

**Un-Audited
Standalone & Consolidated
Condensed Interim Financial Information
For The Half Year Ended
December 31, 2016**

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B.R.R. TOWER



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

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

2016



B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

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B.R.R. Investment (Private) Limited

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B.R.R. Guardian Modaraba

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B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

Managed by:

B.R.R. Investment (Private) Limited

CORPORATE INFORMATION

Modaraba Company	B.R.R. Investment (Private) Limited
Chairman	Mr. Rafique Dawood
Chief Executive	Mr. Ayaz Dawood
Directors	Mr. Waqas Anwar Qureshi - Director Syed Ali Raza - Director
Audit Committee	Mr. Waqas Anwar Qureshi - Chairman Mr. Rafique Dawood - Member Syed Ali Raza - Member
HR and Remuneration Committee	Syed Ali Raza - Chairman Mr. Rafique Dawood - Member Mr. Waqas Anwar Qureshi - Member
Shariah Advisor	Mufti 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 & Maliks Law Associates
Bankers	Al-Baraka Bank (Pakistan) Limited Habib Metropolitan Bank Limited National Bank of Pakistan
Web-site	www.firstdawood.com/brr
Registered Office & Head Office	18th Floor, B.R.R. Tower Hassan Ali Street off. I.I. Chundrigar Road, Karachi-74000 PABX : 92-21-32602401-06 Fax : 92-21-3227-1912
Registrars	F.D. Registrar Services (SMC-Pvt.) Ltd. 1705, 17th Floor, Saima Trade Tower "A" I.I. Chundrigar Road, Karachi-74000 Phone # 92-21-35478192-3 # 92-21-32271905-6 Fax # 92-21-32213243
Branch Offices	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



DIRECTORS' REPORT

Dear Certificate holders,

The Board of Directors of B.R.R. Investment (Private) Limited, Manager of B.R.R. Guardian Modaraba (BRRGM), take pleasure in presenting the 2nd Quarter Financial statement of the Modaraba for the six months ended December 31, 2016.

Operations and performance

Financial highlights	December 31, 2016	December 31, 2015	% age increase
 Rupees.....		
Total Income	205,715,486	147,505,739	+39.46
Total Expenses	110,887,642	110,377,774	+0.46
Profit After Management Fee & WWF	82,337,120	32,237,469	+155.41
Earning per certificate	1.05	0.41	+156.10
Certificate Holder's Equity	1,189,268,887	1,035,736,931	+14.82
Breakup value - per certificate	15.24	13.27	+14.85

During the six months period under review the Modaraba has earned an operating profit of Rs. 82.337 million, as compared with Rs. 32.237 million profit in the same period last year showing an increase of 155.41%.

The Certificate Holders' Equity of Modaraba stands at Rs 1.189 billion as compared to Rs 1.036 million in the same period last year which shows an increase of 14.85% after payment of cash dividends. The breakup value per certificate comes to Rs 15.24 as compared to Rs 13.27 same period last year.

Pursuant to approval from S.E.C.P, the Modaraba incorporated a wholly owned subsidiary, B.R.R. Financial Services (Private) Limited during November 2015, which has not yet commenced operations. The principal business activity of the subsidiary is to render brokerage service in capital and money market and to render other consultancy services etc.

Auditors' Observations

The audit observations are the same as mentioned in financial statement of June 30, 2016.

Authorized Fund

The authorized fund of the Modaraba has increased from Rs. 870 million to Rs. 1.15 billion (each modaraba certificate of Rs. 10/-) on approval of Deputy Director Specialized Companies Division (Modaraba Wing) dated January 20, 2017 which will be reflected in our March accounts.

CONCLUSION & APPRECIATION:

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

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

Karachi: February 24, 2017

Rafique Dawood
Chairman



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

بی.آر.آر. گارجین مڈارباہ ڈائریکٹرز کی رپورٹ

محترم سرٹیفکیٹ ہولڈرز،

بی.آر.آر. انویسٹمنٹ (پرائیویٹ) لمیٹڈ ("بی.آر.آر. آئی") کے بورڈ آف ڈائریکٹرز، بی.آر.آر. گارجین مڈارباہ (بی.آر.آر. جی ایم) کے ناظم کی حیثیت سے دسمبر 31، 2016 کو ختم ہونے والی دوسری سہ ماہی اور ششماہی کے مالیاتی حسابات پیش کرتے ہوئے بے حد مسرت محسوس کر رہے ہیں۔

آپریشن اور کارکردگی

مالیاتی جھلکیاں	دسمبر 31، 2016	دسمبر 31، 2015	شرح فیصد میں اضافہ
	پاکستانی روپے میں		
کل آمدنی	205,715,486	147,505,739	+39.46
کل اخراجات	110,887,642	110,377,774	+0.46
منافع بعد از انتظامیہ کی فیس اور ڈیویڈنڈ بلایف	82,337,120	32,237,469	+155.41
نفع فی سرٹیفکیٹ	1.05	0.41	+156.10
سرٹیفکیٹ ہولڈرز کی ایکٹیوٹی	1,189,268,887	1,035,736,931	+14.82
بریک اپ ویلیو فی سرٹیفکیٹ	15.24	13.27	+14.85

آپ کے مڈارباہ نے پچھلے سال کی اسی ششماہی کے 32.237 ملین روپے کے منافع کے مقابلے میں اس سال کی ششماہی میں 82.337 ملین روپے کا منافع کمایا ہے جو کہ 155.41 فیصد اضافہ ہے۔ مڈارباہ کے سرٹیفکیٹ ہولڈرز کی ایکٹیوٹی نقد ڈیویڈنڈ کی ادائیگی کے بعد 14.85 فیصد اضافے کے ساتھ 1.189 ملین روپے پر کھڑی ہے جو کہ گزشتہ سال کے تقابلی مدت میں 1.036 ملین روپے تھی۔ بریک اپ ویلیو فی سرٹیفکیٹ 15.24 روپے ہے جو کہ گزشتہ سال کے تقابلی مدت میں 13.27 روپے تھی۔

ایس ای، بی، پی، سے منظوری کے مطابق مڈارباہ نے نومبر 2015 میں ایک مکمل ملکیتی ذیلی کمپنی تشکیل دی ہے جس نے ابھی تک کام شروع نہیں کیا ہے۔ ذیلی کمپنی کی بنیادی کاروباری سرگرمی کمپنل اور منی مارکیٹ میں بروکریج کی خدمات اور دیگر مشاورتی خدمات فراہم کرنا ہے۔

آڈیٹرز کے مشاہدات

آڈٹ کے مشاہدات وہی ہیں جن کا ذکر جون 30، 2016 کے مالیاتی حسابات میں کیا گیا ہے۔

مجاز فنڈ

ذیلی ڈائریکٹرز ڈویژن برائے خصوصی کمپنیز (مڈارباہ ونک) کی منظوری پر مڈارباہ کا مجاز فنڈ 870 ملین روپے سے بڑھ کے 1.15 ملین روپے ہو گیا ہے جو کہ ہمارے مارچ کے مالیاتی حسابات میں پیش کیا جائیگا۔

اختصاصی کلمات اور اظہار تشکر

ہم فی الحال ملک کے اندر حالیہ کاروباری حالات کو دیکھ رہے ہیں اور اپنی رسک منجمنٹ کی حکمت عملی کو مضبوط بنا رہے ہیں۔ مستقبل کی ترقی کے ساتھ اثاثوں کے معیار کو یقینی بنانے کے لئے ہم ایک مختلط نقطہ نظر سے چل رہے ہیں۔ ہمارا ہدف اپنے موجودہ کاروبار میں منافع بخش ترقی کے ساتھ اپنے سرٹیفکیٹ ہولڈرز کی قدر میں اضافہ کرنا ہے۔

از طرف بورڈ آف ڈائریکٹرز

بی.آر.آر. انویسٹمنٹ (پرائیویٹ) لمیٹڈ

مورخہ فروری 24، 2017

کراچی

رفیق داؤد

چیئرمین



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Pakistan

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, 2016 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 for interim financial reporting. 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the half year ended December 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

Without modifying our conclusion, we draw attention to:

- (i) note 5.2 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.

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.



- (ii) note 14.1 to the condensed interim financial information 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.
- (iii) note 19.1 to the condensed interim financial information which provide details in respect of Musharaka settlement during the period.

Other matter

The figures for the quarter ended December 31, 2016 and December 31, 2015 in the condensed interim profit and loss account and condensed interim information of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: February 24, 2017

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, 2016

		(Un-audited) December 31, 2016 Rupees	(Audited) June 30, 2016 Rupees
Note			
ASSETS			
NON-CURRENT ASSETS			
	Property, plant and equipment	5 180,940,421	193,785,743
	Investment properties	6 1,104,807,532	1,122,283,049
	Long term investment	7 1,000,000	-
	Long-term portion of musharaka finances	8 1,127,163	1,349,702
	Long-term loans and deposits	9,992,622	17,588,760
		1,297,867,738	1,335,007,254
CURRENT ASSETS			
	Short-term investments	9 667,594,111	611,784,936
	Current portion of musharaka finances	8 491,413	35,532,855
	Ijarah / lease rental receivable	295,031	84,020
	Loans, deposits, advances and prepayments	15,833,398	6,675,317
	Accrued profit	10 528,677	1,597,773
	Other receivables	11 8,586,940	12,327,208
	Taxation	4,879,439	4,323,128
	Cash and bank balances	12 87,735,255	15,153,463
		785,944,264	687,478,700
	Non current assets held for sale	13 55,800,000	55,800,000
		841,744,264	743,278,700
	TOTAL CURRENT ASSETS	2,139,612,002	2,078,285,954
TOTAL ASSETS			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
	Authorized capital		
	87,000,000 (June 30, 2016: 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
	Reserves	117,428,339	56,163,708
	Surplus on revaluation of investment	291,377,998	219,972,192
		1,189,268,887	1,056,598,450
LIABILITIES			
NON-CURRENT LIABILITIES			
	Diminishing musharaka based Term Finance Certificates	14 126,849,998	177,850,003
	Long-term security deposits	89,355,976	90,197,976
	TOTAL NON-CURRENT LIABILITIES	216,205,974	268,047,979
CURRENT LIABILITIES			
	Current portion of murabaha, musharaka and finance under mark-up arrangements	15 312,149,098	312,149,098
	Current portion of diminishing musharaka based Term Finance Certificates	14 96,000,000	98,641,969
	Current portion of security deposits	3,729,750	4,626,100
	Creditors, accrued and other liabilities	16 83,285,980	74,461,337
	Accrued profit on borrowings	213,683,609	240,008,423
	Profit distribution payable	25,288,704	23,752,598
	TOTAL CURRENT LIABILITIES	734,137,141	753,639,525
	TOTAL EQUITY AND LIABILITIES	2,139,612,002	2,078,285,954
CONTINGENCIES AND COMMITMENTS			

The annexed notes from 1 to 26 form an integral part of this condensed interim financial information.

