Un-Audited

Condensed Interim Financial Information
For The Half Year Ended
December 31, 2014



HALF YEARLY REPORT

2014

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

B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

Managed by:

B.R.R. Investments (Private) Limited

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

CORPORATE INFORMATION

Modaraba Company	B.R.R. Investments (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	Mr. Waqas Anwar Qureshi - Chairman Mr. Rafique Dawood - Member Mr. Ayaz Dawood - Member
Shariah Advisor	Mufti Syed Sabir Hussain
Chief Financial Officer	Syed Tariq Masood
Company Secretary	Mr.Tahir Mehmood
Auditors	BDO Ebrahim & Co. Chartered Accountants
Legal Advisor	S.& B Durani Law Associate Akbani & Javed Associates Rauf and Ghaffar Law Associates Malik & Malik Law Associates
Bankers	Al -Baraka Bank (Pakistan) Limited Habib Metropolitan Bank Limited National Bank of Pakistan Burj Bank Limited
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 # 92-21-32271906 # 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-754000

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

DIRECTORS' REPORT

Dear Certificate holders,

The Board of Directors of B.R.R. Investments (Private) Limited, Manager of **B.R.R. Guardian Modaraba (BRRGM)**, take pleasure in presenting the 2nd Quarter Financial statement of the Modaraba for the six months ended December 31, 2014.

Operations and performance

	December 31, 2014	December 31, 2013
	..... Rupees.....	
Total Income	**113,140,159**	**136,764,232**
Total Expenses	**128,763,578**	**142,757,243**
(Provision) / Reversal for doubtful receivables - net	**(5,212,406)**	**23,489,813**
Operating (Loss) / Profit	**(20,835,825)**	**17,496,802**
Modaraba Company Management Fee	**-**	**1,749,680**
(Loss) / Profit for the period	**(20,835,825)**	**15,157,830**

During the six months for period ended December 31, 2015, the Modaraba has suffered loss of Rs. 20.83 million as compared to profit of Rs. 15.15 million in the same period last year.

The total income of Modaraba has decreased by 17.27% while the Operating expenses have also been reduced by 9.80%. This is a temporary situation as consistent flow of revenue from rental income will only start once the 20 storied BRR Tower situated I.I Chundrigar Road, Karachi is fully rented. The Modaraba has entered into a settlement with a commercial bank against property which will result in a capital gain of about Rs. 90 million. This will be recognized once the transfer is affected.

Further the Certificate-Holders' equity of Modaraba is Rs.830.81 million and the break-up value of BRR certificates have increased and stands at Rs 10.64 per certificate versus Rs. 10.25 last year even after paying a dividend of Rs. 0.24 per certificate.

With the increase in occupancy and the generation of rental income the Modaraba would be able to pay higher dividends to its valued certificate holders.

Auditors' Observations.

The audit observations are same mentioned in financial statement as of June 30, 2014.

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

Karachi: February 26, 2015

Rafique Dawood
Chairman

BDO

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

Introduction

We have reviewed the accompanying condensed interim balance sheet of **B.R.R. Guardian Modaraba** ("the Modaraba") as at December 31, 2014 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Basis for qualified conclusion

1. The balance under the head "other receivables" includes an amount of Rs. 6.006 million receivable in respect of investment in First Dawood Mutual Fund and Dawood Islamic Fund in respect of which sufficient and appropriate evidence has not been furnished to us. These funds were directed to be revoked by the Central Depository Company of Pakistan Limited vide SECP's directive dated March 22, 2013. These balances have been presented in the condensed interim financial information as per the books of accounts. In the absence of any supporting information, we are unable to confirm the existence and completeness of these balances.

2. As disclosed in note 13.1 to the condensed interim financial information, Modaraba has not met its past due 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. These balances have been presented in the financial statements as per the books of accounts. In the absence of any supporting information, we are unable to confirm the existence and completeness of these balances.

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.

BDO

Qualified conclusion

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the six-month period ended December 31, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Emphasis of matter

Without further modifying our opinion, we draw attention to:

(i) note 1.2 to the condensed interim financial information which states that accumulated losses of the Modaraba, amounting to Rs. 620.997 million, exceed 50 percent of the total amount subscribed by the holders of the Modaraba Certificates by Rs. 230.766 million. The management believes that the Modaraba has sufficient statutory reserve available which could be applied against the accumulated losses with the approval of the concerned authorities.

(ii) note 1.3 to the condensed interim financial information which states that the Modaraba has received directions under section 18A of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) from the Registrar Modaraba (the Registrar), under which prior approval of the Registrar is required by the Modaraba before entering into certain transactions.

(iii) note 5.2 to the to the condensed interim financial information which states that the Modaraba had swapped certain assets with an office premises valuing Rs. 70 million from an associated undertaking, the title of which has not been transferred in the name of Modaraba as a commercial bank has obtained a stay order against the same. However, the original title documents and possession of the property rest with Modaraba.

(iv) note 7.2 and 8.3.2 to the condensed interim financial information which describes certain non compliances with the requirement of the Modaraba Companies and Modaraba Rules, 1981 and the Prudential Regulations for Modarabas.

