

**Un-Audited
Financial Statements
For The Three Months Period Ended
September 30, 2013**



B.R.R. TOWER



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

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

Q U A R T E R L Y R E P O R T

2013



B.R.R. Guardian Modaraba
(An Islamic Financial Institution)
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B.R.R. Investments (Private) Limited

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B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

Managed by:

B.R.R. Investments (Private) Limited

Modaraba Company	B.R.R. Investments (Private) Limited
Chairman	Mr. Rafique Dawood
Chief Executive	Mr. Ayaz Dawood
Directors	Mr. Waqas Anwer Qureshi - Director Mr. Aftab Mustafa Khan - Director (Resigned)
Audit Committee	Mr. Waqas Anwer Qureshi - Chairman Mr. Rafique Dawood - Member Mr. Aftab Mustafa Khan - Member (Resigned)
HR and Remuneration Committee	Mr. Waqas Anwer Qureshi - Chairman Mr. Rafique Dawood - Member Mr. Aftab Mustafa Khan - Member (Resigned)
Shariah Advisor	Mufti Syed Sabir Hussain
Chief Financial Officer	Syed Tariq Masood
Company Secretary	Mr. Tahir Mehmood
Auditors	BDO Ebrahim & Company Chartered Accountants
Legal Advisor	Malik & Maliks
Bankers	Al -Baraka Bank(Pakistan) Limited Habib Metro Bank National Bank of Pakistan
Web-site	www.firstdawood.com/brr
Registered Office & Head Office	1900-B, Saima Trade Towers, I.I Chundrigar Road, Karachi-74000 PABX 92-21-32271875-80 92-21- 37010960-65 92-21-37014641-3 Fax : 92-21-3227-1912
Registrar	F.D Registrar Services (SMC-Pvt.) Ltd 1705,17th Floor,Saima Trade Tower "A" I.I Chundrigar Road, Karachi-74000 Phone # 92-21-32271906 92-21-35478192-3 Fax # 92-21-32621233
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-75400



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

DIRECTOR'S REPORT

Dear Certificate holders,

The Board of Directors of B.R.R. Investments (Private) Limited (BRRI or 'the company'), manager of B.R.R. Guardian Modaraba (BRRGM or 'the Modaraba'), takes pleasure in presenting to certificate holders the 1st Quarter Financial Statements of the Modaraba for the three months period ended September 30, 2013.

Financial Results

	September 30, 2013	September 30, 2012
Total Income	69,549,318	86,656,395
Total Expenses	63,155,300	80,806,222
Profit before Management fee, WWF & Sales Tax	6,394,018	5,850,173
Management Fee	639,041	585,017
Sales Tax on Management Fee	102,304	93,603
Workers' Welfare Fund	113,046	103,431
Profit after Management Fee, WWF & Sales Tax	5,539,267	5,068,122

During the period under review the Modaraba earned a profit of Rs 5.53 million as compared to the same quarter of last year Rs 5.068 million.

Financial charges have decreased due to repayment of borrowing by the Modaraba.

We are currently watching recent business scenario within the country and also strengthening our risk management strategies. Now we are pursuing a more cautious approach, in order to ensure quality of assets visa-a-viz future growth. Our target will continue to become profitable growth in the current line of business with the aim of creation of value for certificate holders.

Future Outlook

BRR Tower has been completed and your modaraba will expected to move to the new premise before year end. We are actively engaged in renting the building to quality tenants which will ensure increased income for the certificate holders in the future.