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director



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

**Condensed Interim Profit And Loss Account
For The Half Year And Quarter Ended December 31, 2016
(Un-Audited)**

	Half year ended		Quarter ended	
	December 31,	December 31,	December 31,	December 31,
	2016	2015	2016	2015
Note	----- (Rupees) -----			
INCOME				
Rental income	83,487,541	62,814,307	44,925,668	37,720,396
Ijarah / lease rentals	14,158,070	18,628,456	7,128,382	8,771,944
Income on musharaka finances	4,016,154	1,953,394	3,856,698	986,159
Return on investments - net	41,685,698	27,072,018	32,227,204	15,310,893
Profit on bank balances	718,931	1,175,643	468,221	81,274
Unrealised gain / (loss) on revaluation of held for trading investment	41,010,565	(2,217,472)	24,954,964	5,214,539
Reversal for doubtful receivables	12,026,335	386,698	12,026,335	111,698
Other income	8,612,192	37,692,695	4,829,444	28,269,097
	205,715,486	147,505,739	130,416,916	96,466,000
EXPENSES				
Amortization on ijarah assets	12,452,666	15,353,084	6,154,329	7,991,105
Impairment loss on available-for-sale investment	-	4,722,634	-	4,722,634
Administrative expenses	81,194,828	71,384,463	42,735,116	38,940,012
Financial charges	17,240,149	18,917,593	7,561,849	8,846,076
	110,887,642	110,377,774	56,451,293	60,499,827
	94,827,844	37,127,965	73,965,623	35,966,173
Modaraba management company's fee	9,482,784	3,712,796	7,396,562	3,596,617
Sales tax on modaraba management company's fee	1,327,590	519,792	1,035,519	503,527
Provision for Workers' Welfare Fund	1,680,349	657,908	1,310,670	637,321
Profit before taxation	82,337,120	32,237,469	64,222,871	31,228,708
Provision for taxation	-	-	-	-
Net profit for the period	82,337,120	32,237,469	64,222,871	31,228,708
Earnings per certificate - basic and diluted	1.05	0.41	0.82	0.40

The annexed notes from 1 to 26 form an integral part of this condensed interim financial information.

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director



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

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For The Half Year And Quarter Ended December 31, 2016
(Un-Audited)

	Half year ended		Quarter ended	
	December 31,	December 31,	December 31,	December 31,
	2016	2015	2016	2015
	(Rupees)			
Profit for the period	82,337,120	32,237,469	64,222,871	31,228,708
Other comprehensive income for the period				
Items that will be subsequently reclassified to profit or loss:				
Unrealized gain on revaluation of available-for-sale investments - net	71,405,806	43,974,848	33,166,909	487,371
Total comprehensive income for the period	153,742,926	76,212,317	97,389,780	31,716,079

The annexed notes from 1 to 26 form an integral part of this condensed interim financial information.

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director



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

Condensed Interim Statement of Cash Flows
For The Half Year Ended December 31, 2016
(Un-Audited)

	Half year ended	
	December 31, 2016	December 31, 2015
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	82,337,120	32,237,469
Adjustments for:		
Adjustment of non-cash and other items		
Depreciation	22,164,005	21,447,021
Amortization	12,452,666	15,353,084
Provision for doubtful receivables - net	(12,026,335)	(275,000)
Unrealized gain on revaluation of held-for-trading investment	(41,010,565)	-
(Loss) / gain on disposal of property, plant and equipment - leased	(402,429)	275,159
Profit on disposal of property and equipment - owned	(4,399)	(1,324,725)
Profit on musharaka, murabaha and finance under mark-up arrangements	17,235,473	18,908,855
Return on investments - net	(41,685,698)	(27,009,315)
	(43,277,282)	27,375,079
	39,059,838	59,612,548
Decrease / (increase) in current assets		
Ijarah/lease rentals receivable	(211,011)	960,250
Loans, advances and prepayments	(1,561,943)	20,374,519
Accrued profit	1,069,096	5,890,194
Other receivables	3,740,268	12,814,651
	3,036,409	40,039,614
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	7,127,782	(51,443,902)
Rent received in advance	1,696,861	3,674,515
Customers' security deposit	(1,738,350)	4,493,597
	7,086,293	(43,275,790)
Income tax paid	(556,311)	(1,301,346)
Net cash generated from operating activities	48,626,229	55,075,026
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments-net	55,734,094	38,172,661
Income received on investments	41,685,698	27,297,350
Musharaka and murabaha finances	47,290,316	20,076,671
Addition to property and equipment - owned	(7,300,270)	(6,721,401)
Addition to property, plant and equipment - leased / ijarah	(800,000)	(13,000,000)
Addition to investment property	-	(1,238,840)
Addition in long term deposit	-	(5,000)
Advance against Ijarah	-	(1,677,000)
Proceeds from disposal of property and equipment - owned	4,399	1,771,280
Proceeds from disposal of property, plant and equipment - leased / ijarah	4,079,970	2,046,853
Net cash generated from investing activities	140,694,207	66,722,574
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit paid to certificate holders	(19,536,383)	(25,453,777)
Murabaha and finance under mark-up arrangements	(53,641,974)	(75,138,394)
Financial charges paid	(43,560,288)	(35,517,079)
Net cash used in financing activities	(116,738,645)	(136,109,250)
Net increase / (decrease) in cash and cash equivalents	72,581,792	(14,311,650)
Cash and cash equivalents at the beginning of the period	15,153,463	35,267,673
Cash and cash equivalents at the end of the period	87,735,255	20,956,023

The annexed notes from 1 to 26 form an integral part of this condensed interim financial information.

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director



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

**Condensed Interim Statement of Changes In Equity
For The Half Year Ended December 31, 2016
(Un-Audited)**

	Capital reserves					
	Issued, subscribed and paid-up certificate capital	Profit prior to floatation	Statutory reserve	Surplus on revaluation of investment	Accumulated loss	Total
	(Rupees)					
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 half year ended December 31, 2015	-	-	-	-	32,237,469	32,237,469
Other comprehensive income	-	-	-	43,974,848	-	43,974,848
Total comprehensive income for the period	-	-	-	43,974,848	32,237,469	76,212,317
Profit distribution for the year ended June 30, 2015 @ Re.0.405 per certificate	-	-	-	-	(31,608,733)	(31,608,733)
Balance as at December 31, 2015	780,462,550	10,532,683	595,569,357	213,591,184	(564,418,843)	1,035,736,931
Profit for the half year ended June 30, 2016	-	-	-	-	14,480,511	14,480,511
Other comprehensive income	-	-	-	6,381,008	-	6,381,008
Total comprehensive income for the period	-	-	-	6,381,008	14,480,511	20,861,519
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
Profit for the half year ended December 31, 2016	-	-	-	-	82,337,120	82,337,120
Other comprehensive income	-	-	-	71,405,806	-	71,405,806
Total comprehensive income for the period	-	-	-	71,405,806	82,337,120	153,742,926
Profit distribution for the year ended June 30, 2016 @ Re.0.27 per certificate	-	-	-	-	(21,072,489)	(21,072,489)
Balance as at December 31, 2016	<u>780,462,550</u>	<u>10,532,683</u>	<u>618,928,347</u>	<u>291,377,998</u>	<u>(512,032,691)</u>	<u>1,189,268,887</u>

* 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 26 form an integral part of this condensed interim financial information.

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director



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Notes To The Condensed Interim Financial Information For The Half Year Ended December 31, 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 November 2015, pursuant to approval from Securities and Exchange Commission of Pakistan the Modaraba incorporated a wholly owned subsidiary namely BRR Financial Services (Private) Limited (the Company). As per the Memorandum of Association (MoA) of the Company the Modaraba has subscribed and paid for 100,000 ordinary shares of Rs. 10 each of the Company on October 31, 2016. The subsidiary has not yet commenced operations. This represents the stand alone financial statements of the Modaraba.

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, 2016 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, 2016.

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, 2016 and December 31, 2015, 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, 2016.

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 except for certain disclosure requirements in accordance with IFRS 13: Fair Value Measurement.



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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, 2016.

		(Un-audited) December 31, 2016	(Audited) June 30, 2016
	Note	----- (Rupees) -----	
5 PROPERTY, PLANT AND EQUIPMENT			
Property and equipment - owned	5.1 & 5.2	102,052,197	99,440,410
Property, plant and equipment - leased / ijarah	5.3	78,888,224	94,345,333
		180,940,421	193,785,743

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, 2016	(Audited) June 30, 2016	(Un-audited) December 31, 2016	(Audited) June 30, 2016
	----- (Rupees) -----		----- (Rupees) -----	
Building on leasehold land	-	3,000,000	-	-
Vehicles	6,327,400	7,836,900	-	5,028,766
Office equipment and appliances	972,870	1,731,238	44,000	6,203,331
	<u>7,300,270</u>	<u>12,568,138</u>	<u>44,000</u>	<u>11,232,097</u>

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, 2016	(Audited) June 30, 2016	(Un-audited) December 31, 2016	(Audited) June 30, 2016
	----- (Rupees) -----		----- (Rupees) -----	
Plant and machinery	-	-	-	39,380,713
Vehicles	800,000	16,334,500	16,860,000	24,297,717
Office equipment and appliances	-	-	-	-
	<u>800,000</u>	<u>16,334,500</u>	<u>16,860,000</u>	<u>63,678,430</u>



		(Un-audited) December 31, 2016	(Audited) June 30, 2016
	Note	----- (Rupees) -----	
6 INVESTMENT PROPERTIES			
Investment properties	6.1	1,038,387,532	1,055,863,049
Capital work-in-progress	6.2	66,420,000	66,420,000
		1,104,807,532	1,122,283,049

6.1 Investment properties

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

	Additions / Transfer	
	(Un-audited) December 31, 2016	(Audited) June 30, 2016
	----- (Rupees) -----	
Building on leased hold land (BRR Tower)	-	1,238,840
	(Un-audited) December 31, 2016	(Audited) June 30, 2016
	----- (Rupees) -----	

6.2 Capital work-in-progress

Advance for office premises - Jofa Tower, Karachi	66,420,000	66,420,000
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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 LONG TERM INVESTMENTS

In unquoted wholly owned subsidiary companies - at cost
BRR Financial Services (Private) Limited
100,000 ordinary shares (2015: Nil) of Rs. 10 each

1,000,000	-
------------------	---

7.1 In prior year, in accordance with the requirement of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the Act), the Modaraba has received TREC against surrender of Stock Exchange Membership Card. 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:



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

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

Pursuant to approval from Securities and Exchange Commission of Pakistan the Modaraba has incorporated a wholly owned subsidiary, namely, BRR Financial Services (Private) Limited (the Company) on November 30, 2015. As per the Memorandum of Association (MoA) of the Company, the Modaraba has undertaken to subscribe to 100,000 ordinary shares of Rs. 10 each of the Company. During the period ended December 31, 2016, the shares have been subscribed by the Modaraba. The subsidiary has not yet commenced its operations.

The net assets of BRR Financial Services (Private) Limited based on latest audited financial statements as at June 30, 2016 amounted to Rs. 0.458 million.