Other matter

The figures for the quarter ended December 31, 2014 and December 31, 2013 in the condensed interim profit and loss account and condensed interim informations of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: February 26, 2015

CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants
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B.R.R. Guardian Modaraba
(An Islamic Financial Institution)

Condensed Interim Balance Sheet
As at December 31, 2014

	Note	(Un-audited) December 31, 2014 Rupees	(Audited) June 30, 2014 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	5	239,979,868	259,956,486
Investment properties	6	1,226,332,146	1,241,609,552
Long-term portion of musharaka finances	7	19,502,973	118,461,034
Long-term loans and deposits		5,722,310	10,625,429
		1,491,537,297	1,630,652,501
CURRENT ASSETS			
Short-term investments	8	509,508,792	455,539,260
Musharaka finances	7	134,503,534	97,534,762
Ijarah / lease rental receivable		3,649,823	5,248,645
Loans, deposits, advances and prepayments		8,167,696	9,586,731
Accrued profit	9	17,404,212	14,820,765
Other receivables	10	7,222,789	19,902,845
Taxation		3,048,553	3,020,843
Cash and bank balances	11	59,580,717	69,501,445
TOTAL CURRENT ASSETS		743,086,116	675,155,296
TOTAL ASSETS		2,234,623,413	2,305,807,797
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized capital			
87,000,000 (30 June, 2014: 87,000,000) Modaraba certificates of Rs. 10/- each		870,000,000	870,000,000
Issued, subscribed and paid up certificate capital		780,462,550	780,462,550
Statutory reserve		570,986,500	570,986,500
Accumulated loss		(620,998,944)	(581,431,838)
Surplus on revaluation of investment		100,368,600	84,280,388
		830,818,706	854,297,600
LIABILITIES			
NON-CURRENT LIABILITIES			
Diminishing musharaka based Term Finance Certificates	12	296,112,625	382,566,250
Long-term portion of murabaha, musharaka and finance under mark-up arrangements	13	28,950,000	28,950,000
Long-term portion of customers' security deposits		97,867,639	97,965,207
TOTAL NON-CURRENT LIABILITIES		422,930,264	509,481,457
CURRENT LIABILITIES			
Murabaha, musharaka and finance under mark-up arrangements	13	336,799,098	365,749,098
Current portion of diminishing musharaka based Term Finance Certificates	12	225,372,375	171,953,125
Current portion of customers' security deposits		1,121,350	136,493
Creditors, accrued and other liabilities	14	88,118,056	86,445,624
Accrued profit on borrowings		306,400,587	295,399,481
Profit distribution payable		23,062,977	22,344,919
TOTAL CURRENT LIABILITIES		980,874,443	942,028,740
TOTAL EQUITY AND LIABILITIES		2,234,623,413	2,305,807,797
CONTINGENCIES AND COMMITMENTS	15		

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.

For B.R.R. Investments (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)

Condensed Interim Profit And Loss Account
For The Half Year And Quarter Ended December 31, 2014
(Un-Audited)

	Note	Half year ended		Quarter ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
		(Rupees)			
INCOME					
Ijarah/lease rentals		19,053,130	14,376,442	9,742,725	7,294,697
Income on musharaka finances		12,435,737	40,637,989	3,573,903	15,743,183
Profit on bank balances		2,278,257	14,105,728	861,053	6,058,431
Return on investments - net	16	29,309,043	20,332,251	19,327,246	15,708,015
Rental income		48,099,729	42,621,561	25,355,332	21,808,203
Other income	17	1,964,263	4,690,261	882,478	990,564
		113,140,159	136,764,232	59,742,737	67,603,093
EXPENSES					
Depreciation on leased assets		17,312,548	11,934,849	8,627,214	6,154,233
Administrative expenses		64,159,859	47,836,312	35,833,913	25,977,583
Financial charges		47,291,171	82,986,082	22,770,350	36,879,670
		128,763,578	142,757,243	67,231,477	69,011,486
		(15,623,419)	(5,993,011)	(7,488,740)	(1,408,393)
Provision for doubtful receivables - net	18	(5,212,406)	23,489,813	(5,804,073)	12,511,177
		(20,835,825)	17,496,802	(13,292,813)	11,102,784
Modaraba management company's fee		-	1,749,680	-	1,110,278
Sales tax on modaraba management Company's fee		-	279,949	-	177,645
Provision for Workers' Welfare Fund		-	309,343	-	196,297
(Loss) / profit before taxation		(20,835,825)	15,157,830	(13,292,813)	9,618,564
Provision for taxation	20	-	-	-	-
Net (loss) / profit for the period		(20,835,825)	15,157,830	(13,292,813)	9,618,564
(Loss) / earnings per certificate - basic and diluted		(0.27)	0.19	(0.17)	0.12

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.

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

Rafique Dawood	**Ayaz Dawood**	**Syed Ali Raza**
Chairman	**Chief Executive Officer**	**Director**

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

Condensed Interim Statement of Comprehensive Income
For The Half Year And Quarter Ended December 31, 2014
(Un-Audited)

	Half year ended		Quarter ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	(Rupees)			
(Loss) / profit for the period	(20,835,825)	15,157,830	(13,292,813)	9,618,564
Other comprehensive income				
Unrealised gain on available-for-sale investments - net	16,088,212	7,372,160	8,931,427	5,912,283
Total comprehensive (loss) / income for the period	(4,747,613)	22,529,990	(4,361,386)	15,530,847

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.

