

A N N U A L R E P O R T

2016



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

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



Contents	Page
Corporate Information	2
Mission Vision and Overall Corporate Strategy	3
Organogram	4
Board of Directors & Management	5
Notice of Annual Review Meeting	6
Directors' Report	9
ڈائریکٹرز کی رپورٹ	18
Statement of Compliance with the Code of Corporate Governance	29
Auditors' Review Report	32
Auditors' Report to the Certificate Holders	33
Shariah Advisor Report	35
Balance Sheet	36
Profit and Loss Account	37
Statement of Comprehensive Income	38
Statement of Cash Flows	39
Statement of Changes in Equity	40
Notes to the Financial Statements	41
Pattern of Certificate Holding	81
Additional Information	83
Six Years Financial Summary	84



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 Syed Sabir Hussain
Chief Financial Officer	Syed Tariq Masood
Company Secretary	Mr. Tahir Mehmood
Head of Internal Audit, Risk and Compliance	Syed Moin Ahmed Zaidi
Auditors	BDO Ebrahim & Co. Chartered Accountants
Legal Advisor	S. & B Durrani Law Associate Rauf and Ghaffar Law Associates Malik & Malik Law Associates
Bankers	Al-Baraka Bank(Pakistan) Limited Burj Bank Limited Habib Metropolitan Bank Limited National Bank of Pakistan
Web-site	www.firstdawood.com/brr
Registered Office & Head Office	18th Floor, B.R.R. Tower Hassan Ali Street off. I.I. Chundrigar Road, Karachi-74000 PABX : 92-21-32602401-06 Fax : 92-21-3227-1912
Registrars	F.D. Registrar Services (SMC-Pvt.) Ltd 1705, 17th Floor, Saima Trade Tower "A" I.I. Chundrigar Road, Karachi-74000 Phone # 92-21- 35478192-3 # 92-21-32271905-6 Fax # 92-21-32213243
Branch Offices	Suit No. 210, 5th Floor, Siddiq Trade Centre, Main Boulevard, Gulberg - III, Lahore Office No. 405 4th Floor, ISE Tower Jinnah Avenue, Islamabad
Security Vault	G-187, Block-2, Shahrah-e-Quaideen, PECHS Karachi-754000



MISSION

To become a symbol for spreading a variety of Islamic modes of financing, thereby providing ample and profitable investment opportunities to the stake holders who demand Halal profits according to Sharia Laws, optimizing returns to the certificate holders, management and customers.

VISION

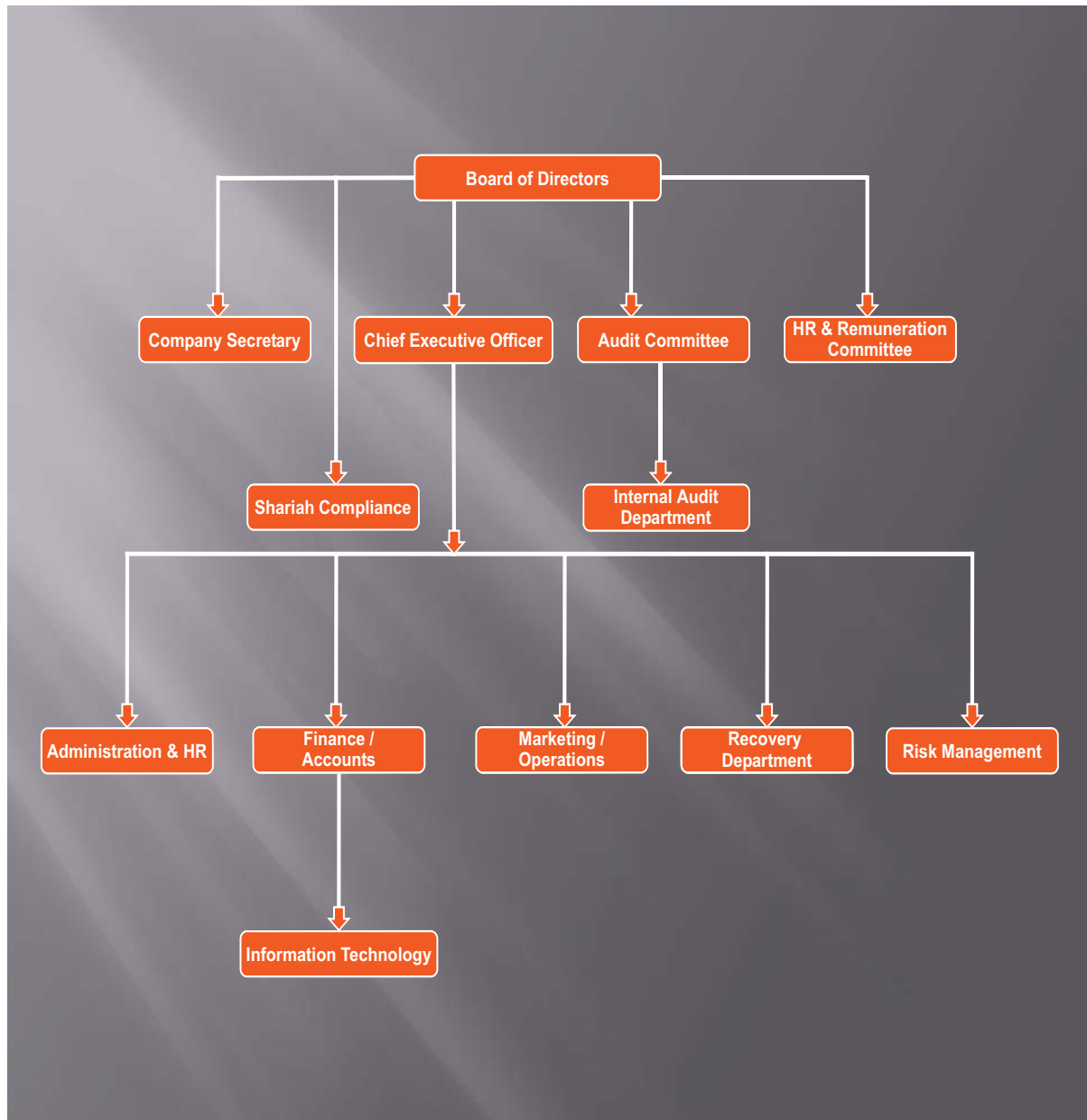
To innovate and promote Islamic Financial Products, based on Sharia Principles and to curb interest based financial systems, thereby facilitating establishment of an equitable economic system.

OVERALL CORPORATE STRATEGY

To become a market leader of Islamic Financial Products through:

- (i) maintaining highest standards of integrity and honesty;
- (ii) strict adherence with Sharia principles;
- (iii) making improvement in every department a process through education and professional development with latest innovations through awareness techniques;
- (iv) providing opportunities to employees for career development and rewarding them according to their caliber;
- (v) safeguarding the interests of certificate holders while providing best possible returns;
- (vi) building a long lasting relationship with the customers by suggesting the most suitable Islamic product for their needs at competitive rates;
- (vii) practical and conservative judgment of risks.

ORGANOGRAM





BOARD OF DIRECTORS

Rafique Dawood
(Chairman)



Syed Ali Raza
(Director)



Ayaz Dawood
(Chief Executive)



Waqas Anwar Qureshi
(Director)



MANAGEMENT

Syed Tariq Masood
(Chief Financial Officer)



Tahir Mehmood
(Company Secretary)



S. Iqbal Hussain Rizvi
(G.M. BRR Security Vault)





NOTICE OF ANNUAL REVIEW MEETING (ARM-XVII) of B.R.R. Guardian Modaraba

The Board of Directors of B.R.R. Investment (Pvt) Ltd, Manager of B.R.R Guardian Modaraba (BRRGM) in their meeting held on September 30, 2016 has declared cash dividend @ Re. 0.27 per Modaraba Certificate for the year ended June 30, 2016.

To determine the names of Certificate-Holders entitled to receive dividend and to attend the Annual Review Meeting, the Certificate Transfer Books of the Modaraba will be closed from October 25, 2016 to October 31, 2016 (both days inclusive) the Transfers received at the Registrar Office, F.D. Registrar Services (SMC-Pvt.) Ltd at 1705, 17th Floor, Saima Trade Towers A, I.I. Chundrigar Road Karachi (Registrar Office), before the close of business hours on October 24, 2016 will be treated in time for the purpose of above entitlement to the transferees. Further, the Certificate-Holders are advised to notify to the Registrar Office of any change in their addresses.

The ARM-XVII of Certificate-Holders of BRRGM will be held on Monday October 31, 2016 at 5:30 p.m. at First Floor, BRR Tower, Hassan Ali Street, off: I.I Chundrigar Road Karachi, 74000.

Place Karachi
October 7, 2016

By Order of the Board
Tahir Mehmood
Company Secretary

REQUEST TO CERTIFICATE-HOLDERS

Pursuant to the directives of the Securities and Exchange Commission of Pakistan (SECP) CNIC number of Modaraba Certificate-Holders has become mandatory to be mentioned on Dividend Warrant. Therefore, all those physical Modaraba Certificate-Holders not yet submitted their CNIC are hereby requested to immediately send valid copy of CNIC at above mentioned address of Registrar Office.

In order to comply with the directives of SECP vide their SRO 831(1)/2012 dated July 5, 2012 the Registrar Office may withhold the dispatch of Dividend Warrant under Section 251(2) (a) of the Companies Ordinance, 1984 of those Certificate-Holders who fails to submit the copy of CNIC before the close of book of Certificate-Holders for entitlement of dividend as for the year ended June 30, 2016 announced by the Board of Directors in their meeting held on September 30, 2016.

New Tax Implications on dividends

Increased Tax Rates on Filers/ Non-Filers

Through the Finance Act, 2016, enhanced rate of withholding tax on dividend amount has been prescribed in the Income Tax Ordinance, 2001, (Ordinance). New tax rates are as under:

- a) For Filers of Income Tax return 12.5%
- b) For Non-Filers of Income Tax return 20%

A 'filer' is a taxpayer, whose name appears in the Active Taxpayers List (ATL) issued by FBR, from time to time, whereas 'non-filer' is a person other than a 'filer'. FBR has uploaded an ATL on its web-site, which can be accessed at [http:// fbr.gov.pk](http://fbr.gov.pk).



The Modaraba will check each certificate holder's status on the latest ATL available at the first day of Book Closure and, if the certificate holder's name does not appear on the ATL, the increased rate of withholding tax at 20% would be applied. In case of 'filer', withholding tax rate of 12.5% will be applicable.

The corporate certificate holders having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate physical certificate holders should send a copy of their NTN certificate to our Registrar Office, mentioning their Folio No. and the name of the Company.

Taxation for Joint Certificate holders

The FBR has clarified that where the certificates are held in joint accounts/ names, each account/ joint holder will be treated individually as either a filer or a non-filer and tax will be deducted according to his/her certificate holding. The certificate holders, having joint certificate holding status, are requested to kindly intimate their joint certificate holding proportions to the Registrar Office of the Modaraba as mentioned above latest by October 24, 2016 in the following format:

Folio/ CDC A/c No.	Name of Certificate Holders(principle/ joint holders)	No. of Certificates or percentage (Proportion)	CNIC No.	Signature

If the certificate holding proportion is not advised or determined, each joint certificate holder will be assumed to hold equal proportion of certificates and deduction of withholding tax will be made accordingly.

Requirement of Valid Tax Exemption Certificate for Claiming Exemption from Withholding Tax

As per FBR Circulars C.No.1(29)WHT/2006 dated June 30, 2010 and C.No. 1(43)DG(WHT)/2008-VoI.II-66417-R dated May 12, 2015 the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance 2001 (tax on dividend amount) where the statutory exemption under Clause 47B of Part-IV of Second Schedule is available. The certificate holders who fall in the category mentioned in above clause and want to avail exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to our Registrars Office before book closure otherwise tax will be deducted on dividend as per applicable rates.

Transmission of Annual Accounts

To give effect of SRO 470(1)/2016 dated May 31, 2016 of the SECP certificate holders approval is being sought to allow the Modaraba to circulate its Annual Report through CD/DVD/USB to all members. The Modaraba however shall place on its website a Standard Request Form to enable intimation to the Modaraba by those members who require hard copy of the Annual Report instead of through CD/DVD/USB. In this regard, the following resolutions are proposed to be passed as Ordinary Resolutions.

RESOLVED that the Modaraba may transmit the annual balance sheet and profit and loss account, auditors report and directors report, to its members through CD/DVD/USB instead of hard copy at their registered addresses.

FURTHER RESOLVED THAT the Standard Request Form be and is hereby placed on Modaraba's website for the purpose of communication of the requisition of annual audited accounts through hard copy.



Dividend Bank Mandate

Under section 250 of the Companies Ordinance, 1984 a certificate holder may, if so desires, authorize the modaraba to credit his future cash dividends directly in his bank account. Please note that this dividend mandate is optional and not compulsory.

If you wish that your future cash dividends directly be credited in your bank account, instead of issue of dividend warrant, please tick the "YES" box below and provide the following information, under your signature to our Registrar Office mentioned above.

Yes	NO
Name of Shareholder	
Folio No.	
Title of the Bank Account	
Bank Account Number	
Bank's Name	
Branch Name and Address	
Cell number of the shareholder, if any.	
Landline number of the shareholder, if any.	
CNIC No./ NTN (please attached copy)	

Signature of Certificate Holder (s)

(Signature should agree with specimen signature registered with the modaraba)

The Certificate Holders having certificates in their CDC accounts are required to have their bank mandates updated with their respective participant.



DIRECTORS' REPORT

On behalf of the Board of Directors of B.R.R. Investment (Private) Limited ('BRRI' or 'the company'), manager of B.R.R. Guardian Modaraba ('BRRGM' or 'the Modaraba'), it gives me great pleasure to present to you the Annual Report and Audited Financial Statements for the year ended June 30, 2016.

MODARABA'S PERFORMANCE:

Summary of the comparative financial performance is given below;

	June 30, 2016	June 30, 2015
Rupees.....	
Profit Before Management Fee & WWF	53,805,201	81,068,289
Management Fee	5,380,520	8,106,829
Sales Tax on Management Fee	753,273	1,297,093
Provision for Workers' Welfare Fund	953,428	1,433,287
Profit After Management Fee & WWF	46,717,980	70,231,080
Earning per certificate	0.60	0.90
Certificate Holder's Equity	1,056,598,450	991,133,347
Break up value - per certificate	13.54	12.69

Dividend:

The Board is pleased to announce Rs. 0.27 per certificate cash dividend for the year ended June 30, 2016 versus Rs. 0.405 per certificate last year.

The Certificate Holders' Equity of the Modaraba has crossed the Rs. Billion mark and stands at Rs. 1,056.60 billion as compared with Rs. 991.13 million during last year with an increase of 6.6%. The breakup value share comes to Rs 13.54 per certificate with an increase of 6.69%.

NATURE OF BUSINESS AND MARKET DYNAMICS:

B.R.R Guardian Modaraba (BRRGM) is pioneer in the field of Modaraba in Pakistan, it was founded in 1983. Being the pioneer and the oldest Modaraba, BRRGM has got unique feature as per its prospectus, which has made it stand-out in many ways. BRRGM has successfully completed three decades of operations and serves businesses and economy of Pakistan through Sharia-compliant financial products. There was time when 'Modaraba sector' constituted of over 50 Modarabas, but because of lack of support, this sector has shrunk to a handful of active and performing Modarabas. BRRGM, itself has acquired / merged a few Modarabas, thus supporting the sector, which at times has been left on its own. BRRGM, apart from other innovative business plans; during prior years, successfully completed a 20 storey TOWER in business district (I.I. Chundrigar Road) of the country. BRR Tower is an Icon in the country because of its unique features.

The management of BRRGM has invested in alternate energy; security, cleanliness, efficiency, services and outlook of the Tower. This is the reason that not only corporate, but leading multi-nationals are now tenants of the tower. Total rentable area of BRR Tower is now 100,211 square feet which is 81.1% occupied and only two floors are vacant on which negotiations are in process. Major tenants include;



- A reputed media group occupying one floor.
- One floor has been rented to a subsidiary of an international big-4 audit firm.
- Two floors are rented to a foreign company.
- Four floors are rented to leading Multinational Commercial Bank.

The benefit of renting-out to 'AAA' corporate and foreign companies will assist and ensure prompt collection of receivables (rentals).

ECONOMIC REVIEW

Pakistan's economy continued to maintain its growth momentum at 4.7% during fiscal year 2016-2017 being the highest in last eight years. Despite healthy growth in the economy which has been generated by upsurge in few sectors that include construction, cement, automobile, fertilizer, it is a cause of serious concern that major employment generating sectors such as agriculture, textile manufacturing and other sectors that generate exports are in recession.

Services sector remains the key contributor to economic growth contributing 59% towards the GDP this year followed by industrial sector that contributed 21%.

Progress was made on key structural reforms - the privatization process was resumed after a gap of 8 years and two capital market transactions were completed during FY14. Moreover, the process of privatizing public sector enterprises has also been initiated on a fast track basis and financial advisors for various entities have already been appointed.

Energy sector, which has remained one of the major impediments to Pakistan's growth, appears to be improved gradually owing to government's continuous focus on this sector.

With proper planning and concrete efforts the country's economy is now stabilized and revived; the destination is to accelerate economic growth and maintained sustainability. Moreover, the process of privatizing public sector enterprises has also been initiated on a fast track basis and financial advisors for various entities have already been appointed.

Salient features of the FY16 budget and three year medium targets are as follows;

- Real GDP is targeted to be 5.7% to be raised to 7% by FY18-19.
- Fiscal deficit is targeted to curtail to 3.8% in FY 16.
- Inflation to remain in single digit.
- Investment to GDP Ratio is to be raised to 21% by FY 19.
- Tax to GDP Ratio is to be raised to 13.9% by FY 19.
- Forex reserves are targeted to be increased to USD 30 billion by FY 19.
- Debt to GDP ratio to be brought down to 60% in the next two year.

STRATEGY FOR BUSINESS SUSTAINABILITY

Recently government has formed Steering Committee for promotion of Islamic Banking and Finance within the country. Three Islamic Centers for Excellence had already been set up. Modaraba sector has also become the part of this committee formed by the government having representation of SBP and SECP. It is likely that work undertaken by these committees will provide comprehensive solutions across the board for further promotion of Islamic Finance within banking and non-banking sector.



As our business strategy, we shall remain focused on following area in FY 2015 -2016;

- Add new good customer within the portfolio.
- Renting of properties to highly rated customers.
- Enhance size of investment in sound, stable and dividend paying Shariah compliant listed securities along with Sukuk and Musharaka based TFCs.
- Refresh tool of risk management processes particularly credit risk management in line with latest techniques.
- Further strengthen Shariah governance and compliance culture.
- Further develop operation capacity of human resource through proper training.

MARKET SHARE INFORMATION

Total Assets Of Modaraba Sector	
Financial Year	Rupees in Million
2010	24,469
2011	26,343
2012	29,195
2013	31,434
2014	30,212
2015	30,736

The market share of BRRGM as per the MAP Year Book 2015 of NBFI & Modaraba Association of Pakistan for the financial year ended June 30th, 2015 is presented below:

	-----Rs. In million-----		
	Combine position of 25 modarabas	BRRGM's share	% of BRRGM's share to all modarabas
Total Equity	15,894.16	991.13	6.24%
Total Assets	30,736.09	2,206.42	7.18%
Net Profit	1,352.60	70.23	5.19%

RESOURCES, OPPORTUNITIES, BUSINESS RISKS AND MITIGANTS:

Your Modaraba is a pioneer of Islamic financial Institutions in Pakistan and operating for last more than three decades in the country. Modarabas are the trend setters of Islamic modes of financing and creates a distinctive value proposition that meets the needs of its customers and ensure Shariah compliant business and Halal income practices.

COMPLIANCE WITH THE BEST PRACTICE OF THE CODE OF CORPORATE GOVERNANCE:

Your Management Company has implemented provisions of the code of corporate governance relevant for the year ended June 30, 2016. The external auditors review report on the statement of compliance with the code of corporate governance is annexed with this report.

As per directives of SECP/Pakistan Stock Exchange, the Directors hereby confirm the following code of good governance and ethical business practices required by relevant clause(s) of the Code:



- The financial statements prepared by management present fairly Modaraba's state of affairs, the result of its operations, cash flows and changes in equity.
- Your Modaraba has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements on reasonable and prudent judgment.
- Relevant International Accounting Standards and Islamic Financial Accounting Standards, as applicable in Pakistan, provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies & Modaraba Rules, 1981 and directives of the Securities and Exchanges Commission of Pakistan have been followed in the preparation of financial statements.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts over the ability to continue as going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- There are no statutory payments on account of taxes, duties, levies and charges outstanding, except as disclosed in the financial statements.
- There has been no departure from the best practices of transfer pricing.

TRADING / DEALING IN CERTIFICATE OF MODARABA:

During the fiscal year, no trade in the certificate of the Modaraba was carried out by the Directors, CFO, Company Secretary, and their spouses of minor children except the CEO has purchased 2,032,691 BRRGM's Certificates.

CODE OF CONDUCT:

The Board of Directors of the Management Company has adopted the required 'Code of Conduct' to which the management company & Modaraba is committed voluntarily maintaining the highest standards of conduct and ethical behavior is a moral right and legal requirement that requires the personal commitment.

The Code of Conduct indicates good business conduct that generally promotes the qualities of honesty, fairness, consideration and enlightened professionalism.

STAFF RETIREMENT BENEFITS:

BRR Guardian Modaraba operates a Provident Fund scheme for all permanent employees. The value of investments as at June 30, 2016 is Rs. 78.68 million (2015: Rs. 47.51 million).

POST BALANCE SHEET EVENTS:

No circumstances have arisen since the Balance Sheet date, which require adjustment to disclosure in the Financial Statements.



TRANSACTION WITH CONNECTED PERSONS / RELATED PARTIES:

All transactions between BRR Guardian Modaraba (BRRGM) and connected person/related parties are carried at an arm's length basis except for those transactions whose justification has been recorded.

AUDITORS:

We would also like to apprise the certificate-holders that on recommendation of Audit Committee M/s BDO Ebrahim & Company - Chartered Accountants have been appointed as auditors for the year ended 2016-17 subject to approval of Registrar Modaraba Companies and Modarabas.

KEY OPERATING AND FINANCIAL DATA:

The Key Operating and Financial data of last six years has been presented with analysis summarized on the last page.

RISK MANAGEMENT FRAMEWORK:

Risk taking is an integral part of any business and is rooted in the philosophy of risk versus reward, (the higher the risk the greater the reward). Our fundamental objective is to maximize certificate's value, but this must be carried out in a clearly articulated risk tolerance framework.