		(Un-audited) December 31, 2016	(Audited) June 30, 2016
	Note	----- (Rupees) -----	
8 MUSHARAKA FINANCES			
Musharaka finances		222,691,238	269,981,554
Less: Provision for doubtful receivables	8.2	(221,072,662)	(233,098,997)
		1,618,576	36,882,557
Less: Current portion of musharaka finances		(491,413)	(35,532,855)
		1,127,163	1,349,702

- 8.1** The expected profit receivable on these arrangements ranges from 8.06% to 16.00% (June 30, 2016: 8.36% to 13.99%) per annum. The arrangements are secured by way of hypothecation of stock, mortgage of property and equipment and pledge of shares. These finances are receivable on various dates up to June 12, 2022.

8.2 Movement of provision

Opening balance		233,098,997	234,321,352
Reversals during the period / year	19	(12,026,335)	(1,222,355)
Closing balance		221,072,662	233,098,997

9 SHORT-TERM INVESTMENTS

Held-for-trading

Listed ordinary shares	9.1	182,650,187	192,803,854
------------------------	-----	--------------------	-------------

Available-for-sale

Listed ordinary shares	9.2	308,973,718	232,807,930
Unlisted ordinary shares	9.3	83,387,549	89,747,550
Unlisted debt securities	9.4	107,558,852	111,401,797
		499,920,119	433,957,277

Less: provision for diminution in value of investments		(14,976,195)	(14,976,195)
		667,594,111	611,784,936



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(Un-audited) (Audited)
December 31, June 30,
2016 2016
----- (Rupees) -----

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		Name of investee		
December 31, 2016	June 30, 2016			
		Paper and board		
-	500	Packages Limited	-	318,111
		Textile Composite		
-	43,600	Gul Ahmed Textile Mills Limited	-	1,577,883
4,649	12,649	Kohinoor Textile Mills Limited	540,214	1,012,300
7,300	8,200	Nishat Mills Limited	1,111,571	885,031
		Power Generation & Distribution		
-	4,000	Lalpir Power Limited	-	86,800
144,246	318,746	K-Electric Limited (ordinary shares of Rs. 3.5 each)	1,351,586	2,569,084
		Oil and gas Exploration		
680	4,930	Mari Petroleum Company Limited	934,938	4,477,527
49,820	64,220	Pakistan Petroleum Limited	9,375,127	9,957,310
		Oil and gas Marketing		
-	500	Pakistan State Oil Limited	-	187,730
-	15,000	Hi-Tech Lubricants Limited	-	887,549
37,108	82,108	Sui Northern Gas Pipelines Limited	3,026,899	2,979,702
		Refinery		
1,199	2,399	Attock Refinery Limited	509,935	672,055
36,350	47,150	National Refinery Limited	20,760,213	22,414,790
64,000	43,000	Byco Petroleum Pakistan Limited	1,484,800	883,220
-	183,500	Pakistan Refinery Limited	-	7,550,713
		Automobile Assembler		
-	4,780	Indus Motor Company Limited	-	4,491,004
21,000	32,500	Sazgar Engineering Works Limited	1,994,370	1,015,625
3,320	2,720	Millat Tractors Limited	3,003,472	1,551,081
		Automobile Parts and Accessories		
12,900	15,200	Agriauto Industries Limited	4,618,071	2,967,800
31,500	-	Loads Limited	1,603,666	-



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Number of shares		Name of investee	(Un-audited)	(Audited)
December 31, 2016	June 30, 2016		December 31, 2016	June 30, 2016
----- (Rupees) -----				
Fertilizer				
-	302,500	Fauji Fertilizer Bin Qasim Limited	-	16,034,714
-	43,400	Fauji Fertilizer Company Limited	-	4,978,848
Chemicals				
13,247	14,447	ICI Pakistan Limited	13,163,941	6,429,568
10,000	10,000	Sitara Peroxide Limited	320,200	181,500
1,700	1,700	Sitara Chemical Industries Limited	986,000	618,800
541,000	561,000	Lotte Pakistan PTA Limited	4,501,120	3,371,611
21,300	21,800	Linde Pakistan Limited	4,161,381	2,278,100
-	400	Archroma Pakistan Limited	-	194,940
Engineering				
22,400	25,500	K.S.B Pumps Company Limited	9,144,800	6,213,076
35,875	37,875	Crescent Steel and Allied Products Limited	5,531,208	4,340,853
-	13,500	Amreli Steel Limited	-	634,770
Transport				
3,200	3,200	Pakistan National Shipping Corporation Limited	516,416	299,840
100	100	Pakistan International Container Terminal Limited	37,990	33,652
Technology and Communication				
30,000	87,000	Pakistan Telecommunication Company Limited	515,400	1,307,609
Food & Personal Care products				
-	175	Mitchell's Fruit Farms Limited	-	51,800
96,000	91,500	Treet Corporation Limited	6,276,480	4,522,846
-	27,648	GlaxoSmithKline Consumer Healthcare Pakistan Limited	-	-
Cement				
-	10,833	Lafarge Pakistan Cement Limited	-	191,312
200	200	Cherat Cement Company Limited	34,807	23,914
-	12,000	Fauji Cement Company Limited	-	429,599
1,083	-	Bestway Cement Limited	298,811	-
3,400	3,900	Lucky Cement Limited	2,945,284	2,529,188
Pharmaceuticals				
500	700	Abbott Laboratories (Pakistan) Limited	478,545	527,801
5,923	6,830	Highnoon Laboratories Limited	3,784,797	3,936,812
3,700	4,000	Ferozsons Laboratories Limited	2,770,375	4,123,760
30,353	36,373	The Searle Company Limited	19,845,061	19,501,384
64,000	64,000	GlaxoSmithKline Pakistan Limited	14,931,200	13,255,042



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Number of shares		Name of investee	(Un-audited)	(Audited)
December 31, 2016	June 30, 2016		December 31, 2016	June 30, 2016
			----- (Rupees) -----	
		Cable and electrical goods		
-	1,420	Siemens Pakistan Company Engineering Limited	-	1,412,302
16,500	34,000	Modarba's First UDL Modaraba	581,955	663,000
215,495	215,495	Open end mutual funds Dawood Islamic Fund	29,600,803	26,915,297
29,791	99,791	Commercial Banks BankIslami Pakistan Limited	398,008	1,050,800
-	5,000	Woollen Bannu Woollen Mills Limited	-	265,801
9,000	-	Glass & Ceramics Ghani Glass Limited	1,332,000	-
6,800	-	Leather & Tanneries Service Industries Limited	10,178,743	-
			182,650,187	192,803,854

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 exploration		
10,150	11,150	Mari Petroleum Company Limited	13,955,337	10,126,654
		Oil and gas marketing		
-	7,596	Pakistan State Oil Company Limited	-	2,851,994
39,660	39,660	Sui Northern Gas Pipelines Limited	3,235,064	1,439,260
8,462	9,962	Shell Pakistan Limited	4,377,393	2,891,072
		Food & Personal Care products		
27,648	-	GlaxoSmithKline Consumer Healthcare Pakistan Limited	-	-
		Refinery		
-	185,500	Pakistan Refinery Limited	-	7,638,890
		Chemicals		
49,852	49,852	Linde Pakistan Limited	9,739,585	5,209,534
14,199	14,199	Sitara Chemical Industries Limited	8,235,420	5,168,436



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Number of shares		Name of investee	(Un-audited)	(Audited)
December 31, 2016	June 30, 2016		December 31, 2016	June 30, 2016
			----- (Rupees) -----	
		Cement		
90	90	Maple Leaf Cement Factory Limited	11,482	9,496
		Fertilizer		
-	65,769	Fauji Fertilizer Company Limited	-	7,545,020
		Engineering		
56,000	56,000	KSB Pumps Company Limited	22,862,000	13,644,400
		Transport		
1,000	1,000	Pakistan International Container Terminal Limited	379,900	336,500
5,000	5,000	Pakistan National Shipping Corporation	806,900	468,500
		Pharmaceuticals		
42,576	42,576	Abbott Laboratories (Pakistan) Limited	40,749,064	32,102,304
32,165	32,165	GlaxoSmithKline Pakistan Limited	7,504,094	6,661,693
638	638	Highnoon Laboratories Limited	407,682	367,743
		Power generation and distribution		
1,000	1,000	The Hub Power Company Limited	123,480	120,060
		Automobile parts and Accessories		
69,167	-	Loads Limited	3,521,292	-
		Technology & Communication		
2,103,577	2,103,577	Systems Limited - a related party	178,088,830	121,250,179
		Financial services		
1,935,506	1,935,506	Dawood Capital Management Limited - a related party (fully provided) 9.2.1	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
			308,973,718	232,807,930

9.2.1 This represents sponsor shares of the related party and is a non shariah compliant investment. The management has recorded full amount of provision against such investment.



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

			(Un-audited) December 31, 2016	(Audited) June 30, 2016
The holdings are in the fully paid ordinary shares of Rs.10 each.			Note	----- (Rupees) -----
-	1,760,000	Burj Bank Limited - (note 9.3.1)	-	7,273,520
100,000	-	Al Baraka Bank (Pakistan) Limited - (note 9.3.1)	913,519	-
7,200,000	7,200,000	Dawood Family Takaful Limited - (note 9.3.2)	52,128,000	52,128,000
3,034,603	3,034,603	ISE Tower REIT Management Company Limited - (note 9.3.3)	<u>30,346,030</u>	<u>30,346,030</u>
			<u>83,387,549</u>	<u>89,747,550</u>

9.3.1 Al Baraka Bank (Pakistan) Limited (ABPL), and Burj Bank Limited (BBL) have successfully merged operations under the name of Al Baraka Bank (Pakistan) Limited. Following are the salient features of scheme of amalgamation communicated by ABPL and BBL through their correspondences:

- Rs. 4.00 per share cash against surrender of each BBL share.
- non-selling shareholders of BBL will receive one share of ABPL for every 1.7 shares held in BBL.

In pursuance of above, the offer letters dated June 14, 2016 have been received by the Modaraba. The Modaraba confirmed to sell 1,590,000 shares of BBL for Rs.4/- per share and agreed to convert 170,000 shares of BBL into ABPL shares.

The Modaraba received cash of Rs. 6,360,000/- against surrender of 1,590,000 BBL shares in December 2016. The Modaraba also holds 100,000 shares in ABPL effective from November 01, 2016.

The post amalgamation audited financial statements are not yet available due to statutory annual audit in process.

The Modaraba estimates that any adjustment to the carrying value of 100,000 shares of ABPL will not materially affect the overall financial statements of the Modaraba.

9.3.2 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 in the year ended June 30, 2016.

9.3.3 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.