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

Rafique Dawood	**Ayaz Dawood**	**Syed Ali Raza**
Chairman	**Chief Executive Officer**	**Director**

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

Condensed Interim Cash Flows Statement
For The Half Year Ended December 31, 2014
(Un-Audited)

	Half year ended	
	December 31, 2014	December 31, 2013
	---------- (Rupees) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit for the period	(20,835,825)	15,157,830
Adjustments for:		
Adjustment of non-cash and other items		
Depreciation	22,099,557	15,993,018
Amortisation	17,312,548	11,934,849
Impairment loss on available-for-sale investments	-	-
provision for doubtful receivables - net	5,212,406	(23,489,813)
Gain on disposal of property, plant and equipment - leased	(320,543)	(29)
Profit on disposal of property and equipment - owned	(282,454)	(219,049)
Profit on musharaka, murabaha and finance under mark-up arrangements	47,267,637	82,937,983
Return on investments - net	(18,573,778)	(12,892,507)
	72,715,373	74,264,452
	51,879,549	89,422,282
(Increase) / decrease in current assets		
Ijarah/lease rentals receivable	1,950,192	2,555,203
Loans, advances and prepayments	2,879,127	(2,964,719)
Accrued profit	(1,682,831)	62,762,375
Other receivables	12,337,341	3,854,414
	15,483,829	66,207,273
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	(3,521,204)	7,731,851
Rent received in advance	5,193,635	-
Decrease in customers' security deposit	887,289	(15,078,607)
	2,559,720	(7,346,756)
Income tax refund / (paid)	(27,710)	2,777,690
Net cash generated from operating activities	69,895,387	151,060,489
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments made	(37,881,321)	(31,146,971)
Income received on investments	18,015,884	12,708,815
Musharaka and murabaha finances	56,425,513	455,319,588
Addition to property and equipment - owned	(3,998,008)	(2,512,773)
Addition to property, plant and equipment - leased	-	(20,205,366)
Addition to capital work-in-progress	-	(36,907,004)
Addition to investment property	(2,734,380)	-
Addition in long term deposit	3,443,019	(3,000)
Proceeds from disposal of property and equipment - owned	582,864	256,671
Proceeds from disposal of property, plant and equipment - leased	2,594,443	17,827,406
Net cash generated from investing activities	36,448,014	395,337,366
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit paid to certificate holders	(18,013,223)	(9,788,848)
Murabaha and finance under mark-up arrangements	(61,984,375)	(554,299,999)
Financial charges paid	(36,266,531)	(144,852,921)
Net cash used in financing activities	(116,264,129)	(708,941,768)
Net (decrease) / increase in cash and cash equivalents	(9,920,728)	(162,543,913)
Cash and cash equivalents at the beginning of the period	69,501,445	395,169,287
Cash and cash equivalents at the end of the period	59,580,717	232,625,374

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.

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

Rafique Dawood	**Ayaz Dawood**	**Syed Ali Raza**
Chairman	**Chief Executive Officer**	**Director**

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

Condensed Interim Statement of Changes In Equity
For The Half Year Ended December 31, 2014
(Un-Audited)

	Certificate capital	Capital reserves		General reserve	Unrealised gain on available-for-sale	Accumulated loss	Total
		Profit prior to floatation	Statutory reserve				
	(Rupees)						
Balance as at June 30, 2013	780,462,550	10,532,683	539,818,399	-	49,297,586	(578,050,034)	802,061,184
Profit for the half year ended December 31, 2013	-	-	-	-	-	15,157,830	15,157,830
Other comprehensive income	-	-	-	-	7,372,160	-	7,372,160
	-	-	-	-	7,372,160	15,157,830	22,529,990
Profit distribution for the year ended June 30, 2013 @ Re.0.31 per certificate	-	-	-	-	-	(24,194,339)	(24,194,339)
Balance as at December 31, 2013	780,462,550	10,532,683	539,818,399	-	56,669,746	(587,086,543)	800,396,835
Profit for the half year ended June 30, 2014	-	-	-	-	-	26,290,123	26,290,123
Other comprehensive income	-	-	-	-	27,610,642	-	27,610,642
	-	-	-	-	27,610,642	26,290,123	53,900,765
Transfer to accumulated loss	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	20,635,418	-	-	(20,635,418)	-
Balance as at June 30, 2014	780,462,550	10,532,683	560,453,817	-	84,280,388	(581,431,838)	854,297,600
Profit for the half year ended December 31, 2014	-	-	-	-	-	(20,835,825)	(20,835,825)
Other comprehensive income	-	-	-	-	16,088,212	-	16,088,212
	-	-	-	-	16,088,212	(20,835,825)	(4,747,613)
Profit distribution for the year ended June 30, 2014 @ Re.0.24 per certificate	-	-	-	-	-	(18,731,281)	(18,731,281)
Balance as at December 31, 2014	**780,462,550**	**10,532,683**	**560,453,817**	**-**	**100,368,600**	**(620,998,944)**	**830,818,706**

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.

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

Rafique Dawood	**Ayaz Dawood**	**Syed Ali Raza**
Chairman	**Chief Executive Officer**	**Director**

Notes To The Condensed Interim Financial Information For The Half Year Ended December 31, 2014

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. Investments (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 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.

1.2 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 December 31, 2014, the accumulated losses of the Modaraba amounted to Rs. 620.997 million which exceed 50 percent of the total amount subscribed by the holders of the Modaraba Certificates by Rs. 230.766 million. The management believes that the Modaraba has sufficient statutory reserve available which could be applied against the accumulated losses with the approval of the concerned authorities. Taking into consideration the statutory reserve amounting to Rs. 570.986 million (June 30, 2014: Rs. 570.986 million), accumulated losses net of reserve are less than 50 percent of the paid up capital.