Board of Directors Meetings

The status of Board of Directors Meetings is as follows:

Sr. No	Name	Designation	Attendance
1	Mr. Rafique Dawood	Chairman	4 out of 4
2	Mr. Ayaz Dawood	CEO	4 out of 4
3	Mr. Waqas Anwer Qureshi	Director	4 out of 4
4	Syed Ali Raza	Director	4 out of 4

Audit Committee Meetings

The status of Board Audit Committee Meetings is as follows:

Sr. No	Name	Designation	Attendance
1	Mr. Waqas Anwer Qureshi	Chairman	4 out of 4
2	Mr. Rafique Dawood	Member	4 out of 4
3	Syed Ali Raza	Member	4 out of 4

AUDITORS' OBSERVATIONS:

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

- I. Refer to note 5.1.1 to the financial statements, the property 19th Floor valuing Rs. 70.00 Million acquired by the Modaraba was received in settlement and had allowed its acquisition by an associated concern which was purchased by the Modaraba having injunction of the Court against its transfer. Since Modaraba holds the title documents and physical possession of the property as well as generates rent for the Modaraba its commercial value cannot be undermined. Since the case is sub-judice and vendor is intervener in the case, we cannot make any comments except keeping full details in front of the certificate holders.



- II. Refer to note 20.1 to the financial statements; due to heavy repayments at end, the Diminishing Musharaka based Term Finance Certificates (TFCs) are successfully restructured by the Trustee to the issue, after having necessary approvals as per the trust deed.
- III. Refer to note 21.1 to the financial statements, the Modaraba has not met its past due obligation towards the commercial bank on its respective repayment dates. Later, Modaraba offered a proposal for settlement which includes debt to asset swap and rescheduling of the amount due. However, restructuring has not been finalized to date by the bank.

INTERNAL CONTROL AND AUDIT FUNCTION:

The Board is responsible for effective implementation of a sound internal control system including compliance with control procedures. At BRRGM, Audit Committee has in-house Internal Audit Function, for wider functions and role identified as below:

1. Review compliance with responsible for monitoring compliance with Relevant International Accounting Standards, Islamic Financial Accounting Standards, as applicable in Pakistan, provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies & Modaraba Rules, 1981 and compliance of the policies and procedures framed by the Board.
2. Review accounting and internal control system
3. Review the economy, efficiency and effectiveness of operations (Value for Money Audits / VFM Audits)
4. Examining financial and operational information.
5. Assisting with the identification of significant risks.

Dedicated Internal Audit Function helps to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. It is a control which functions by examining and evaluating the adequacy and effectiveness of other controls.

ACHIEVEMENT AND FUTURE STRATEGY:

BRR TOWER:

BRR has been enjoying a place for being recognized as pioneer in Modaraba companies in Pakistan. We take pride in the solid reputation we have built within the industry and with our share holders. B.R.R. Guardian Modaraba is the only Modaraba among the existing ones which does not belong to any banking group nor is a trading Modaraba that has not only survived but has taken great strides despite adverse circumstances.

Many organizations or businesses fall short of achieving their growth objectives for revenue and profitability mainly because of two major reasons:

Inadequate consideration of opportunities within the core business, adjacent to the core business or within new business sub-segments.

An organizational infrastructure that cannot support successful execution.

With the aim of building solid foundations for future growth together with some real estate knowledge and clear understanding of firm and greater return on investment, the Management of BRR initiated strategic projects. This includes constructing of a 20 story office tower at the 'Manhattan Street' of Karachi.

B.R.R. TOWER is an icon for its management and a landmark for visitors and community members of NBFC's. A piece of land on 2,000 square yard area has turned into a classic state of the art symbol of construction. The uniqueness of this building which distinguish it from many buildings in the same vicinity is six floors for vehicle parking which easily accommodates around 300 cars' at a time. The building has its own power generation capacity



through 1200 KVA standby diesel operated power generating unit. Besides, another unique feature of the tower is its contribution towards ECO System through REA Project which generates 35KW electricity through Wind Turbine and Solar PV Panels. BRR Tower is the only commercial building so far in the city which has this multi-functional mechanism.

ENERGY SAVING ENVIRONMENTAL MEASURES;

Energy conservation plays a vital role for the economic development. In today's changing scenario, the gap between electricity demand and supply is widening with every passing day. It has become imperative to look for alternate energy resources to ensure economic, effective and un-interruptive power supply to enhance productivity. Pakistan is facing the worst energy crisis that has affected all segments of society.

With this perspective in mind, a renewable source of energy production is silent feature at BRR Tower to generate 35 KVA power through Wind Turbines and Solar system installed on the roof top of the building. This renewable source of power will be sufficient to keep the common areas of the building lit at all the times. But above all it will be a constant reminder for new entrants to harness the potential of renewable source of energy in Pakistan. Such renewable source of energy in a commercial building is a true reflection of the vision and necessity for promoting cleaner and pollution free environment. Another characteristic that has attributes towards the conservation of energy is the installation of LED lights would ensure energy cost efficiency while the use of low e-glass, sandwich panel would reduce the heat by 70%.

The most essential requirement in any high-rise building is about ensuring safety precautions. The building has separate fire exit and fire detectors and availability of latest equipment and arrangement for extinguishing fire in case it breaks out God forbid.

FUTURE PROSPECTS;

As a Modaraba we aim to increase our corporate value through sustainable growth, offering innovative services and fully Shariah Compliant products. To underscore the success of the management strategic growth plan, BRR continues to post satisfactory financial results exceeding the average growth ratios of peer companies of the country. The above serves to underline the Modaraba's relentless drive, ambition and passion to deliver what really matters to its stakeholders.

HUMAN RESOURCE MANAGEMENT POLICIES & SUCCESSION PLANNING:

We are 'an equal opportunity employer' and the Management of BRRGM is committed to induct talented professionals through a transparent and competitive process while complying with best legal and ethical practices that has prescribed in our Human Resource Policy.

Our employees are our biggest asset and we go to great lengths to facilitate them. The compensation and benefit policies are designed not only to keep the employees motivated but also to attract and retain the competent valued workforce.

Employees' career management is being managed in parallel lines through utilizing a multidimensional approach. Performance management and annual appraisal are important part of career management. The Modaraba provides training to various disciplines and with a view to extend support to the Accounting & Finance professional as part of our CRS program.

SUCCESSION PLAN;

Our management policy is not only to take on board talented & dedicated professionals but also grooms and develops their skills for future leadership roles.



At BRRGM, we believe in empowering people by providing them challenging opportunities to enhance their potential and develop their abilities. Succession plan contain information on performance and potential. In many cases succession plan is prepared for possible moves of key personnel and therefore treated in a highly confidential manner.

CORPORATE SUSTAINABILITY;

At BRRGM, we recognize that we have responsibilities not only towards our customers, employees and shareholders, but also the communities in which we operate.

We believe that a sustainable company must be consistently profitable, but not solely concerned with making a profit. Success for BRRGM means providing our customers with the products and services they need and want, understanding and managing the impact we have on society and the environment, and investing in the future of our employees and the communities we serve. These measures help us to carry out our work in a way that is both commercially astute and ethically sound.

Corporate Social Responsibility:

In an age in which environmental and social issues are top of mind for many consumers, businesses can no longer exist in a bubble. Today's shoppers aren't just looking for the best price and quality - they expect the companies they patronize to do well with their money and make a positive impact on the world around them. To this end, many organizations are now making social responsibility a top priority.

We envision initiate and successfully see through the interventions in the field of sustainable and responsible business practices, setting up precedents for others to emulate. Sustainable and responsible development has remained our primary concern since inception. BRRGM duly realizes its role and contributing towards CRS program which focuses of empowerment of underprivileged communities, employee welfare, and educational support for needy students.

All non-Shariah income and dividend have been purified by the Shariah Advisor of the Modaraba and has been given to charities.

Health, Safety & Environment

At BRRGM, we are committed to maintain a safe and healthy working environment for our employees. Through our proactive approach, we ensured that occupational safety is upheld by relevant contract workforce through code of conduct contractors. We are confident that our office premises have proper electric wiring, installation of fire extinguisher, ready first aid to office inmates while maintaining smoking free environment.

BRRGM has valid Takaful policies against all possible perils relating to the property. BRRGM has also provided group family and health Takaful to all its employees against natural and incidental health related hazards.

PATTERN OF CERTIFICATE HOLDING:

The pattern of certificate holding as on June 30, 2016 along with disclosure as required under the Code of Corporate Governance is annexed.

CONCLUSION & APPRECIATION:

Looking ahead, 2016-17 we will strive to enhance market outreach and add quality assets through costume base portfolio and renting out properties. We always adopt best practices in its endeavor to create certificate holders wealth and gain market-confidence. BRRGM remains determined in maintaining its status amongst the top tier



Modarabas of the country and committed for its smooth operations. We wish to place on record the support given to your Modaraba by the Registrar Modaraba.

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

Karachi.
September 30, 2016.

Rafique Dawood

ڈائریکٹرز کی رپورٹ

بی. آر. آر. انویسٹمنٹ (پرائیویٹ) لمیٹڈ ("بی آر آر آئی" یا کمپنی)، بورڈ آف ڈائریکٹرز کی طرف سے، بی آر آر گارجین مضاربہ (بی آر آر جی ایم) کے مینیجر کی حیثیت سے ہم جون 30، 2016 کو ختم ہونے والے سال کی سالانہ رپورٹ اور آڈٹ کئے گئے مالیاتی حسابات پیش کرتے ہوئے بے حد مسرت محسوس کر رہے ہیں۔

مضاربہ کی کارکردگی

تقابلی مالیاتی کارکردگی کا خلاصہ مندرجہ ذیل ہے؛

جون 30، 2015	جون 30، 2016	پاکستانی روپے میں
81,068,289	53,805,201	منافع / (نقصان) قبل از انتظامیہ کی فیس اور ڈیویڈنڈ بلو ایف
8,106,829	5,380,520	انتظامیہ کی فیس
1,297,093	753,273	انتظامیہ فیس پر سیلز ٹیکس
1,433,287	953,428	ورکرز ویلفیئر فنڈ کی فراہمی
70,231,080	46,717,980	منافع / (نقصان) بعد از انتظامیہ کی فیس اور ڈیویڈنڈ بلو ایف
0.90	0.60	نفع / (نقصان) فی سرٹیفکیٹ
991,133,347	1,056,598,450	سرٹیفکیٹ ہولڈرز کی ایکوئیٹی
12.69	13.54	بریک اپ ویلیو - فی سرٹیفکیٹ

ڈیویڈنڈ

بورڈ آف ڈائریکٹرز گزشتہ برس کے 0.405 روپے کے مقابلے میں 30 جون 2016 کو ختم ہونے والے سال کے لیے فی سرٹیفکیٹ 0.27 روپے نقد ڈیویڈنڈ کا اعلان کرتے ہیں۔

مضاربہ کے لیے سرٹیفکیٹ ہولڈرز کی ایکوئیٹی اب روپے کا سنگ میل عبور کر گئی ہے۔ اب مجموعی ایکوئیٹی 1,056.60 ملین روپے ہے۔ 30 جون 2015 کو ختم ہونے والے سال کے لیے سرٹیفکیٹ ہولڈرز کی ایکوئیٹی 991.13 ملین روپے تھی۔ یوں 6.6 فیصد کا اضافہ ریکارڈ کیا گیا ہے۔ بریک اپ ویلیو شیئر 13.54 روپے فی سرٹیفکیٹ ہے اور یوں اس میں 6.69 روپے فی سرٹیفکیٹ اضافہ ریکارڈ کیا گیا ہے۔

کاروبار کی نوعیت اور مارکیٹ ڈائنامکس

بی آر آر گارجین مضاربہ نے پاکستان میں مضاربہ کی داغ بیل ڈالی اور اب تک قائمہ کردار ادا کیا ہے۔ آغاز کنندہ ہونے کے ناطے بی آر آر جی ایم نے عمدہ کارکردگی کے ذریعے دوسروں کے لیے عمدہ مثال قائم کی ہے۔ بی آر آر جی ایم نے شرعی اصولوں سے مطابقت رکھنے والی مالیاتی اشیاء و خدمات متعارف کرا کے قومی معیشت کی خدمت کرتے ہوئے تین عشرے مکمل کیے ہیں۔ ایک وقت تھا جب مضاربہ کے شعبے میں 50 سے زائد ادارے کام کر رہے تھے مگر موزوں سرپرستی اور معاونت نہ ملنے سے اب یہ شعبہ چند اداروں تک محدود ہو کر رہ گیا ہے۔ بی آر آر جی ایم نے چند مضاربہ کمپنیوں کو اپنے اندر سموتے ہوئے ایک ایسے شعبے کی بنیاد بہا خدمت انجام دی ہے جسے اپنے طور پر پنپنے کے لیے چھوڑ دیا گیا

تھانہ بی آر جی ایم نے ان تین عشروں کے دوران کاروباری سرگرمیوں کے سب سے بڑے قومی مرکز آئی آئی چندریگر وڈ پر 20 منزلہ ٹاور تعمیر کیا ہے۔ اپنی منفرد خصوصیات اور سہولتوں کی بنیاد پر یہ عمارت (بی آر جی ایم ٹاور) کاروباری دنیا میں اہم سنگ میل ہے۔

بی آر جی ایم کی انتظامیہ نے اس عمارت کو زیادہ سے زیادہ دیدہ زیب، محفوظ اور سہولتوں اور خدمات کے اعتبار سے زیادہ سے زیادہ قابل اعتبار بنانے پر خاص توجہ دی ہے۔ یہی سبب ہے کہ ملک کے کارپوریٹ سیکٹر کے علاوہ کئی غیر ملکی ادارے بھی اس عمارت سے مستفید ہونے میں دلچسپی لے رہے ہیں۔ اس عمارت میں کرائے پر دینے کے لائق رقبہ ایک لاکھ 211 مربع فٹ ہے۔ 81.1 فیصد رقبہ کرائے پر دیا جا چکا ہے۔ اب صرف 2 فلور خالی ہیں اور انہیں بھی کرائے پر دینے کے حوالے سے بات چیت جاری ہے۔

کرایہ داروں پر ایک نظر؛

- بی آر جی ایم ٹاور کا ایک فلور ملک کے معروف میڈیا گروپ کو دیا گیا ہے۔
- ایک مکمل فلور معروف بین الاقوامی آڈٹ فرم کو دیا گیا ہے۔
- ایک معروف غیر ملکی کمپنی نے 2 فلور لے رکھے ہیں۔
- فلور ایک معروف کثیر القومی تجارتی بینک کو دیئے گئے ہیں۔

معاشی جائزہ

قومی معیشت گزشتہ مالی سال کے دوران 4.7 فیصد کی شرح نمو کی حامل رہی ہے۔ تعمیرات، سیٹل سازی، آٹوموبائلز، فرنیچر اور چند دوسرے شعبوں میں واضح پیش رفت کے باوجود یہ بات پریشان کن ہے کہ ملازمت کے وسیع تر مواقع پیدا کرنے والے شعبوں (زراعت، ٹیکسٹائل، مینوفیکچرنگ وغیرہ) میں مندی کا رجحان رہا ہے۔

خدمات کے شعبے نے قومی معیشت میں 59 فیصد کا قابل رشک کردار ادا کیا ہے۔ صنعتی شعبے کا حصہ کم و بیش 21 فیصد ہے۔

معیشت کو بہتر بنانے کے لیے چند اصلاحات پر کام کی رفتار تیز ہوئی ہے، 8 سال بعد نجکاری کا عمل بحال ہوا ہے مالی سال 14 کے دوران کیپٹل مارکیٹ میں 2 بڑے ٹرانزیکشن ہوئے ہیں۔ معیشت کو بہتر بنانے کے لیے چند اصلاحات پر کام کی رفتار تیز ہوئی ہے۔ خسارے میں چلنے والے سرکاری اداروں کی نجکاری کا عمل تیز ہوتا جا رہا ہے۔ متعدد اداروں کے لیے مالیاتی مشیروں کا تقرر بھی کیا جا چکا ہے۔

توانائی کا شعبہ کئی سال سے مندی کا شکار تھا۔ حکومت کی خاطر خواہ توجہ پا کر یہ شعبہ اب عمدہ کارکردگی کا مظاہرہ کر رہا ہے اور مطلوبہ نتائج حاصل کرنا ممکن ہوتا جا رہا ہے۔

درست منصوبہ بندی اور موزوں اقدامات سے قومی معیشت تیزی سے بحالی کی راہ پر گامزن ہوئی ہے اور اب استحکام کی طرف سفر جاری ہے۔ معاشی نمو کی شرح بڑھانا اور پائیدار ترقی ممکن بنانا منزل ہے۔

مالی سال 16 کے بجٹ کیلئے اور تین سالہ متوسط اہداف حسب ذیل ہیں۔

- حقیقی خام قومی پیداوار 5.7 کی شرح سے بڑھ کر مالی سال 18-19 میں 7 فیصد تک لے جائی جائے گی۔
- FY16 میں مالی خسارے کا تخمینہ 3.8 فیصد ہے۔ افراط زر سنگل ڈجٹ میں رہے گا۔
- خام قومی پیداوار میں اضافے کی شرح کی مناسبت سے مالی سال 19 میں سرمایہ کاری 21 فیصد تک رہنے کی توقع ہے۔

کاروباری استحکام کے لیے حکمت عملی

اسلامی بینکاری اور مالیاتی کے لیے حکومت نے حال ہی میں ایک اسٹیزنگ کمیٹی تشکیل دی ہے۔ اسی مقصد کے لیے حصول کے لیے اسلامک سینٹر فار ایکسپلینس بھی قائم کیا گیا ہے۔ اسٹیزنگ کمیٹی میں مضاربہ سیلر کے اداروں کے علاوہ اسٹیٹ بینک اور سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان کی نمائندگی بھی ہے۔ امید کی جاتی ہے کہ یہ اسٹیزنگ کمیٹی بینکنگ اور نان بینکنگ سینٹر کے لیے اسلامی مالیات کے حوالے سے خدمات کی فراہمی ممکن اور تیز بنانے میں اہم کردار ادا کرے گی۔ مالی سال 2015-16 کے لیے ہم درج ذیل شعبوں پر متوجہ رہیں گے :

- کرم فرماؤں/گاہک کی تعداد میں اضافہ
- اعلیٰ درجے کے کسٹمرز کو پراپرٹی کرائے پر دینا
- سکوک اور مشارکہ کی بنیاد پر متعارف کرائے جانے والے ٹی ایف سیز کے ساتھ ساتھ شرعی اصولوں سے مطابقت رکھنے والی سیکیورٹی پر انحصار
- رسک مینیجمنٹ بہتر بنانا، بالخصوص جدید ترین طریقوں کو بروئے کار لاتے ہوئے ڈیٹ مینیجمنٹ کے لیے کوشاں رہنا
- شرعی اصولوں کے مطابق کام کرتے رہنے کو ترجیح دینا
- بہتر اور بروقت تربیت کے ذریعے افرادی قوت سے زیادہ سے زیادہ استفادہ کرنا

مارکیٹ کے حصے کی معلومات

مضاربہ کے شعبے کی مجموعی اثاثے	
مالی سال	ملین روپے
2010	24,469
2011	26,343
2012	29,195
2013	31,434
2014	30,212
2015	30,736

جون 30، 2016 کو ختم ہونے والے مالی سال کے لیے مضاربہ ایسوسی ایشن آف پاکستان اور این بی ایف آئی کی MAP بک برائے 2015 کے مطابق بی آر جی ایم کا مارکیٹ شیئر حسب ذیل رہا :

ملین روپے			
بی آر جی ایم کا حصہ تمام مضاربہ میں	25 مضاربہ کی پوزیشن	بی آر جی ایم کا حصہ	
6.24%	15,894.16	991.13	حصص یافتگان کی ایکوئٹی
7.18%	30,736.09	2,206.42	بٹائے کل
5.19%	1,352.60	70.23	خالص منافع

وسائل، مواقع، کاروباری خطرات اور ان خطرات کی شدت کم کرنے والے اقدامات

مضاربہ کمپنیوں نے ملک میں اسلامی اصولوں کے مطابق بینکاری اور مالیات کی خدمات متعارف کرائی ہیں۔ ان اداروں نے شریعت کے بیان کردہ مالی و کاروباری اصولوں کے مطابق کام کرتے ہوئے مکمل حلال آمدن یقینی بنانے میں اہم کردار ادا کیا ہے۔

کوڈ آف کارپوریٹ گورننس سے مطابقت

جون 30، 2016 کو ختم ہونے والے مالی سال کے لیے جاری کیے جانے والے کوڈ آف کارپوریٹ گورننس کے مطابق ایکسٹرئل آڈیٹرز کی رپورٹ پر اس دستاویز سے منسلک ہے۔

ایس ای سی پی ورپاکستان اسٹاک ایکسچینج کی ہدایات کی روشنی میں ڈائریکٹرز تصدیق کرتے ہیں کہ ادارے کے تمام کاروباری افعال میں کوڈ آف گورننس اور اخلاقی حدود کا پورا خیال رکھا گیا ہے۔

- کمپنی کے مالیاتی حسابات تمام کاروباری معاملات، اقدامات کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کی واضح نشاندہی کرتی ہیں۔
- ادارے نے ہر طرح کا حساب کتاب مروج طریقوں اور اصولوں کے مطابق یعنی درست حالت میں رکھا ہے۔
- مالیاتی حسابات کی تیاری میں اکاؤنٹنگ کے تمام مروج معیارات کا پورا خیال رکھا گیا ہے۔
- تمام مالیاتی حسابات مضاربہ کمپنیز اینڈ مضاربہ (فلوٹیشن اینڈ کنٹرول) آرڈیننس 1980، مضاربہ کمپنیز اینڈ مضاربہ رولز 1981 اور سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کی روشنی میں انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز اور اسلامک اکاؤنٹنگ اسٹینڈرڈز اپناتے ہوئے تیار کی گئی ہیں۔
- انٹرئل کنٹرول کا نظام اپنے ڈیزائن کے اعتبار سے مستحکم ہے اور اس کا مؤثر اطلاق اور نگرانی کی جاتی ہے۔
- بطور ادارہ کمپنی کے کام جاری رکھنے کی صلاحیت پر کوئی شک نہیں۔
- اسٹیک کے ضوابط میں تفصیلاً درج کارپوریٹ گورننس کے رہنماء اصولوں سے انحراف نہیں کیا گیا ہے۔
- مالیاتی گوشواروں کے اندراجات کے علاوہ ٹیکسوں، ڈیویڈنڈ، لیویز اور بقایا جات کی مد میں کوئی رقم واجب الادا نہیں ہے۔
- ٹرانسفر پرائسنگ کے رہنماء اصولوں سے انحراف نہیں کیا گیا ہے۔

مضاربہ سرٹیفکیٹ میں تجارت / لین دین

گزرے ہوئے مالی سال میں ڈائریکٹرز، سی ایف او، کمپنی سیکریٹری اور ان کے اہل خانہ نے سرٹیفکیٹس میں کوئی ٹریڈنگ نہیں کی، سوائے سی ای او کے جنہوں نے 20 لاکھ، 32 ہزار 691 سرٹیفکیٹ خریدے۔

