809,734
			89,812,733	89,812,733



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8.4.1 The break-up value of investment in shares of Al Baraka (Pakistan) Limited (ABPL) is Rs. 0.873 million (as per latest available post amalgamation audited financial statement dated December 31, 2017) whereas the book value of investment in shares of ABPL is Rs. 0.829 million resulting in revaluation surplus of Rs. 0.046 million.

8.4.2 The break-up value of investment in shares of Dawood Family Takaful (DFTL) is Rs. 35.568 million (as per latest audited accounts dated December 31, 2017) where as the cost of investment in shares of DFTL is Rs. 72 million. Upto June 30, 2017, management has recorded total impairment of Rs. 19.872 million based on embedded value of investment as at June 30, 2016 amounting to Rs. 52.128 million (Rs. 8.27 per share). Since, embedded value of the investments amounts to Rs. 67.968 million as at June 30, 2018 (Rs. 9.44 per share), therefore, management has not recorded further impairment on the grounds of embedded value being higher than the carrying value of this investment as per latest actuarial valuation.

8.4.3 Out of the total shares of Rs. 10 each, 60% shares are kept in blocked account and divestment of the same will be in accordance with the requirement of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012.

The breakup value of the investment in shares of ISE Tower REIT Management Company Limited amounted to Rs. 42.765 million, which is based on audited financial statement for the year ended June 30, 2018. Since the break up value of is higher than the carrying value, management has not recorded any impairment.

8.5 Available-for-sale: Investment in unlisted debt securities

<u>Number of certificates</u>		Name of investee	Note	(Un-audited)	(Audited)
December 31, 2018	June 30, 2018			December 31, 2018	June 30, 2018
				----- (Rupees) -----	
		Sukuk			
1,267	1,267	Eden Housing	8.5.1	1,245,953	1,245,953
7,000	7,000	K- Electric Sukuk-3		35,125,650	35,491,785
-	23	AlBaraka Bank (Pakistan) Limited		-	7,535,617
-	5	Dubai Islamic Bank Pakistan Limited		-	5,093,520
-	60	Dawood Hercules Corp. Limited		-	6,003,876
				36,371,603	55,370,751

8.5.1 This represents investment in privately placed sukuk with a tenure of 5 years. In prior period, company has defaulted in its principal & profit payment, therefore full amount of the provision has been recorded.

9 ACCRUED PROFIT

Accrued profit on:
Debt securities
Musharaka finances

165,546	457,238
204,574	58,598
370,120	515,836



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		(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Note	----- (Rupees) -----	
10 OTHER RECEIVABLES			
Rent receivable - unsecured, considered good		2,870,904	2,368,120
Takaful premium receivable		670,472	538,118
Other receivable		2,741,365	635,269
		<u>6,282,741</u>	<u>3,541,507</u>
Receivable from ex-employees - unsecured, considered doubtful	10.1	51,274,920	51,274,920
Provision for doubtful receivables		<u>(51,274,920)</u>	<u>(51,274,920)</u>
		-	-
Others	10.2	33,810,401	33,810,401
Provision for doubtful debts		<u>(33,810,401)</u>	<u>(33,810,401)</u>
		-	-
		<u>6,282,741</u>	<u>3,541,507</u>

10.1 This represents balance receivable from certain ex-employees and other parties in respect of embezzlement of funds. The matter is pending before the Special Court, Lahore. As a matter of prudence, full provision in respect of these receivables has been made in these condensed interim financial information.

10.2 This represents financing facility which was partly secured against pledge of stock of jute while some of the stock was misappropriated from the factory premises of the borrower. During prior year, the Modaraba has filed a criminal case against the borrower and its owner against misappropriation of pledged stock.

A suit was also been filed on September 29, 2012 by the Modaraba before the Modaraba Tribunal / Banking Court-II for the recovery of outstanding dues from borrower. The Tribunal passed a judgment order in favour of the Modaraba and directed the defendant (borrower) to pay all outstanding dues along with cost of the suit, however the recovery of the decretal amount is uncertain due to the misappropriation of pledged stock by the borrower. Therefore, in prior year the Modaraba has filed the execution petition for the recovery of decretal amount by attaching the other auctionable assets of the borrower including piece and parcel of land / building of factory situated at 40-More, Lahore Road, Jaranwala and one vehicle. The borrower filed an application in Honorable Lahore High Court against the judgment and pleaded to suspend the judgment and decree in favour of Modaraba. The Modaraba has also filed a reply to the application filed by the borrower which is currently pending consideration.

Complete provision has been recorded against outstanding balance as per Prudential Regulations. The management is confident that the said lawsuit and criminal case will be decided in favour of the Modaraba.