1.3 In April 2013, the Registrar Modaraba issued directions under section 18A of the Modaraba Companies and Modarba (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.

The management has replied to the above directions of the Registrar Modaraba explaining their position and maintain that the swap deal of the office premises against three different assets of the associated undertaking was a beneficial proposition for the Modaraba and its certificate holders at that time. They have also clarified that these assets were neither non-performing nor in any doubtful category.

As a consequence of the above directions, a transaction with an associated undertaking for the disposal of Modaraba investment in equity securities of Burj Bank Limited (at par value) has not been recorded in the books of the Modaraba as the approval for the same has not been received. The Modaraba has sought an approval from the Registrar Modaraba for completion of the above mentioned transaction which is currently pending.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Modaraba for the six months period ended December 31, 2014 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas. In case where requirements differ, the provisions of or directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas have been followed.

The disclosures made in this condensed interim financial information have been limited, based on the requirements of International Accounting Standard 34 - "Interim Financial Reporting". These condensed interim financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Modaraba for the year ended June 30, 2014.

This condensed interim financial information is un-audited. However, limited scope review has been performed by the statutory auditors, except for the figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2014 and December 31, 2013, in accordance with the requirement of clause (xxi) of the Code of Corporate Governance and are being submitted to the Certificate holders as required by Rule 10 of Modaraba Companies and Modaraba Rules, 1981.

2.2 Basis of measurement

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

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of this condensed interim financial information are same as those applied in the preparation of annual financial statements for the year ended June 30, 2014.

There were certain new standards, amendments to the approved accounting standards and new interpretation issued by the International Financial Reporting Interpretations Committee (IFRIC) which became effective during the period but are considered not to be relevant or have any significant effect on the Modaraba's operations and are, therefore, not disclosed in these condensed interim financial information.

4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Modaraba's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2014.

	Note	(Un-audited) December 31, 2014	(Audited) June 30, 2014
		---------- (Rupees) ----------	
5 FIXED ASSETS			
Property and equipment-owned	5.1&5.2	97,365,279	97,755,449
Property, plant and equipment-leased/Ijarah	5.3	142,614,589	162,201,037
		239,979,868	259,956,486

5.1 Property and equipment - owned

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

	Additions		Disposals / Transfer	
	(Un-audited) December 31, 2014	(Audited) June 30, 2014	(Un-audited) December 31, 2014	(Audited) June 30, 2014
	---------- (Rupees) ----------		---------- (Rupees) ----------	
Building on leasehold land	-	67,688,108	-	43,249,017
Vehicles	2,474,482	3,267,176	2,850,565	2,316,590
Office equipment and Appliances	1,523,526	338,558	39,000	-
	3,998,008	71,293,842	2,889,565	45,565,607

5.2 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 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 an stay order against the property due to which 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 Sind 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 a rental income. Consequently, the cost of the property has been bifurcated between fixed assets and investment property on the basis of floor space occupied.

5.3 Property, plant and equipment - Ijarah / leased

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

	Additions		Disposals / Transfer	
	(Un-audited) December 31, 2014	(Audited) June 30, 2014	(Un-audited) December 31, 2014	(Audited) June 30, 2014
	---------- (Rupees) ----------		---------- (Rupees) ----------	
Land and building (leasehold)	-	-	-	46,000,000
Plant and machinery	-	17,851,000	-	56,881,040
Vehicles	-	58,189,917	6,225,500	11,729,040
Office equipment and appliances	-	-	529,500	5,362,000
	-	76,040,917	6,755,000	119,972,080

	Note	(Un-audited) December 31, 2014	(Audited) June 30, 2014
		---------- (Rupees) ----------	
6 INVESTMENT PROPERTIES			
Investment properties	6.1	1,159,912,146	1,175,189,552
Capital work-in-progress	6.2	66,420,000	66,420,000
		1,226,332,146	1,241,609,552

6.1 Investment properties

Following additions and disposals in investment properties, at cost, were made during the period:

	Additions / Transfer	
	(Un-audited) December 31, 2014	(Audited) June 30, 2014
	---------- (Rupees) ----------	
Building on leased hold land (BRR Tower)	2,734,380	498,631,085
Office premises B.R.R Tower	-	43,249,017
	2,734,380	541,880,102

	Note	(Un-audited) December 31, 2014	(Audited) June 30, 2014
		---------- (Rupees) ----------	
6.2 Capital work-in-progress			
Advance for office premises - Jofa Tower, Karachi	6.2.1	66,420,000	66,420,000
		66,420,000	66,420,000

6.2.1 This represents amount paid for the purchase of three shops of Jofa Tower. Due to 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, Modaraba filed a law suit for specific performance which is currently pending before Honourable High Court of Sind 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.

7 MUSHARAKA FINANCES

Musharaka finances		373,842,037	430,267,550
Less: Provision for doubtful receivables		(219,835,530)	(214,271,754)
		154,006,507	215,995,796
Less: Current portion of musharaka finances	7.1 & 7.2	(134,503,534)	(97,534,762)
		19,502,973	118,461,034

7.1 The expected profit receivable on these arrangements ranges from 11.16% to 18.01% (June 30, 2014: 11.16% to 18.88%) 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 September 1, 2020.