ضابطہ اخلاق

بورڈ آف ڈائریکٹرز نے کاروباری معاملات میں تمام مروج اصولوں اور پریکٹس کا خاص خیال رکھا ہے۔ اس حوالے سے ایک ضابطہ اخلاق اپنایا گیا ہے۔ اس سلسلے میں تمام قانونی تقاضوں کا انفرادی طور پر احساس ذمہ داری کے ساتھ خیال رکھا گیا ہے۔

ضابطہ اخلاق اچھے کاروباری رویے کی نشاندہی کرتا ہے اور ایمان داری، شفافیت اور روشن خیالی پر وفیشنل طرز فکر و عمل کا پتہ دیتا ہے۔

فوائد برائے اسٹاف ریٹائرمنٹ

تمام مستقل ملازمین کے لیے پرائیویٹ فنڈ موجود ہے۔ 30 جون 2016 کو ختم ہونے والے مالی سال میں اس مدت میں 78.66 ملین روپے تھے جبکہ 2015 میں 47.51 ملین روپے تھے۔

واقعات بعد از بیلنس شیٹ

جون 30، 2016 کو ختم ہونے والے مالی کے لیے جاری کردہ بیلنس شیٹ کے اجراء کے بعد سے اب تک ایسا کچھ نہیں ہوا جس کی صراحت کرنا لازم ہو۔

منسلک افراد / متعلقہ فریقین سے لین دین

بی آر جی ایم اور متعلقہ افراد یا اداروں کے درمیان کاروباری معاملات کسی دباؤ یا غیر ضروری جانب داری کے بغیر انجام پائے ہیں، سوائے ان معاملات یا ٹرانزیکشنز کے جن کا جواز بیان کیا گیا ہو۔

آڈیٹرز

آڈٹ کمیٹی کی سفارش پر ہم نے میسر بی ڈی او ابراہیم اینڈ اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس) کو مالی سال 2016-17 کے لیے آڈیٹر مقرر کیا ہے۔ یہ فیصلہ رجسٹرڈ مضاربہ کمپنی اینڈ مضاربہ کی منظوری سے مشروط ہوگا۔

اہم آپریٹنگ اور مالی اعداد و شمار

آخری 6 برس کے دوران لین دین اور دیگر امور کے حوالے سے کلیدی مواد اور معلومات کو خلاصے کی شکل میں آخری صفحے پر دیا گیا ہے۔

رسک مینیجمنٹ فریم ورک

کسی بھی کاروبار میں خطرات تو ہوتے ہی ہیں۔ بلند شرح سے منافع کمانے کے لیے ہر کاروباری ادارے کو تھوڑے بہت خطرات تو مول لینا ہی پڑتے ہیں۔ ہم سرٹیفکیٹ کی قدر میں اضافہ برقرار رکھنے کے لیے کام کرتے ہیں۔ خطرات بھی مول لیے جاتے ہیں مگر پوری احتیاط کے ساتھ اور اس معاملے میں متعلقہ فریم ورک یا طریق کار کو کسی بھی پہلو کو نظر انداز نہیں کیا جاتا۔

بورڈ آف ڈائریکٹرز کا اجلاس

بورڈ آف ڈائریکٹرز کے اجلاس کی صورت حال درج ذیل ہے:

نمبر	نام	عہدہ	حاضری
1	جناب رفیق داؤد	چیئر مین	4 میں سے 4
2	جناب ایاز داؤد	سی ای او	4 میں سے 4
3	جناب وقاص انور قریشی	ڈائریکٹر	4 میں سے 4
4	سید علی رضا	ڈائریکٹر	4 میں سے 4

آڈٹ کمیٹی کا اجلاس

بورڈ کی آڈٹ کمیٹی کے اجلاسوں کی صورت حال درج ذیل ہے:

نمبر	نام	عہدہ	حاضری
1	جناب وقاص انور قریشی	چیئر مین	4 میں سے 4
2	جناب رفیق داؤد	ممبر	4 میں سے 4
3	سید علی رضا	ممبر	4 میں سے 4

آڈیٹرز کے مشاہدات

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

I. مالیتی گوشوارے کے نوٹ 5.1.1 کے مطابق انیسویں منزل کی پراپرٹی سات کروڑ میں سیٹلمنٹ کے طور پر ایک منسلک ادارے سے لی جس پر عدالت کی طرف سے منتقلی / ٹرانسفر کے خلاف حکم تھا۔ یہ پراپرٹی چونکہ مضاربہ کی ہے اور اس سے کرائے کی مد میں کمائی بھی ہوتی ہے اس لیے اس کی قدر و قیمت کو نظر انداز کرنا یا گھٹا کر بیان کرنا ممکن نہیں۔ یہ معاملہ چونکہ ابھی طے کیا جانا ہے اور vendor اس میں intervener بھی ہے اس لیے ہم تمام تفصیل سرٹیفکیٹ ہولڈرز کے سامنے رکھنے سے زیادہ کچھ نہیں کر سکتے۔

II. مالیتی گوشوارے کے نوٹ 20.1 کے مطابق آخری میں بہت بھاری ری ہیمنٹ کے باعث ٹرسٹی نے ٹرسٹ ڈیڈ کے مطابق منظوری لینے کے بعد ڈیمنسٹنگ مشارکہ ہیڈ ”ٹرم فنانس سرٹیفکیٹس“ (ٹی ایف سیز) کی کامیاب ری اسٹرکچرنگ کی۔

III. مالیتی گوشوارے کے نوٹ 21.1 کے مطابق تجارتی بینک سے طے کیا گیا معاملہ مضاربہ ری ہیمنٹ کی تاریخوں کے مطابق نہیں نبھایا گیا۔ بعد ازاں مضاربہ نے سیٹلمنٹ کی پیش کش کی جس میں (اثاثہ تبادلہ) asset swap کے ساتھ ساتھ واجب الادا رقم کی ری شیڈولنگ شامل تھی۔ بینک نے اب تک ری شیڈولنگ کو حتمی شکل نہیں دی ہے۔

انٹرئل کنٹرول اینڈ آڈٹ

بورڈ آف ڈائریکٹرز تمام طے شدہ اور مروج طریقوں کو بروئے کار لا کر موثر اندرونی انتظام اور انضباط یقینی بنانے کا پابند ہے۔ بی آر جی ایم کی آڈٹ کمیٹی ان ہاؤس انٹرئل آڈٹ فنکشن یقینی بناتی ہے۔ اس حوالے سے درج ذیل کردار متعین کیے گئے ہیں:

1. مروج انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز، اسلامک فنانشل اکاؤنٹنگ اسٹینڈرڈز، مضاربہ کمپنیز اینڈ مضاربہ (فلوئیشن اینڈ کنٹرول) آرڈیننس مجریہ 1980، مضاربہ کمپنیز رولز مجریہ 1981 اور بورڈ آف ڈائریکٹرز کے طے کردہ طریق کار اور پالیسیوں پر عمل کرنا۔
2. اکاؤنٹنگ اور انٹرئل کنٹرول سسٹم کا جائزہ لینا۔
3. تمام کاروباری معاملات میں کفایت، بہتر کارکردگی اور اثر پذیرگی کا جائزہ لینا۔ کارپوریٹ اصطلاح میں اسے ویلیو فار منی آڈٹس کہا جاتا ہے۔
4. فنانشل اور آپریشنل معاملات کا جائزہ۔
5. اہم خطرات کی تشخیص اور نشاندہی۔

انٹرئل آڈٹ فنکشن عمدہ طریقے سے کام کرے تو خطرات کا سامنا کرنے کا موثر نظام وضع کرنے میں غیر معمولی مدد ملتی ہے۔ مختلف سرگرمیوں کو بہتر طریقے سے انجام دینا ممکن ہو جاتا ہے۔ بہتر نتائج حاصل ہوتے ہیں۔ انٹرئل آڈٹ فنکشن معاملات کرنے اور رکھنے کے دیگر طریقوں کی کارکردگی کا بھی جائزہ لیتا ہے۔

کامیابی اور مستقبل کی حکمت عملی

بی آر آر ٹاور

ہمارے ادارے کو مضاربہ کے شعبے میں آغاز کنندہ ہونے کا اعزاز حاصل ہے۔ وقت گزرنے کے ساتھ ہماری کارکردگی اور ساکھ بہتر ہوتی گئی ہے جس کے نتیجے میں ہماری پوزیشن بہت مستحکم ہوئی ہے۔ ہمیں اپنی کارکردگی اور اس ساکھ پر فخر ہے جو ہم نے اپنے شعبے اور اپنے شیئر ہولڈرز کی نظر میں قائم کی ہے۔

بی آر آر جی ایم کسی بینک سے وابستہ ہے نہ یہ کوئی ٹریڈنگ مضاربہ ہے۔ مارکیٹ کے نامساعد حالات کا بھی اس نے ڈٹ کر مقابلہ کیا ہے اور اپنے لیے قابل رشک مقام پیدا کیا ہے۔ پیشتر کاروباری ادارے دو بنیادی وجوہ کی بنیاد پر آمدن بڑھانے میں ناکام رہتے ہیں اور اس کے نتیجے میں ان کا خالص منافع بھی کم ہوتا جاتا ہے کیونکہ؛

- مرکزی کاروبار، اس کے ارد گرد یاد گیر شعبوں میں بہتر اور قابل عمل مواقع کو بروقت شناخت نہ کر پانا۔
- ایسا تنظیمی ڈھانچا تشکیل دینا جو کسی بھی بہتر منصوبے پر عمل کی راہ میں رکاوٹ بن جائے۔

مستقبل میں زیادہ سے زیادہ استحکام یقینی بنانے کے لیے ہم نے پراپرٹی کے شعبے سے متعلق کلیدی معلومات کا حصول یقینی بنایا ہے اور ساتھ ہی ساتھ سرمایہ کاری کے شعبے کو بھی بہتر طور پر سمجھنے کی کوشش کی ہے۔ اس کے نتیجے میں چند اسٹریٹجک منصوبے شروع کیے گئے ہیں۔ کراچی کے ”مین ہیٹن“ ایریا میں بیس منزلہ بی آر آر ٹاور بھی اسی سلسلے کی ایک کڑی ہے۔

بی آر آر ٹاور اپنی انتظامیہ کے لیے ایک امتیازی نشان ہے۔ این بی ایف سی کے ممبر ز اور ملاقات کے لیے آنے والوں کے لیے یہ ایک اہم سنگ میل ہے۔ دو ہزار مربع گز کے قطعہ اراضی کو جدید فن تعمیر کے ایک عمدہ نمونے سے مزین کر دیا گیا ہے۔ اس عمارت کی ایک نمایاں خصوصیت پارکنگ کے لیے 6 منزلیں مختص کرنا ہے۔ یہ خصوصیت اس علاقے میں دیگر جدید عمارات سے ممتاز بناتی ہے۔ ان 6 منزلوں میں بیک وقت 300 کاریں پارک کی جاسکتی ہیں۔ بی آر آر ٹاور میں اپنی بجلی پیدا کرنے کا نظام بھی ہے۔ بڑے ڈیزل جنریٹر کی مدد سے 1200 کلو واٹ بجلی پیدا اور فراہم کی جاسکتی ہے۔ ساتھ ہی ساتھ ماحول دوست اقدام کے طور پر ونڈر بائن اور سولر پینلز کے ذریعے 35 کلو واٹ بجلی پیدا کرنے کا انتظام بھی موجود ہے۔ متبادل ذرائع سے پیدا کی جانے والی بجلی اتنی ہے کہ اس بیس منزلہ عمارت کا گوشہ گوشہ ہر وقت منور رکھا جاسکتا ہے۔ متبادل ذرائع سے توانائی کا اہتمام کرنے کے معاملے میں یہ عمارت شہر میں خصوصی حیثیت رکھتی ہے۔

توانائی کی بچت کے ماحول دوست اقدامات

معاشی ترقی کی رفتار تیز کرنے یا برقرار رکھنے میں توانائی کا معقولیت کے ساتھ استعمال اور اُسے ضیاع سے بچانا بہت اہم ہے۔ توانائی کی طلب زیادہ اور رسد کم ہے۔ یہی سبب ہے کہ دنیا بھر میں توانائی کے حصول کے متبادل ذرائع تلاش کرنے اور انہیں ترقی دینے پر زور دیا جا رہا ہے۔ پاکستان اس وقت توانائی کے شدید بحران سے گزر رہا ہے۔ معاشرے اور معیشت کا ہر شعبہ توانائی کے بحران کی زد میں ہے۔

ونڈر بائن اور سولر پینلز سے پیدا کی جانے والی 35 کلو واٹ بجلی سے بی آر آر ٹاور ہر گوشہ گوشہ کو ہر وقت منور رکھنا ہی ممکن نہیں ہو سکا ہے بلکہ عمارت میں داخل ہونے والوں کو یہ احساس بھی ہوتا ہے کہ متبادل ذرائع سے توانائی کا حصول غیر معمولی حد تک ماحول دوست اقدام ہے جس پر توجہ دی جانی چاہیے۔ ایل ای ڈی بلب متعارف کرا کے توانائی کے ضیاع کو روکا گیا ہے۔ لو ای گلاس اور سینڈ وچ پینل کی مدد سے حدت میں بھی 70 فیصد تک کمی لانا ممکن بنایا جاسکا ہے۔

کسی بھی جدید عمارت میں دیگر امور کے ساتھ ساتھ سیفٹی یعنی کسی بھی ناگہانی صورت میں زیادہ سے زیادہ تحفظ یقینی بنانے پر خاص توجہ دی جاتی ہے۔ بی آر آر ٹاور میں بھی، خدا ناخواستہ، آگ لگنے کی صورت میں باہر نکلنے کے راستے الگ ہیں۔ آگ کا پھٹا لگانے والے آلات بھی نصب ہیں۔ آگ بجھانے کے جدید ترین آلات اور دیگر متعلقہ سامان بھی موجود ہیں۔

مستقبل کے امکانات

ایک مضاربہ کمپنی کی حیثیت سے ہم شرعی اصولوں سے پوری مطابقت اور ہم آہنگی رکھنے والی مالیاتی اشیاء و خدمات کی فراہمی کے ذریعے پیدار شرح نمو یقینی بنا کر اپنی کارپوریٹ ویلیو میں اضافہ کرنا چاہتے ہیں۔ بی آر آر ایمر نے اپنے شعبے کے دیگر اداروں کے مقابلے میں عمدگی کا کردار کی مسلسل یقینی بنانے میں خاصی کامیابی حاصل کی ہے۔ کامیاب مالیاتی نتائج انتظامیہ کے اسٹریٹجک گروپ پلان کی کامیابی کی نشاندہی کرتے ہیں۔ ہماری کامیابی اس بات کی مظہر ہے کہ ہم اپنے شعبے میں اپنا مقام بنانے اور منوانے کے ساتھ ساتھ اپنے شیئرز ہولڈرز کو وہ سب کچھ دینا چاہتے ہیں جو ان کے لیے زیادہ اہم ہے۔

انسانی وسائل کا نظم و نسق اور جانشینی کی منصوبہ بندی

ہمارا ادارہ سب کے لیے مساوی مواقع کے اصول کی بنیاد پر ملازمت فراہم کرتا ہے۔ کسی بھی شخص کو ملازمت فراہم کرتے وقت اس کی قابلیت اور کام کرنے کی لگن دیکھی جاتی ہے۔ میرٹ کا پورا خیال رکھا جاتا ہے۔ خدمات مستعار لینے کی پالیسی شفاف اور مردوج طریقہ کار کے مطابق ہے۔ اس حوالے سے تمام قانونی اور اخلاقی نکات ہماری ہیومن ریسورس پالیسی میں درج بالترتیب درج ہیں۔

ہمارے ملازمین ہمارے لیے اثاثے کا درجہ رکھتے ہیں۔ ہم انہیں زیادہ سے زیادہ سہولتیں فراہم کرتے ہیں تاکہ وہ اپنی صلاحیتوں کو بہترین طریقے سے بروئے کار لانے کے ساتھ ساتھ نئی صلاحیتیں بھی اپنے اندر پروان چڑھائیں۔ ملازمین کو زیادہ سے زیادہ سہولتیں فراہم کرنے کا ایک مقصد تو انہیں بہتر کارکردگی کی طرف مائل کرنا ہے اور دوسرا مقصد یہ ہے کہ دوسرے قابل افراد کو بھی ہمارے ادارے کے لیے کام کرنے کی تحریک ملے۔

ہم اپنے ملازمین کی کارکردگی بہتر بنانے اور ان میں مزید صلاحیتیں اور مہارتیں پیدا کرنے کے لیے کیریئر مینیجمنٹ کا بھی اہتمام کرتے ہیں۔ مشاہروں پر ہر سال نظر ثانی کی جاتی ہے۔ ہم سی آر ایس پروگرام کے تحت اپنے ملازمین کے لیے اضافی تربیت کا اہتمام بھی کرتے ہیں تاکہ وہ زیادہ اچھی طرح اپنی صلاحیتوں کا اظہار کریں اور ان کے کیریئر میں گہرائی و گیرائی پیدا ہو۔ کیریئر مینیجمنٹ پالیسی کے تحت اکاؤنٹنگ اینڈ فنانس پرو فیشنلز کو بہتر نتائج کے حصول کے قابل بنانے پر خاص توجہ دی جاتی ہے۔

جانشینی کی منصوبہ بندی

ہم باصلاحیت اور پر عزم نوجوانوں کو ورک فورس کا حصہ بنانے تک محدود نہیں رہتے بلکہ انہیں مستقبل میں قائدانہ کردار ادا کرنے کے قابل بنانے پر بھی توجہ دیتے ہیں۔ بی آر آر جی ایم کا یقین اس بات پر ہے کہ باصلاحیت افراد کو زیادہ سے زیادہ مواقع دیئے جانے چاہئیں تاکہ وہ اپنی صلاحیتوں کو پروان چڑھائیں اور انہیں بروئے کار لا کر اپنے بہتر امکانات پیدا کریں۔ سکسیشن پلان کارکردگی اور صلاحیت و سکت دونوں پہلوؤں پر نظر رکھتا ہے۔ ایسی صورت میں کسی بھی وقت کسی باصلاحیت ملازم کو ڈھونڈنے میں دشواری پیش نہیں آتی اور یوں اسے موزوں ذمہ داری دے کر بہتر کارکردگی کے قابل بنایا جاسکتا ہے۔

کاروباری پائیداری

ہمیں اس بات کا پورا احساس ہے کہ ہماری ذمہ داری کسٹمرز، ملازمین اور شیئرز ہولڈرز کو مطمئن کرنے تک محدود نہیں بلکہ ہم جس ماحول میں کام کر رہے ہیں اُسے بہتر بنائے رکھنا بھی ہماری ذمہ داری ہے۔ ہم اس بات پر یقین ضرور رکھتے ہیں کہ کامیاب کمپنی وہ ہے جو زیادہ منافع کمائے مگر صرف منافع کا حصول ہی سب کچھ نہیں۔ بی آر آر جی ایم کے لیے کامیابی کا حقیقی مفہوم یہ ہے کہ کسٹمرز کو وہ اشیاء و خدمات ملتی رہیں جن کی انہیں ضرورت ہے اور ساتھ ہی ساتھ معاشرے اور ماحول کو بھی نقصان سے زیادہ سے زیادہ محفوظ رکھا جائے۔ ہم ایک ایسا ماحول پیدا کرنے کے لیے کوشاں رہتے ہیں جو تجارتی نقطہ نظر سے بے حد منافع بخش اور اخلاقی نقطہ نظر سے قابل قبول ہو۔

کارپوریٹ سماجی ذمہ داری

ایک ایسے دور میں کہ جب ماحول اور معاشرے کے لیے مسائل بڑھتے جا رہے ہیں اور اس حوالے سے سوچنے والوں کی تعداد بھی بڑھ رہی ہے، بلبلے جیسے ماحول میں کاروبار نہیں کیا جاسکتا۔ لوگ خریداری کرتے وقت بہت کچھ سوچتے ہیں۔ وہ اس بات پر بھی غور کرتے ہیں کہ جو چیز وہ خرید رہے ہیں اُس کی تیاری میں معاشرے یا ماحول کو نقصان تو نہیں پہنچایا گیا۔ لوگوں کو اپنی اور دوسروں کی ذمہ داریوں کا بھرپور احساس ہے۔ یہی سبب ہے کہ آج کے بیشتر ادارے معاشرے میں خرابیوں کو روکنے اور ماحول کو بہتر حالت میں رکھنے کے حوالے سے اپنا کردار ادا کرنے کی بھی کوشش کر رہے ہیں۔

ہم کارپوریٹ سیکٹر کا حصہ ہونے کے ناطے اپنی معاشرتی اور ماحولی ذمہ داریوں کو خوب سمجھتے ہیں۔ ہماری کوشش ہے کہ اپنا کردار ادا کرنے کے لیے ساتھ ساتھ دوسروں کے لیے اچھی مثال بھی قائم کی جائے۔ ابتداء ہی سے پائیدار اور ذمہ دارانہ ترقی ہمارا مقصد اور ہدف رہی ہے۔ بی آر آر جی ایم نے سی آر ایلز پروگرام کے تحت اپنی ذمہ داریوں کو کبھی نظر انداز نہیں کیا۔ زندگی کی دوڑ میں پیچھے رہ جانے والوں کی مدد کرنے کے ساتھ ساتھ ملازمین کی بہبود کا خیال رکھنا اور ضرورت مند طلباء و طالبات کی بروقت معاونت کا بھی ہمیں پورا احساس ہے۔

غیر شرعی ذرائع سے حاصل ہونے والی آمدن کو شریعہ ایڈوائزر کے مشورے سے پاک کرنے کے بعد عطیہ کر دیا جاتا ہے۔

صحت، حفاظتی تدابیر اور ماحول

ہم اپنے ملازمین کو کام کرنے کا محفوظ ماحول فراہم کرنے کے عہد پر کاربند ہیں۔ اپنی عمل پسند سوچ کے ذریعے ہم اس بات کو یقینی بناتے ہیں کہ تمام ملازمین زیادہ سے زیادہ سہولت اور تحفظ کے ساتھ کام کریں۔ ہم پورے اعتماد کے ساتھ کہہ سکتے ہیں کہ ہمارے تمام دفاتر میں درست الیکٹرک وائرنگ کی گئی ہے، آگ بجھانے کے آلات موجود ہیں اور کسی کے زخمی ہو جانے کی صورت میں ابتدائی طبی امداد کا بھرپور انتظام ہے۔ ماحول کو صاف اور صحت بخش رکھنے کے لیے تمباکو نوشی پر مکمل پابندی عائد ہے۔

بی آر آر جی ایم نے پراپرٹی سے متعلق کسی بھی ایسی ویسی بات سے نمٹنے کے لیے موزوں تکافل (بیمہ) لے رکھا ہے۔ تمام ملازمین کو قدرتی اور حادثاتی موت کی صورت میں تکافل میسر ہے۔ ملازمین کے اہل خانہ کو صحت و غیرہ کے معاملے میں تکافل کی سہولت میسر ہے۔

سرٹیفکیٹ ہولڈنگ کی طرز

30 جون 2016 کو ختم ہونے والے مالی سال کے لیے پیٹرن آف سرٹیفکیٹ ہولڈنگ اور کوڈ آف کارپوریٹ گورننس کے تحت مطلوب ڈسکلوژر اس دستاویز سے منسلک ہے۔

اختتامی کلمات اور اظہارِ تشکر

ہم آئندہ سال مارکٹ میں اپنی دسترس کو وسعت دینے کی بھرپور کوشش کر رہے ہیں۔ کاسٹیوم بیسڈ پورٹ فولیوز کے ذریعے اور پراپرٹی کو کرائے پر دے کر معیاری اثاثوں میں اضافہ یقینی بنایا جائے گا۔ ہم سرٹیفکیٹ ہولڈرز کا اعتماد پانے اور ان کے لیے زیادہ سے زیادہ منافع یقینی بنانے کے لیے ہمیشہ معیاری پریکٹس اپناتے ہیں۔ بی آر جی ایم اپنی منفرد پوزیشن برقرار رکھنے کے لیے کوشاں ہے۔ اپنے اپنے افعال کو زیادہ سے زیادہ سبک اور معیاری بنانے کے عہد پر کاربند ہیں۔ ہم رجسٹرار مضاربہ کی طرف سے اس ادارے پر ظاہر کردہ اعتماد کو ریکارڈ پر لانے میں بھی فخر محسوس کرتے ہیں۔

از طرف بورڈ آف ڈائریکٹرز

بی.آر.آر. انویسٹمنٹ (پرائیوٹ) لمیٹڈ

رفیق داؤد

چیئرمین

ستمبر 30، 2016

کراچی



STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2016.