For and on behalf the
Board of Directors of
B.R.R. Investments (Private) Limited

October 31, 2013
Karachi

Rafique Dawood
Chairman



B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

Condensed Interim Balance Sheet As at September 30, 2013

	Note	(Un-Audited) September 30, 2013 Rupees	(Audited) June 30, 2013 Rupees
ASSETS			
Current Assets			
Cash and bank balances		345,150,919	395,169,287
Musharaka finances		342,720,995	351,303,409
Short term investments	3	378,680,326	376,346,710
Ijarah / lease rentals receivable		7,476,334	9,346,427
Loans, deposits, advances and prepayments		8,996,342	3,233,515
Accrued profit		31,591,415	83,655,523
Other receivables		11,951,852	9,718,261
Taxation		7,228,587	7,152,367
		1,133,796,770	1,235,925,499
Non current assets			
Long-term portion of musharaka finances		321,889,948	321,889,948
Long term loans and deposit		10,406,458	11,639,640
Fixed assets		195,092,434	207,926,129
Investment properties		1,240,243,811	1,234,272,420
		1,767,632,651	1,775,728,137
Total assets		2,901,429,421	3,011,653,636
Liabilities			
Current liabilities			
Murabaha, musharaka and finance under mark-up arrangements		376,099,098	385,749,097
Current portion of diminishing musharaka based Term Finance Certificates		155,000,000	145,000,000
Creditors, accrued and other liabilities		73,334,114	68,893,435
Accrued profit on borrowings		328,318,924	391,387,569
Customers' security deposits		5,283,950	5,288,048
Profit distribution payable		22,565,461	22,567,349
Total current liabilities		960,601,547	1,018,885,498
Diminishing musharaka based Term Finance Certificates		530,000,000	572,500,000
Long term portion of murabaha, musharaka and finance under mark-up arrangements		514,750,000	514,750,000
Long-term portion of customers security deposits		87,017,546	103,456,954
		1,131,767,546	1,190,706,954
Total liabilities		2,092,369,093	2,209,592,452
NET ASSETS		809,060,328	802,061,184
Represented By:			
Certificate capital		780,462,550	780,462,550
Capital reserves		550,351,082	550,351,082
Surplus on revaluation of investments		50,757,463	49,297,586
Accumulated Loss		(572,510,767)	(578,050,034)
		809,060,328	802,061,184
Contingencies and Commitments			
	7		

The annexed notes from 1 to 10 form an integral part of these condensed interim financial Statement.

**For B.R.R Investments (Private) Limited
(Management Company)**

Chairman

Chief Executive

Director



B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

**Condensed Interim Profit and Loss Account
For The Three Months Period Ended September 30, 2013
(Un-Audited)**

	Ist July, 2013 to September 30, 2013 Rupees	Ist July, 2012 to September 30, 2012 Rupees
Ijarah / lease rentals	7,081,745	12,147,001
Income on musharaka finance	24,894,806	35,833,729
Return on investments	5,012,415	7,370,118
Profit on bank balances	8,047,297	7,443,052
Rental income	20,813,358	19,808,887
Other income	3,699,697	4,053,608
	69,549,318	86,656,395
Depreciation on Ijarah / leased assets	5,780,616	4,258,543
Administrative expenses	21,858,729	30,313,279
Reversal of provision against doubtful receivables-net	(10,978,636)	(7,954,700)
Financial charges	46,106,412	56,445,757
	62,767,121	83,062,879
	6,782,197	3,593,516
(Deficit) / Surplus on revaluation of investments - Held for trading	(388,179)	2,256,657
	6,394,018	5,850,173
Modaraba management company's fee	639,401	585,017
Sales tax on modaraba management company's fee	102,304	93,603
Provision for Workers' Welfare Fund	113,046	103,431
Profit for the period before taxation	5,539,267	5,068,122
Taxation	-	-
Net profit for the period	5,539,267	5,068,122
Earnings per certificate - basic and diluted	0.07	0.06

The annexed notes from 1 to 10 form an integral part of these condensed interim financial Statement.

**For B.R.R Investments (Private) Limited
(Management Company)**

Chairman

Chief Executive

Director



B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

Condensed Interim Statement of Comprehensive Income
For The Three Months Period Ended September 30, 2013
(Un-Audited)

	September 30, 2013 Rupees	September 30, 2012 Rupees
Profit for the period	5,539,267	5,068,122
Other comprehensive income for the period		
Unrealized surplus on revaluation of Available- for- sale Investments	1,459,877	23,527,549
Total comprehensive income for the period	<u>6,999,144</u>	<u>28,595,671</u>

The annexed notes from 1 to 10 form an integral part of these condensed interim financial Statement.