7.2 This includes musharaka finance amounting to Rs. 43.5 million (June 30, 2014: Rs. 43.5) million due from Equity International (Private) Limited (EIL), an associated undertaking. The above exposure is in violation of Rule 31 of the Modaraba Companies and Modaraba Rules, 1981 according to which no loan or contribution shall be made by the Modaraba to any associated undertakings of the Modaraba. However, EIL has offered to settle its outstanding loan against the Diminishing Musharaka based Term Finance Certificates (TFCs) of the Modaraba, amounting to Rs. 42.215 million held by them, after taking necessary measures as per Trust Deed of the Modaraba.

	Note	(Un-audited) December 31, 2014	(Audited) June 30, 2014
		---------- (Rupees) ----------	
8 SHORT-TERM INVESTMENTS			
Held-for-trading			
Listed ordinary shares	8.1	104,214,927	66,200,109
Available-for-sale			
Listed ordinary shares	8.2	103,326,545	87,636,125
Unlisted ordinary shares	8.3	209,007,335	209,007,335
Unlisted debt securities		131,184,086	130,919,792
		443,517,966	427,563,252
Less: provision for diminution in value of investments		(38,224,101)	(38,224,101)
		509,508,792	455,539,260

8.1 Held-for-trading: Listed Ordinary shares

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

Number of shares			(Un-audited)	(Audited)
December 31, 2014	June 30, 2014	Name of investee	December 31, 2014	June 30, 2014
			---------- (Rupees) ----------	
		Personal goods		
-	-	BATA Pakistan Limited		4
2,000	2,000	Packages Limited	1,356,580	1,003,140
-	38,000	Pakgen Power Limited	-	685,520
		Construction and materials		
3,500	22,500	D.G. Khan Cement Company Limited	386,855	1,979,097
25,200	-	Cherat Cement Limited	1,730,736	-
9,200	8,000	Lucky Cement Limited	4,602,576	3,282,400
7,000	-	Maple Leaf Cement Factory Limited	309,750	-
		Electricity		
131,746	228,246	K-Electric Limited	1,214,698	1,937,802
20,000	-	Pakgen Power Limited	540,600	-
5,000	-	The Hub Power Company Limited	391,800	-
		Oil and gas		
16,399	14,199	Attock Refinery Limited	3,079,240	3,014,305
3,961	6,750	Mari Petroleum Company Limited	1,883,257	2,520,654
25,750	18,850	National Refinery Limited	4,759,888	4,059,728
60,520	31,520	Pakistan Petroleum Limited	10,682,931	7,071,197
3,000	2,000	Pakistan State Oil Limited	1,073,730	777,699
		Multiutilities (Gas and Water)		
75,108	85,108	Sui Northern Gas Pipelines Limited	2,156,351	1,927,697
		Automobile and parts		
9,800	11,800	Indus Motor Company Limited	8,627,136	6,347,458
19,500	23,500	Agriauto Industries Limited	2,925,000	2,267,750
33,000	33,000	Sazgar Engineering Works Limited	1,122,660	1,155,000
-	500	Pak Suzuki Motor Company Limited	-	136,945
		Chemicals		
125,000	50,000	Fauji Fertilizer Bin Qasim Limited	5,651,250	1,988,500
60,700	47,000	Fauji Fertilizer Company Limited	7,108,577	5,275,750
14,547	9,347	ICI Pakistan Limited	6,727,406	3,648,872
2,100	-	Sitara Chemical Industries Limited	664,356	-

Number of shares			(Un-audited)	(Audited)
December 31, 2014	June 30, 2014	Name of investee	December 31, 2014	June 30, 2014
			---------- (Rupees) ----------	
10,000	10,000	Sitara Peroxide Limited	137,400	135,900
575,000	550,000	Lotte Pakistan PTA Limited	3,944,500	3,954,501
1,000	1,000	Wah-Nobel Chemical Limited	62,500	70,000
14,100	13,100	Linde Pakistan Limited	2,925,468	2,206,040
		Engineering		
4,720	2,420	Millat Tractors Limited	3,053,180	1,207,895
31,500	32,000	K.S.B Pumps Company Limited	4,823,910	2,662,080
		Industrial Transportation		
4,000	4,500	Pakistan National Shipping Corporation Limited	641,400	320,040
100	100	Pakistan International Container Terminal Limited	30,000	28,602
		Fixed Line Tele Communications		
19,500	2,000	Pakistan Telecommunication Company Limited	449,085	50,939
		Food producers		
175	175	Mitchell's Fruit Farms Limited	159,600	115,500
		Cement		
30,000	5,000	Lafarge Pakistan Ltd	520,500	79,900
		Pharma and Bio Tech		
2,100	700	Abbott Laboratories (Pakistan) Limited	1,492,428	400,624
6,500	6,000	Highnoon Laboratories	1,432,990	1,016,760
43,660	-	Searle Pakistan Limited	10,558,734	-
6,700	7,000	Ferozsons Laboratories	3,827,777	1,613,289
		General Industries		
1,420	1,400	Siemens Pakistan Company Engineering Limited	1,582,718	1,759,800
		Commercial Banks		
160,791	152,000	BankIslami Pakistan Limited	1,577,360	1,498,721
			104,214,927	66,200,109