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			(Un-audited) December 31, 2016	(Audited) June 30, 2016
Note			----- (Rupees) -----	
9.4 Available-for-sale: Investment in unlisted debt securities				
	Number of certificates			
	December 31, 2016	June 30, 2016		
		Name of investee Sukuk		
	20,000	20,000	Al Razi Health Care (Private) Limited	59,444,282 62,777,617
	4,000	4,000	K- Electric Sukuk-2	20,173,700 19,960,520
	4,000	4,000	K- Electric Sukuk-3	20,867,180 20,896,180
	10	10	Al Baraka Bank (Pakistan) Limited	7,073,690 7,767,480
			107,558,852	111,401,797
10 ACCRUED PROFIT				
	Accrued profit on:			
	Debt securities		528,677	513,900
	Musharaka finances		-	1,083,873
			528,677	1,597,773
11 OTHER RECEIVABLES				
	Due from associated undertakings-unsecured - considered good 11.1		4,580,000	9,080,000
	Receivable from Dawood Capital Management Company - related party		-	1,052,998
	Receivable from National Clearing Company of Pakistan Limited		185,654	111,512
	Receivable from BRR Financial Services (Private) Limited - subsidiary		538,950	531,970
	Rent receivable - unsecured, considered good		3,215,571	-
	Other receivable		66,765	1,550,728
			8,586,940	12,327,208
	Receivable from ex-employees - unsecured, considered doubtful		51,274,920	51,274,920
	Less: Provision for doubtful receivables		(51,274,920)	(51,274,920)
			-	-
			8,586,940	12,327,208
11.1 This represents amounts receivable from First Dawood Investment Bank Limited in relation to the cash option received in settlement of Burj Bank shares. During the period, the Modaraba has received six installments of Rs. 750,000 from First Dawood Investment Bank Limited as per agreed repayment schedule.				
			(Un-audited) December 31, 2016	(Audited) June 30, 2016
			----- (Rupees) -----	
12 CASH AND BANK BALANCES				
			223,782	237,905
	Cash with State Bank of Pakistan - current account		40	40
	Cash with banks in:			
	PLS savings accounts	12.1	76,245,201	11,223,460
	Current accounts	12.2	11,266,232	3,692,058
			87,735,255	15,153,463
12.1 These carry mark-up at the rate ranging from 4.82% to 5.13% (June 30, 2016: 2.85% to 6.5%) per annum. PLS saving accounts includes balances placed under arrangements permissible under shariah amounting to Rs. 76.245 million.				
12.2 These current accounts balances do not carry any mark up or interest.				



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		(Un-audited) December 31, 2016	(Audited) June 30, 2016
	Note	----- (Rupees) -----	
13 NON CURRENT ASSET HELD FOR SALE			
Non current asset held for sale	13.1	55,800,000	55,800,000

13.1 During prior year, 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 installments 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 prior year, the Modaraba had 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 FDIBL 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.

**14 DIMINISHING MUSHARAKA BASED
TERM FINANCE CERTIFICATES (TFC's)**

Diminishing musharaka based Term Finance Certificates (TFCs)	14.1	222,849,998	276,491,972
Less: Current maturity		(96,000,000)	(98,641,969)
		126,849,998	177,850,003

14.1 The above TFCs represent privately placed instruments in the form of Diminishing Musharaka and are secured against investment properties and BRR Tower of the Modaraba. 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 prior 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.

		(Un-audited) December 31, 2016	(Audited) June 30, 2016
		----- (Rupees) -----	
15 LONG TERM MURABAHA, MUSHARAKA AND FINANCE UNDER MARK-UP ARRANGEMENTS			
Murabaha arrangements	15.1	152,500,000	152,500,000
Musharaka arrangements	15.2	110,000,000	110,000,000
Mark-up arrangements Running finance	15.1	49,649,098	49,649,098
		312,149,098	312,149,098
Less: Current portion of musharaka arrangements		(312,149,098)	(312,149,098)
		-	-



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15.1The 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 8.04% to 8.30% (June 30, 2016: 8.35% to 9.26%) per annum. The arrangements are secured by way of hypothecation of the leased assets and future rentals receivable.

15.2The 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.

		(Un-audited) December 31, 2016	(Audited) June 30, 2016
	Note	----- (Rupees) -----	
16 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Modaraba management fee payable		9,482,783	5,380,524
Sales tax on modaraba management fee payable		5,129,877	3,802,283
Provision for Workers' Welfare Fund		3,909,549	2,229,200
Accrued liabilities		681,931	5,339,717
Rentals received in advance		53,842,671	52,145,810
Charity payable		9,371	79,842
Others		10,229,798	5,483,961
		<u>83,285,980</u>	<u>74,461,337</u>

17 CONTINGENCIES AND COMMITMENTS

There were no contingencies as at December 31, 2016. (2015: Nil)

		(Un-audited) December 31, 2016	(Un-audited) December 31, 2015
		----- (Rupees) -----	
18 RETURN ON INVESTMENTS - NET			
Dividend income		3,225,444	6,086,803
Profit on term finance certificates		4,785,571	5,511,546
Gain on sale of investments		33,674,683	15,473,669
		<u>41,685,698</u>	<u>27,072,018</u>

19 REVERSAL OF PROVISION FOR DOUBTFUL RECEIVABLES

Reversal of provision on Musharaka	19.1	12,026,335	275,000
Reversal of provision on lease receivables		-	111,698
		<u>12,026,335</u>	<u>386,698</u>

19.1This amount includes Rs. 7.045 million against Pak Hy Oils Limited as a result of following settlement agreement between Pak Hy Oils Limited and the Modaraba.

In February 2008, the Modaraba had given musharaka finance facility of Rs. 175 million to Pak Hy Oils Limited (PHOL) for business purposes at an expected profit rate of 6 months KIBOR + 6%. In June 2011, PHOL has defaulted in its obligation towards Modaraba and failed to pay both principal and profit installment since then.

In prior year, a suit has been filed by the Modaraba before the High Court of Sindh for the recovery of outstanding dues from PHOL. During the period, both parties agreed to settle the balance through settlement agreement dated July 30, 2016 for a settlement amount of Rs. 132.639 million which states that this settlement agreement shall be filed in the Sindh High Court in the matter of Suit No. B-37 of 2012. The said suit shall be disposed by way of consent in terms of this agreement with the clear understanding that if PHOL commits default of any of the terms of this agreement, the entire outstanding amount will immediately become due and the Modaraba will not have to resort to Court in order to implement the same. Whereas, PHOL, shall also subsequently withdraw their suit bearing No. B-43 of 2012 before the Sindh High Court for redemption, rendition of accounts and recovery and profit against the Modaraba and First Dawood Investment Bank Limited (FDBIL), an associated company of the Modaraba.



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The settlement amount represents principal amount outstanding in the books of Modaraba. The Modaraba had suspended markup receivable on the facility amounting to Rs. 58.363 million. The Board of Directors of the Modaraba in their meeting held on September 30, 2016 resolved to approve the settlement agreement without pursuing recovery of the outstanding suspended mark-up.

PHOL has made down payment of Rs. 10.000 million and the balance settlement amount shall be paid in accordance with the repayment schedule of the agreement. During the period, Modaraba has received the principal of Rs. 57.377 million through cash receipt of Rs. 33.728 million as per agreement and Rs. 23.650 million through sale of collateral shares of Balochistan Glass Limited and the amount received in excess of repayment schedule has been carried as rentals in advance. As per prudential regulation, 100% provision against outstanding principal of Rs. 94.113 million as at December 31, 2016 is recorded as now it falls under loss category.

(Un-audited) (Un-audited)
December 31, December 31,
2016 2015
----- (Rupees) -----

20 OTHER INCOME

Gain / (loss) on disposal of plant and equipment - Ijarah / leased	402,429	(275,159)
Gain on disposal of property and equipment - owned	4,399	1,324,725
Maintenance charge to tenant BRR Tower	7,475,778	1,132,000
Reversal of bonus and leave encashment	-	8,616,171
Gain on settlement of diminishing musharaka based Term Finance Certificates	-	25,584,023
Others	729,586	1,310,935
	<u>8,612,192</u>	<u>37,692,695</u>

21 FAIR VALUE HIERARCHY

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

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

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

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

As at December 31, 2016, the Modaraba held the following financial instruments measured at fair value:

	December 31, 2016			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Investments at fair value through profit or loss - held-for-trading				
Listed ordinary shares	182,650,187	-	-	182,650,187
Available-for-sale investments				
Listed ordinary shares - Net	308,973,718	-	-	308,973,718
Unlisted ordinary shares	-	-	83,387,549	83,387,549
Debt securities	-	48,114,570	59,444,282	107,558,852
	<u>491,623,905</u>	<u>48,114,570</u>	<u>142,831,831</u>	<u>682,570,306</u>



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

	June 30, 2016			
	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>

Valuation techniques

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

Transfers during the period

During the half year ended December 31, 2016, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

22 TAXATION

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.

23 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 Modaraba	Nature of transactions / Balances	(Un-audited) December 31, 2016 Rupees	(Un-audited) December 31, 2015 Rupees
Management Company			
BRR Investment (Private) Limited	Management Fee Accrued	9,482,784	3,712,796
BRR Investment (Private) Limited	Management Fee paid	5,380,520	8,106,829
BRR Investment (Private) Limited	Rent received	150,000	150,000
Subsidiary Company			
BRR Financial Services (Private) Limited	Preliminary expenses paid	6,980	528,265
BRR Financial Services (Private) Limited	Subscription against share capital	1,000,000	-



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Relationship with the Modaraba	Nature of transactions / Balances	(Un-audited) December 31, 2016 Rupees	(Un-audited) December 31, 2015 Rupees
Associated companies / other related parties			
Crescent Standard Modaraba	Share of common expenses received	82,463	92,095
Dawood Family Takaful Limited	Rental Received Ijarah	274,090	373,358
Dawood Family Takaful Limited	Rent received against property	1,953,090	3,025,436
Dawood Family Takaful Limited	Group Life Insurance Paid	187,445	92,657
Dawood Family Takaful Limited	Principal paid against investment in Sukuk	2,347,404	13,556,250
Dawood Family Takaful Limited	Profit paid against investment in Sukuk	2,657,356	8,902,679
Equity International (Private) Limited	Profit received on musharaka	-	5,645,500
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 Limited	Rent received against property	409,200	409,200
First Dawood Investment Bank Limited	Share of common expenses received	79,731	253,796
First Dawood Investment Bank Limited	Share of common expenses paid	19,965	-
First Dawood Investment Bank Limited	Principal paid against investment in Sukuk	12,109,671	9,817,872
First Dawood Investment Bank Limited	Profit paid against investment in Sukuk	9,404,475	5,482,641
First Dawood Investment Bank Limited	Consideration received against BBL share	4,500,000	11,600,000
First Dawood Employees Provident Fund	Transfer to provident fund	1,172,688	961,744
First Dawood Employees Provident Fund	Principal paid against investment in Sukuk	1,837,493	1,602,376
First Dawood Employees Provident Fund	Profit paid against investment in Sukuk	1,919,726	1,068,806
Dawood Equities Limited	Rental received against property	66,000	132,000
Dawood Equities Limited	Brokerage and Commission paid	175,970	441,996
Hamida Dawood	Principal paid against investment in Sukuk	360,390	1,387,500
Hamida Dawood	Profit paid against investment in Sukuk	407,975	923,421
Dawood Capital Management Limited	Staff cost received	1,052,998	-
Dawood Global Foundation	Charity paid	86,280	169,412
Pioneer Cement Limited	Dividend received	71	118