**For B.R.R Investments (Private) Limited
(Management Company)**

Chairman

Chief Executive

Director



B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

Condensed Interim Cash Flow Statement For The Three Months Period Ended September 30, 2013 (Un-Audited)

	September 30, 2013 Rupees	September 30, 2012 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the Period before taxation	5,539,267	5,068,122
Adjustment for Non-Cash items		
Depreciation	8,296,102	11,594,705
Depreciation on ijarah assets/lease	5,780,616	4,258,543
Reversal of Provision against doubtful Receivable-net	(10,773,636)	(7,954,700)
Proceeds on Disposal of Assets Leased/Ijarah	17,827,364	10,081,891
Gain on Sale of Assets Leased/Ijarah	-	(3,768,088)
Gain on Sale of Assets in own used	(125,758)	(21,000)
Profit on Musharaka, Murabaha and Finance Under Mark-up Arrangements	46,060,953	56,429,378
Return on Investments	(5,012,415)	(7,370,118)
	62,053,226	63,250,611
Increase/(Decrease) in Current Assets		
Lease/Ijarah Rentals Receivable	1,870,093	7,677,774
Loans, Deposits, Advances and Prepayments	(4,529,645)	(2,412,043)
Accrued Profit	52,454,887	15,831,941
Other Receivables	(1,910,698)	(4,057,881)
	47,884,637	17,039,791
Increase/(Decrease) in Current Liabilities		
Creditors, Accrued and Other Liabilities	9,871,764	56,303
Customers Security Deposits	(16,443,506)	(4,429,801)
Rentals Received in Advance	(5,431,086)	10,441,865
Income Tax	(76,220)	(10,159)
Net Cash Generated From Operating Activities	103,398,082	91,416,732
B CASH FLOW FROM INVESTING ACTIVITIES		
Investments made	(873,737)	(12,382,133)
Income Received on Investments	4,298,743	9,523,605
Musharakas and Morabahas Finances	19,356,050	43,460,233
Addition to Investment Property	-	-
Addition to property and equipment owned	(711,660)	(2,012,000)
Addition to property, plant and equipment Ijarah	(12,406,500)	(785,000)
Addition to capital work in progress	(11,936,465)	(19,781,635)
Proceeds from Disposal of Assets in Own Use	138,604	21,000
Net Cash (Used in) / Generated From Investing Activities	(2,134,965)	18,044,070
C CASH FLOW FROM FINANCING ACTIVITIES		
Finance under Musharaka and Murabahas Finance	(42,149,999)	(53,012,572)
Under Mark-up arrangements	(109,129,598)	(56,291,587)
Financial Charges Paid	(1,888)	(221,147)
Profit Paid to Certificate Holders	(151,281,485)	(109,525,306)
Net Cash Used in Financing Activities	(50,018,368)	(64,504)
Net Decrease in Cash and Cash Equivalents	395,169,287	231,630,480
Cash and Cash Equivalents at the Beginning of the Period	345,150,919	231,565,976
Cash and Cash Equivalents at the End of the Period		

The annexed notes from 1 to 10 form an integral part of these condensed interim financial Statement.

For B.R.R Investments (Private) Limited
(Management Company)

Chairman

Chief Executive

Director



B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

Condensed Interim Statement of Changes In Equity For the Three Months Period Ended September 30, 2013 (Un-Audited)

	Certificate Capital	Profit Prior to Floatation	Statutory Reserve	General Reserve	Surplus/(Deficit) on Revaluation of Investments	Unappropriated Profit/(Loss)	Total
Balance as at July 01, 2012	780,462,550	10,532,683	513,290,899	-	59,403,238	(590,884,036)	772,805,334
Profit for the quarter ended Sep 30, 2012	-	-	-	-	-	5,068,122	5,068,122
Total Profit distribution for the year ended June 30, 2012 @ 0.18 per certificate.	-	-	-	-	-	(14,048,326)	(14,048,326)
Total Comprehensive Income					23,527,549	23,527,549	
Balance as at September 30, 2012	780,462,550	10,532,683	513,290,899	-	82,930,787	(599,864,240)	787,352,679
Balance as at July 01, 2013	780,462,550	10,532,683	539,818,399	-	49,297,586	(578,050,034)	802,061,184
Profit for the quarter ended Sep 30, 2013	-	-	-	-	-	5,539,267	5,539,267
Total Comprehensive Income	-	-	-	-	1,459,877	-	1,459,877
Balance as at September 30, 2013	780,462,550	10,532,683	539,818,399	-	50,757,463	(572,510,767)	809,060,328

The annexed notes from 1 to 10 form an integral part of these financial statements.