11 CASH AND BANK BALANCES

Cash in hand		201,701	194,388
Cash with State Bank of Pakistan - current account		40	40
Cash with banks in:			
savings accounts	11.1	11,858,106	20,994,744
current accounts		382,721	1,665,491
		<u>12,442,568</u>	<u>22,854,663</u>

11.1 These carry mark-up at rates ranging from 3.25% to 5.30% (2018: 2.65% to 5.05%) per annum. Saving accounts includes balances placed under arrangements permissible under shariah amounting to Rs. 11.858 million.

12 NON CURRENT ASSET HELD FOR SALE

Non current asset held for sale	12.1	<u>55,800,000</u>	<u>55,800,000</u>
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12.1 During prior year, Modaraba has entered into an agreement dated April 17, 2017 to sell land at Gharo, District Thatta, for an aggregate consideration of Rs. 60 million. The purchaser has made a down payment of Rs. 20 million and agreed to pay the remaining amount in installments. As at December 31, 2017 Modaraba has received Rs. 58.635 million out of the total amount of Rs. 60 million, which has been recorded as advance under note 17.1 to the condensed interim financial statement.

The Modaraba has applied for the N.O.C. for sale of land vide their letter dated April 06, 2017 from Mukhtiarkar Revenue, Mirpur Sakro, District Thatta. However, issuance of N.O.C. from Mukhtiarkar Revenue is still pending. The land will be derecognized from the books of the company and gain on sale of land will be recognized upon receipt of full consideration and transfer of title to the buyer.

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Note	----- (Rupees) -----	
13 DIMINISHING MUSHARAKA BASED TERM FINANCE CERTIFICATES			
Diminishing musharaka based Term Finance Certificates (TFCs)	13.1	28,345,949	72,449,843
Current maturity		<u>(28,345,949)</u>	<u>(72,449,843)</u>
		<u>-</u>	<u>-</u>

13.1 The above TFCs represent privately placed instruments in the form of diminishing musharaka and are secured against investment properties and BRR Tower of the Modaraba. During prior year, Diminishing musharaka based Term Finance Certificates (TFCs) were restructured as per the second restructuring agreement executed on June 30, 2016 and effective from December 07, 2015. The restructured terms of the agreement are as follows:-

- The restructured principal amount will be redeemed in varying monthly instalments commencing from July 07, 2017 and ending on April 07, 2019.
- Mark-up will be charged at the rate of 1 month KIBOR plus 1.5% payable on monthly basis.
- The overdue principal, regular profit and deferred profit as at December 06, 2015 are to be paid till March 31, 2016.

14 LONG-TERM LOANS

National Bank of Pakistan	14.1	96,384,684	110,152,684
Current portion of long term loans		<u>(27,536,000)</u>	<u>(27,536,000)</u>
		<u>68,848,684</u>	<u>82,616,684</u>

14.1 The loan had been restructured on June 12, 2017 with the outstanding balance of Rs. 137.689 million payable over next five years in equal quarterly installments commencing from July 01, 2017. The loan is secured by way of 1% registered mortgage of property situated at ground, mezzanine, first and second level, Business and Finance Centre, bearing plot No. 7/3, Seri Quarters, I. I. Chundrigar Road, Karachi and post dated cheques for the remaining loan amount.

15 LONG-TERM MURABAHA, MUSHARAKA AND FINANCE UNDER MARK-UP ARRANGEMENTS

Musharaka arrangements	15.1	80,523,034	122,002,248
Current portion of musharaka arrangements		<u>(80,523,034)</u>	<u>(93,776,446)</u>
		<u>-</u>	<u>28,225,802</u>

15.1 The Modaraba has entered into Musharaka agreements (Musharaka) with Taavun (Private) Limited. These Musharaka arrangements were on profit sharing basis and were payable upto December 28, 2014. In prior years, the Modaraba had stopped accruing profit on these balances.



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During the prior year, Modaraba had entered into a settlement agreement with Taavun (Private) Limited according to which the repayment under Musharaka is to be made in seven instalments aggregating to Rs.190 million, as per the agreed repayment schedule, with the last instalment to be paid on July 14, 2019. Prior to the date of settlement, the outstanding balance of Finance under Musharaka amounted to Rs.110 million and accrued profit on Finance under Musharaka amounted to Rs. 57.813 million. The present value of the revised cashflows under the settlement agreement at the original profit rate amounted to Rs.181.813 million which resulted in increase in liability of Rs. 14 million. During the prior year, the Modaraba had made payment of two instalments aggregating to Rs. 47.5 million as per the agreed repayment schedule and has amortised profit of Rs. 1.689 million on Musharaka based on amortisation schedule at modified IRR of 30.140%. As at June 30, 2018 the outstanding balance of Musharaka amounted to Rs. 122 million.