This Statement is being presented to comply with the Code of Corporate Governance (CCG) contained in regulation No. 5.19. of PSX Rule Book of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed Modaraba is managed in compliance with the best practices of corporate governance.

Regardless of the fact that B.R.R Investment (Private) Limited the management company of B.R.R Guardian Modaraba(the Modaraba) is a Private Limited Company, the Board of Directors are pleased to confirm that the Modaraba complied with all material principles contained in CCG.

The Management Company of the Modaraba has applied the principles contained in the CCG in the following manner:

1. The Management Company encourages representation of independent non-executive directors and directors representing minority interest on its Board of directors. At present the board includes.

Category	Names
Independent Directors	Mr. Waqas Anwer Qureshi Mr. Syed Ali Raza
Executive Director	Mr. Ayaz Dawood
Non-Executive Director	Mr. Rafique Dawood

The independent directors meet the criteria of independence under clause 5.19.1. (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Modaraba.
3. All the resident directors of the Management Company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy was occurred during the year on the board.
5. The Management Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures. It has also been placed on the website of the Modaraba.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Modaraba. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of the employment of CEO, other executive and non - executive directors, have been taken by the Board.



8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Out of four, three directors of the board are having more than 14 years of education and more than 15 years of experience. Further, the directors of the company have been provided with copies of the Code of Corporate Governance, Modaraba Rules, Company's Memorandum and Articles of Association, Modaraba Prospectus and all other relevant rules and regulations and hence are conversant of the relevant laws applicable to the Modaraba, its policies and procedures and provisions of memorandum and article of Associations and of their duties and responsibilities. One director will attend director training program within specified time.
10. The Board has approved the appointment of CFO, Company secretary and Head of internal audit including their remuneration, term and conditions of employment. However no new appointment of CFO and Company secretary has been made during the year.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Modaraba were duly endorsed and signed by the CEO and CFO before the approval of the Board.
13. The directors, CEO and executives do not hold any interest in the certificates of the Modaraba other than that disclosed in the pattern of certificate holding.
14. The Modaraba has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises three members, of whom all are non-executive directors and the Chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Modaraba and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises three members, of whom the majority are non-executive directors and the chairman of the committee is an independent director.
18. The board has established the internal audit function in house who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Modaraba.
19. The statutory auditors of the Modaraba have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold certificates of the Modaraba and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the applicable laws and the auditors have confirmed that they have observed IFAC guidelines in this regard.



21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Modaraba's securities, was determined and intimated to directors, employees and stock exchange.
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchange.
23. We confirm that all other material principles contained in the CCG have been complied.

September 30, 2016

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

Ayaz Dawood
Chief Executive Officer



Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

REVIEW REPORT TO THE CERTIFICATE HOLDERS ON STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance for the year ended June 30, 2016 prepared by the Board of Directors of **B.R.R. INVESTMENT (PRIVATE) LIMITED (the Modaraba Company)** in respect of **B.R.R. GUARDIAN MODARABA (the Modaraba)** to comply with the requirements of Regulation No. 5.19 of Rule Book of the Pakistan Stock Exchange Limited, where the Modaraba is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Modaraba Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Modaraba's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Modaraba's personnel and review of various documents prepared by the Modaraba to comply with the Code of Corporate Governance.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Modaraba's corporate governance procedures and risks.


The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Modaraba's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance, for the year ended June 30, 2016.

KARACHI

DATED: 30 SEP 2016

CHARTERED ACCOUNTANTS

 Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed balance sheet of **B.R.R. GUARDIAN MODARABA** ("the Modaraba") as at June 30, 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

These financial statements are the Modaraba Company's [B.R.R. Investment (Private) Limited] responsibility who is also responsible to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by the Modaraba Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion proper books of account have been kept by the Modaraba Company in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation And Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981, and are in agreement with the books of account and are further in agreement with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Modaraba 's business; and

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- iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects, terms and conditions of the Modaraba;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981, in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2016 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Modaraba and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Without modifying our opinion, we draw attention to:

- (i) note 5.1.1 to the financial statements 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 20.1 to the financial statements states that the Modaraba has restructured its Diminishing Musharaka based Term Finance Certificates and the terms of restructuring are disclosed in the financial statements.
- (iii) note 21.1 to the financial statements which states that the Modaraba has defaulted on its obligation towards the commercial bank on its respective repayment dates. The Modaraba has applied for restructuring which has not been finalized to date by the bank and the Modaraba continues to accrue markup at rates mentioned in the last agreement between Modaraba and bank. The management considers it prudent to maintain a provision in respect of accrued markup as stated in note 23 to the financial statements.

KARACHI

DATED: 30 SEP 2016

CHARTERED ACCOUNTANTS

Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

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Shari'ah Advisor's Report

I have conducted the Shari'ah review of **B.R.R. Guardian Modaraba** managed by B.R.R. Investments Pvt. Limited for the year ended 30th June, 2016. In accordance with the requirements of the Shari'ah Compliance and Shari'ah Audit Mechanism for Modaraba that except the observation as reported hereunder. In my opinion:

1. All agreement(s) entered into by the Modaraba are Shari'ah compliant and the financing agreement(s) have been executed on the formats as approved by the Religious Board and all the related conditions have been met;
2. To the best of my information and according to the explanations given to me, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the Shari'ah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and the Shari'ah Compliance and Shari'ah Audit Regulations for Modarabas
3. Profit Sharing ratios, profits and charging of losses (if any) relating to any deposit raising product conform to the basis and principles of Shari'ah

Conclusion

Based on the above mentioned facts I am of the view that the business operations of BRR Guardian Modaraba are Shari'ah Compliant up to the best of my knowledge.



Mufti Syed Sabir Hussain
Shari'ah Advisor

Date; September 23, 2016



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

BALANCE SHEET AS AT JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	193,785,743	217,135,817
Investment properties	6	1,122,283,049	1,156,009,190
Long term musharaka finances	7	1,349,702	9,368,211
Long-term loans, advances and deposits	8	17,588,760	12,088,776
		1,335,007,254	1,394,601,994
CURRENT ASSETS			
Short-term investments	9	611,784,936	546,307,215
Current portion of musharaka finances	7	35,532,855	101,337,012
Ijarah / lease rental receivable	10	84,020	1,219,983
Loans, deposits, advances and prepayments	11	6,675,317	25,187,625
Accrued profit	12	1,597,773	16,684,352
Other receivables	13	12,327,208	27,259,599
Taxation	14	4,323,128	2,757,407
Cash and bank balances	15	15,153,463	35,267,673
		687,478,700	756,020,866
Non current asset held for sale	16	55,800,000	55,800,000
TOTAL CURRENT ASSETS		743,278,700	811,820,866
TOTAL ASSETS		2,078,285,954	2,206,422,860
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized capital			
87,000,000 (2015: 87,000,000) Modaraba certificates of Rs. 10/- each		870,000,000	870,000,000
Issued, subscribed and paid-up certificate capital	17	780,462,550	780,462,550
Reserves	18	56,163,708	41,054,461
Surplus on revaluation of investments	19	219,972,192	169,616,336
		1,056,598,450	991,133,347
LIABILITIES			
NON-CURRENT LIABILITIES			
Diminishing musharaka based Term Finance Certificates	20	177,850,003	116,852,448
Long-term murabaha, musharaka and finance under mark-up arrangements	21	-	-
Long-term security deposits	22	90,197,976	95,912,955
TOTAL NON-CURRENT LIABILITIES		268,047,979	212,765,403
CURRENT LIABILITIES			
Current portion of murabaha, musharaka and finance under mark-up arrangements	21	312,149,098	312,149,098
Current portion of diminishing musharaka based Term Finance Certificates	20	98,641,969	270,708,172
Current portion of security deposits	22	4,626,100	2,651,855
Creditors, accrued and other liabilities	23	74,461,337	128,894,058
Accrued profit on borrowings	24	240,008,423	265,450,094
Profit distribution payable	25	23,752,598	22,670,833
TOTAL CURRENT LIABILITIES		753,639,525	1,002,524,110
TOTAL EQUITY AND LIABILITIES		2,078,285,954	2,206,422,860
CONTINGENCIES AND COMMITMENTS	26		

The annexed notes from 1 to 50 form an integral part of these financial statements.

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
INCOME			
Ijarah / lease rentals		36,602,052	37,066,238
Income on musharaka finances		1,726,783	18,568,439
Return on investments - net	27	64,183,565	46,990,282
Profit on bank balances		1,190,448	3,872,101
Rental income	28	139,303,619	98,353,506
Reversal of provision against doubtful receivables - net	29	5,063,458	3,173,930
Unrealized gain on revaluation of held-for-trading investment		85,373	33,467,919
Gain on disposal of ijarah assets		-	2,110,359
Other income	30	29,410,781	94,103,281
Reversal of impairment	33	-	23,125,200
		277,566,079	360,831,255
EXPENSES			
Amortization on ijarah assets	5.2.2	30,273,063	33,561,001
Loss on disposal of ijarah assets		129,677	-
Administrative expenses	31	138,084,427	136,884,904
Financial charges	32	37,314,167	79,443,534
Bad debt expenses		27,034	23,655,220
Impairment of assets	33	17,932,510	6,218,307
		223,760,878	279,762,966
		53,805,201	81,068,289
Modaraba management company's fee	34	5,380,520	8,106,829
Sales tax on Modaraba management company's fee		753,273	1,297,093
Provision for Workers' Welfare Fund	35	953,428	1,433,287
Profit before taxation		46,717,980	70,231,080
Taxation	36	-	-
Profit for the year		46,717,980	70,231,080
Earnings per certificate - basic and diluted	37	0.60	0.90

The annexed notes from 1 to 50 form an integral part of these financial statements.

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2016

	2016 Rupees	2015 Rupees
Profit for the year	46,717,980	70,231,080
Other comprehensive income for the year		
Items that will be subsequently reclassified to profit or loss:		
Unrealized gain on revaluation of available-for-sale investments	51,353,112	89,263,707
Unrealised gain on revaluation of available for sale investments transferred to the income statement on disposal	(997,256)	(3,927,759)
Total comprehensive income for the year	<u>97,073,836</u>	<u>155,567,028</u>

The annexed notes from 1 to 50 form an integral part of these financial statements.

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2016

	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	46,717,980	70,231,080
Adjustment of non-cash and other items:		
Depreciation	43,078,448	43,797,753
Amortization on ijarah assets	30,273,063	33,561,001
Liabilities no longer payable written back	-	-
Reversal of provision against musharaka, equity security and ijarah finances-net	(5,063,458)	(3,173,930)
Gain on disposal of property and equipment - owned	(1,631,725)	(90,698,999)
Loss / (gain) on disposal of property, plant and equipment - leased / ijarah	129,677	(2,110,359)
Profit on musharaka, murabaha and finance under mark-up arrangements	37,301,839	79,370,778
Unrealized gain on revaluation of held-for-trading investment	(85,373)	(33,467,919)
Impairment of assets	-	-
Impairment / (reversal) of impairment	17,932,510	(16,906,893)
Return on investments - net	(64,183,565)	(46,990,282)
	57,751,416	(36,618,850)
	104,469,396	33,612,230
Decrease / (Increase) in current assets		
Ijarah / lease rentals receivable	1,083,529	4,380,032
Loans, advances and prepayments	13,012,324	(17,064,241)
Accrued profit	15,086,579	(1,863,587)
Other receivables	14,932,391	(7,356,754)
	44,114,823	(21,904,550)
(Decrease) / Increase in current liabilities		
Creditors, accrued and other liabilities	(57,840,515)	32,664,965
Rent received in advance	3,407,794	9,783,469
Customers' security deposit	(3,740,734)	463,110
	(58,173,455)	42,911,544
Income tax refunded / (paid)	1,565,721	(263,436)
Net cash generated from operating activities	91,976,485	54,355,788
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments (purchased) / disposed off-net	(33,445,874)	65,144,393
Income received on investments	64,183,565	27,062,524
Musharaka finances	75,045,021	85,240,975
Addition to property and equipment - owned	(12,568,138)	(6,508,300)
Addition to property, plant and equipment - ijarah	(16,334,500)	(5,230,200)
Additions to non current assets held for sale	-	(55,800,000)
Net proceeds from transfer of investment properties	-	162,949,820
Proceeds from disposal of property and equipment - owned	2,281,587	1,305,170
Proceeds from disposal of property, plant and equipment - leased / ijarah	13,086,769	14,480,345
Net cash generated from investing activities	92,248,431	288,644,727
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit paid to certificate holders	(30,526,968)	(18,405,367)
Finance under murabaha, musharaka and finance under mark-up arrangements	(111,068,648)	(249,508,755)
Financial charges paid	(62,743,510)	(109,320,165)
Net cash used in financing activities	(204,339,126)	(377,234,287)
Net decrease in cash and cash equivalents	(20,114,210)	(34,233,772)
Cash and cash equivalents at the beginning of the year	35,267,673	69,501,445
Cash and cash equivalents at the end of the year	15,153,463	35,267,673

The annexed notes from 1 to 50 form an integral part of these financial statements.

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director



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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2016

	Issued, subscribed and paid-up certificate capital	Capital reserves Profit prior to floatation	*Statutory reserve	Surplus on revaluation of investment	Accumulated loss	Total
	(Rupees)					
Balance as at July 01, 2014	780,462,550	10,532,683	560,453,817	84,280,388	(581,431,838)	854,297,600
Profit for the year ended June 30, 2015	-	-	-	-	70,231,080	70,231,080
Unrealized gain on revaluation of available-for-sale investments - net	-	-	-	85,335,948	-	85,335,948
Total comprehensive income for the year	-	-	-	85,335,948	70,231,080	155,567,028
Profit distribution for the year ended June 30, 2014 @ Re.0.24 per certificate	-	-	-	-	(18,731,281)	(18,731,281)
Transfer to statutory reserve	-	-	35,115,540	-	(35,115,540)	-
Balance as at June 30, 2015	780,462,550	10,532,683	595,569,357	169,616,336	(565,047,579)	991,133,347
Profit for the year ended June 30, 2016	-	-	-	-	46,717,980	46,717,980
Unrealized gain on revaluation of available-for-sale investments - net	-	-	-	50,355,856	-	50,355,856
Total comprehensive income for the year	-	-	-	50,355,856	46,717,980	97,073,836
Profit distribution for the year ended June 30, 2015 @ Re.0.405 per certificate	-	-	-	-	(31,608,733)	(31,608,733)
Transfer to statutory reserve	-	-	23,358,990	-	(23,358,990)	-
Balance as at June 30, 2016	780,462,550	10,532,683	618,928,347	219,972,192	(573,297,322)	1,056,598,450

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

The annexed notes from 1 to 50 form an integral part of these financial statements.

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

1. LEGAL STATUS AND NATURE OF THE BUSINESS

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

- 1.2** During the year, pursuant to approval from Securities and Exchange Commission of Pakistan the Modaraba has incorporated a wholly owned subsidiary namely BRR Financial Services (Private) Limited (the Company) which was incorporated on November 30, 2015. As per the Memorandum of Association (MoA) of the Company, the Modaraba has undertaken to subscribe to 100,000 ordinary shares of Rs. 10 each of the Company. However, as at June 30, 2016, the shares have not been subscribed by the Modaraba. The subsidiary has not yet commenced operations. This represents the stand alone financial statements of the Modaraba.

- 1.3** As per section 23 of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, a Modaraba shall be wound up by the Tribunal on an application made by the Registrar if the accumulated losses of the Modaraba exceeds 50 percent of the total amount subscribed by the holders of the Modaraba Certificates. As at June 30, 2016, the accumulated losses of the Modaraba amounted to Rs. 573.238 million which exceed 50 percent of the total amount subscribed by the holders of the Modaraba Certificates by Rs. 183.007 million. The management believes that the Modaraba has sufficient statutory reserves available which could be applied against the accumulated losses with the approval of the concerned authorities. Taking into consideration the statutory reserves amounting to Rs. 618.869 million (2015: Rs. 595.569 million), accumulated losses net of reserves are less than 50 percent of the paid up capital.

- 1.4** In April 2013, the Registrar Modaraba issued directions under section 18A of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 not to sell, convey, transfer, mortgage, encumber, alienate or create any third party interest in respect of any asset of the Modaraba valuing Rs. 1 million and above without prior approval of Registrar Modaraba.

On June 8, 2016, the Registrar Modaraba has withdrawn these directions and removed requirement of prior approvals for matters mentioned above. However; the Modaraba is advised to ensure;

(i) All the business transactions valuing Rs. 1 million and above, of the Modaraba shall be approved by the Board of Directors.

(ii) the merits and demerits of the transactions shall be properly analyzed with detailed justifications.

(iii) The minutes of the meetings of the Board of Directors shall be recorded and placed in the relevant credit file as an integral part of the record.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, Trust Deed and directives issued by the Securities and Exchange Commission of Pakistan (SECP) ['the Modaraba Regulations'] together with approved accounting standards as applicable in Pakistan to Modarabas. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) and Islamic Financial Accounting Standards (IFAS) as notified under the provisions of the Companies Ordinance, 1984 and made applicable to Modarabas under 'the Modaraba Regulations'. Wherever the requirements of 'the Modaraba Regulations' differ from the requirements of these standards, the requirements of 'the Modaraba Regulations' take precedence.



2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain investments which are classified as held-for-trading and available-for-sale which are stated at fair value.

These financial statements have been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

These financial statements have been presented in Pakistan Rupees, which is the functional and presentation currency of the Modaraba.

2.4 Significant accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period effected.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

Amortization of property, plant and equipment - leased

For details please refer note 4.2.1 to these financial statements.

Depreciation on property and equipment

For details please refer note 4.2.2 to these financial statements.

Classification and valuation of investments

For details please refer note 4.6 to these financial statements.

Provision for doubtful receivables

For details please refer note 4.7 to these financial statements.

Impairment of investments, debt securities and leased assets

For details please refer note 4.10 to these financial statements.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards or interpretations that are effective in current year but not relevant to the Modaraba

The following new standards have been issued by the International Accounting Standards Board (IASB) which have been adopted locally by the Securities and Exchange Commission of Pakistan vide SRO 633(I)/2014 dated July 10, 2014 with effect from following dates. The Modaraba has adopted these accounting standards which do not have significant impact on the Modaraba's financial statements other than certain disclosure requirements about fair value of financial instruments as per IFRS 13 "Fair Value Measurement" which have been disclosed in note 29.



		Effective date (annual periods beginning on
IFRS 10	Consolidated Financial Statements	January 1, 2015
IFRS 11	Joint Arrangements	January 1, 2015
IFRS 12	Disclosure of Interests in Other Entities	January 1, 2015
IFRS 13	Fair Value Measurement	January 1, 2015
IAS 27	Separate Financial Statements (Revised 2011)	January 1, 2015
IAS 28	Investments in Associates and Joint Ventures (Revised 2011)	January 1, 2015

3.2 Amendments not yet effective

The following amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

		Effective date (annual periods beginning on
Accounting standards and interpretations:		
IFRS 2	Share-based Payments - Amendment to clarify the classification and measurement of share-based payment transactions	January 01, 2016
IFRS 10	Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	Deferred indefinitely
IFRS 10	Consolidated Financial Statements - Amendments regarding the application of the consolidation exception	January 01, 2016
IFRS 11	Joint Arrangements - Amendments regarding the accounting for acquisitions of an interest in a joint operation	January 01, 2016
IFRS 12	Disclosure of Interests in Other Entities - Amendments regarding the application of the consolidation exception	January 01, 2016
IAS 1	Presentation of Financial Statements: Amendments resulting from the disclosure initiative	January 01, 2016
IAS 7	Statement of Cash flows - Amendments resulting from the disclosure initiative	January 01, 2017
IAS 12	Income Taxes - Amendment regarding the recognition of deferred tax assets for unrealized losses	January 01, 2017
IAS 16	Property, Plant and Equipment: Amendments regarding the clarification of acceptable methods of depreciation and bringing bearer plants into the scope of IAS 16	January 01, 2016
IAS 27	Consolidated and Separate Financial Statements - Amendment reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associated in an entity separate financial statements	January 01, 2016



IAS 28	Investments in Associates and Joint Ventures - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	Deferred indefinitely
IAS 28	Investment in Associates and Joint Ventures - Amendment regarding the application of consolidation exception	January 01, 2016
IAS 34	Interim Financial Reporting: Amendments resulting from September 2014 Annual Improvements to IFRSs	January 01, 2016
IAS 38	Intangible Assets: Amendments regarding the clarification of acceptable methods of amortisation	January 01, 2016
IAS 41	Agriculture - Amendments bringing bearer plant into the scope of IAS 16	January 01, 2016

The Annual Improvements to IFRSs that are effective for annual periods beginning on or after January 01, 2016 are as follows:

Annual Improvements to IFRSs (2012 – 2014) Cycle:

IFRS 5	Non-current Assets Held for Sale and Discontinued Operations
IFRS 7	Financial Instruments: Disclosures
IAS 19	Employee Benefits
IAS 34	Interim Financial Reporting

3.3 Standards or interpretations not yet effective

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 9	Financial Instruments
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases

The effects of IFRS 15 - Revenues from Contracts with Customers and IFRS 9 - Financial Instruments are still being assessed, as these new standards may have a significant effect on the Modaraba's future financial statements.

The Modaraba expects that the adoption of the above amendments and interpretations of the standards will not have any material impact and therefore, will not affect the Modaraba's financial statements in the period of initial application.

4 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below.