**For B.R.R Investments (Private) Limited
(Management Company)**

Chairman

Chief Executive

Director



B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

Notes to the Condensed Interim Financial Statements (Un-Audited) For the Three Months Period Ended September 30, 2013

1 LEGAL STATUS AND NATURE OF THE BUSINESS

B.R.R. Guardian Modaraba (BRRGM) is a multipurpose, perpetual Modaraba floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder and is managed by B.R.R. Investments (Private) Limited, having its registered office at 19th Floor, Saima Trade Tower, I.I. Chundrigar Road, Karachi. The Modaraba is listed on the Karachi 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.

2 BASIS OF PREPERATION

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

These condensed interim financial statements are unaudited and are submitted to the certificate holders and have been prepared in accordance with the requirements of the International Accounting Standard 34 (Interim Financial Reporting) as applicable in Pakistan.

The accounting policies adopted and methods of computation followed in the preparation of these financial statements are same as those applied in preparing the financial statements for the year ended June 30, 2013

	(Uu Audited) September 30, 2013 Rupees	(Audited) June 30, 2013 Rupees
3 SHORT TERM INVESTMENTS		
Held for Trading		
Listed ordinary shares	47,085,102	42,211,360
Available for Sale:		
Listed ordinary shares	82,228,663	80,768,786
Unlisted ordinary shares	186,411,301	186,411,305
Unlisted debt securities	89,333,336	93,333,335
	357,973,300	360,513,426
Less Provision for diminution in the value of investment	(26,378,076)	(26,378,076)
	378,680,326	376,346,710

4 Assets in Own Use

Following additions and deletions in assets in own use (at cost) were made during the period.

	-----Additions-----		----- Disposal/Transfer* -----	
	September 30, 2013 (Un-Audited)	June 30, 2013 (Audited)	September 30, 2013 (Un-Audited)	June 30, 2013 (Audited)
	Rupees		Rupees	
Building	-	1,400,000	-	4,431,920
Vehicles	680,560	3,101,180	1,257,300	3,815,105
Office Equipment & Appliances	31,100	-	-	217,864
	711,660	4,501,180	1,257,300	8,464,889



B.R.R. Guardian Modaraba
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5 Ijarah/Lease assets

Following additions and deletions in assets Ijarah / Leased assets (at cost) were made during the period.

	-----Additions-----		----- Disposal -----	
	September 30, 2013	June 30, 2013	September 30, 2013	June 30, 2013
	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
	Rupees		Rupees	
Land and Building (Leasehold)	-	-	46,000,000	30,000,000
Plant and Machinery	-	2,203,955	32,599,061	73,265,200
Vehicles	9,555,500	68,220,000	510,000	16,937,300
Office Equipment & Appliances	2,851,000	785,000	4,998,000	300,000
	12,406,500	71,208,955	84,107,061	120,502,500

6 Investment Property

Following additions and deletions in Investment Property were made during the period.

	-----Additions/Transfer*-----		----- Disposal -----	
	September 30, 2013	June 30, 2013	September 30, 2013	June 30, 2013
	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
	Rupees		Rupees	
Office Premises	-	-	-	-
Building on Leasehold Land	-	4,431,920*	-	-
	-	4,431,920	-	-

7 Contingencies and Commitments

Commitments in respect of capital expenditure on BRR Tower amounting to Rs 58.07 Million

8 Related Party Transactions

The transactions and balances with related parties carried out during the period are as follows:

Relationship with the Modaraba	Nature of Transactions	(Un-Audited) September 30, 2013	(Un-Audited) September 30, 2012
Management Company			
B.R.R Investment Private Limited	Management Fee Accrued	639,401	585,017
B.R.R Investment Private Limited	Rent Receivable	787,560	4,912,560
Associated companies / other related parties			
First Dawood Investment Bank Limited	Rent Receivable	498,480	573,480
First Dawood Investment Bank Limited	Share of Common Expenses Receivable	584,012	692,477
Crescent Standard Modaraba	Share of Common Expenses Receivable	179,844	
Crescent Standard Modaraba	Share of Common Expenses Received	-	821,823
Dawood Islamic Fund	Investment Made	-	40,000,000
Dawood Islamic Fund	Receivables against Investment	6,006,400	-
Equity International Private Limited	Profit accrued on Musharaka	1,450,771	1,110,000
Equity International Private Limited	Principal paid against investment in BRRGM SUKUK	-	(553,125)
Equity International Private Limited	Profit paid against investment in BRRGM SUKUK	-	(737,500)
Equity International Private Limited	Principal payable against investment in BRRGM SUKUK	2,396,875	-
Equity International Private Limited	Profit payable against investment in BRRGM SUKUK	2,330,010	-



B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

First Dawood Employees Provident Fund	Principal paid against investment in BRRGM SUKUK	(867,953)	(200,297)
First Dawood Employees Provident Fund	Profit paid against investment in BRRGM SUKUK	(843,740)	(267,063)
First Dawood Employees Provident Fund	Transfer to provident fund	(390,279)	(448,151)
Dawood Family Takaful Ltd	Rental Received on Ijarah finance	430,864	169,083
Dawood Family Takaful Ltd	Rent received against property	1,285,461	859,830
Dawood Family Takaful Ltd	Principal paid against investment in BRRGM SUKUK	4,895,313	1,129,688
Dawood Family Takaful Ltd	Profit paid against investment in BRRGM SUKUK	4,758,749	1,506,250
Dawood Equities limited	Receivable against sale of securities	91,922	2,391,632
Dawood Equities limited	Brokerage and commission	22,190	64,114
Dawood Equities limited	Rent Receivable	22,000	-
Dawood Equities limited	Rent received	11,000	30,000
Hamida Dawood	Principal paid against investment in BRRGM SUKUK	(751,563)	(173,438)
Hamida Dawood	Profit paid against investment in BRRGM SUKUK	(730,596)	(231,250)

9 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in their meeting held on Oct 31, 2013 have approved profit distribution at the Rate of 3.10% i.e. Rs 24,194,339 (2012: 1.8% i.e. Re 0.18 per certificate) for the year ended June 30, 2013, the said have already been disclosed in the financial statement of June 30, 2013. These financial statement do not reflect this distribution.

10 Date of Issue

These financial statements were authorized for issue on October 31, 2013 by the Board of Directors of B.R.R. Investments (Private) Ltd.

**For B.R.R Investments (Private) Limited
(Management Company)**

Chairman

Chief Executive

Director

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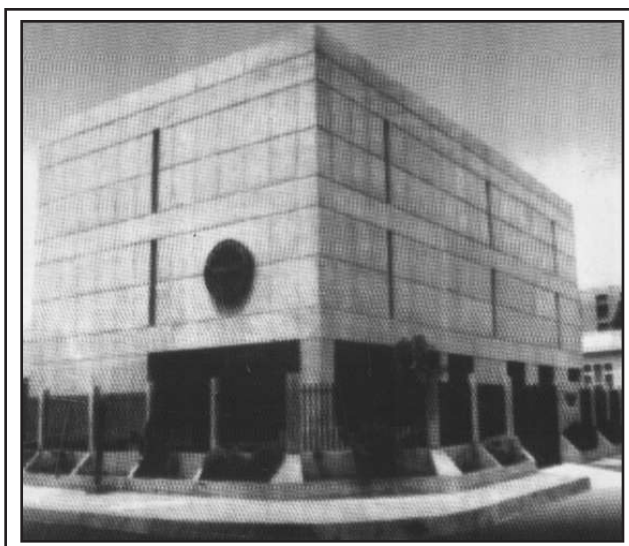
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