During the period, the Modaraba has made payment of two instalments aggregating to Rs. 55 million as per the agreed repayment schedule and has amortised profit of Rs. 13.521 million. As at December 31, 2018 the outstanding balance of Musharaka amounted to Rs. 80.523 million.

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Note	----- (Rupees) -----	
16 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Modaraba management fee payable		7,969,177	7,468,898
Sales tax on Modaraba management fee payable		1,035,993	970,957
Provision for Sindh Workers' Welfare Fund		7,826,451	7,737,701
Accrued liabilities		17,515,149	18,370,843
Rentals received in advance			
Lockers		34,889,403	29,947,667
Properties		42,116,346	32,466,318
Ijarah		423,915	821,958
Musharaka		35,017,410	49,488,931
Charity payable		35,328	100,687
Advance against sale of land	16.1	61,235,500	60,735,500
Others		14,941,847	9,878,806
		223,006,519	217,988,266

16.1 This includes amount received as sale proceeds against sale of Gharo Land (refer note 12).

17 CONTINGENCIES AND COMMITMENTS

17.1 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 (2017: 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.

17.2 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 (2017: 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 condensed interim financial information.



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		(Un-audited) December 31, 2018	(Un-audited) December 31, 2017
	Note	(Rupees)	(Restated)
18 RETURN ON INVESTMENTS - NET			
Dividend income		4,148,464	5,727,487
Profit on debt securities		2,613,649	2,214,438
Gain on sale of investments		4,410,599	8,552,496
		<u>11,172,712</u>	<u>16,494,421</u>
19 REVERSAL OF PROVISION FOR DOUBTFUL RECEIVABLES			
Lease rentals		116,000	-
Musharaka	7.2 & 19.1	16,181,130	16,214,946
		<u>16,297,130</u>	<u>16,214,946</u>
19.1	This amount include Rs. 14.837 million against rentals received in advance against the musharika facility as per the settlement agreement between Pak Hy Oil Limited and the Modaraba, balance of the rentals received in advance as at December 31, 2018 amounts to Rs. 35.017 million.		
20 OTHER INCOME			
Gain on disposal of property and equipment - owned		152,690	480,954
Miscellaneous and other termination charges		764,577	471,533
Others		6,403,652	16,405,772
		<u>7,320,919</u>	<u>17,358,259</u>

21 FAIR VALUE HIERARCHY

The Modaraba uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted prices in active markets for identical assets.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at December 31, 2018, the Modaraba held the following financial instruments measured at fair value:

	December 31, 2018			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Investments at fair value				
Held-for-trading				
Listed ordinary shares	178,913,777	-	-	178,913,777
Derivative financial instrument	2,497,338			2,497,338
Available-for-sale investments				
Listed ordinary shares - net	352,748,295	-	-	352,748,295
Unlisted ordinary shares	-	-	89,812,733	89,812,733
Unlisted debt securities	-	36,371,603	-	36,371,603
	<u>534,159,410</u>	<u>36,371,603</u>	<u>89,812,733</u>	<u>660,343,746</u>



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As at June 30, 2018, the Modaraba held the following financial instruments measured at fair value:

	June 30, 2018			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Investments at fair value				
Held-for-trading				
Listed ordinary shares	219,665,987	-	-	219,665,987
Derivative financial instrument	-	-	-	-
Available-for-sale investments				
Listed ordinary shares - Net	362,821,882	-	-	362,821,882
Unlisted ordinary shares	-	-	89,812,733	89,812,733
Unlisted debt securities	-	55,370,751	-	55,370,751
	<u>582,487,869</u>	<u>55,370,751</u>	<u>89,812,733</u>	<u>727,671,353</u>

Valuation techniques

For Level 2 debt securities available for sale investments the Modaraba values the investments using rates prescribed by MUFAP. For Level 3 available-for-sale investments the Modaraba values the investment at carrying value which approximates the fair value of the investment.

Transfers during the period

During the half year ended December 31, 2018, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

22 TAXATION

22.1 The income of non-trading modarabas is exempt from tax under clause 100 of the second schedule of the Income Tax Ordinance 2001, provided not less than 90% of its profits after appropriation to statutory reserves as required under Modaraba Regulations is distributed to the certificate holders. The Modaraba has decided to continue availing the tax exemption and hence no provision has been made in these condensed interim financial information for tax liabilities for the current year.