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		(Un-audited) December 31, 2016 Rupees	(Un-audited) December 31, 2015 Rupees
Period end balances			
Management Company			
BRR Investment (Private) Limited	Management fee accrued	9,482,784	5,380,520
Subsidiary Company			
BRR Financial Services (Private) Limited	Receivable against preliminary expenses	538,950	531,970
Associated companies / other related parties			
First Dawood Investment Bank Limited	Consideration receivable against BBL shares	4,580,000	9,080,000
First Dawood Investment Bank Limited	Principal payable against investment in Sukuk	-	10,772,625
First Dawood Investment Bank Limited	Profit payable against investment in Sukuk	128,454	8,548,772
First Dawood Employees Provident Fund	Principal payable against investment in Sukuk	-	869,344
First Dawood Employees Provident Fund	Profit payable against investment in Sukuk	105,490	1,294,437
Dawood Family Takaful Limited	Profit payable against investment in Sukuk	225,522	1,155,024
Hamida Dawood	Profit payable against investment in Sukuk	34,627	177,328
Dawood Capital Management Limited	Receivable against staff cost paid	-	1,052,998

24 EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the management company in its meeting held on October 29, 2016 passed resolution to increase authorized modaraba funds from Rs. 870 million to Rs. 1,150 million (each modaraba certificate of Rs. 10/=) subject to the Registrar Modaraba's (RM) approval. On January 20, 2017, the Deputy Director Modaraba granted its approval to increase the authorized funds from Rs. 870 million to Rs. 1,150 million divided into Rs. 10/- each.

25 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on **February 24, 2017** by the Board of Directors of B.R.R. Investment (Private) Limited.

26 GENERAL

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

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

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

Un-Audited
Consolidated Condensed Interim
Financial Information
For The Half Year Ended
December 31, 2016



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

DIRECTORS' REPORT TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Dear Certificate holders,

The Board of Directors of B.R.R. Investment (Private) Limited, Manager of B.R.R. Guardian Modaraba (BRRGM), take pleasure in presenting the 2nd Quarter Financial statement of the Modaraba for the six months ended December 31, 2016.

Operations and performance

Financial highlights	December 31, 2016	December 31, 2015	% age increase
 Rupees.....		
Total Income	205,715,486	147,505,739	+39.46
Total Expenses	111,446,592	110,377,774	+0.97
Profit After Management Fee & WWF	81,778,170	32,237,469	+153.67
Earning per certificate	1.05	0.41	+156.10
Certificate Holder's Equity	1,188,709,937	1,035,736,931	+14.77
Breakup value - per certificate	15.23	13.27	+14.77

During the six months period under review the Modaraba has earned an operating profit of Rs. 81.778 million, as compared with Rs. 32.237 million profit in the same period last year showing an increase of 153.67%.

Pursuant to approval from S.E.C.P, the Modaraba incorporated a wholly owned subsidiary, B.R.R. Financial Services (Private) Limited during November 2015, which has not yet commenced operations. The principal business activity of the subsidiary is to render brokerage service in capital and money market and to render other consultancy services etc.

Auditors' Observations

The audit observations are the same as mentioned in financial statement of June 30, 2016.

Authorized Fund

The authorized fund of the Modaraba has increased from Rs. 870 million to Rs. 1.15 billion (each modaraba certificate of Rs. 10/-) on approval of Deputy Director Specialized Companies Division (Modaraba Wing) dated January 20, 2017 which will be reflected in our March accounts.

CONCLUSION & APPRECIATION:

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

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

Karachi: February 24, 2017

Rafique Dawood
Chairman



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

مجموعی مالیاتی حسابات برائے بی.آر.آر. گارجین مڈارباہ

ڈائریکٹرز کی رپورٹ

محترم سرٹیفیکیٹ ہولڈرز،

بی.آر.آر. انویسٹمنٹ (پرائیویٹ) لمیٹڈ ("بی.آر.آر. آئی") کے بورڈ آف ڈائریکٹرز، بی.آر.آر. گارجین مڈارباہ (بی.آر.آر. جی ایم) کے ناظم کی حیثیت سے دسمبر 31، 2016 کو ختم ہونے والی دوسری سہ ماہی اور ششماہی کے مالیاتی حسابات پیش کرتے ہوئے بے حد مسرت محسوس کر رہے ہیں۔

آپریشن اور کارکردگی

مالیاتی جھلکیاں	دسمبر 31، 2016		شرح فیصد میں اضافہ
	پاکستانی روپے میں		
کل آمدنی	205,715,486	147,505,739	+39.46
کل اخراجات	111,446,592	110,377,774	+0.97
منافع بعد از انتظامیہ کی فیس اور ڈیویڈنڈ بلایو ایفٹ	81,778,170	32,237,469	+153.67
نفع فی سرٹیفکیٹ	1.05	0.41	+156.10
سرٹیفکیٹ ہولڈرز کی ایکٹیوٹی	1,188,709,937	1,035,736,931	+14.77
بریک اپ ویلیو - فی سرٹیفکیٹ	15.23	13.27	+14.77

آپ کے مڈارباہ نے پچھلے سال کی اسی ششماہی کے 32.237 ملین روپے کے منافع کے مقابلے میں اس سال کی ششماہی میں 81.778 ملین روپے کا منافع کمایا ہے جو کہ 153.67 فیصد اضافہ ہے۔

ایس ای سی. پی. نے منظوری کے مطابق مڈارباہ نے نومبر 2015 میں ایک مکمل ملکیتی ذیلی کمپنی تشکیل دی ہے جس نے ابھی تک کام شروع نہیں کیا ہے۔ ذیلی کمپنی کی بنیادی کاروباری سرگرمی کمپنیل اورنٹی مارکیٹ میں بروکریج کی خدمات اور دیگر مشاورتی خدمات فراہم کرنا ہے۔

آڈیٹرز کے مشاہدات

آڈٹ کے مشاہدات وہی ہیں جن کا ذکر جون 30، 2016 کے مالیاتی حسابات میں کیا گیا ہے۔

مجاز فنڈ

ڈپٹی ڈائریکٹر ڈیویژن برائے خصوصی کمپنیز (مڈارباہ ورگ) کی منظوری پر مڈارباہ کا مجاز فنڈ 870 ملین روپے سے بڑھ کے 1.15 بلین روپے ہو گیا ہے جو کہ ہمارے مارنچ کے مالیاتی حسابات میں پیش کیا جائیگا۔

اختتامی کلمات اور اظہار تشکر

ہم فی الحال ملک کے اندر حالیہ کاروباری حالات کو دیکھ رہے ہیں اور اپنی رسک مینجمنٹ کی حکمت عملی کو مضبوط بنا رہے ہیں۔ مستقبل کی ترقی کے ساتھ اثاثوں کے معیار کو یقینی بنانے کے لئے ہم ایک محتاط نقطہ نظر سے چل رہے ہیں۔ ہمارا ہدف اپنے موجودہ کاروبار میں منافع بخش ترقی کے ساتھ اپنے سرٹیفیکیٹ ہولڈرز کی قدر میں اضافہ کرنا ہے۔

از طرف بورڈ آف ڈائریکٹرز

بی.آر.آر. انویسٹمنٹ (پرائیویٹ) لمیٹڈ

مورخہ فروری 24، 2017

کراچی

رفیق داؤد

چیرمین



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

**CONSOLIDATED CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2016**

		(Un-audited) December 31, 2016 Rupees	(Audited) June 30, 2016 Rupees
	Note		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	180,940,421	193,785,743
Investment properties	6	1,104,807,532	1,122,283,049
Long-term portion of musharaka finances	7	1,127,163	1,349,702
Long-term loans and deposits		9,992,622	17,588,760
		1,296,867,738	1,335,007,254
CURRENT ASSETS			
Short-term investments	8	667,594,111	611,784,936
Current portion of musharaka finances	7	491,413	35,532,855
Ijarah / lease rental receivable		295,031	84,020
Loans, deposits, advances and prepayments		15,833,398	6,675,317
Accrued profit	9	528,677	1,597,773
Other receivables	10	8,047,990	12,327,208
Taxation		4,879,439	4,323,128
Cash and bank balances	11	88,725,255	15,153,463
		786,395,314	687,478,700
Non current assets held for sale	12	55,800,000	55,800,000
		842,195,314	743,278,700
TOTAL CURRENT ASSETS			
TOTAL ASSETS		2,139,063,052	2,078,285,954
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized capital			
87,000,000 (June 30, 2016: 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
Reserves		116,869,389	56,163,708
Surplus on revaluation of investment		291,377,998	219,972,192
		1,188,709,937	1,056,598,450
LIABILITIES			
NON-CURRENT LIABILITIES			
Diminishing musharaka based Term Finance Certificates	13	126,849,998	177,850,003
Long-term security deposits		89,355,976	90,197,976
TOTAL NON-CURRENT LIABILITIES		216,205,974	268,047,979
CURRENT LIABILITIES			
Current portion of murabaha, musharaka and finance under mark-up arrangements	14	312,149,098	312,149,098
Current portion of diminishing musharaka based Term Finance Certificates	13	96,000,000	98,641,969
Current portion of security deposits		3,729,750	4,626,100
Creditors, accrued and other liabilities	15	83,295,980	74,461,337
Accrued profit on borrowings		213,683,609	240,008,423
Profit distribution payable		25,288,704	23,752,598
TOTAL CURRENT LIABILITIES		734,147,141	753,639,525
TOTAL EQUITY AND LIABILITIES		2,139,063,052	2,078,285,954
CONTINGENCIES AND COMMITMENTS	16		

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

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director



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

**Consolidated Condensed Interim Profit And Loss Account
For The Half Year And Quarter Ended December 31, 2016
(Un-Audited)**

	Note	Half year ended		Quarter ended	
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
		(Rupees)			
INCOME					
Rental income		83,487,541	62,814,307	44,925,668	37,720,396
Ijarah / lease rentals		14,158,070	18,628,456	7,128,382	8,771,944
Income on musharaka finances		4,016,154	1,953,394	3,856,698	986,159
Return on investments - net	17	41,685,698	27,072,018	32,227,204	15,310,893
Profit on bank balances		718,931	1,175,643	468,221	81,274
Unrealised gain / (loss) on revaluation of held for trading investment		41,010,565	(2,217,472)	24,954,964	5,214,539
Reversal for doubtful receivables	18	12,026,335	386,698	12,026,335	111,698
Other income	19	8,612,192	37,692,695	4,829,444	28,269,097
		205,715,486	147,505,739	130,416,916	96,466,000
EXPENSES					
Amortization on ijarah assets		12,452,666	15,353,084	6,154,329	7,991,105
Impairment loss on available-for-sale investment		-	4,722,634	-	4,722,634
Administrative expenses		81,753,778	71,384,463	43,294,066	38,940,012
Financial charges		17,240,149	18,917,593	7,561,849	8,846,076
		111,446,592	110,377,774	57,010,243	60,499,827
Modaraba management company's fee		94,268,894	37,127,965	73,406,673	35,966,173
Sales tax on modaraba management company's fee		9,482,784	3,712,796	7,396,562	3,596,617
Provision for Workers' Welfare Fund		1,327,590	519,792	1,035,519	503,527
Profit before taxation		1,680,349	657,908	1,310,670	637,321
Provision for taxation	21	81,778,170	32,237,469	63,663,921	31,228,708
Net profit for the period		-	-	-	-
Earnings per certificate - basic and diluted		81,778,170	32,237,469	63,663,921	31,228,708
		1.05	0.41	0.82	0.40