8.2 Available-for-sale: Listed Ordinary shares

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

Number of shares				(Un-audited)	(Audited)
December 31, 2014	June 30, 2014	Name of investee		December 31, 2014	June 30, 2014
				(Rupees)	
		Oil and gas			
11,150	11,150	Mari Petroleum Company Limited		5,301,268	4,163,747
30,000	30,000	Pakistan Refinery Limited		4,882,500	4,852,500
10,396	10,396	Pakistan State Oil Company Limited		3,720,832	4,042,484
12,562	15,062	Shell Pakistan Limited		3,252,051	4,161,330
		Chemicals			
49,852	49,852	Linde Pakistan Limited		10,343,293	8,395,077
65,769	65,769	Fauji Fertilizer Company Limited		7,702,208	7,382,571
14,199	14,999	Sitara Chemical Industries Limited		4,491,996	4,210,002
		Construction and materials			
90	90	Maple Leaf Cement Factory Limited		3,983	2,704
		Engineering			
56,000	56,000	KSB Pumps Company Limited		8,575,840	4,658,640
		Industrial transportation			
1,000	1,000	Pakistan International Container Terminal Limited		300,000	286,000
5,000	5,000	Pakistan National Shipping Corporation		801,750	355,600
		Pharma and bio tech			
42,576	42,576	Abbott Laboratories (Pakistan) Limited		30,257,910	24,367,096
32,165	32,165	GlaxoSmithKline Pakistan Limited		7,054,106	5,340,355
564	564	Highnoon Laboratories Limited		124,339	95,574
		Electricity			
5,100	5,100	The Hub Power Company Limited		399,636	299,574
		Gas water and Multiutilities			
39,660	39,660	Sui Northern Gas Pipelines Limited		1,138,637	898,299
		Financial services			
1,935,506	1,935,506	Dawood Capital Management Limited - a related party	8.2.1	4,722,635	3,871,011
3,339,922	3,339,922	First Dawood Investment Bank Limited - a related party (fully provided)	8.2.1	10,253,561	10,253,561
				103,326,545	87,636,125

8.2.1 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.

			(Un-audited) December 31, 2014	(Audited) June 30, 2014
			---------- (Rupees) ----------	

8.3 Available-for-sale: Investment in unlisted Ordinary shares.

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

1,912,344	956,172	Systems Limited - a related party	9,999,990	9,999,990
10,160,000	10,160,000	Burj Bank Limited -Net 8.3.1	94,661,315	94,661,315
7,400,000	7,400,000	Dawood Family Takaful Limited - 8.3.2 & 8.3.3	74,000,000	74,000,000
3,034,603	3,034,603	Islamabad Stock Exchange Limited - 8.3.4	30,346,030	30,346,030
			209,007,335	209,007,335

8.3.1 As at December 31, 2014, the Modaraba's exposure in the shares of Burj Bank Limited exceeded the limit of 5% of the equity of the Modaraba. The Modaraba has obtained relaxation from the SECP for the above investment and as per the letter from SECP dated November 07, 2007, the Modaraba's exposure in Burj Bank Limited should not exceed 10% of the equity of Modaraba as at June 30, 2007 which amounted to Rs. 1,635.141 million.

8.3.2 The above exposure exceeds the limit of 5% of the equity of the Modaraba amounting to Rs. 40.158 million, as prescribed by the prudential regulations for Modaraba, for investment in shares of unlisted companies.

8.3.3 The breakup value of investment in shares of Dawood Family Takaful (DFTL) is Rs. 50.753 million (as per latest audited accounts dated December 31, 2012) where as the cost of investment in shares of DFTL is Rs. 74 million. Since the embedded value of the shares of DFTL is Rs. 10.25 as per latest actuarial valuation which is higher than its par value, therefore impairment loss of Rs. 23.247 million has not been recorded.

8.3.4 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 as per their latest available audited financial statements for the year ended June 30,2014 is Rs. 10.78 per share which is greater than the par value of Rs.10 of ISE's shares. Accordingly, during the year investment in shares of KSE has been revalued at par value of Rs.10 each as at the balance sheet date and the resulting surplus on revaluation amounting to Rs 22.596 million has been 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.

8.4 Available-for-sale: Investment in listed sukuk

Number of certificates			(Un-audited) December 31, 2014	(Audited) June 30, 2014
December 31, 2014	June 30, 2014	Name of investee	---------- (Rupees) ----------	
		SUKUK		
3,925	3,925	Maple Leaf Cement Factory Limited	8,818,152	12,899,053
20,000	20,000	Al Razi Health Care (Private) Limited	70,666,674	77,333,339
4,000	4,000	K- Electric Sukuk-2	20,700,000	20,590,000
4,000	4,000	K- Electric Sukuk-3	20,999,260	20,097,400
5	-	Al Baraka Bank (Pakistan) Ltd.	10,000,000	-
			131,184,086	130,919,792

9 ACCRUED PROFIT

	(Un-audited) December 31, 2014	(Audited) June 30, 2014
	---------- (Rupees) ----------	
Accrued profit on:		
PLS savings accounts	1,774,205	1,431,483
Debt securities	2,420,675	1,862,781
Musharaka finances	13,209,332	11,526,501
	17,404,212	14,820,765

10 OTHER RECEIVABLES

		(Un-audited) December 31, 2014	(Audited) June 30, 2014
		---------- (Rupees) ----------	
Dividend receivable - unsecured - considered good		60,248	60,248
Receivable against First Dawood Mutual Fund and Dawood Islamic Fund - related parties	10.1	6,006,404	6,006,404
Receivable from National Clearing Company of Pakistan Limited		534,236	13,380,001
Rent receivable - unsecured, considered good		554,718	398,866
Other receivable		67,183	57,326
		7,222,789	19,902,845

	Note	(Un-audited) December 31, 2014	(Audited) June 30, 2014
		---------- (Rupees) ----------	
Receivable from ex-employees - unsecured, considered doubtful		51,274,920	51,274,920
Less: Provision for doubtful receivables		(51,274,920)	(51,274,920)
		-	-
		7,222,789	19,902,845

10.1 First Dawood Mutual Fund and Dawood Islamic Fund, were revoked on March 22, 2013 as per SECP`s directive. Subsequent to the balance sheet date, the order passed by SECP has been set aside by the Appellate Bench. Management is awaiting further information in relation to these balances.