22.2 The Additional Commissioner Inland Revenue has amended the assessment under section 122(5)(A) of the Income Tax Ordinance, 2001 for the Tax Year 2005 by creating demand of Rs. 954,036. The Modaraba has filed appeal before the Commissioner Inland Revenue (Appeals-I) and decision of the Commissioner Inland revenue (Appeals-I) was made in favor of the Modaraba. Further, the Department has filed appeal before the Appellate Tribunal, Inland revenue and the hearing of appeal is still pending.

22.3 Moreover, the Assistant Commissioner of Inland revenue has amended the assessment under section 122(5) of the Income Tax Ordinance, 2011 for the Tax Year 2014 by creating demand of Rs. 472,103. The Modaraba had filed appeal before the Commissioner Inland Revenue (Appeals-I) and the decision has been made in favour of Modaraba. Further, the Department has filed appeal before the Appellate Tribunal, Inland revenue and the hearing of appeal is still pending. There has been no further correspondence regarding the order.

22.4 Assessment for the Tax Year 2012 was selected for audit by Deputy Commissioner (IR), Audit Unit-IV, under section 122(5)(A). The Deputy Commissioner (IR) vide order dated June 30, 2018 has amended the assessment for the Tax Year 2012 thereby creating a demand of Rs. 5,908,802. The Modaraba has filed an appeal before the Commissioner Appeals against the said demand which is pending adjudication.

23 RELATED PARTY TRANSACTIONS

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



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The details of related party transactions and balances as at 31 December, 2018 are as follows:

Relationship with the Modaraba	Nature of transactions	(Un-audited) December 31, 2018 Rupees	(Un-audited) December 31, 2017 Rupees
Transaction during the period			
Management Company			
BRR Investment (Private) Limited	Management fee accrued	500,279	219,689
BRR Investment (Private) Limited	Management fee paid	-	19,921,896
BRR Investment (Private) Limited	Rent received	150,000	150,000
BRR Investment (Private) Limited	Advance received	32,500,000	14,200,000
BRR Investment (Private) Limited	Advance paid	32,500,000	10,000,000
Associated companies / other related parties			
Dawood Family Takaful Limited	Rental received against Ijarah / property	2,442,099	2,629,498
Dawood Family Takaful Limited	Sale of sukuk	17,428,520	6,251,536
Dawood Family Takaful Limited	Principal paid against investment in sukuk	9,389,610	9,389,610
Dawood Family Takaful Limited	Profit paid against investment in sukuk	532,864	1,175,923
First Dawood Investment Bank Limited	Rent received against property	409,200	409,200
First Dawood Investment Bank Limited	Share of common expenses - net	110,752	81,060
First Dawood Investment Bank Limited	Principal paid against investment in sukuk	5,348,184	5,348,184
First Dawood Investment Bank Limited	Profit paid against investment in sukuk	303,511	669,788
First Dawood Employees Provident Fund	Transfer to provident fund	1,526,996	1,385,869
First Dawood Employees Provident Fund	Principal paid against investment in sukuk	4,392,078	4,392,078
First Dawood Employees Provident Fund	Profit paid against investment in sukuk	249,252	550,049
Hamida Dawood	Principal paid against investment in sukuk	1,441,560	1,441,560
Hamida Dawood	Profit paid against investment in sukuk	81,809	180,535
Dawood Global Foundation	Charity paid	862,233	60,232
Period end balances			
Management Company			
BRR Investment (Private) Limited	Management fee payable	7,969,177	7,468,899



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(An Islamic Financial Institution)

Relationship with the Modaraba	Nature of balances	(Un-audited) December 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
Period end balances			
Associated companies / other related parties			
First Dawood Investment Bank Limited	Principal payable against investment in sukuk	3,437,313	8,785,497
First Dawood Investment Bank Limited	Profit payable against investment in sukuk	27,269	49,363
First Dawood Employees Provident Fund	Principal payable against investment in sukuk	2,822,824	7,214,902
First Dawood Employees Provident Fund	Profit payable against investment in sukuk	22,394	40,594
Dawood Family Takaful Limited	Principal payable against investment in sukuk	6,034,781	15,424,391
Dawood Family Takaful Limited	Profit payable against investment in sukuk	47,876	86,788
Dawood Family Takaful Limited	Advance rental	55,575	32,160
Hamida Dawood	Principal payable against investment in sukuk	926,495	2,368,055
Hamida Dawood	Profit payable against investment in sukuk	7,350	13,325
Hydrochina Dawood Power	Advance rental	28,557	13,915

24 AUTHORISATION FOR ISSUE

This condensed consolidated interim financial information was authorised for issue on **22 February, 2019** by the Board of Directors of B.R.R. Investment (Private) Limited.

25 GENERAL

25.1 This condensed consolidated interim financial information is presented in Pak Rupees, which is the Modaraba's functional and presentation currency.

25.2 Amounts have been presented and 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

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