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

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director



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

**Consolidated Condensed Interim Statement of Comprehensive Income
For The Half Year And Quarter Ended December 31, 2016
(Un-Audited)**

	Half year ended		Quarter ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	----- (Rupees) -----			
Profit for the period	81,778,170	32,237,469	63,663,921	31,228,708
Other comprehensive income for the period				
Items that will be subsequently reclassified to profit or loss:				
Unrealized gain on revaluation of available-for-sale investments - net	71,405,806	43,974,848	33,166,909	487,371
Total comprehensive income for the period	153,183,976	76,212,317	96,830,830	31,716,079

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

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director



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

Consolidated Condensed Interim Cash Flows Statement
For The Half Year Ended December 31, 2016
(Un-Audited)

	Half year ended	
	December 31, 2016	December 31, 2015
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	81,778,170	32,237,469
Adjustments for:		
Adjustment of non-cash and other items		
Depreciation	22,164,005	21,447,021
Amortization	12,452,666	15,353,084
Provision for doubtful receivables - net	(12,026,335)	(275,000)
Unrealized gain on revaluation of held-for-trading investment	(41,010,565)	-
(Loss) / gain on disposal of property, plant and equipment - leased	(402,429)	275,159
Profit on disposal of property and equipment - owned	(4,399)	(1,324,725)
Profit on musharaka, murabaha and finance under mark-up arrangements	17,235,473	18,908,855
Return on investments - net	(41,685,698)	(27,009,315)
	(43,277,282)	27,375,079
	38,500,888	59,612,548
Decrease / (increase) in current assets		
Ijarah/lease rentals receivable	(211,011)	960,250
Loans, advances and prepayments	(1,561,943)	20,374,519
Accrued profit	1,069,096	5,890,194
Other receivables	4,279,218	12,814,651
	3,575,359	40,039,614
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	7,137,782	(51,443,902)
Rent received in advance	1,696,861	3,674,515
Customers' security deposit	(1,738,350)	4,493,597
	7,096,293	(43,275,790)
Income tax paid	(556,311)	(1,301,346)
Net cash generated from operating activities	48,616,229	55,075,026
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments-net	56,734,094	38,172,661
Income received on investments	41,685,698	27,297,350
Musharaka and murabaha finances	47,290,316	20,076,671
Addition to property and equipment - owned	(7,300,270)	(6,721,401)
Addition to property, plant and equipment - leased / ijarah	(800,000)	(13,000,000)
Addition to investment property	-	(1,238,840)
Addition in long term deposit	-	(5,000)
Advance against Ijarah	-	(1,677,000)
Proceeds from disposal of property and equipment - owned	4,399	1,771,280
Proceeds from disposal of property, plant and equipment - leased / ijarah	4,079,970	2,046,853
Net cash generated from investing activities	141,694,207	66,722,574
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit paid to certificate holders	(19,536,383)	(25,453,777)
Murabaha and finance under mark-up arrangements	(53,641,974)	(75,138,394)
Financial charges paid	(43,560,288)	(35,517,079)
Net cash used in financing activities	(116,738,645)	(136,109,250)
Net increase / (decrease) in cash and cash equivalents	73,571,792	(14,311,650)
Cash and cash equivalents at the beginning of the period	15,153,463	35,267,673
Cash and cash equivalents at the end of the period	88,725,255	20,956,023

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

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director



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

Consolidated Condensed Interim Statement of Changes In Equity
For The Half Year Ended December 31, 2016
(Un-Audited)

	Capital reserves			Surplus on revaluation of investment	Accumulated loss	Total
	Issued, subscribed and paid-up certificate capital	Profit prior to floatation	Statutory reserve			
	(Rupees)					
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 half year ended December 31, 2015	-	-	-	-	32,237,469	32,237,469
Other comprehensive income	-	-	-	43,974,848	-	43,974,848
Total comprehensive income for the period	-	-	-	43,974,848	32,237,469	76,212,317
Profit distribution for the year ended June 30, 2015 @ Re.0.405 per certificate	-	-	-	-	(31,608,733)	(31,608,733)
Balance as at December 31, 2015	780,462,550	10,532,683	595,569,357	213,591,184	(564,418,843)	1,035,736,931
Profit for the half year ended June 30, 2016	-	-	-	-	14,480,511	14,480,511
Other comprehensive income	-	-	-	6,381,008	-	6,381,008
Total comprehensive income for the period	-	-	-	6,381,008	14,480,511	20,861,519
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
Profit for the half year ended December 31, 2016	-	-	-	-	81,778,170	81,778,170
Other comprehensive income	-	-	-	71,405,806	-	71,405,806
Total comprehensive income for the period	-	-	-	71,405,806	81,778,170	153,183,976
Profit distribution for the year ended June 30, 2016 @ Re.0.27 per certificate	-	-	-	-	(21,072,489)	(21,072,489)
Balance as at December 31, 2016	780,462,550	10,532,683	618,928,347	291,377,998	(512,591,641)	1,188,709,937

* 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 25 form an integral part of this consolidated condensed interim financial information.

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director



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

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2016
(UN-AUDITED)**

1. LEGAL STATUS AND NATURE OF THE BUSINESS

The group:

The group consist of B.R.R Guardian Modaraba (the Modaraba) and it's subsidiary, B.R.R. Financial Services (Private) Limited.

1.1 B.R.R. Guardian Modaraba (the Modaraba)

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 B.R.R. Financial Services (Private) Limited.

During November 2015, pursuant to approval from Securities and Exchange Commission of Pakistan the Modaraba incorporated a wholly owned subsidiary namely BRR Financial Services (Private) Limited (the Company). As per the Memorandum of Association (MoA) of the Company the Modaraba has subscribed and paid for 100,000 ordinary shares of Rs. 10 each of the Company on October 31, 2016.

The principal business activity of the Company is to render brokerage service in capital and money market and to render other consultancy services etc. The registered office of the Company is at 18th Floor, BRR Tower, Hassan Ali Street of I.I. Chundrigar Road, Karachi.

1.3 Consolidation procedure

The purchase method of accounting is being used to account for our wholly owned subsidiary.

Transactions eliminated on consolidation

Inter-company transactions, balances and unrealized gains/losses on transactions between group companies are eliminated.

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, 2016 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.



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

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, 2016.

This condensed consolidated interim financial information is un-audited.

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, 2016.

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 except for certain disclosure requirements in accordance with IFRS 13: Fair Value Measurement.

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, 2016 except for the accounting of subsidiary.

Subsidiary Company

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instruments. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. Any gain or loss on de-recognition of the financial assets and financial liabilities is taken to profit and loss account.

Subsidiary accounting judgment and critical estimates / assumptions

The preparation of financial statements in conformity with approved accounting standards requires the management to:-

- exercise its judgment in process of applying the Company's accounting policies, and
- use of certain critical accounting estimates and assumptions concerning the future.

	Note	(Un-audited) December 31, 2016	(Audited) June 30, 2016
		----- (Rupees) -----	
5 PROPERTY, PLANT AND EQUIPMENT			
Property and equipment - owned	5.1 & 5.2	102,052,197	99,440,410
Property, plant and equipment - leased / ijarah	5.3	78,888,224	94,345,333
		180,940,421	193,785,743



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

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)	(Audited)	(Un-audited)	(Audited)
	December 31,	June 30,	December 31,	June 30,
	2016	2016	2016	2016
	----- (Rupees) -----		----- (Rupees) -----	
Building on leasehold land	-	3,000,000	-	-
Vehicles	6,327,400	7,836,900	-	5,028,766
Office equipment and appliances	972,870	1,731,238	44,000	6,203,331
	7,300,270	12,568,138	44,000	11,232,097

- 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

	Additions		Disposals / Transfer	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	December 31,	June 30,	December 31,	June 30,
	2016	2016	2016	2016
	----- (Rupees) -----		----- (Rupees) -----	
Plant and machinery	-	-	-	39,380,713
Vehicles	800,000	16,334,500	16,860,000	24,297,717
Office equipment and appliances	-	-	-	-
	800,000	16,334,500	16,860,000	63,678,430

6 INVESTMENT PROPERTIES

		(Un-audited)	(Audited)
		December 31,	June 30,
		2016	2016
		----- (Rupees) -----	
	Note		
Investment properties	6.1	1,038,387,532	1,055,863,049
Capital work-in-progress	6.2	66,420,000	66,420,000
		1,104,807,532	1,122,283,049



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

6.1 Investment properties

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

	Additions / Transfer	
	(Un-audited)	(Audited)
	December 31,	June 30,
	2016	2016
	----- (Rupees) -----	
Building on leased hold land (BRR Tower)	-	1,238,840
	(Un-audited)	(Audited)
	December 31,	June 30,
	2016	2016
	----- (Rupees) -----	

6.2 Capital work-in-progress

Advance for office premises - Jofa Tower, Karachi

	66,420,000	66,420,000
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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.

	(Un-audited)	(Audited)
	December 31,	June 30,
	2016	2016
	----- (Rupees) -----	
Note		

7 MUSHARAKA FINANCES

Musharaka finances		222,691,238	269,981,554
Less: Provision for doubtful receivables	7.2	(221,072,662)	(233,098,997)
		1,618,576	36,882,557
Less: Current portion of musharaka finances		(491,413)	(35,532,855)
		1,127,163	1,349,702

7.1 The expected profit receivable on these arrangements ranges from 8.06% to 16.00% (June 30, 2016: 8.36% to 13.99%) per annum. The arrangements are secured by way of hypothecation of stock, mortgage of property and equipment and pledge of shares. These finances are receivable on various dates up to June 12, 2022.