	Note	(Un-audited) December 31, 2014	(Audited) June 30, 2014
		---------- (Rupees) ----------	
11 CASH AND BANK BALANCES			
Cash in hand		186,158	208,214
Cash with State Bank of Pakistan - current account		40	40
Cash with banks in:			
PLS savings accounts	11.1	56,474,597	65,094,924
Current accounts		2,919,922	4,198,267
		59,580,717	69,501,445

11.1 These carry mark-up at the rate ranging from 5% to 8% (June 30, 2014: 6% to 9.02.%) per annum.

12 DIMINISHING MUSHARAKA BASED TERM FINANCE CERTIFICATES (TFC's)			
Diminishing musharaka based Term Finance Certificates (TFCs)		521,485,000	554,519,375
Less: Current maturity			
Current portion		(171,953,125)	(171,953,125)
Overdue principal		(53,419,250)	-
		(225,372,375)	(171,953,125)
	12.1 & 12.2	296,112,625	382,566,250

12.1 The above TFCs represent privately placed instruments in the form of Diminishing 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 semiannual period. The TFC was restructured during 2011.

12.2 During the prior year, the Modaraba has entered into settlement agreement as per clause 9 of Modaraba's Sukuk Master Restructuring / Settlement Agreement dated April 15, 2011, with Bank of Khyber (BOK) according to which both Modaraba and BOK have agreed to settle BOK's investment of 20,000 units of Modaraba's Sukuk against 7th floor of BRR Tower at a rate of Rs. 11,000 per square feet. BOK would pay cash over and above the settlement value of Sukuk's outstanding amount to the Modaraba in accordance with restructuring agreement. In this regard, No Objection Certificates (NOC) from majority Sukuk holders (approximately 52%) to proceed with the captioned transaction have been obtained which has been confirmed by the Bank Alfalah Limited, Trustee of Modaraba's Sukuk, vide their letter dated February 25, 2014. However, the above transaction has not been recorded in the books of the Modaraba as the Registrar Modaraba under section 18A of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 had directed the management 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 his approval. The Modaraba has received approval vide letter dated November 12, 2014 pending two conditions for approval of transaction:

1 The proposed transaction shall be for the exclusive purpose of settlement of outstanding 20,000 TFC's issued by the Modaraba, valuing Rs. 83.058 million (Principal and Profit).

2 The Modaraba Company shall provide the evidence of the receipt of the amount of Rs. 39.998 million from Bank Of Khyber in cash as the value of the 7th Floor of BRR Tower over and above the amount of TFC's.

As the second condition has not yet been complied with, the settlement transaction has not been recorded in the books of the Modaraba.

	Note	(Un-audited) December 31, 2014	(Audited) June 30, 2014
		---------- (Rupees) ----------	
13 MURABAHA, MUSHARAKA AND FINANCE UNDER MARK-UP ARRANGEMENTS			
Murabaha arrangements	13.1	152,500,000	152,500,000
Musharaka arrangements	13.2	163,600,000	192,550,000
Mark-up arrangements			
Running finance	13.1	49,649,098	49,649,098
		365,749,098	394,699,098
Less: Long-term portion of musharaka arrangements		28,950,000	28,950,000
		336,799,098	365,749,098

13.1 The Modaraba has 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 initially defaulted on its obligation towards the commercial bank on its respective 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 ranging from 11.64% to 12.46% (June 30, 2014: 11.28% to 14.24%) per annum. The arrangements are secured by way of hypothecation of the leased assets and future rentals receivable.

13.2 The Modaraba has entered into Musharaka agreements with the commercial banks / financial institutions and other companies. These Musharaka arrangements are on profit sharing basis and payable upto December 28, 2014. Estimated rate of profit on Musharaka arrangement ranges from 10.5% to 12% (June 30, 2014: 8.98% to 16%) per annum.

	(Un-audited) December 31, 2014	(Un-audited) December 31, 2013
	---------- (Rupees) ----------	
14 CREDITORS, ACCRUED AND OTHER LIABILITIES		
Modaraba management fee payable	-	4,784,370
Sales tax on Modaraba management fee payable	1,751,921	1,751,921
Provision for Workers' Welfare Fund	2,314,313	2,314,313
Accrued liabilities	524,773	4,890,318
Rentals received in advance		
Lease	-	-
Lockers	21,026,555	17,157,667
Properties	23,121,627	21,796,880
Charity payable	44,686	107,569
Due to associated company	-	-
Others	39,334,180	33,642,586
	88,118,055	86,445,624

15 COMMITMENTS

Commitments for capital expenditure in respect of B.R.R Tower amounted to Rs. nil (June 30, 2014: Rs. 48.700) million.