4.1 Property, plant and equipment under ijarah arrangements

The Modaraba has adopted Islamic Financial Accounting Standard 2 - Ijarah in the year ended June 2009 for all Ijarah contracts commencing on or after July 01, 2008. The assets subject to ijarah commencing on or after July 01, 2008 are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged on these assets using the straight line method over the ijarah period which is from date of delivery of respective assets to mustajir upto the date of maturity / termination of ijarah agreement. In respect of the addition or deletion during the year, amortization is charged proportionately to the period of ijarah.

4.2 Property, plant and equipment

4.2.1 Leased out and amortization

Leased fixed assets are stated at cost less accumulated amortization and impairment loss (if any). Amortization is charged to income applying the annuity method whereby the cost of an asset, less its residual value, is written off over its lease period. In respect of additions and disposals during the year, amortization is charged proportionately to the period of lease.

Gain or loss on disposal of leased assets is recognized as income or expense as and when incurred.

4.2.2 In own use and depreciation

Operating fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Modaraba and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss account during the period in which they are incurred.

Depreciation is charged to income applying the straight-line method whereby the cost of an asset is written off over its estimated useful life. In respect of additions and disposals during the year, depreciation is charged proportionately to the period of use.

The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the profit and loss account.

Depreciation method, useful lives and residual values are reassessed at least at each balance sheet date and changes, if any, are recognized prospectively.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalised and assets so replaced, if any, are retired.

4.3 Capital work-in-progress

Capital work-in-progress, if any, is stated at cost (less impairment losses, if any) and represents expenditure on fixed assets in the course of construction and installation and advances for capital expenditure. Transfers are made to relevant operating fixed assets and investment property category as and when the assets are available for intended use.

4.4 Investment properties

Property held to earn rentals or for capital appreciation or for sale in the ordinary course of business is classified as investment property. The investment property of the Modaraba comprises of buildings including capital work-in-progress and is valued using the cost method i.e. at cost less any accumulated depreciation and any identified impairment loss.

Depreciation on investment property is charged on straight line method over its estimated useful life at rates ranging from 2% to 5% per annum. In respect of additions and disposals during the year, depreciation is charged proportionately to the period of use.

4.5 Non current assets – held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amounts are expected to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount immediately prior to their classification as held for sale and fair value less cost to sell. Once classified as held for sale, the assets are not subject to depreciation or amortisation. Any gain or loss arising from the sale of these assets are reported in other income.



4.6 Investments

All investments are initially recognized at cost, being the fair value of the consideration given, including the transaction costs associated with the investment, except in the case of held-for-trading investments in which case these transaction costs are charged off to the profit and loss account. After initial recognition these investments are categorised and accounted for as follows:

4.6.1 Held-for-trading at fair value through profit or loss

These investments are initially recognized at cost, being the fair value of the consideration given and subsequently measured at fair value. As per requirement of IAS-39 "Financial Instruments, Recognition and Measurement" the gain or loss on revaluation of investments classified as held-for-trading is to be included in profit and loss account.

4.6.2 Available-for-sale

Investment securities held by the Modaraba which may be sold in response to needs for liquidity or changes in interest rates or equity prices are classified as available-for-sale. These investments are initially recognized at fair value plus transaction cost and subsequently measured at fair value. The investments for which quoted market price is not available, are measured at cost as it is not possible to apply any other valuation methodology. Gains and losses arising from revaluation at fair value is recognized in equity through other comprehensive income under fair value reserve until sold, collected, or otherwise disposed of, at which time the cumulative gain or loss previously recognized in equity is included in profit and loss account.

4.6.3 Held to maturity

These are investments with fixed or determinable payments and fixed maturity, and for which, the Modaraba has positive intent and ability to hold till maturity. Held to maturity investments are initially recognized at fair value plus transaction cost and are subsequently measured at amortized cost using effective interest rate method, less any impairment loss recognized to reflect irrecoverable amounts.

4.6.4 Loans and receivables

Loans and receivables are non-derivative investments with fixed or determinable payments that are not quoted on the active market. The Modaraba's loans and receivables comprise of cash and bank balances, ijarah rental receivable, musharaka finance, advances, deposits, prepayments and other receivables and trade debts.

All investments are de-recognized when the rights to receive cash flows from the investments have expired or have been transferred and the Modaraba has transferred substantially all risks and rewards of ownership.

4.7 Provisions

Provisions are recognized when the Modaraba has a present, legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.8 Trade date accounting

All 'regular way' purchases and sales of quoted equity securities are recognized on the trade date i.e. the date that the Modaraba commits to purchase / sell the asset. 'Regular way' purchases or sales of quoted investments require delivery within two working days after the transaction date as per stock exchange regulations.

4.9 Recognition and derecognition of financial instruments

Financial assets are recognized initially at fair value or in case of financial assets that are not carried at fair value through profit or loss, at fair value plus transaction cost.



All financial assets and liabilities are recognized at the time when the entity becomes party to the contractual provisions of the instrument and are recognized in case of assets, when the contractual rights under the instrument are recognized, expired or surrendered and in case of a liability, when the obligation is discharged, cancelled or expired.

Any gain / (loss) on the recognition and derecognition of the financial assets and liabilities is included in the profit / (loss) for the period in which it arises.

Assets and liabilities that are not of contractual nature and that are created as a result of statutory requirements imposed by the Government are not financial instruments of the Modaraba.

4.10 Impairment

4.10.1 Financial assets

Impairment is recognized by the Modaraba on the basis of provision requirements given under Prudential Regulations for Modaraba and subjective evaluation carried out on an ongoing basis.

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

4.10.2 Available-for-sale investments

For available-for-sale financial investments, the Modaraba assesses at each balance sheet date whether there is an objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value less any impairment loss on that investment previously recognized in the income statement, is removed from equity and recognized in the profit and loss account. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognized directly in equity.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortized cost. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the profit and loss account.

All impairment losses are recognized in profit or loss. Any cumulative loss in respect of available for-sale financial assets recognized previously in equity is transferred to profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

4.10.3 Non-financial assets

The Modaraba assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss for asset subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. Reversal of impairment loss is recognized as income in profit and loss account.



4.11 Revenue recognition

4.11.1 Ijarah income / operating lease income

Up until June 30, 2008, the Modaraba treated all leases as operating leases and from July 01, 2008, the Modaraba has adopted IFAS 'Ijarah' for all new lease disbursements. Under this method the unearned income i.e. the excess of aggregate ijarah rentals (including residual value) over the cost of the asset under ijarah facility is deferred and then amortized over the term of the Ijarah, so as to produce a constant rate of return on net investment in the ijarah.

Unrealised lease income pertaining to non-performing leases is held in suspense account, where necessary, in accordance with the requirements of the Prudential Regulations.

Leases in which a significant portion of the risk and reward is retained by the Modaraba are classified as operating lease. Rental income from operating leases is recognized on straight line on an accrual basis.

4.11.2 Murabaha and musharaka transactions

Profit from musharaka transactions is recognized on the basis of pro rata accrual of the profit estimated for the transaction over the period.

Profit from murabaha finance is accounted for on culmination of murabaha transaction. However, the profit on that portion of murabaha finance not due for payment is deferred and recorded as ""Deferred Murabaha Income"". The same is then recognized on a time proportion basis.

4.11.3 Rental income

Rental income arising from investment properties is accounted for on a straight line basis.

4.11.4 Dividend income

Dividend is recognized as income when the Modaraba's right to receive dividend is established.

4.11.5 Gain and losses on sale of investment

Gains and losses on sale of investments are accounted for when their commitment (trade date) for sale of security is made.

4.11.6 Income on debt securities

Income is recognized on a time proportion basis under the effective yield method.

4.11.7 Income on balances with banks

Profit on bank deposit is recognized on accrual basis.

4.11.8 Unrealised income on non-performing assets

Unrealised income is suspended, where necessary, on non-performing assets (including non-performing net investment in ijarah and murabaha and musharaka finances), in accordance with the requirements of the Prudential Regulations for Modarabas issued by the Securities and Exchange Commission of Pakistan. Unrealised suspense income is recognized in profit and loss account on receipt basis.

4.12 Taxation

4.12.1 Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credit and tax rebates realisable, if any. Under clause 100 of Part I of the Second Schedule to the Income Tax Ordinance,



2001, the non-trading income of modarabas is exempt from income tax, provided not less than 90% of its profits, after appropriation to statutory reserves as required under Modaraba Regulations, are distributed to the certificate holders.

4.12.2 Deferred

The Modaraba accounts for deferred taxation on all material temporary differences using the liability method arising between the amounts attributed to assets and liabilities for financial reporting purposes and financial statements used for taxation purposes. However, deferred tax liability has not been provided in these financial statements as the management believes that the future income of Modaraba will not be taxable in the foreseeable future due to the fact that the Modaraba intends to continue availing the tax exemption through profit distribution to the extent of 90 percent of distributable profit.

4.13 Staff provident fund

The Modaraba contributes to an approved group fund scheme covering all its employees who are eligible under the scheme. Equal monthly contributions are made by the Modaraba and the employees to the fund at 10% of the basic salary.

4.14 Foreign currencies translation

Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange approximating to those prevalent on the balance sheet date. Foreign currency transactions are converted into Pak Rupees at the rate of exchange prevailing on the date of transactions. Exchange gains and losses on translation are recognized in profit and loss account.

4.15 Financial assets

Financial assets include lease rentals receivable, investments, musharaka and murabaha finances, deposits and other receivables, excluding taxation. Lease rentals receivable, musharaka, murabaha and other receivables are stated at cost as reduced by appropriate allowances for estimated irrecoverable amounts.

4.16 Financial liabilities

Financial liabilities are classified according to the substance of contractual arrangements entered into. These are initially recognised at fair value and subsequently stated at amortised cost. Significant financial liabilities are musharaka, murabaha and finance under mark-up arrangements, deposit on lease contracts and accrued and other liabilities.

4.17 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, balances at banks in current and deposit accounts and stamps in hand, as well as balance held with the State Bank of Pakistan (SBP).

4.18 Profit distribution and other appropriations of profit

Profit distributions to the certificate holders and other appropriations of profit are recognized in the year in which these are approved. Transfer to statutory reserve and any of the mandatory appropriations as may be required by law are recognized in the period to which these relate.

4.19 Offsetting financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the balance sheet, if the Modaraba has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Corresponding income on the assets and charge on the liability is also off- set

4.20 Segment reporting

As per IFRS 8, "Operating Segments", operating segments are reported in a manner consistent with the internal reporting



used by the chief operating decision maker. The chief executive officer of the modaraba management company has been identified as the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. An operating segment is a component of the Modaraba that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Modaraba's other components. The Modaraba has only one reportable segment.

4.21 Earnings per certificate

The Modaraba presents earnings per certificate (EPC) data for its certificates. Basic EPC is calculated by dividing the profit or loss attributable to certificate holders of the Modaraba by weighted average number of ordinary shares outstanding during the year. Diluted EPC is determined by adjusting the profit or loss attributable to certificate holders and the weighted average number of certificates outstanding for the effects of all dilutive potential certificates.

4.22 Related party transactions

All transactions with the related parties are priced on arm's length basis. Prices for those transactions are determined on the basis of admissible valuation methods.

	Note	2016 Rupees	2015 Rupees
5 PROPERTY, PLANT AND EQUIPMENT			
Property and equipment - owned	5.1	99,440,410	95,635,567
Property, plant and equipment- leased / ijarah	5.2	94,345,333	121,500,250
		193,785,743	217,135,817

5.1 Property and equipment - owned

2 0 1 6								
Particulars	Cost			Depreciation		Written down value as at June 30, 2016	Rate of depreciation per annum	
	As at July 01, 2015	Additions / (disposals)	As at June 30, 2016	As at July 01, 2015	For the year / (on disposals)			As at June 30, 2016
	Rupees							
Leasehold land	2,527,890	-	2,527,890	1,188,111	50,558	1,238,669	1,289,221	2%
Building on leasehold	103,710,454	3,000,000	106,710,454	24,862,987	2,719,573	27,582,560	79,127,894	5%
Lockers	20,405,218	-	20,405,218	16,124,713	398,849	16,523,562	3,881,656	5%
Furniture and fixtures	9,217,408	-	9,217,408	8,995,894	86,058	9,081,952	135,456	10%
Vehicles	19,260,206	7,836,900	22,068,340	9,884,772	4,057,156	9,562,988	12,505,352	20%
		(5,028,766)			(4,378,940)			
Office equipment and appliances	20,623,950	1,731,238	16,151,857	19,053,082	801,239	13,651,026	2,500,831	33.33%
		(6,203,331)			(6,203,295)			
Total	175,745,126	12,568,138	177,081,167	80,109,559	8,113,433	77,640,757	99,440,410	
		(11,232,097)			(10,582,235)			
2 0 1 5								
Particulars	Cost			Depreciation		Written down value as at June 30, 2015	Rate of depreciation per annum	
	As at July 01, 2014	Additions / (disposals)	As at June 30, 2015	As at July 01, 2014	For the year / (on disposals)			As at June 30, 2015
	Rupees							
Leasehold land	2,527,890	-	2,527,890	1,137,553	50,558	1,188,111	1,339,779	2%
Building on leasehold land	103,710,454	-	103,710,454	22,156,748	2,706,239	24,862,987	78,847,467	5%
Lockers	20,225,218	180,000	20,405,218	15,725,866	398,847	16,124,713	4,280,505	5%
Furniture and fixtures	9,217,408	-	9,217,408	8,370,797	625,097	8,995,894	221,514	10%
Vehicles	20,916,679	4,473,482	19,260,206	11,771,815	3,644,480	9,884,772	9,375,434	20%
		(6,129,955)			(5,531,523)			
Office equipment and appliances	19,280,618	1,854,818	20,623,950	18,960,039	604,515	19,053,082	1,570,868	33.33%
		(511,486)			(511,472)			
Total	175,878,267	6,508,300	155,121,176	78,122,818	8,029,736	61,056,477	94,064,699	
		(6,641,441)			(6,042,995)			

5.1.2 Disposal of property and equipment - (owned) - during the year

Property and equipment	Cost	Accumulated depreciation	Written down value	Disposal proceed	Gain / (Loss) on disposal	Mode of disposal	Particulars of purchaser
-----Rupees-----							
Vehicles							
Toyota Corolla - AWP021	1,786,205	1,339,654	446,551	1,250,000	803,449	Negotiation	Yaadgar Autos
Suzuki Alto - AXQ536	742,000	545,645	196,355	270,555	74,200	Company	Raheel Sadruddin - ex employee
Motor Cycle - KFN9902	41,500	34,583	6,917	12,450	5,533	Company	Navroz Patel - ex employee
Suzuki Cultus - AUM488	878,260	878,260	-	85,500	85,500	Company	Syed Iqbal Hassan - employee
Toyota Surf - BD4310	1	1	-	500,000	500,000	Negotiation	BM Baba Motors
Toyota Corolla - AVX329	1,418,000	1,418,000	-	141,800	141,800	Company	Iqbal Ahmed - employee
Motor Cycle - KEI9087	40,700	40,699	1	4,070	4,069	Company	Tufail Ahmed - employee
Motor Cycle - KEI9093	40,700	40,699	1	4,070	4,069	Company	Zaheer Ahmed - employee
Motor Cycle - KEI3441	40,700	40,699	1	4,070	4,069	Company	Jan Muhammad - employee
Motor Cycle - KDQ4845	40,700	40,699	1	4,070	4,069	Company	Jigar Ali Lakhani - employee
Office equipment							
Office equipment	6,203,331	6,203,331	-	4,967	4,967	-	Scrap sales
2016	<u>11,232,097</u>	<u>10,582,270</u>	<u>649,827</u>	<u>2,281,552</u>	<u>1,631,725</u>		
2015	<u>6,641,441</u>	<u>6,042,995</u>	<u>598,446</u>	<u>1,305,169</u>	<u>706,724</u>		

5.2 Property, plant and equipment - leased / ijarah	Note	2016 Rupees	2015 Rupees
Property and equipment - leased	5.2.1	35,475,849	43,597,039
Property, plant and equipment - ijarah	5.2.2	58,869,484	77,903,211
		<u>94,345,333</u>	<u>121,500,250</u>

5.2.1 Property, plant and equipment - leased

Property, plant and equipment - leased

Particulars	2 0 1 6									Rate of depreciation per annum
	Cost			Depreciation		Accumulated impairment	Written down value as at June 30, 2016			
	As at July 01, 2015	Additions / (disposals)	As at June 30, 2016	As at July 01, 2015	For the year / (on disposals)			As at June 30, 2016		
	-----Rupees-----									
Plant and machinery	320,922,069	- (39,380,713)	281,541,356	274,576,209	- (31,864,571)	242,711,638	10,474,838	28,354,880	11% - 25%	
Vehicles	106,933,475	- (6,350,480)	100,582,995	53,370,640	- (5,745,432)	47,625,208	46,106,234	6,851,553	20% - 33%	
Motor boat	2,694,300	-	2,694,300	2,424,884	-	2,424,884	-	269,416	20%	
Total	430,549,844	- (45,731,193)	384,818,651	330,371,733	- (37,610,003)	292,761,730	56,581,072	35,475,849		

Particulars	2 0 1 5									Rate of depreciation per annum
	Cost			Depreciation		Accumulated impairment	Written down value as at June 30, 2015			
	As at July 01, 2014	Additions / (disposals)	As at June 30, 2015	As at July 01, 2014	For the year / (on disposals)			As at June 30, 2015		
	-----Rupees-----									
Plant and machinery	320,922,069	- -	320,922,069	274,576,209	- -	274,576,209	10,474,838	35,871,022	11% - 25%	
Vehicles	106,933,475	- -	106,933,475	53,370,640	- -	53,370,640	46,106,234	7,456,601	20% - 33%	
Office equipment and appliances	488,500	- (488,500)	-	439,650	- (439,650)	-	-	-	20% - 33%	
Motor boat	2,694,300	-	2,694,300	2,424,884	-	2,424,884	-	269,416	20%	
Total	431,038,344	- (488,500)	430,549,844	330,811,383	- (439,650)	330,371,733	56,581,072	43,597,039		

5.2.2 Property, plant and equipment - Ijarah

Property, plant and equipment - Ijran								
Particulars	2 0 1 6							Rate of amortization per annum
	Cost		Amortization			Written down value as at June 30, 2016		
	As at July 01, 2015	Additions / (disposals) during the year	As at June 30, 2016	As at July 01, 2015	For the year / (on disposals)		As at June 30, 2016	
	-----Rupees-----							
Plant and machinery	20,054,955	-	20,054,955	6,858,885	4,368,097	11,226,982	8,827,973	11% - 25%
Vehicles	110,206,617	16,334,500 (17,947,237)	108,593,880	45,872,351	25,763,666 (12,852,073)	58,783,944	49,809,936	20% - 33%
Office equipment and appliances	785,000	-	785,000	412,125	141,300	553,425	231,575	20% - 33%
Total	131,046,572	16,334,500 (17,947,237)	129,433,835	53,143,361	30,273,063 (12,852,073)	70,564,351	58,869,484	
Particulars	2 0 1 5							Rate of amortization per annum
	Cost		Amortization			Written down value as at June 30, 2015		
	As at July 01, 2014	Additions / (disposals)	As at June 30, 2015	As at July 01, 2014	For the year / (on disposals)		As at June 30, 2015	
	-----Rupees-----							
Plant and machinery	20,054,955	-	20,054,955	2,258,145	4,600,740	6,858,885	13,196,070	11% - 25%
Vehicles	132,353,417	5,230,200 (27,377,000)	110,206,617	32,113,354	28,818,961 (15,059,964)	45,872,351	64,334,266	20% - 33%
Office equipment and appliances	826,000	- (41,000)	785,000	307,725	141,300 (36,900)	412,125	372,875	20% - 33%
Total	153,234,372	5,230,200 (27,418,000)	131,046,572	34,679,224	33,561,001 (15,096,864)	53,143,361	77,903,211	

5.2.3 In view of the large amount of disposals of property, plant and equipment given on lease / Ijarah, the Directors of the Management Company are of the opinion that no practical purpose will be served by presenting details of such disposals.

	Note	2016 Rupees	2015 Rupees
6 INVESTMENT PROPERTIES			
Investment properties	6.1	1,055,863,049	1,089,589,190
Capital work-in-progress	6.2	66,420,000	66,420,000
		<u>1,122,283,049</u>	<u>1,156,009,190</u>

6.1 Investment properties

Investment properties								
Particulars	2 0 1 6							Rate of depreciation per annum
	Cost			Depreciation		Written down value as at June 30, 2016		
	As at July 01, 2015	Additions / transfers*	As at June 30, 2016	As at July 01, 2015	For the year / on transfers*		As at June 30, 2016	
	-----Rupees-----							
Leasehold land	189,511,155	-	189,511,155	30,635,715	1,790,223	32,425,938	157,085,217	2
Building on leasehold land (note 6.1.1)	622,076,442	1,238,840	623,315,282	63,820,101	9,094,071	72,914,172	550,401,110	2-5
Office premises	560,326,414	-	560,326,414	187,869,005	24,080,721	211,949,692	348,376,722	2.2-5
Total	1,371,914,011	1,238,840	1,373,152,851	282,324,821	34,965,015	317,289,802	1,055,863,049	

Particulars	2 0 1 5							Rate of depreciation per annum
	Cost			Depreciation		Written down value as at June 30, 2015		
	As at July 01, 2014	Additions / transfers*	As at June 30, 2015	As at July 01, 2014	For the year / on transfers*		As at June 30, 2015	
	-----Rupees-----							
Leasehold land	197,802,400	- (8,291,245)	189,511,155	28,234,213	3,981,258 (1,579,756)	30,635,715	158,875,440	2
Building on leasehold land (note 6.1.1)	666,003,989	4,517,380 (48,444,927)	622,076,442	50,339,939	14,286,853 (806,691)	63,820,101	558,256,341	2-5
Office premises	560,326,414	-	560,326,414	170,369,099	17,499,906	187,869,005	372,457,409	2.2-5
Total	1,424,132,803	4,517,380 (56,736,172)	1,371,914,011	248,943,251	35,768,017 (2,386,447)	282,324,821	1,089,589,190	

- 6.1.1** This includes an office premises costing Rs. 70 million, which was swapped by the Modaraba in March 2012 from First Dawood Investment Bank Limited (FDIBL), an associated undertaking with 6.1 million unlisted shares of Burj Bank Limited (at par value) along with a receivable from Equity International (Private) Limited (EIL), an associated undertaking. FDIBL earlier acquired the said property from a borrower as a settlement of its liabilities who has also defaulted in its obligation to commercial bank. The said commercial bank has obtained a stay order against the property due to which the execution of the sale deed for the said property and transfer of title in the name of the Modaraba are in abeyance. FDIBL has filed an application of intervention with the Honourable High Court of Sindh for removal of stay of the commercial bank and to effect the transfer of title in its favour, which is pending adjudication. As soon as the case in question is decided, FDIBL will be able to execute the sale deed in favour of the Modaraba. Nevertheless, the original title documents and possession of the property rest with the Modaraba. Further, Modaraba has rented out a portion of the above property to its associated undertakings and earned rental income. Consequently, the cost of the property has been bifurcated between fixed assets and investment property on the basis of floor space occupied.