7.2 Movement of provision

Opening balance		233,098,997	234,321,352
Reversals during the period / year	19	(12,026,335)	(1,222,355)
Closing balance		221,072,662	233,098,997

8 SHORT-TERM INVESTMENTS

Held-for-trading

Listed ordinary shares	8.1	182,650,187	192,803,854
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Available-for-sale

Listed ordinary shares	8.2	308,973,718	232,807,930
Unlisted ordinary shares	8.3	83,387,549	89,747,550
Unlisted debt securities	8.4	107,558,852	111,401,797
		499,920,119	433,957,277

Less: provision for diminution in value of investments

	(14,976,195)	(14,976,195)
	667,594,111	611,784,936



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

(Un-audited) (Audited)
December 31, June 30,
2016 2016
----- (Rupees) -----

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		Name of investee		
December 31, 2016	June 30, 2016			
		Paper and board		
-	500	Packages Limited	-	318,111
		Textile Composite		
-	43,600	Gul Ahmed Textile Mills Limited	-	1,577,883
4,649	12,649	Kohinoor Textile Mills Limited	540,214	1,012,300
7,300	8,200	Nishat Mills Limited	1,111,571	885,031
		Power Generation & Distribution		
-	4,000	Lalpir Power Limited	-	86,800
144,246	318,746	K-Electric Limited (ordinary shares of Rs. 3.5 each)	1,351,586	2,569,084
		Oil and gas Exploration		
680	4,930	Mari Petroleum Company Limited	934,938	4,477,527
49,820	64,220	Pakistan Petroleum Limited	9,375,127	9,957,310
		Oil and gas Marketing		
-	500	Pakistan State Oil Limited	-	187,730
-	15,000	Hi-Tech Lubricants Limited	-	887,549
37,108	82,108	Sui Northern Gas Pipelines Limited	3,026,899	2,979,702
		Refinery		
1,199	2,399	Attock Refinery Limited	509,935	672,055
36,350	47,150	National Refinery Limited	20,760,213	22,414,790
64,000	43,000	Byco Petroleum Pakistan Limited	1,484,800	883,220
-	183,500	Pakistan Refinery Limited	-	7,550,713
		Automobile Assembler		
-	4,780	Indus Motor Company Limited	-	4,491,004



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

Number of shares		Name of investee	(Un-audited)	(Audited)
December 31, 2016	June 30, 2016		December 31, 2016	June 30, 2016
			----- (Rupees) -----	
21,000	32,500	Sazgar Engineering Works Limited	1,994,370	1,015,625
3,320	2,720	Millat Tractors Limited	3,003,472	1,551,081
		Automobile Parts and Accessories		
12,900	15,200	Agriauto Industries Limited	4,618,071	2,967,800
31,500	-	Loads Limited	1,603,666	-
		Fertilizer		
-	302,500	Fauji Fertilizer Bin Qasim Limited	-	16,034,714
-	43,400	Fauji Fertilizer Company Limited	-	4,978,848
		Chemicals		
13,247	14,447	ICI Pakistan Limited	13,163,941	6,429,568
10,000	10,000	Sitara Peroxide Limited	320,200	181,500
1,700	1,700	Sitara Chemical Industries Limited	986,000	618,800
541,000	561,000	Lotte Pakistan PTA Limited	4,501,120	3,371,611
21,300	21,800	Linde Pakistan Limited	4,161,381	2,278,100
-	400	Archroma Pakistan Limited	-	194,940
		Engineering		
22,400	25,500	K.S.B Pumps Company Limited	9,144,800	6,213,076
35,875	37,875	Crescent Steel and Allied Products Limited	5,531,208	4,340,853
-	13,500	Amreli Steel Limited	-	634,770
		Transport		
3,200	3,200	Pakistan National Shipping Corporation Limited	516,416	299,840
100	100	Pakistan International Container Terminal Limited	37,990	33,652
		Technology and Communication		
30,000	87,000	Pakistan Telecommunication Company Limited	515,400	1,307,609
		Food & Personal Care products		
-	175	Mitchell's Fruit Farms Limited	-	51,800
96,000	91,500	Treet Corporation Limited	6,276,480	4,522,846
-	27,648	GlaxoSmithKline Consumer Healthcare Pakistan Limited	-	-
		Cement		
-	10,833	Lafarge Pakistan Cement Limited	-	191,312
200	200	Cherat Cement Company Limited	34,807	23,914
-	12,000	Fauji Cement Company Limited	-	429,599
1,083	-	Bestway Cement Limited	298,811	-
3,400	3,900	Lucky Cement Limited	2,945,284	2,529,188



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Number of shares		Name of investee	(Un-audited)	(Audited)
December 31, 2016	June 30, 2016		December 31, 2016	June 30, 2016
			----- (Rupees) -----	
		Pharmaceuticals		
500	700	Abbott Laboratories (Pakistan) Limited	478,545	527,801
5,923	6,830	Highnoon Laboratories Limited	3,784,797	3,936,812
3,700	4,000	Ferozsons Laboratories Limited	2,770,375	4,123,760
30,353	36,373	The Searle Company Limited	19,845,061	19,501,384
64,000	64,000	GlaxoSmithKline Pakistan Limited	14,931,200	13,255,042
		Cable and electrical goods		
-	1,420	Siemens Pakistan Company Engineering Limited	-	1,412,302
		Modarba's		
16,500	34,000	First UDL Modaraba	581,955	663,000
		Open end mutual funds		
215,495	215,495	Dawood Islamic Fund	29,600,803	26,915,297
		Commercial Banks		
29,791	99,791	BankIslami Pakistan Limited	398,008	1,050,800
		Woollen		
-	5,000	Bannu Woollen Mills Limited	-	265,801
		Glass & Ceramics		
9,000	-	Ghani Glass Limited	1,332,000	-
		Leather & Tanneries		
6,800	-	Service Industries Limited	10,178,743	-
			182,650,187	192,803,854

8.2 Available-for-sale: Listed Ordinary shares

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

		Oil and gas exploration		
10,150	11,150	Mari Petroleum Company Limited	13,955,337	10,126,654
		Oil and gas marketing		
-	7,596	Pakistan State Oil Company Limited	-	2,851,994
39,660	39,660	Sui Northern Gas Pipelines Limited	3,235,064	1,439,260
8,462	9,962	Shell Pakistan Limited	4,377,393	2,891,072



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Number of shares		Name of investee	(Un-audited) December 31, 2016	(Audited) June 30, 2016
December 31, 2016	June 30, 2016			
27,648	-	Food & Personal Care products GlaxoSmithKline Consumer Healthcare Pakistan Limited	-	-
-	185,500	Refinery Pakistan Refinery Limited	-	7,638,890
49,852	49,852	Chemicals Linde Pakistan Limited	9,739,585	5,209,534
14,199	14,199	Sitara Chemical Industries Limited	8,235,420	5,168,436
90	90	Cement Maple Leaf Cement Factory Limited	11,482	9,496
-	65,769	Fertilizer Fauji Fertilizer Company Limited	-	7,545,020
56,000	56,000	Engineering KSB Pumps Company Limited	22,862,000	13,644,400
1,000	1,000	Transport Pakistan International Container Terminal Limited	379,900	336,500
5,000	5,000	Pakistan National Shipping Corporation	806,900	468,500
42,576	42,576	Pharmaceuticals Abbott Laboratories (Pakistan) Limited	40,749,064	32,102,304
32,165	32,165	GlaxoSmithKline Pakistan Limited	7,504,094	6,661,693
638	638	Highnoon Laboratories Limited	407,682	367,743
1,000	1,000	Power generation and distribution The Hub Power Company Limited	123,480	120,060
69,167	-	Automobile parts and Accessories Loads Limited	3,521,292	-
2,103,577	2,103,577	Technology & Communication Systems Limited - a related party	178,088,830	121,250,179
1,935,506	1,935,506	Financial services Dawood Capital Management Limited - a related party (fully provided)	8.2.1 4,722,634	4,722,634
3,339,922	3,339,922	First Dawood Investment Bank Limited - a related party (fully provided)	10,253,561 308,973,718	10,253,561 232,807,930



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8.2.1 This represents sponsor shares of the related party and is a non shariah compliant investment. The management has recorded full amount of provision against such investment.

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

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

-	1,760,000	Burj Bank Limited - (note 8.3.1)	-	7,273,520
100,000	-	Al Baraka Bank (Pakistan) Limited - (note 8.3.1)	913,519	-
7,200,000	7,200,000	Dawood Family Takaful Limited - (note 8.3.2)	52,128,000	52,128,000
3,034,603	3,034,603	ISE Tower REIT Management Company Limited - (note 8.3.3)	30,346,030	30,346,030
			83,387,549	89,747,550

8.3.1 Al Baraka Bank (Pakistan) Limited (ABPL), and Burj Bank Limited (BBL) have successfully merged operations under the name of Al Baraka Bank (Pakistan) Limited. Following are the salient features of scheme of amalgamation communicated by ABPL and BBL through their correspondences:

- Rs. 4.00 per share cash against surrender of each BBL share.
- non-selling shareholders of BBL will receive one share of ABPL for every 1.7 shares held in BBL.

In pursuance of above, the offer letters dated June 14, 2016 have been received by the Modaraba. The Modaraba confirmed to sell 1,590,000 shares of BBL for Rs.4/- per share and agreed to convert 170,000 shares of BBL into ABPL shares.

The Modaraba received cash of Rs. 6,360,000/- against surrender of 1,590,000 BBL shares in December 2016. The Modaraba also holds 100,000 shares in ABPL effective from November 01, 2016.

The post amalgamation audited financial statements are not yet available due to statutory annual audit in process. The Modaraba estimates that any adjustment to the carrying value of 100,000 shares of ABPL will not materially affect the overall financial statements of the Modaraba.

8.3.2 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 in the year ended June 30, 2016.

8.3.3 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.



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			(Un-audited) December 31, 2016	(Audited) June 30, 2016
8.4 Available-for-sale: Investment in unlisted debt securities			----- (Rupees) -----	
	Number of certificates			
	December 31, 2016	June 30, 2016		
		Name of investee		
		Sukuk		
	20,000	20,000		
		Al Razi Health Care (Private) Limited	59,444,282	62,777,617
	4,000	4,000	20,173,700	19,960,520
	4,000	4,000	20,867,180	20,896,180
	10	10		
		Al Baraka Bank (Pakistan) Limited	7,073,690	7,767,480
			107,558,852	111,401,797
9 ACCRUED PROFIT				
Accrued profit on:				
Debt securities			528,677	513,900
Musharaka finances			-	1,083,873
			528,677	1,597,773
10 OTHER RECEIVABLES				
Due from associated undertakings-unsecured - considered good		10.1	4,580,000	9,080,000
Receivable from Dawood Capital Management Company - related party			-	1,052,998
Receivable from National Clearing Company of Pakistan Limited			185,654	111,512
Receivable from BRR Financial Services (Private) Limited			-	531,970
Rent receivable - unsecured, considered good			3,215,571	-
Other receivable			66,765	1,550,728
			8,047,990	12,327,208
Receivable from ex-employees - unsecured, considered doubtful			51,274,920	51,274,920
Less: Provision for doubtful receivables			(51,274,920)	(51,274,920)
			-	-
			8,047,990	12,327,208

10.1 This represents amounts receivable from First Dawood Investment Bank Limited in relation to the cash option received in settlement of Burj Bank shares. During the period, the Modaraba has received six installments of Rs. 750,000 from First Dawood Investment Bank Limited as per agreed repayment schedule.