	(Un-audited) December 31, 2014	(Un-audited) December 31, 2013
	---------- (Rupees) ----------	
16 RETURN ON INVESTMENTS - NET		
Dividend income	5,654,446	2,497,970
Surplus on revaluation of investment - held-for-trading	10,735,265	7,439,744
Profit on term finance certificates	7,595,868	6,091,970
Gain on sale of investments	5,323,464	4,302,567
	29,309,043	20,332,251
17 OTHER INCOME		
Gain on disposal of property,	-	
Plant and equipment - Ijarah / leased	320,543	29
Gain on disposal of property and equipment - owned	282,454	219,049
Liabilities no longer required written back	-	1,684,668
Others	1,361,266	2,786,515
	1,964,263	4,690,261
18 REVERSAL OF PROVISION FOR DOUBTFUL RECEIVABLES - NET		
Provision on Musharaka	(5,876,754)	(3,890,082)
Provision on Ijarah	(297,076)	-
Reversal of provision on Musharaka	312,978	27,174,895
Reversal of provision on lease receivables	648,446	205,000
	(5,212,406)	23,489,813

19 FAIR VALUE HIERARCHY

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

Level 1: quoted prices in active markets for identical assets.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at December 31, 2014, the Modaraba held the following financial instruments measured at fair value:

	December 31, 2014			
	Level 1	Level 2	Level 3	Total
	---------- (Rupees) ----------			
Investments at fair value through profit or loss - held-for-trading				
Listed ordinary shares	104,214,927	-	-	104,214,927
Available-for-sale investments				
Listed ordinary shares - Net	103,326,545	-	-	103,326,545
Unlisted ordinary shares	-	-	209,007,335	209,007,335
Debt securities	-	-	131,184,086	131,184,086
	207,541,472	-	340,191,421	547,732,893

As at June 30, 2014, the Modaraba held the following financial instruments measured at fair value:

	June 30, 2014			
	Level 1	Level 2	Level 3	Total
	---------- (Rupees) ----------			
Investments at fair value through profit or loss - held-for-trading				
- Listed Ordinary shares	66,200,109	-	-	66,200,109
Available-for-sale investments				
Listed Ordinary shares - Net	87,636,125	-	-	87,636,125
Unlisted Ordinary shares	-	-	209,007,335	209,007,335
Debt securities	-	-	130,919,792	130,919,792
	153,836,234	-	339,927,127	493,763,361

During the half year ended December 31, 2014, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

20 TAXATION

As per the Second Schedule to the Income Tax Ordinance, 2001, the income of a non-trading modaraba is exempt from income tax provided that it distributes 90% of its profits to its certificate holders for the year after making appropriation for statutory reserves. The Modaraba intends to avail this exemption by distributing 90% of its profits to its certificate holders after making appropriation for statutory reserves. Accordingly, no provision in respect of current and deferred tax has been made in this condensed interim financial information.

21 RELATED PARTY TRANSACTIONS

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.

Relationship with the Company	Nature of transactions	(Un-audited) December 31, 2014	(Un-audited) December 31, 2013
		---------- (Rupees) ----------	
Management Company			
BRR Investments (Private) Limited	Management fee accrued	-	1,749,680
	Rent received	150,000	862,560
			-
Associated undertakings			
First Dawood Investment Bank Limited	Rent received	426,900	1,000,800
First Dawood Investment Bank Limited	Share of common expenses	825,282	1,199,856
First Dawood Investment Bank Limited	Share of common expenses paid	-	611,005
Crescent Standard Modaraba	Share of common expenses received	264,093	298,950
Crescent Standard Modaraba	Share of common expenses paid	-	37,294
Dawood Islamic Fund	Receivables against investment	6,006,400	6,006,400
Provident Fund	Transfer to provident fund	935,550	820,334
Provident Fund	Principal paid against investment in SUKUK	734,422	1,869,438
Provident Fund	Profit paid against investment in SUKUK	658,310	1,250,495

		(Un-audited) December 31, 2014	(Un-audited) December 31, 2013
		---------- (Rupees) ----------	
Equity International (Private) Limited	Profit accrued on musharaka	2,627,400	2,627,400
Equity International (Private) Limited	Principal payable against investment in SUKUK	15,671,875	8,112,500
Equity International (Private) Limited	Profit payable against investment in SUKUK	14,631,365	7,164,099
Dawood Family Takaful Ltd	Rental Received	288,446	710,329
Dawood Family Takaful Ltd	Rent received against properties	2,162,814	2,735,966
Dawood Family Takaful Ltd	Group Life Insurance paid	112,208	122,420
Dawood Family Takaful Ltd	Principal paid against investment in SUKUK	8,660,938	10,543,750
Dawood Family Takaful Ltd	Profit paid against investment in SUKUK	7,356,539	7,052,881
Dawood Equities Limited	Brokerage and commission	159,721	96,532
Dawood Equities Limited	Rent received against property	33,000	66,000
Dawood Equities Limited	Rent Received in advance property	33,000	11,000
Dawood Global Foundation	Charity paid	102,569	1,450,477
Hamida Dawood	Principal paid against investment in SUKUK	635,938	1,618,750
Hamida Dawood	Profit paid against investment in SUKUK	570,032	1,082,807
GlaxoSmithKline Pakistan Limited	Bonus shares fractional received	-	65

21.1 Group shared services

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

22 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 26, 2015 by the Board of Directors of B.R.R. Investments (Private) Limited.

23 GENERAL

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

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

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

Rafique Dawood	Ayaz Dawood	Syed Ali Raza
Chairman	Chief Executive Officer	Director

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