6.2 Capital work-in-progress	Note	2016 Rupees	2015 Rupees
Advance for office premises - Jofa Tower, Karachi	6.2.1	<u>66,420,000</u> <u>66,420,000</u>	66,420,000 66,420,000

- 6.2.1** This represents amount 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 which is currently pending before Honourable High Court of Sindh at Karachi. The management and legal advisor of the Modaraba are hopeful that the matter would be decided in favour of the Modaraba and, accordingly, no impairment is required against the said asset.

- 6.3** The fair value of investment property as at June 30, 2016 as per valuation report of independent valuer is Rs. 1,772.422 million (2015: Rs 1,782.329 million).

7 LONG TERM MUSHARAKA FINANCES

Considered good	7.3	36,882,557	110,705,223
Considered doubtful		233,098,997	234,321,352
	7.1 & 7.3	269,981,554	345,026,575
Less: Provision for doubtful receivables	7.2 & 7.4	(233,098,997)	(234,321,352)
		36,882,557	110,705,223
Less: Current portion of musharaka finances		(35,532,855)	(101,337,012)
		<u>1,349,702</u>	<u>9,368,211</u>

- 7.1** The expected profit receivable on these arrangements ranges from 8.36% to 13.99% (2015: 10.48% to 14.14%) 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.

	Note	2016 Rupees	2015 Rupees
7.2 Movement of provision			
Opening balance		234,321,352	214,271,754
Charge for the year	29	-	24,701,568
Reversals during the year	29	(1,222,355)	(4,651,970)
Closing balance		<u>233,098,997</u>	<u>234,321,352</u>
7.3 As per directive of SECP dated October 12, 2015, the CEOs of BRRRI and EIL have entered into an undertaking dated November 19, 2015 to ensure the execution of settlement agreement including cash settlement of outstanding Musharaka facility issued to EIL by BRRGM along with markup accrued thereon. As per the undertaking, both the parties irrevocably and unconditionally undertake that the proceeds from the sale of Sukuk certificates of Al-Razi Health Care (Private) Limited shall be used exclusively for the cash settlement of the outstanding musharaka facility issued by the Modaraba to EIL along with markup accrued thereon. During the year, Modaraba has received cash amounting to Rs. 43.5 million and Rs. 12.955 million against principle and mark up respectively. (For details, please refer note 20.2).			
7.4 Ageing of musharaka finances			
Neither past due nor impaired		1,349,702	82,136,060
Past due but not impaired		35,532,855	28,569,163
Past due and impaired		<u>233,098,997</u>	<u>234,321,352</u>
		<u>269,981,554</u>	<u>345,026,575</u>
8 LONG TERM LOANS, ADVANCES AND DEPOSITS			
Loans - secured - considered good			
To employees	8.1	1,446,579	4,068,711
Less: Current portion of loans to employees		<u>(627,422)</u>	<u>(2,905,262)</u>
		819,157	1,163,449
To executives	8.1, 8.2 & 8.3	7,847,003	2,788,207
Less: Current portion of loans to executives		<u>(454,710)</u>	<u>(550,690)</u>
		7,392,293	2,237,517
Deposits		5,727,310	5,722,310
Less: Current portion of deposits		<u>-</u>	<u>-</u>
		5,727,310	5,722,310
Advance against purchase of vehicles		3,650,000	2,965,500
		<u>17,588,760</u>	<u>12,088,776</u>
8.1 These represent house loans disbursed to employees and executives under the terms of employment. These loans carry mark-up at the rate of 5% (2015: 5%) per annum and are secured against the mortgage of properties.			
8.2 The maximum amount of loans and advances due from executives at the end of any month during the year was Rs. 0.0628 million (2015: Rs. 0.0175 million).			
8.3 The Modaraba has taken the benefit of forced value of the collateral amounting to Rs. 1.673 million against a loan to an executive. Had this benefit of FSV not been taken by the Modaraba, the provision against such loan would have been Rs. 1.673 million (2015: Rs. 1.673 million).			

9	SHORT-TERM INVESTMENTS	Note	2016 Rupees	2015 Rupees
	Held-for-trading			
	Listed ordinary shares	9.1	192,803,854	143,324,408
	Available-for-sale			
	Listed ordinary shares	9.2	232,807,930	182,182,209
	Unlisted ordinary shares	9.3	89,747,550	109,680,059
	Unlisted debt securities	9.4	111,401,797	121,374,099
			433,957,277	413,236,367
			626,761,131	556,560,775
	Less: Provision for diminution in value of investments	9.5	(14,976,195)	(10,253,561)
			611,784,936	546,307,214

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 /				
2016	2015	Name of investee		
		Personal goods		
500	2,000	Packages Limited	318,111	1,188,161
	3,000	Pakgen Power Limited	-	90,031
8,200	11,500	Nishat Mills Limited	885,031	1,313,898
		Textile Composite		
43,600	32,500	Gul Ahmed Textile Mills Limited	1,577,883	1,594,124
12,649	-	Kohinoor Textile Limited	1,012,300	-
		Construction and materials		
-	14,500	D.G. Khan Cement Company Limited	-	2,070,061
3,900	8,200	Lucky Cement Limited	2,529,188	4,260,883
		Electricity		
318,746	311,746	K-Electric Limited (ordinary shares of Rs.3.5 each.	2,569,084	2,624,892
-	5,000	The Hub Power Company Limited	-	467,850
		Power Generation & Distribution		
4,000	-	Lalpir Power Limited	86,800	-
		Oil and gas		
2,399	15,399	Attock Refinery Limited	672,055	3,517,901
4,930	9,830	Mari Petroleum Company Limited	4,477,527	4,606,341
47,150	30,750	National Refinery Limited	22,414,790	7,135,528
64,220	60,520	Pakistan Petroleum Limited	9,957,310	9,941,013
500	3,000	Pakistan State Oil Limited	187,730	1,157,370
15,000	-	Hi-Tech Lubricants Limited	887,549	-
43,000	-	Byco Petroleum Pakistan Limited	883,220	-
183,500	-	Pak Refinery Limited	7,550,713	-



Number of shares /		Note	2016	2015
2016	2015		Rupees	Rupees
Multiutilities (Gas and Water)				
82,108	114,608	Sui Northern Gas Pipelines Limited	2,979,702	3,053,158
Automobile and parts				
4,780	5,600	Indus Motor Company Limited	4,491,004	6,994,403
15,200	19,000	Agriauto Industries Limited	2,967,800	3,533,050
32,500	33,000	Sazgar Engineering Work Limited	1,015,625	1,270,500
Chemicals				
30,500	190,000	Fauji Fertilizer Bin Qasim Limited	16,034,714	10,510,799
43,400	57,000	Fauji Fertilizer Company Limited	4,978,848	8,516,940
14,447	14,547	ICI Pakistan Limited	6,429,568	6,239,136
10,000	10,000	Sitara Peroxide Limited	181,500	131,500
1,700	2,100	Sitara Chemical Industries Limited	618,800	630,420
561,000	580,000	Lotte Pakistan PTA Limited	3,371,611	4,013,601
21,800	14,100	Linde Pakistan Limited	2,278,100	1,972,590
400	-	Archroma Pakistan Limited	194,940	-
Engineering				
2,720	4,020	Millat Tractors Limited	1,551,081	2,756,997
25,500	29,100	K.S.B Pumps Company Limited	6,213,076	4,044,900
37,875	-	Crescent Steel & Allied Products Limited	4,340,853	-
Industrial Transportation				
3,700	3,700	Pakistan National Shipping Corporation Limited	299,840	393,125
100	100	Pakistan International Container Terminal Limited	33,652	26,702
Fixed Line Telecommunications				
87,000	87,000	Pakistan Telecommunication Company Limited	1,307,609	1,783,500
Food producers				
175	175	Mitchell's Fruit Farms Limited	51,800	76,393
Cement				
10,833	12,833	Lafarge Pakistan Cement Limited	191,312	249,731
200	3,700	Cherat Cement Company Limited	23,914	322,011
12,000	-	Fauji Cement Company Limited	429,599	-



Number of shares /		Name of investee	Note	2016	2015
2016	2015			Rupees	Rupees
Pharma and Bio Tech					
700	1,100	Abbott Laboratories (Pakistan) Limited		527,801	734,042
6,830	7,215	Highnoon Laboratories Limited		3,936,812	1,848,266
4,000	6,400	Ferozsons Laboratories Limited		4,123,760	4,093,055
36,373	37,460	The Searle Company Limited		19,501,384	12,013,048
64,000	-	GlaxoSmithKline Pakistan Limited		13,255,042	-
General Industries					
1,420	1,420	Siemens Pakistan Company Engineering Limited		1,412,302	1,809,406
91,500	80,500	Treet Corporation Limited		4,522,846	1,385,405
27,648	-	GlaxoSmithkline Consumer Healthcare Pakistan Limited		-	-
Financial services					
34,000	11,000	First UDL Modaraba		663,000	272,580
215,495	85,104	Dawood Islamic Fund		26,915,297	23,010,428
Commercial Banks					
99,791	163,791	BankIslami Pakistan Limited		1,050,800	1,670,669
Industrial Metal					
13,500	-	Amreli Steel Limited		634,770	-
Woolen					
5,000	-	Bannu Woolen Mills Limited		265,801	-
				192,803,854	143,324,408

9.2 Available-for-sale: Listed Ordinary shares

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

Oil and gas					
11,150	11,150	Mari Petroleum Company Limited		10,126,654	5,224,893
185,500	185,500	Pakistan Refinery Limited		7,638,890	949,760
7,596	10,396	Pakistan State Oil Company Limited		2,851,994	4,010,672
9,962	11,362	Shell Pakistan Limited		2,891,072	2,874,132
Chemicals					
49,852	49,852	Linde Pakistan Limited		5,209,534	6,974,294
65,769	65,769	Fauji Fertilizer Company Limited		7,545,020	9,827,204
14,199	14,199	Sitara Chemical Industries Limited		5,168,436	4,262,538
Construction and materials					
90	90	Maple Leaf Cement Factory Limited		9,496	459



Number of shares		Note	2016 Rupees	2015 Rupees
2016	2015			
		Name of investee		
		Engineering		
56,000	56,000	KSB Pumps Company Limited	13,644,400	7,784,000
		Industrial transportation		
1,000	1,000	Pakistan International Container Terminal Limited	336,500	267,000
5,000	5,000	Pakistan National Shipping Corporation	468,500	531,250
		Pharma and bio tech		
42,576	42,576	Abbott Laboratories (Pakistan) Limited	32,102,304	28,411,391
32,165	32,165	GlaxoSmithKline Pakistan Limited	6,661,693	6,289,544
638	638	Highnoon Laboratories Limited	367,743	163,435
		Electricity		
1,000	5,100	The Hub Power Company Limited	120,060	477,207
		Gas water and Multiutilities		
39,660	39,660	Sui Northern Gas Pipelines Limited	1,439,260	1,056,545
		Technology & Communication		
2,103,577	2,103,577	Systems Limited - a related party	121,250,179	88,101,690
		Financial services		
1,935,506	1,935,506	Dawood Capital Management Limited - a related party (fully provided)	4,722,634	4,722,634
3,339,922	3,339,922	First Dawood Investment Bank Limited - a related party (fully provided)	10,253,561	10,253,561
			232,807,930	182,182,209

9.2.1 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 recognized.

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

The holdings are in fully paid ordinary shares of Rs.10 each.

1,760,000	1,760,000	Burj Bank Limited - (note 9.3.3)	7,273,520	9,974,029
7,200,000	7,400,000	Dawood Family Takaful Limited - (note 9.3.4)	52,128,000	69,360,000
3,034,603	3,034,603	ISE Tower REIT Management Company Limited - (note 9.3.5)	30,346,030	30,346,030
			89,747,550	109,680,059



9.3.1 Breakup value of above investment in unlisted ordinary shares are as follows:

	Break-up value as per latest available audited financial statements (Rupees)	% of holding of the investee's paid-up capital	Auditors
June 30, 2016			
Burj Bank Limited	9,457,595	0.22%	A. F. Fergusons & Co.
Dawood Family Takaful Limited	37,711,602	9.60%	Ernst & Young Ford Rhodes Sidat Hyder
ISE Tower REIT Management Company Limited (note 9.3.2)	33,154,631	0.83%	BDO Ebrahim & Co.
June 30, 2015			
Burj Bank Limited	10,351,413	0.22%	A. F. Fergusons & Co.
Dawood Family Takaful Limited	44,133,558	9.87%	Ernst & Young Ford Rhodes Sidat Hyder
Islamabad Stock Exchange Limited (note 9.3.2)	33,233,163	0.83%	BDO Ebrahim & Co.

9.3.2 Breakup value of investment in shares of ISE Tower REIT Management Company Limited amounting to Rs. 33.154 million and Rs. 33.233 million are based on audited financial statements for the year ended June 30, 2015 and June 30, 2014, respectively.

9.3.3 This includes impairment in shares of Burj Bank Limited amounting to Rs. 2.650 million. During the year, Albaraka Bank (Pakistan) Limited offered to purchase the shares of Burj Bank Limited at a price of Rs. 4/- per share for an aggregate consideration of Rs. 2,044 million subject to execution of share purchase agreement by the relevant parties and necessary Corporate and Regulatory approvals. The Modaraba has given acceptance to sell 1,590,000 shares against cash at Rs. 4/- per share at an aggregate consideration of Rs. 6.360 million. The carrying amount of these shares in the books of Modaraba is Rs. 9.974 million as at the balance sheet date which is in excess of offer price accepted by the Modaraba; therefore, the management has recorded an impairment amounting to Rs. 2.650 million on the basis of offer price being lower than the carrying amount of investment.

9.3.4 The breakup value of investment in shares of Dawood Family Takaful (DFTL) is Rs. 37.711 million (as per latest audited accounts dated December 31, 2015) where as the cost of investment in shares of DFTL is Rs. 72 million. Since the embedded value of the shares of DFTL is Rs. 7.24 as per latest actuarial valuation which is lower than its par value, therefore impairment loss of Rs. 15.232 million has been recorded.

9.3.5 In prior year, in accordance with the requirement of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the Act), the Modaraba has received equity shares of Islamabad Stock Exchange Limited (ISE) and Trading Right Entitlement Certificates (TREC) against surrender of Stock Exchange Membership Card. The Modaraba's entitlement in respect of shares is determined on the basis of valuation of assets and liabilities of the respective exchange as approved by the SECP and the Modaraba has been allotted 3,034,603 shares of ISE of Rs.10 each out of which 60% of the shares are kept in blocked account and the divestment of the same will be in accordance with the requirements of the Act.

The investment in shares of ISE has been recorded at the carrying value of Stock Exchange Membership Card in the Modaraba's books as available for sale investment.

The breakup value of each share of ISE Tower REIT Management Company Limited as per their latest available audited financial statements for the year ended June 30, 2015 is Rs. 10.93 per share which is greater than the par value of Rs. 10 of ISE Tower REIT Management Company Limited's share.



Accordingly, investment in shares of ISE Tower REIT Management Company Limited has been revalued at par value of Rs. 10 each as at previous balance sheet date and the resulting surplus on revaluation amounting to Rs 22.596 million was recognized in other comprehensive income being the difference of carrying value of Stock Exchange Membership Card and fair value of 3,034,603 allocated shares of Rs. 10 each.

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. Modaraba had the option of either applying for registration as a broker or sell TREC under section 16 of Brokers and Agents Regulation Rules, 2001 before August 26, 2014 otherwise TREC will lapse and will have nil value.

Board of Directors initially decided to sell TREC after approval from Registrar Modaraba had been obtained on April 02, 2014. However, in the absence of any bid, Board of Directors resolved to engage in the business of brokerage vide resolution passed in meeting held on April 21, 2014. For this purpose an application has been sent to Registrar Modaraba, SECP and ISE for addition of new clause in their prospectus. However, the SECP has rejected the Modaraba's said application indicating that the matter is subjudice in relation to other precedent cases. On the basis of pending decision from the SECP, Modaraba has obtained a stay order against Pakistan Stock Exchange Limited from cancellation of TREC.

In the connection with pending decision from the SECP for TREC, the Modaraba has received the letter from SECP dated October 21, 2015 as per which SECP has allowed to form a wholly owned subsidiary subject to the following conditions:

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

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

During the year, pursuant to approval from Securities and Exchange Commission of Pakistan the Modaraba has incorporated a wholly owned subsidiary, namely, BRR Financial Services (Private) Limited (the Company) which was incorporated on November 30, 2015. As per the Memorandum of Association (MoA) of the Company, the Modaraba has undertaken to subscribe to 100,000 ordinary shares of Rs. 10 each of the Company. However, as at June 30, 2016, the shares have not been subscribed to by the Modaraba. The subsidiary has not yet commenced operations.

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

Number of certificates		Name of investee	2016	2015
2016	2015		Rupees	Rupees
		Sukuk		
-	3,925	Maple Leaf Cement Factory Limited	-	5,333,624
20,000	20,000	Al Razi Health Care (Private) Limited	62,777,617	65,555,563
4,000	4,000	K- Electric Sukuk-2	19,960,520	20,519,240
4,000	4,000	K- Electric Sukuk-3	20,896,180	20,999,260
10	10	AlBaraka Bank (Pakistan) Limited	7,767,480	8,966,412
			111,401,797	121,374,099



9.4.1 Details of particulars of Sukuk

Name of the investee	Repayment frequency	Profit Rate per annum	Maturity date	Secured / Unsecured
Al Razi Health Care (Private) Limited	Monthly	6 months KIBOR + 2.5%	November 04, 2017	Unsecured
K- Electric Sukuk-2	Quarterly	3 months KIBOR + 2.25%	June 23, 2017	Secured
K- Electric Sukuk-3	Quarterly	3 months KIBOR + 2.75%	June 17, 2019	Secured
AlBaraka Bank (Pakistan) Limited	Semi-Annually	6 Months KIBOR + 1.25%	July 14, 2021	Unsecured

9.5 Particulars of provision	Note	2016 Rupees	2015 Rupees
Opening balance		10,253,561	10,253,561
Charge for the year	9.2.1	4,722,634	-
Reversal for the year		-	-
Closing balance		<u>14,976,195</u>	<u>10,253,561</u>

10 IJARAH / LEASE RENTAL RECEIVABLES

Considered good		84,020	1,219,983
Considered doubtful		61,815,634	68,433,568
Lease rental receivables	10.1	61,899,654	69,653,551
Less: Provision for doubtful receivables	10.2	(61,815,634)	(68,433,568)
		<u>84,020</u>	<u>1,219,983</u>

10.1 The corresponding figure included rentals receivable amounting to Rs. 0.140 million from a related party.

10.2 Particulars of provision for doubtful receivables

Opening		68,433,568	70,608,324
Charge for the year	29	164,132	297,076
Reversals during the year	29	(111,698)	(648,446)
Written off during the year		(6,670,368)	(1,823,386)
Closing balance		<u>61,815,634</u>	<u>68,433,568</u>

10.3 Ageing of lease rentals receivables

Neither past due nor impaired		84,020	1,219,983
Past due but not impaired - over 180 days		-	-
Past due and impaired		61,815,634	68,433,568
		<u>61,899,654</u>	<u>69,653,551</u>

11	LOANS, DEPOSITS, ADVANCES AND PREPAYMENTS	Note	2016 Rupees	2015 Rupees
	Loans and advances - secured - considered good			
	Against salary		1,108,518	-
	Loans and advances - unsecured - considered good			
	Current portion of loans to employees		627,422	2,905,262
	Current portion of loans to executives		454,710	550,690
	Against investment		-	18,596,100
	Against expenses		4,454,999	2,657,643
	Prepayments			
	Takaful		29,668	477,930
			6,675,317	25,187,625
12	ACCRUED PROFIT			
	Accrued profit on:			
	PLS savings accounts		-	319,744
	Debt securities		513,900	882,439
	Musharaka finances		1,083,873	15,482,169
			1,597,773	16,684,352
13	OTHER RECEIVABLES			
	Due from associated undertakings-unsecured			
	- considered good	13.1	9,080,000	25,180,000
	Receivable from Dawood Capital Management Company - related party		1,052,998	-
	Receivable from National Clearing Company of Pakistan Limited		111,512	518,134
	Receivable from BRR Financial Services (Private) Limited - subsidiary		531,970	-
	Rent receivable - unsecured, considered good		-	1,515,805
	Other receivable		1,550,728	45,660
			12,327,208	27,259,599
	Receivable from ex-employees - unsecured, considered doubtful	13.2	51,274,920	51,274,920
	Less: Provision for doubtful receivables		(51,274,920)	(51,274,920)
			-	-
			12,327,208	27,259,599
13.1	This represents amounts receivable from First Dawood Investment Bank Limited in relation to the cash option amounting to Rs. 25.10 million which will be receivable upfront at Rs. 10.10 million and remaining balance of Rs. 15.00 million in 20 equal monthly installments receivable in settlement of Burj Bank shares. (see note 16.1)			
13.2	This represents balance receivable from certain ex-employees and other parties in respect of embezzlement of funds. The matter is pending before the Honourable Lahore High Court and National Accountability Bureau - Government of Pakistan. As a matter of prudence, full provision in respect of these receivables has been made in these financial statements			
14	TAXATION			
	Advance taxation		4,323,128	2,757,407
			4,323,128	2,757,407
15	CASH AND BANK BALANCES			
	Cash in hand		237,905	227,609
	Cash with State Bank of Pakistan - current account		40	40
	Cash with banks in:			
	PLS savings accounts	15.1	11,223,460	24,391,213
	Current accounts	15.2	3,692,058	10,648,811
			15,153,463	35,267,673



15.1 These carry mark-up at rates ranging from 2.85% to 6.5% (2015: 5.5% to 8%) per annum. PLS saving accounts includes balances placed under arrangements permissible under shariah amounting to Rs. 11.223 million.

15.2 These current accounts balances do not carry any mark up or interest.

16	NON CURRENT ASSET HELD FOR SALE	Note	2016 Rupees	2015 Rupees
	Non current asset held for sale	16.1	55,800,000	55,800,000

16.1 During prior year, the Modaraba agreed with First Dawood Investment Bank Limited (FDIBL) as per the approval of SECP to swap its investment in equity securities of Burj Bank Limited (at par value) against consideration of agricultural land at Gharao valuing Rs. 55.880 million (the title and possession of which has been transferred in the name of the Modaraba), Rs. 25.10 million from FDIBL over time i.e. Rs. 10.10 million upfront and remaining balance of Rs. 15 million in 20 equal instalment of Rs. 750,000 each with the condition that 1.51 million shares of Dawood Family Takaful Limited (DFTL) shall be placed with the Modaraba in blocked status / lien marked as security till the time the entire balance of Rs. 25.10 million is received from FDIBL.

The SECP also directed to provide copies of cheque/DD/PO of the amount received by Modaraba from FDIBL as upfront payment and monthly installments within seven days from the date of receipt.