		(Un-audited) December 31, 2016	(Audited) June 30, 2016
		----- (Rupees) -----	
11 CASH AND BANK BALANCES			
	Note		
Cash in hand		223,782	237,905
Cash with State Bank of Pakistan - current account		40	40
Cash with banks in:			
PLS savings accounts	11.1	77,235,201	11,223,460
Current accounts	11.2	11,266,232	3,692,058
		88,725,255	15,153,463



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11.1 These carry mark-up at the rate ranging from 4.82% to 5.13% (June 30, 2016: 2.85% to 6.5%) per annum. PLS saving accounts includes balances placed under arrangements permissible under shariah amounting to Rs. 76.245 million.

This also include Rs. 0.9 million in PLS bank account of subsidiary company.

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

12 NON CURRENT ASSET HELD FOR SALE

Non current asset held for sale	12.1	<u>55,800,000</u>	<u>55,800,000</u>
---------------------------------	------	--------------------------	-------------------

12.1 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 installments 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 prior year, the Modaraba had 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 FDIBL 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.

(Un-audited)	(Audited)
December 31,	June 30,
2016	2016
----- (Rupees) -----	

**13 DIMINISHING MUSHARAKA BASED
TERM FINANCE CERTIFICATES (TFC's)**

Diminishing musharaka based Term Finance Certificates (TFCs)	13.1	222,849,998	276,491,972
Less: Current maturity		<u>(96,000,000)</u>	<u>(98,641,969)</u>
		<u>126,849,998</u>	<u>177,850,003</u>

13.1 The above TFCs represent privately placed instruments in the form of Diminishing Musharaka and are secured against investment properties and BRR Tower of the Modaraba. 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.



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During prior 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.

(Un-audited)	(Audited)
December 31,	June 30,
2016	2016
-----	-----
(Rupees)	(Rupees)

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

Murabaha arrangements	14.1	152,500,000	152,500,000
Musharaka arrangements	14.2	110,000,000	110,000,000
Mark-up arrangements			
Running finance	14.1	49,649,098	49,649,098
		312,149,098	312,149,098
Less: Current portion of musharaka arrangements		(312,149,098)	(312,149,098)
		-	-

14.1The 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 8.04% to 8.30% (June 30, 2016: 8.35% to 9.26%) per annum. The arrangements are secured by way of hypothecation of the leased assets and future rentals receivable.

14.2The 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.

(Un-audited)	(Audited)
December 31,	June 30,
2016	2016
-----	-----
(Rupees)	(Rupees)

15 CREDITORS, ACCRUED AND OTHER LIABILITIES

Modaraba management fee payable	9,482,783	5,380,524
Sales tax on modaraba management fee payable	5,129,877	3,802,283
Provision for Workers' Welfare Fund	3,909,549	2,229,200
Accrued liabilities	691,931	5,339,717
Rentals received in advance	53,842,671	52,145,810
Charity payable	9,371	79,842
Others	10,229,798	5,483,961
	83,295,980	74,461,337

16 CONTINGENCIES AND COMMITMENTS

There were no contingencies as at December 31, 2016. (2015: Nil)



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	(Un-audited) December 31, 2016	(Un-audited) December 31, 2015
	----- (Rupees) -----	
17 RETURN ON INVESTMENTS - NET		
Dividend income	3,225,444	6,086,803
Profit on term finance certificates	4,785,571	5,511,546
Gain on sale of investments	33,674,683	15,473,669
	<u>41,685,698</u>	<u>27,072,018</u>
18 REVERSAL OF PROVISION FOR DOUBTFUL RECEIVABLES		
Reversal of provision on Musharaka 18.1	12,026,335	275,000
Reversal of provision on lease receivables	-	111,698
	<u>12,026,335</u>	<u>386,698</u>

18.1 This amount includes Rs. 7.045 million against Pak Hy Oils Limited as a result of following settlement agreement between Pak Hy Oils Limited and the Modaraba.

In February 2008, the Modaraba had given musharaka finance facility of Rs. 175 million to Pak Hy Oils Limited (PHOL) for business purposes at an expected profit rate of 6 months KIBOR + 6%. In June 2011, PHOL has defaulted in its obligation towards Modaraba and failed to pay both principal and profit installment since then.

In prior year, a suit has been filed by the Modaraba before the High Court of Sindh for the recovery of outstanding dues from PHOL. During the period, both parties agreed to settle the balance through settlement agreement dated July 30, 2016 for a settlement amount of Rs. 132.639 million which states that this settlement agreement shall be filed in the Sindh High Court in the matter of Suit No. B-37 of 2012. The said suit shall be disposed by way of consent in terms of this agreement with the clear understanding that if PHOL commits default of any of the terms of this agreement, the entire outstanding amount will immediately become due and the Modaraba will not have to resort to Court in order to implement the same. Whereas, PHOL, shall also subsequently withdraw their suit bearing No. B-43 of 2012 before the Sindh High Court for redemption, rendition of accounts and recovery and profit against the Modaraba and First Dawood Investment Bank Limited (FDBIL), an associated company of the Modaraba.

The settlement amount represents principal amount outstanding in the books of Modaraba. The Modaraba had suspended markup receivable on the facility amounting to Rs. 58.363 million. The Board of Directors of the Modaraba in their meeting held on September 30, 2016 resolved to approve the settlement agreement without pursuing recovery of the outstanding suspended mark-up.

PHOL has made down payment of Rs. 10.000 million and the balance settlement amount shall be paid in accordance with the repayment schedule of the agreement. During the period, Modaraba has received the principal of Rs. 57.377 million through cash receipt of Rs. 33.728 million as per agreement and Rs. 23.650 million through sale of collateral shares of Balochistan Glass Limited and the amount received in excess of repayment schedule has been carried as rentals in advance. As per prudential regulation, 100% provision against outstanding principal of Rs. 94.113 million as at December 31, 2016 is recorded as now it falls under loss category.

	(Un-audited) December 31, 2016	(Un-audited) December 31, 2015
	----- (Rupees) -----	
19 OTHER INCOME		
Gain / (loss) on disposal of plant and equipment - Ijarah / leased	402,429	(275,159)
Gain on disposal of property and equipment - owned	4,399	1,324,725
Maintenance charge to tenant BRR Tower	7,475,778	1,132,000
Reversal of bonus and leave encashment	-	8,616,171
Gain on settlement of diminishing musharaka based Term Finance Certificates	-	25,584,023
Others	729,586	1,310,935
	<u>8,612,192</u>	<u>37,692,695</u>



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20 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, 2016, the Modaraba held the following financial instruments measured at fair value:

	December 31, 2016			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Investments at fair value through profit or loss - held-for-trading				
Listed ordinary shares	182,650,187	-	-	182,650,187
Available-for-sale investments				
Listed ordinary shares - Net	308,973,718	-	-	308,973,718
Unlisted ordinary shares	-	-	83,387,549	83,387,549
Debt securities	-	48,114,570	59,444,282	107,558,852
	<u>491,623,905</u>	<u>48,114,570</u>	<u>142,831,831</u>	<u>682,570,306</u>

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

	June 30, 2016			
	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>

Valuation techniques

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

Transfers during the period

During the half year ended December 31, 2016, 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.



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21 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.

22 RELATED PARTY TRANSACTIONS

The Modaraba has related party relationship with its Management Company, Subsidiary, 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 Modaraba	Nature of transactions / Balances	(Un-audited) December 31, 2016 Rupees	(Un-audited) December 31, 2015 Rupees
Management Company			
BRR Investment (Private) Limited	Management Fee Accrued	9,482,784	3,712,796
BRR Investment (Private) Limited	Management Fee paid	5,380,520	8,106,829
BRR Investment (Private) Limited	Rent received	150,000	150,000
Associated companies / other related parties			
Crescent Standard Modaraba	Share of common expenses received	82,463	92,095
Dawood Family Takaful Limited	Rental Received Ijarah	274,090	373,358
Dawood Family Takaful Limited	Rent received against property	1,953,090	3,025,436
Dawood Family Takaful Limited	Group Life Insurance Paid	187,445	92,657
Dawood Family Takaful Limited	Principal paid against investment in Sukuk	2,347,404	13,556,250
Dawood Family Takaful Limited	Profit paid against investment in Sukuk	2,657,356	8,902,679
Equity International (Private) Limited	Profit received on musharaka	-	5,645,500
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 Limited	Rent received against property	409,200	409,200
First Dawood Investment Bank Limited	Share of common expenses received	79,731	253,796
First Dawood Investment Bank Limited	Share of common expenses paid	19,965	-
First Dawood Investment Bank Limited	Principal paid against investment in Sukuk	12,109,671	9,817,872
First Dawood Investment Bank Limited	Profit paid against investment in Sukuk	9,404,475	5,482,641
First Dawood Investment Bank Limited	Consideration received against BBL share	4,500,000	11,600,000
First Dawood Employees Provident Fund	Transfer to provident fund	1,172,688	961,744
First Dawood Employees Provident Fund	Principal paid against investment in Sukuk	1,837,493	1,602,376
First Dawood Employees Provident Fund	Profit paid against investment in Sukuk	1,919,726	1,068,806
Dawood Equities Limited	Rental received against property	66,000	132,000
Dawood Equities Limited	Brokerage and Commission paid	175,970	441,996



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Relationship with the Modaraba	Nature of transactions / Balances	(Un-audited) December 31, 2016 Rupees	(Un-audited) December 31, 2015 Rupees
Hamida Dawood	Principal paid against investment in Sukuk	360,390	1,387,500
Hamida Dawood	Profit paid against investment in Sukuk	407,975	923,421
Dawood Capital Management Limited	Staff cost received	1,052,998	-
Dawood Global Foundation	Charity paid	86,280	169,412
Pioneer Cement Limited	Dividend received	71	118
Period end balances			
Management Company			
BRR Investment (Private) Limited	Management fee accrued	9,482,784	5,380,520
Associated companies / other related parties			
First Dawood Investment Bank Limited	Consideration receivable against BBL shares	4,580,000	9,080,000
First Dawood Investment Bank Limited	Principal payable against investment in Sukuk	-	10,772,625
First Dawood Investment Bank Limited	Profit payable against investment in Sukuk	128,454	8,548,772
First Dawood Employees Provident Fund	Principal payable against investment in Sukuk	-	869,344
First Dawood Employees Provident Fund	Profit payable against investment in Sukuk	105,490	1,294,437
Dawood Family Takaful Limited	Profit payable against investment in Sukuk	225,522	1,155,024
Hamida Dawood	Profit payable against investment in Sukuk	34,627	177,328
Dawood Capital Management Limited	Receivable against staff cost paid	-	1,052,998

23 EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the management company in its meeting held on October 29, 2016 passed resolution to increase authorized modaraba funds from Rs. 870 million to Rs. 1,150 million (each modaraba certificate of Rs. 10/=) subject to the Registrar Modaraba's (RM) approval. On January 20, 2017, the Deputy Director Modaraba granted its approval to increase the authorized funds from Rs. 870 million to Rs. 1,150 million divided into Rs. 10/= each.

24 DATE OF AUTHORISATION FOR ISSUE

This condensed consolidated interim financial information was authorized for issue on **February 24, 2017** by the Board of Directors of B.R.R. Investment (Private) Limited.

25 GENERAL

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

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

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

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