With respect to Gharao land valuing Rs. 55.80 million received by the Modaraba from FDIBL against Burj Bank's shares, SECP directed Modaraba to get the property re-valued from a valuer of repute, duly registered with Pakistan Banking Council, preferably by Iqbal A. Nanjee & Company (Private) Limited, before the proposed disposal and the exercise of valuation of the said property should be completed and the valuation report be submitted to SECP within one month from the date of the letter. Further action on the request of disposal of the property shall be considered on the basis of the review of valuation report.

During the year, the Modaraba has received the upfront payment of Rs. 10.10 million from First Dawood Investment Bank Limited and remaining balance of Rs. 15 million in 20 equal installment of Rs. 750,000 each is being received from FIDBL as per schedule.

On recommendation of Securities and Exchange Commission of Pakistan, the Modaraba has conducted fresh valuation of the property from M/s Iqbal A Nanji & (Private) Limited. The valuation report dated February 08, 2016 has been received and submitted to SECP vide the Modaraba's letter dated February 11, 2016 which shows present market value of Rs. 58.42 million.

17 ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

Modaraba certificates of Rs. 10 each

Number of certificates			2016 Rupees	2015 Rupees
2016	2015			
39,359,741	39,359,741	Certificates issued as fully paid in cash	393,597,410	393,597,410
8,833,724	8,833,724	Certificates issued as fully paid bonus certificates	88,337,240	88,337,240
29,852,790	29,852,790	Certificates issued to certificate holders of Guardian Modaraba under the Scheme of Amalgamation	298,527,900	298,527,900
78,046,255	78,046,255		780,462,550	780,462,550



B.R.R. Investment (Private) Limited (the Management Company) held 12,985,895 (16.63%) certificates of Rs. 10 each as at June 30, 2016 (2015: 12,985,895 (16.63%) certificates).

Equity International (Private) Limited, an associated company, held 1,434,974 (1.84%) certificates of Rs.10 each as at June 30, 2016 (2015: 1,434,974 (1.84%) certificates).

Ayaz Dawood held 5,873,391 (7.5%) certificates of Rs.10 each as at June 30, 2016 (2015: 3,840,700 (4.921%) certificates).

	2016 Rupees	2015 Rupees
18 RESERVE		
Capital reserve		
Profit prior to floatation	10,532,683	10,532,683
Statutory reserve	618,928,347	595,569,357
Revenue reserve		
Accumulated loss	<u>(573,297,322)</u>	<u>(565,047,579)</u>
	<u>56,163,708</u>	<u>41,054,461</u>

Prudential Regulations for Modarabas issued by Securities and Exchange Commission of Pakistan requires creation of reserve fund to which shall be credited:

- an amount not less than 20% and not more than 50% of its after tax profits till such time the reserve fund equals the amount of paid-up capital; and
- thereafter a sum not less than 5% of its after tax profits.

The Modaraba has credited 50.00% of its profit to this reserve for the year.

19 SURPLUS ON REVALUATION OF INVESTMENTS

Listed ordinary shares	196,609,112	147,245,192
Unlisted shares	23,363,080	22,371,144
	<u>219,972,192</u>	<u>169,616,336</u>

20 DIMINISHING MUSHARAKA BASED TERM FINANCE CERTIFICATES

Diminishing musharaka based Term Finance Certificates (TFCs)	20.1 & 20.2	276,491,972	387,560,620
Less: Current maturity		<u>(98,641,969)</u>	<u>(270,708,172)</u>
		<u>177,850,003</u>	<u>116,852,448</u>

20.1 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. The tenure of the above TFCs is six years redeemable semi annually with six months grace period. Rate of profit is based on 1 month KIBOR on the last business day prior to the beginning of each semi-annual period. The TFC was restructured during 2011.

During the year, Diminishing musharaka based Term Finance Certificates (TFCs) have been 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 installments commencing from July 07, 2016 and ending on April 07, 2019.



- Markup at the rate of 01 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.

The overdue principal, regular profit and deferred profit as at December 06, 2015 have been paid by March 31, 2016 except for Rs. 70.794 million which pertains to United Bank Limited, First Dawood Investment Bank Limited and First Dawood Investment Bank and Other Provident Fund. Subsequently, First Dawood Investment Bank Limited and First Dawood Investment Bank and other Provident Fund have been paid amounting to Rs. 18.725 million and the Modaraba is in the process of settlement with United Bank Limited pursuant to the MoU dated February 11, 2015.

20.2 Equity International (Private) Limited (EIL) held the Diminishing Musharaka based Term Finance Certificates (TFCs) of 11,800 certificates of the Modaraba and the outstanding balance of Rs. 83.018 million (principal: Rs. 55.859 million and markup: Rs. 27.159 million) was payable to EIL. The Modaraba vide letter dated September 14, 2015 requested Securities and Exchange Commission of Pakistan (SECP) to relax the direction issued under section 18-A of the Modaraba Ordinance, 1980 to settle its liability against the Modaraba's certificates held by EIL against the Sukuks of Al-Razi Health Care (Private) Limited held by the Modaraba.

Moreover EIL intends to settle the amount payable to the Modaraba against the Musharaka Facility extended to it by making payment in cash in accordance with terms and conditions of Master Restructuring / Settlement Agreement dated April 15, 2011. SECP vide letter dated October 12, 2015 requested the Modaraba to proceed with the following course of action and provide relevant copies of the documents to process the case further.

- CEOs of BRRI and EIL shall enter into an agreement for settlement of the Modaraba's certificates held with EIL against sukuk of Al- Razi Health Care (Private) Limited and Musharaka Facility issued to EIL along with markup against cash.
- The CEOs of BRRI and EIL shall furnish an undertaking on stamp paper duly notarized that they shall ensure the execution of the above referred settlement agreement including cash settlement of outstanding Musharaka facility issued to EIL by the Modaraba along with markup accrued thereon.

The Modaraba submitted the draft of settlement agreement and undertaking by CEOs of BRRI and EIL to Registrar Modaraba who accorded his approval to Modaraba vide e-mail dated November 16, 2015. In pursuance of directive issued by SECP dated October 12, 2015, and email dated November 16, 2015 the Modaraba and EIL entered into settlement agreement dated November 25, 2015. As per the settlement agreement, a swap of 17,672 units of Sukuk of Al-Razi Health Care (Private) Limited with 11,800 certificate of Modaraba that were held by EIL was agreed between EIL and the Modaraba. Moreover, in pursuance of directive issued by SECP dated October 12, 2015, the CEOs of BRRI and EIL has also entered into an undertaking on stamp paper dated November 19, 2015 duly notarized to ensure the execution of settlement agreement including cash settlement of outstanding Musharaka facility issued to EIL by BRRI along with markup accrued thereon. The Modaraba furnished the executed settlement agreement and undertaking vide its letter dated December 17, 2015 to SECP. As a consequence of above agreement, 17,672 units having value of Rs. 3,250 per unit of sukuk of Al-Razi Health Care (Private) Limited has been transferred against 11,800 certificate of Modaraba which resulted in gain amounting Rs. 25.584 million which has been recorded during the year.

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

	Note	2016 Rupees	2015 Rupees
Murabaha arrangements	21.1	152,500,000	152,500,000
Musharaka arrangements	21.2	110,000,000	110,000,000
Mark-up arrangements			
Running finance	21.1	49,649,098	49,649,098
		312,149,098	312,149,098
Less: Current portion of musharaka arrangements		(312,149,098)	(312,149,098)
		-	-



- 21.1** The Modaraba had entered into Murabaha (purchase and sale) agreements with a commercial bank. As per the original contract, the Murabaha sale price was payable on deferred payment basis in quarterly/monthly installments by June 27, 2011. The Modaraba has not met its past due obligation towards the commercial bank on its respective repayment dates. Later, Modaraba offered a proposal for settlement which includes debt to asset swap and rescheduling of the amount due. However, restructuring has not been finalized to date by the bank. The Modaraba continues to accrue markup on the facilities at rate ranging from 8.35% to 9.26% (2015: 11.28% to 14.24%) per annum. The arrangements are secured by way of hypothecation of the leased assets and future rentals receivable.
- 21.2** The Modaraba has entered into Musharaka agreements with a Private Company. These Musharaka arrangements are on profit sharing basis and payable upto December 28, 2014. The Modaraba has stopped accruing profit on these balances. Estimated rate of profit on Musharaka arrangement ranges from 8.98% to 16% per annum in prior year.

	Note	2016 Rupees	2015 Rupees
22 LONG TERM SECURITY DEPOSITS			
Lease / ijarah		53,229,662	59,949,303
Investment properties		26,567,914	24,551,007
Lockers		15,026,500	14,064,500
		94,824,076	98,564,810
Less: Current portion		(4,626,100)	(2,651,855)
		90,197,976	95,912,955
23 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Modaraba management fee payable	34	5,380,524	8,106,828
Sales tax on Modaraba management fee payable	34	3,802,283	3,049,014
Provision for Workers' Welfare Fund	35	2,229,200	2,901,723
Accrued liabilities		5,339,717	11,651,565
Rentals received in advance			
Lockers		25,850,734	23,292,964
Properties		26,126,976	25,445,052
Ijarah		168,100	-
Charity payable	23.1	79,842	117,009
Others	23.2	5,483,961	54,329,903
		74,461,337	128,894,058
23.1 Charity payable			
Opening balance		117,009	107,569
Accrued during the year		252,111	200,996
Payment	23.1.1	(289,278)	(191,556)
Closing balance		79,842	117,009

- 23.1.1** This amount includes charity paid to Dawood Global Foundation amounting to Rs. 0.217 million. Chief Executive and the Chairman of the Board of the Mobaraba are members of the Management Committee of Dawood Global Foundation.

- 23.2** The corresponding figure included principal and profit payable on diminishing musharaka based Term Finance Certificates to Equity International (Private) Limited amounting to Rs. 46.489 million which is settled against Sukuks of Al-Razi Health Care (Private) Limited held by the Modaraba during the year. (For details, please refer note: 20.2)

		2016 Rupees	2015 Rupees
24	ACCRUED PROFIT ON BORROWINGS		
	Finance under murabaha arrangements	109,410,472	96,211,400
	Finance under musharaka arrangements	57,813,287	57,813,287
	Finance under mark-up arrangements	36,904,337	32,237,007
	Diminishing musharaka based TFCs	35,880,327	79,188,400
		240,008,423	265,450,094
25	PROFIT DISTRIBUTION PAYABLE		
	Unclaimed profit payable to certificate holders	23,752,598	22,670,833
26	CONTINGENCIES AND COMMITMENTS		
	There were no contingencies and commitments as at June 30, 2016 and 2015.		
27	RETURN ON INVESTMENTS - NET		
	Dividend income	27.1 32,474,987	11,054,117
	Profit on debt securities	10,401,709	16,008,407
	Gain on sale of investments	21,306,869	19,927,758
		64,183,565	46,990,282
27.1	Dividend income		
	Abbot Laboratories Limited	1,273,253	339,293
	Agriauto Industries Limited	183,436	117,500
	Archroma Pakistan Limited	24,985	-
	Attock Refinery Limited	76,533	-
	Cherat Cement Company Limited	14,709	30,000
	Crescent Steel & Allied Products Limited	71,751	-
	D.G. Khan Cement Company Limited	9,626	231,000
	Dawood Islamic Fund	19,114,637	-
	Fauji Cement Company Limited	153,715	-
	Fauji Fertilizer Bin Qasim Limited	962,155	401,395
	Fauji Fertilizer Company Limited	1,009,217	1,393,713
	Ferozsons Laboratories Limited	132,585	89,779
	First UDL Modaraba	82,807	-
	Glaxo Smithkline Pakistan Limited	366,448	159,858
	Gul Ahmed Textile Mills Limited	80,745	-
	Highnoon Laboratories Limited	53,820	45,663
	Hi-Tech Lubricants Limited	39,000	-
	The Hub Power Company Limited	62,706	72,763
	ICI Pakistan Limited	191,693	110,116
	Indus Motor Company Limited	527,101	501,059
	ISE Tower REIT Management Company Limited	379,325	-
	Kohinoor Textile Mills Limited	16,464	-
	KSB Pumps Limited	582,575	424,862
	Lafarge Pakistan Cement Limited	3,178	-
	Lalpir Power Limited	5,000	-
	Linde Pakistan Limited	353,539	286,430
	Lucky Cement Limited	73,246	82,800
	Maple Leaf Cement Factory Limited	6,245	12,493

	Note	2016 Rupees	2015 Rupees
Mari Gas Company Limited		2,023,737	25,500
Millat Tractors Limited		179,592	160,609
Mitchell's Fruit Farms Limited		438	875
NAMCO Balance Fund		-	3,240,000
National Refinery		470,988	-
Nishat Mills Limited		67,476	28,000
Packages Limited		7,438	17,356
Pakgen Power Limited		2,999	4,998
Pakistan International Container Terminal Limited		32,750	18,052
Pakistan National Shipping Corporation		-	14,250
Pakistan Oilfields Limited		24,578	29,493
Pakistan Petroleum Limited		438,425	715,319
Pakistan State Oil Co. Limited		123,695	170,134
Pakistan Telecommunication Company Limited		169,755	107,678
Pioneer Cement Limited		166	-
Sazgar Engineering Works Limited		66,000	66,000
Searle Pakistan Limited		82,711	-
Shell Pakistan Limited		103,610	100,446
Siemens Engineering Limited		14,200	14,191
Sitara Chemical Industries Limited		146,265	171,140
Systems Limited		2,591,851	1,836,032
Treet Corporation Limited		77,819	-
WAH Nobel Chemicals Limited		-	35,320
		32,474,987	11,054,117
28 RENTAL INCOME			
Investment properties	28.1	112,686,570	74,779,665
Lockers and custodial services		26,617,049	23,573,841
		139,303,619	98,353,506
28.1	This includes rental income amounting to Rs. 5.270 million (2015: Rs. 4.756 million) from management company and associated companies / related parties.		
29 REVERSAL OF PROVISION AGAINST DOUBTFUL RECEIVABLES - NET			
Reversal during the year			
Lease rentals	10.2	111,698	648,446
Musharaka	7.2	1,222,355	4,651,970
Others		8,616,171	22,872,158
		9,950,224	28,172,574
Less: Charged during the year			
Lease rentals	10.2	(164,132)	(297,076)
Equity security	9.5	(4,722,634)	-
Musharaka	7.2	-	(24,701,568)
		(4,886,766)	(24,998,644)
		5,063,458	3,173,930
30 OTHER INCOME			
Gain on disposal of property and equipment - owned / investment property		1,631,725	90,698,999
Income from poultry operation		747,600	1,024,850
Gain on settlement of Diminishing Musharaka based Term Finance Certificates		26,744,143	-
Miscellaneous and other termination charges		287,313	2,379,432
		29,410,781	94,103,281

31	ADMINISTRATIVE EXPENSES	Note	2016 Rupees	2015 Rupees
	Salaries, allowances and other benefits		49,905,024	52,364,837
	Travelling and conveyance		21,585	61,904
	Entertainment		1,813,256	247,518
	Electricity, water and gas		3,867,338	7,271,923
	Telephone and fax		537,860	527,240
	Postage and courier		408,926	293,149
	Stationery and printing		1,065,079	987,459
	Computer expenses		378,920	389,874
	Subscriptions		3,168,789	3,211,603
	Advertisement		-	55,075
	Takaful		3,646,021	3,239,213
	Repairs and maintenance		14,753,106	12,056,190
	Rent, rates and taxes		5,207,953	3,267,336
	Security expenses		1,033,217	1,376,476
	Brokerage and commission		1,613,004	918,941
	Legal and professional charges		3,749,557	2,900,987
	Auditor's remuneration	31.1	1,037,500	1,270,100
	Depreciation on owned assets	5.1	8,113,433	8,029,736
	Depreciation on investment properties	6.1	34,965,015	35,768,017
	Others		2,798,844	2,647,326
			138,084,427	136,884,904
31.1	Auditor's remuneration			
	Audit fee		650,000	650,000
	Limited review, special reports, certification		304,000	233,100
	Out of pocket expenses		83,500	387,000
			1,037,500	1,270,100
31.2	During the year, the Modaraba contributed Rs. 2.153 million (2015: Rs. 1.925 million) to the provident fund.			
31.3	Disclosures relating to Provident Fund			
	Size of the fund		110,024,193	82,012,601
	Cost of investments made		74,462,389	47,555,452
	Percentage of investments made		67.68%	57.99%
	Fair value of investments		78,676,424	47,555,452
	Break-up of investments			
	Government securities		25,000,000	25,000,000
	Term Finance Certificates		1,837,792	1,838,528
	Investment in sukuk		18,815,539	11,450,654
	Listed securities		4,584,082	4,145,346
	Mutual Funds		28,439,011	5,120,924
	Break-up of investments			
	Government securities		31.78%	52.57%
	Term Finance Certificates		2.34%	3.87%
	Investment in sukuk		23.92%	24.08%
	Listed securities		5.83%	8.72%
	Mutual Funds		36.15%	10.77%
			100.00%	100.00%
31.4	The figures for 2016 are based on the unaudited financial statements of the Provident Fund. Investments out of Provident Fund have been made in accordance with the provisions of section 227 of the Companies Ordinance 1984 and the rules formulated for this purpose.			



	2016 Rupees	2015 Rupees
32 FINANCIAL CHARGES		
Profit on:		
Finance under murabaha arrangement	11,274,939	19,130,360
Finance under musharaka arrangement	-	4,481,504
Diminishing musharaka based TFCs	19,435,437	42,659,072
Finance under mark-up arrangement	6,591,463	13,099,842
Bank charges and commission	12,328	72,756
	<u>37,314,167</u>	<u>79,443,534</u>
33 IMPAIRMENT / (REVERSAL OF IMPAIRMENT) - NET		
Impairment loss during the year		
Equity securities	17,932,510	6,218,307
Less: Reversal of impairment on:		
Equity securities	-	(23,125,200)
	<u>17,932,510</u>	<u>(16,906,893)</u>
34 MODARABA MANAGEMENT COMPANY'S FEE		
In accordance with the Modaraba Companies and Modaraba Rules, 1981 management fee at the rate of 10% of annual profits is payable to the Management Company amounting to Rs. 5.380 million (2015: Rs. 8.106 million). Furthermore, during the current year an amount of Rs. 0.753 million (2015: Rs. 1.297 million) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011.		
35 WORKERS' WELFARE FUND		
The Finance Act, 2008 made certain changes to the Workers' Welfare Fund Ordinance, 1971. As a result of these amendments, Workers' Welfare Fund (WWF) is payable at the rate of 2% of the profit before taxation as per the financial statements or taxable income as per the return of income, whichever is higher. During the current year, the management has made a provision of Rs. 0.953 million (2015: Rs. 1.433 million) in respect of this liability.		
36 TAXATION		
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 financial statements for tax liabilities for the current year.		
Return of income for the Tax Year 2015 has duly been filed and assessment upto Tax Year 2015 is deemed to be finalised in terms of section 120 of the Income Tax Ordinance, 2001. The Additional Commissioner of Income Tax 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 Appeals and decision of the Commissioner is in favor of the Modaraba. Further, the Department has filed appeal before the Income Tax Appellant Tribunal and the hearing of appeal is still pending. Moreover, the Assistant Commissioner of Income Tax has amended the assessment under section 122(5) of the Income Tax Ordinance, 2001 for the Tax Year 2014 by creating demand of Rs. 472,103. The Modaraba has filed appeal before the Commissioner Appeals and the hearing of appeal is still pending. The Modaraba has sufficient refund available amounting to Rs. 2.7 million upto Tax Year 2015.		
37 EARNINGS PER CERTIFICATE - BASIC AND DILUTED	2016 Rupees	2015 Rupees
The earnings per share as required under IAS 33 "Earnings per share" is given below:		
Profit for the year	46,717,980	70,231,080
Weighted average number of certificates outstanding	78,046,255	78,046,255
Earnings per certificate - Basic and diluted (Rupees)	<u>0.60</u>	<u>0.90</u>
37.1	There were no convertible dilutive potential ordinary certificates outstanding as on June 30, 2016 and 2015 which have dilutive effect on earnings per certificate.	



	2016 Rupees	2015 Rupees
38 REMUNERATION OF OFFICERS AND EXECUTIVES		
Remuneration	21,964,500	17,475,000
Medical expenses	802,685	348,000
Retirement benefits	1,346,528	1,012,655
	24,113,713	18,835,655
Number of officers / executives at the end of the year	17	12

The officers and executives are also provided with the free use of vehicles owned and maintained by the Modaraba.

39 FUTURE MINIMUM LEASE RENTALS RECEIVABLES

Future minimum lease rentals receivable on the basis of lease agreements executed up to June 30, 2016 are as follows:

Receivable - not later than one year	39,390,988	35,544,300
Receivable - later than one year and not later than five year	37,582,820	72,518,173
	76,973,808	108,062,473

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Modaraba's objective in managing risk is the creation and protection of certificate holders' value. Risk is inherent in the Modaraba's activities, but it is managed through monitoring and controlling activities which are primarily setup to be performed, based on limits established by the Management Company, Modaraba's constitutive documents and the regulations and directives of the SECP. The Modaraba's activities expose it to a variety of financial risks: market risk (including profit rate risk, equity price risk and fair value risk), credit risk and liquidity risk. The Board of Directors of the Management Company has overall responsibility for the establishment and over sight of the Modaraba's risk management framework.

The Modaraba's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Modaraba's financial performance.

The Modaraba primarily invests in ijarah assets, musharaka, diversified portfolio of listed securities, sukuk certificates and term finance certificates. Such investments are subject to varying degrees of risk, which emanate from various factors that include but are not limited to market risk, credit risk and liquidity risk.

40.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and equity prices.

40.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates. As of June 30, 2016, the Modaraba's exposure to the risk of changes in market interest rates relates primarily to bank balances in PLS saving accounts, musharaka and murabaha agreements and debt securities. The bank balances in PLS saving accounts are subject to profit rates as declared by the respective banks on periodic basis while, the musharaka and murabaha agreements and debt securities are subject to floating profit rates. As at June 30, 2016, approximately 22.66% (2015: 34.02%) of the Modaraba's financial assets are subject to floating profit rates. Management of the Modaraba estimates that an increase of 100 basis points in the market profit rate, with all other factors remaining constant, would increase the Modaraba's income by Rs. 1.596 million (2015: Rs. 2.653 million) and a decrease of 100 basis points would result in a decrease in the Modaraba's income by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.



40.3 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Modaraba does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

40.4 Equity price risk

Equity price risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the company in which the investment is made, change in business circumstances of the company, its business sector, industry and / or the economy in general.

At the balance sheet date, the exposure to listed equity securities is Rs. 415.358 million (2015: Rs. 315.253 million). Management of the Modaraba estimates that 5% increase or decrease in the overall equity prices in the market with all other factors remaining constant would result in increase or decrease of Modaraba's net assets by Rs. 20.768 million (2015: Rs. 15.762 million). However, in practice, the actual results may differ from the sensitivity analysis.

40.5 Segment by class of business for investment in equity securities

	2016		2015	
	Rupees	%	Rupees	%
Oil and gas	70,539,504	16.98%	39,417,610	12.50%
Chemicals	52,011,071	12.52%	53,079,022	16.84%
Construction and materials	2,538,684	0.61%	6,331,403	2.01%
Engineering	25,749,410	6.20%	14,585,897	4.63%
Industrial transportation	1,138,492	0.27%	1,218,077	0.39%
Automobile and parts	8,474,429	2.04%	11,797,953	3.74%
Food producers	51,800	0.01%	76,393	0.02%
Personal goods	1,203,142	0.29%	2,592,090	0.82%
Pharma and biotech	80,476,539	19.38%	53,552,781	16.99%
Electricity	2,689,144	0.65%	3,569,949	1.13%
Gas water and multiutilities	4,418,962	1.06%	4,109,703	1.30%
Financial services	32,300,931	7.78%	28,005,642	8.88%
Cement	644,825	0.16%	571,742	0.18%
General industries	5,935,148	1.43%	3,194,811	1.01%
Commercial banks	1,050,800	0.25%	1,670,669	0.53%
Fixed line telecommunication	1,307,609	0.31%	1,783,500	0.57%
Technology and communication	121,250,179	29.19%	88,101,690	27.95%
Textile Composite	2,590,183	0.62%	1,594,124	0.51%
Power Generation & Distribution	86,800	0.02%	-	0.00%
Industrial Metal	634,770	0.15%	-	0.00%
Woolen	265,801	0.06%	-	0.00%
	415,358,223	100%	315,253,056	100%

40.6 Liquidity risk

Liquidity risk is defined as the risk that the Modaraba will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Modaraba could be required to pay its liabilities earlier than expected. The Modaraba's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressful conditions, without incurring unacceptable losses or risking damage to the Modaraba's reputation.

The table below summarizes the maturity profile of the Modaraba's financial liabilities based on contractual undiscounted payments.



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

2016	Profit rate	Six months or less	Six to Twelve months	One to five years	Over five years	Total contractual cash flows
Rupees						
Musharaka, murabaha and finance under mark-up arrangements	8.98%-16%	312,149,098	-	-	-	312,149,098
Diminishing musharaka based TFCs'	1 month KIBOR	53,641,969	45,000,000	177,850,003	-	276,491,972
Creditors, accrued and other liabilities	-	-	74,461,337	-	-	74,461,337
Accrued profit on borrowing	-	240,008,423	-	-	-	240,008,423
Profit distribution payable	-	23,752,598	-	-	-	23,752,598
Total		629,552,088	119,461,337	177,850,003	-	926,863,428

2015	Profit rate	Six months or less	Six to Twelve months	One to five years	Over five years	Total contractual cash flows
Rupees						
Musharaka, murabaha and finance under mark-up arrangement	9.5%-16%	312,149,098	-	-	-	312,149,098
Diminishing musharaka based TFCs'	1 month KIBOR	135,354,086	135,354,086	116,852,448	-	387,560,620
Creditors, accrued and other liabilities	-	-	128,894,058	-	-	128,894,058
Accrued profit on borrowing	-	265,450,094	-	-	-	265,450,094
Profit distribution payable	-	22,670,833	-	-	-	22,670,833
Total		735,624,111	264,248,144	116,852,448	-	1,116,724,703

40.7 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Modaraba by failing to discharge its obligation. The Modaraba's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines, offering document and regulatory requirements. The table below analyses the Modaraba's maximum exposure to credit risk. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements at reporting date:

	2016 Rupees	2015 Rupees
Musharaka and murabaha finance	36,882,557	110,705,223
Short-term investments	611,784,936	546,307,215
Lease rentals receivables	84,020	1,219,983
Loans, advances and other receivables	24,264,077	58,335,760
Accrued profit	1,597,773	16,684,352
Bank balances	14,915,558	35,040,064
	689,528,921	768,292,597

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Modaraba's total credit exposure. The Modaraba's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. The table below analyses the Modaraba's concentration of credit risk by industrial distribution:

40.7.1 Segment by class of business for property, plant and equipment - leased

	2016		2015	
	Rupees	%	Rupees	%
Oil and gas	-	0.00%	-	0.00%
Transport	4,986,087	5.28%	8,749,970	7.20%
Food and confectioneries	927,973	0.98%	1,696,070	1.40%
Engineering and metals	78,500	0.08%	1,233,500	1.02%
Power generation	7,788,944	8.26%	7,996,366	6.58%
Insurance	973,550	1.03%	1,754,830	1.44%
Miscellaneous	79,590,279	84.36%	100,069,508	82.36%
	94,345,333	100%	121,500,244	100%

40.7.2 Segment by class of business for musharaka and murabaha finances

	2016		2015	
	Rupees	%	Rupees	%
Textile industry	14,774,839	5.47%	15,663,169	4.54%
Oil and lubricants	133,577,471	49.48%	133,786,430	38.78%
Sugar and allied	-	0.00%	-	0.00%
Chemical and pharmaceutical	49,114,014	18.19%	49,114,014	14.23%
Engineering	33,763,945	12.51%	33,763,945	9.79%
Auto and transportation	-	0.00%	1,259,581	0.37%
Hotelling industry	9,471,425	3.51%	-	0.00%
Real estate	-	0.00%	-	0.00%
Miscellaneous	29,279,860	10.85%	111,439,436	32.30%
	269,981,554	100%	345,026,575	100%

40.7.3 Segment by class of business for investment in debt securities - TFC's / Sukuk

	2016		2015	
	Rupees	%	Rupees	%
Health care equipment and services	62,777,617	56.35%	65,555,563	54.01%
Construction and materials	-	0.00%	5,333,624	4.39%
Electricity	40,856,700	36.68%	41,518,500	34.21%
Miscellaneous	7,767,480	6.97%	8,966,412	7.39%
	111,401,797	100%	121,374,099	100%

40.8 Financial instruments by category

Financial assets

Loans and receivables at amortised cost

	2016 Rupees	2015 Rupees
Long-term deposits	5,727,310	5,722,310
Musharaka finance	36,882,557	110,705,223
Ijarah / lease rental receivable	84,020	1,219,983
Loans and advances	18,507,099	31,076,161
Accrued profit	1,597,773	16,684,352
Other receivables	12,327,208	27,259,599
Cash and bank balances	15,153,463	35,267,673

	2016 Rupees	2015 Rupees
Available-for-sale		
Short-term investments	418,981,082	402,982,807
Held-for-trading		
Short-term investments	192,803,854	143,324,408
	702,064,366	774,242,516
Financial liabilities		
Financial liabilities at amortised cost		
Diminishing musharaka based Term Finance Certificates	276,491,972	387,560,620
Murabaha, musharaka and finance under mark-up arrangements	312,149,098	312,149,098
Creditors, accrued and other liabilities	74,461,337	128,894,058
Accrued profit on borrowings	240,008,423	265,450,094
Profit distribution payable	23,752,598	22,670,833
	926,863,428	1,116,724,703

41 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements are approximate to their fair values except for available for sale and held to maturity investments. Fair value is determined on the basis of the objective evidence at each required date. The following table compares the carrying amounts and fair values of the Modaraba's financial assets and financial liabilities as at June 30, 2016.

	As at June 30, 2016		As at June 30, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans and receivables at amortised cost				
Long-term deposits	5,727,310	5,727,310	5,722,310	5,722,310
Musharaka finance	36,882,557	36,882,557	110,705,223	110,705,223
Ijarah / lease rental receivable	60,564	84,020	1,219,983	1,219,983
Loans and advances	18,507,099	18,507,099	31,076,161	31,076,161
Accrued profit	1,597,773	1,597,773	16,684,352	16,684,352
Other receivables	10,742,240	12,327,208	27,259,599	27,259,599
Cash and bank balances	15,153,463	15,153,463	35,267,673	35,267,673
Available-for-sale				
Short-term investments	219,864,554	232,807,930	178,722,434	182,182,209
Held-for-trading				
Short-term investments	177,810,235	192,803,854	112,453,004	143,324,408
Financial liabilities				
Financial liabilities at amortised cost				
Diminishing musharaka based Term Finance Certificates	276,491,972	276,491,972	387,560,620	387,560,620
Murabaha, musharaka and finance under mark-up arrangements	312,149,098	312,149,098	312,149,098	312,149,098
Creditors, accrued and other liabilities	74,594,411	74,461,337	128,894,058	128,894,058
Accrued profit on borrowings	240,008,423	240,008,423	265,450,094	265,450,094
Profit distribution payable	23,752,598	23,752,598	22,670,833	22,670,833



41.1 Fair value hierarchy

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement.

Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2016, the Modaraba held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	Rupees			
Investments at fair value through profit or loss - held-for-trading				
Listed ordinary shares	192,803,854	-	-	192,803,854
Available-for-sale investments				
Listed ordinary shares - net	232,807,930	-	-	232,807,930
Unlisted ordinary shares	-	-	89,747,550	89,747,550
Debt securities	-	48,624,180	62,777,617	111,401,797
	<u>425,611,784</u>	<u>48,624,180</u>	<u>152,525,167</u>	<u>626,761,131</u>

As at June 30, 2015, the Modaraba held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	Rupees			
Investments at fair value through profit or loss - held-for-trading				
Listed ordinary shares	143,324,408	-	-	143,324,408
Available-for-sale investments				
Listed ordinary shares - net	182,182,209	-	-	182,182,209
Unlisted ordinary shares	-	-	120,743,707	120,743,707
Debt securities	-	50,484,912	70,889,187	121,374,099
	<u>325,506,617</u>	<u>50,484,912</u>	<u>191,632,894</u>	<u>567,624,423</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 year

During the year, there were no transfers into or out of Level 3 fair value measurements.



	2016 Rupees	2015 Rupees
Opening balance	191,632,894	289,239,737
Redemption / sales during the year	(11,535,658)	(106,348,369)
Unrealized (loss) / gain during the year	(9,639,559)	8,741,526
Impairment during the year	(17,932,510)	-
Closing balance	<u>152,525,167</u>	<u>191,632,894</u>

42 CAPITAL RISK MANAGEMENT

The Modaraba's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for certificate-holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Modaraba may adjust the amount of profit distributed to certificate-holders, issue new certificates or sell assets to reduce debt.

The Modaraba's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Modaraba monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total Diminishing Musharaka Term Finance Certificates and borrowings less cash and bank balances.

The gearing ratio of the Modaraba at year end is as follows:

Debts	588,641,070	699,709,718
Cash and bank balances	(15,153,463)	(35,267,673)
Net debt	<u>573,487,607</u>	<u>664,442,045</u>
Equity	<u>1,056,598,450</u>	<u>991,133,347</u>
Net debt to equity ratio	<u>0.54</u>	<u>0.67</u>

43 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Modaraba is a going concern without any intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from the book value as the terms are short term in nature.

44 RELATED PARTY TRANSACTIONS

"Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include a subsidiary company, associated companies with or without common directors, retirement benefit funds, directors, and key management personnel.

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

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

The detail of transactions with related parties and balances with them, apart from compensation to executives as disclosed in note 36, is given below:



Relationship with the Modaraba	Nature of transactions / Balances	2016 Rupees	2015 Rupees
Management Company			
BRR Investment (Private) Limited	Management fee accrued	5,380,520	8,106,829
BRR Investment (Private) Limited	Management fee paid	8,106,829	4,784,370
BRR Investment (Private) Limited	Rent received	300,000	300,000
Subsidiary Company			
BRR Financial Services (Private) Limited	Preliminary expenses paid	531,970	-
Associated companies / other related parties			
Crescent Standard Modaraba	Share of common expenses received	270,607	350,569
Dawood Family Takaful Limited	Rental received against Ijarah	692,956	431,992
Dawood Family Takaful Limited	Rent received against property	5,407,035	3,244,230
Dawood Family Takaful Limited	Group Life Insurance Paid	186,855	112,208
Dawood Family Takaful Limited	Principal paid against investment in Sukuk	18,075,000	22,217,188
Dawood Family Takaful Limited	Profit paid against investment in Sukuk	12,619,119	17,599,092
Equity International (Private) Limited	Principal received on musharaka	43,500,000	-
Equity International (Private) Limited	Profit received on musharaka	12,955,914	-
Equity International (Private) Limited	Principal adjusted against settlement	55,858,769	-
Equity International (Private) Limited	Profit adjusted against settlement	27,159,254	-
First Dawood Investment Bank	Rent received against property	818,400	836,100
First Dawood Investment Bank	Share of common expenses received	398,648	1,790,798
First Dawood Investment Bank	Share of common expenses paid	51,340	358,587
First Dawood Investment Bank	Principal paid against investment in Sukuk	9,817,872	-
First Dawood Investment Bank	Profit paid against investment in Sukuk	5,482,641	-
First Dawood Investment Bank	Consideration received against BBL share	16,100,000	-



Relationship with the Modaraba	Nature of transactions / Balances	2016 Rupees	2015 Rupees
First Dawood Employees Provident Fund	Transfer to provident fund	2,152,952	1,925,853
First Dawood Employees Provident Fund	Principal paid against investment in Sukuk	9,835,407	3,939,172
First Dawood Employees Provident Fund	Profit paid against investment in Sukuk	6,886,618	3,120,367
Dawood Equities Limited	Rental received against property	198,000	113,300
Dawood Equities Limited	Brokerage and Commission paid	1,101,483	918,941
Hamida Dawood	Principal paid against investment in Sukuk	2,775,000	3,410,935
Hamida Dawood	Profit paid against investment in Sukuk	1,938,862	2,701,898
Dawood Global Foundation Systems Limited	Charity paid	216,959	186,556
Dawood Islamic Fund	Dividend received	2,591,851	1,912,344
Dawood Capital Management Limited	Dividend received	19,114,637	-
	Staff cost paid	1,052,998	-

44.1 Year end balances

Management Company

BRR Investment (Private) Limited	Management fee accrued	5,380,520	8,106,829
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Associated companies / other related parties

First Dawood Investment Bank Equity International (Private) Limited	Consideration receivable against shares	9,080,000	25,180,000
Equity International (Private) Limited	Principal receivable against musharaka	-	43,500,000
Equity International (Private) Limited	Accrued profit on musharaka	-	12,955,914
Equity International (Private) Limited	Principal payable against investment in Sukuk	-	24,521,875
Equity International (Private) Limited	Profit payable against investment in Sukuk	-	21,967,466
Dawood Family Takaful Limited	Rent receivable against property	-	1,081,410
Dawood Capital Management Limited	Receivable against staff cost paid	1,052,998	-
BRR Financial Services (Private) Limited	Receivable against preliminary expenses	531,970	-

44.2 Group shared services

The Company has entered into arrangements with associated undertakings to share various administrative, human resource and related costs on agreed terms.



45 SEGMENT REPORTING

As per IFRS 8, operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Chief Executive Officer of the Management Company has been identified as the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

The Chief Operating Officer is responsible for the Modaraba's entire product portfolio and considers the business to have single operating segment. The Modaraba's asset allocation decisions are based on a single integrated investment strategy and the Modaraba's performance is evaluated on an overall basis.

The internal reporting provided to the Chief Executive Officer for the Modaraba's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

The Modaraba is domiciled in Pakistan. All of the Modaraba's income is from investments in entities incorporated in Pakistan.

46 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in their meeting held on September 30, 2016 have approved profit distribution at the rate of 2.70% i.e. Re. 0.270 (2015: at the rate of 4.05% i.e. Re. 0.405 per certificate) for the year ended June 30, 2016. These financial statements do not reflect this distribution.

47 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **September 30, 2016** by the Board of Directors of B.R.R. Investment (Private) Limited.

48 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation. However, no significant reclassification has been made during the year.

49 NUMBER OF EMPLOYEES

The number of employees as at year end was 72 (2015: 86) and average number of employees during the year was 79 (2015: 75).

50 GENERAL

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

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

**Rafique Dawood
Chairman**

**Ayaz Dawood
Chief Executive Officer**

**Syed Ali Raza
Director**



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

PATTERN OF CERTIFICATE HOLDING - FORM "34"
CERTIFICATE HOLDERS STATISTICS AS AT JUNE 30, 2016

Number of Certificate Holders	Certificate Holding From	To	Certificate Held
1624	1	100	74,116
1272	101	500	347,074
2542	501	1,000	1,726,448
790	1,001	5,000	1,869,138
165	5,001	10,000	1,290,405
62	10,001	15,000	796,034
30	15,001	20,000	533,103
22	20,001	25,000	521,079
19	25,001	30,000	552,622
14	30,001	35,000	447,791
9	35,001	40,000	336,128
4	40,001	45,000	174,996
15	45,001	50,000	738,713
7	50,001	55,000	368,040
6	55,001	60,000	351,498
1	60,001	65,000	62,000
3	65,001	70,000	204,500
6	70,001	75,000	445,319
4	75,001	80,000	312,928
3	80,001	85,000	249,130
2	85,001	90,000	173,000
1	90,001	95,000	94,500
10	95,001	100,000	1,000,000
2	100,001	105,000	203,000
5	105,001	110,000	542,594
1	115,001	120,000	120,000
1	130,001	135,000	130,500
1	135,001	140,000	136,500
2	140,001	145,000	281,012
1	145,001	150,000	150,000
1	160,001	165,000	164,500
1	165,001	170,000	170,000
2	170,001	175,000	348,000
4	195,001	200,000	800,000
1	210,001	215,000	214,500
1	215,001	220,000	215,480
1	230,001	235,000	230,285
1	270,001	275,000	275,000
2	295,001	300,000	600,000
2	300,001	305,000	609,000
1	310,001	315,000	314,500
1	320,001	325,000	323,000
1	325,001	330,000	330,000
1	335,001	340,000	340,000
1	360,001	365,000	361,994
2	370,001	375,000	748,000
3	390,001	395,000	1,175,085
1	425,001	430,000	425,500



Number of Certificate Holders	Certificate Holding		Certificate Held
	From	To	
1	435,001	- 440,000	440,000
1	475,001	- 480,000	478,000
1	485,001	- 490,000	485,500
1	490,001	- 495,000	490,985
1	495,001	- 500,000	500,000
1	640,001	- 645,000	640,500
1	670,001	- 675,000	674,000
1	680,001	- 685,000	684,500
1	695,001	- 700,000	700,000
1	720,001	- 725,000	721,121
1	765,001	- 770,000	767,403
1	790,001	- 795,000	791,756
1	830,001	- 835,000	833,558
1	955,001	- 960,000	955,026
1	1,040,001	- 1,045,000	1,041,500
1	1,100,001	- 1,105,000	1,104,998
1	1,305,001	- 1,310,000	1,305,203
1	1,675,001	- 1,680,000	1,676,965
1	1,710,001	- 1,715,000	1,715,000
1	1,745,001	- 1,750,000	1,747,000
1	1,995,001	- 2,000,000	2,000,000
1	2,100,001	- 2,105,000	2,103,335
1	2,985,001	- 2,990,000	2,985,279
1	3,680,001	- 3,685,000	3,682,351
1	4,525,001	- 4,530,000	4,529,786
1	6,760,001	- 6,765,000	6,763,344
1	7,310,001	- 7,315,000	7,310,943
1	9,040,001	- 9,045,000	9,041,190
6679			78,046,255

S. No.	Categories of Certificate holders	Number of Certificate holders	Certificate Held	Percentage
1	Individuals	6,613	38,423,771	51.52
2	Financial Institutions	6	4,034,376	2.97
3	Investment Companies	18	4,383,536	5.62
4	Insurance Companies	1	7,310,943	9.37
5	Joint Stock Companies	24	7,465,632	9.32
6	Mutual Fund	2	4,787,349	6.52
7	Modarba Management Co.	2	10,082,690	12.92
8	Modarbas	3	305,107	0.39
9	Others	10	1,252,851	1.36
		6,679	78,046,255	100.00



ADDITIONAL INFORMATION AS AT JUNE 30, 2016

S. No.	Categories Certificate holders	Certificates Held	% Age
1	Associated Companies		
	B.R.R. Investment (Pvt.) Ltd.	12,985,895	16.64
2	NIT / ICP	3,713,749	4.76
	CDC - Trustee National Investmet (Unit) Trust	3,682,351	
	Investment Corporation of Pakistan	31,398	
3	Directors, CEO their Spouse & Minor Children	5,899,191	7.56
	Rafique Dawood	25,800	
	Ayaz Dawood	5,873,391	
4	Public Sector Companies and Corporation	7,310,943	9.37
5	Banks, DFIs, NBFIs, Insurance Companies, Modarabas, Mutual Funds and Other Companies	15,611,897	20.00

Certificate holders holding five percent or more Certificates

Paid up Capital	78,046,255	
B.R.R. Investment (Pvt.) Ltd.	12,985,895	16.64
State Life Insurance Corp. Of Pakistan	7,310,943	9.37
Amanah Investments Limited	7,086,344	9.08

SIX YEARS' FINANCIAL SUMMARY

	2016	2015	2014	2013	2012	2011
Key Financial Figures						
	(Rs. In million)					
Profit & Loss Account						
Operating income	243.01	206.96	234.38	377.33	380.82	585.05
Other income	29.41	94.10	14.31	2.66	7.85	29.94
Amortization om ijarah assets	30.27	33.56	26.61	17.97	27.73	53.30
Financial charges	37.31	79.44	135.55	202.99	239.63	354.88
Administrative expenses	138.08	136.88	103.89	100.64	109.74	109.30
Provision/(Reversal) for doubtful debts/receivables	(5.06)	(26.30)	(64.50)	(9.15)	(29.52)	9.19
Provision for diminution in the value of investments - charge/(written back)	(0.09)	(33.47)	(14.54)	(12.84)	4.92	7.65
Net Profit	46.72	70.23	41.44	53.41	29.18	41.70
Dividend	21.07	31.61	18.73	24.19	14.04	19.51
Balance Sheet						
Paid-up Capital	780.46	780.46	780.46	780.46	780.46	780.46
Reserves	276.14	210.67	73.84	21.60	(7.65)	(47.77)
Certificate Holders Equity	1,056.60	991.13	854.29	802.06	772.81	732.68
Borrowings	588.64	699.71	949.22	1,617.99	1,756.81	1,784.83
Lease portfolio	94.35	121.50	162.20	135.63	97.72	128.98
						-
Morabaha & Musharaka Portfolio	36.88	110.71	215.99	673.19	817.26	893.68
Performance Indicators						
Earnings / (Loss) per certificate (Rs.)	0.60	0.90	0.53	0.68	0.37	0.53
Profit paid per certificate (Rs.)	0.270	0.405	0.24	0.31	0.18	0.25
Profit paid per certificate (%)	2.70%	4.05%	2.40%	3.10%	1.80%	2.50%
Profit payout (after statutory reserves) (%)	90.21%	90.01%	90.00%	90.00%	95.36%	93.57%
Break-up value per certificate (Rs.)	13.54	12.70	10.95	10.28	9.90	9.39
Market value per certificate (Rs.)	6.95	7.73	6.00	3.75	2.45	2.19
Price Earnings ratio	11.58	8.59	11.32	5.48	6.55	4.10
Income/Expense ratio	1.24	1.29	1.17	1.18	1.09	1.08
Financial Charges/Total Expenses (%)	0.17	28.40%	48.43%	59.64%	62.32%	62.51%

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