

**Un-Audited
Financial Statements
For The Nine Months Period Ended
March 31, 2013**

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

B.R.R. TOWER



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

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

2013



B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

Managed by:

B.R.R. Investments (Private) Limited

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

CORPORATE INFORMATION

Modaraba Company	B.R.R. Investments (Private) Limited
Chairman	Mr. Rafique Dawood
Chief Executive	Mr. Ayaz Dawood
Directors	Mr. Farouq Habib Rahimtoola Mr. Muhammad Shahid Murtaza
Audit Committee	Mr. Farouq Habib Rahimtoola - Chairman Mr. Rafique Dawood - Member Mr. Muhammad Shahid Murtaza - Member
H.R Committee	Mr. Farouq Habib Rahimtoola - Chairman Mr. Rafique Dawood - Member Mr. Muhammad Shahid Murtaza - Member
Shariah Advisor	Mufti Syed Sabir Hussain
Chief Financial Officer	Syed Tariq Masood
Company Secretary	Mr. Tahir Mehmood
Auditors	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountant
Legal Advisor	Rauf Ghaffar Law Associate Malik & Maliks
Bankers	Al -Baraka Bank (Pakistan) Limited Habib Metro Bank National Bank of Pakistan NIB Bank Limited
Web-site	www.firstdawood.com/brr
E-mail:	brr@firstdawood.com
Registered Office & Head Office	1900-B, Saima Trade Towers, I.I Chundrigar Road, Karachi-74000 PABX 32271875-80 37010960-65 37014641-4 Fax : 92-21-227-1912
Registrar	F.D Registrar Services (SMC-Pvt.) Ltd 1705, 17th Floor, Saima Trade Towers, Tower "A", I.I Chundrigar Road, Karachi-74000 Phone # 92-21-35478192-93 Fax # 92-21-32621233
Branch Offices	Suit No. 210, 5th Floor, Siddiq Trade Centre, Main Boulevard, Gulberg - III, Lahore. Office No. 405, 4th Floor, Islamabad Stock Exchange Tower, Jinnah Avenue, Islamabad.
Security Vault	G-187 Block 2, Shahrahe-e-Quaideen, PECHS Karachi-75400



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

DIRECTORS' REPORT

Dear Certificate holders,

The Board of Directors of B.R.R. Investments (Private) Limited, manager of **B.R.R. Guardian Modaraba** (BRRGM), take pleasure in presenting the 3rd Quarter Financial Statements of the Modaraba for the Nine months ended March 31, 2013.

Operations and performance

	March 31, 2013	March 31, 2012
 Rupees.....	
Total Income	251,195,192	271,332,510
Total Expenses	253,001,423	289,207,112
Operating Profit	19,762,697	16,166,625
Modaraba Management Company's Fee	1,976,269	1,616,662
Sales tax on Modaraba Management Company's fee	316,203	-
Provision for Worker's Welfare Fund	349,404	290,999
Profit for the Period	17,120,821	14,258,964

The performance of Modaraba remain satisfactory during the period, management has control total expenses along with reduced the financial charges. Also your Modaraba improved its profit as compare to the last year of same period.

Your Modaraba, vigilant and cautious during the period in existing economic condition, also focused to take benefit of good opportunities that add value of Certificate Holders.

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

April 20, 2013
Karachi.

Rafique Dawood
Chairman



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

Condensed Interim Balance Sheet
As at March 31, 2013

	Note	(Un-Audited) March 31, 2013 Rupees	(Audited) June 30, 2012 Rupees
ASSETS			
Current Assets			
Cash and Bank Balances		285,180,646	231,630,479
Musharaka and Morabaha Finances		363,272,073	385,061,421
Short Term Investments	4	480,239,990	467,242,582
Lease Rentals Receivable		12,633,080	22,352,840
Loans, Deposits, Advances and Prepayments		2,256,966	2,588,502
Accrued Profit		73,528,485	84,579,105
Other Receivables		8,599,558	9,311,552
Taxation Refundable		6,295,455	5,910,372
		1,232,006,253	1,208,676,853
Assets Classified as held for trading		291,500	461,500
		1,232,297,753	1,209,138,353
Non current assets			
Long Term Portion of Musharaka and Morabaha Finances		339,296,135	432,200,269
Long Term Loans and Deposits		14,116,510	13,942,253
Property, Plant and Equipments - Owned	5	107,482,730	112,032,688
Capital Work In Progress		556,772,042	518,746,974
Property, Plant and Equipments - Leased /Ijarah	6	115,796,501	97,729,235
Investment Property	7	632,560,527	659,761,987
Total Assets		2,998,322,198	3,043,551,759
Liabilities			
Current Liabilities			
Current portion of Morabaha, Musharaka and Finance Under Markup Arrangements		705,749,097	860,111,669
Current Portion of Diminishing Musharaka Based TFCs		130,000,000	55,000,000
Creditors, Accrued and Other Liabilities		48,643,203	39,829,606
Accrued Profit on Borrowings		364,081,941	338,189,472
Customers' Security Deposits		19,141,950	8,954,899
Profit distribution Payable		23,021,558	21,061,306
		1,290,637,749	1,323,146,952
Non current liabilities			
Diminishing Musharaka Based TFCs		610,000,000	717,500,000
Long Term Portion of Morabaha, Musharaka and Finance		204,400,000	124,200,000
Long Term Portion of Customers Security Deposits		90,348,996	105,899,473
Total Liabilities		2,195,386,745	2,270,746,425
		-	-
NET ASSETS		802,935,453	772,805,334
Represented By:			
Certificate Capital		780,462,550	780,462,550
Capital reserves		523,823,582	523,823,582
Surplus on Revaluation of Investments		86,460,861	59,403,238
Accumulated loss		(587,811,540)	(590,884,036)
Contingencies and Commitments			
	8	-	-
		802,935,453	772,805,334

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

STATEMENT UNDER SECTION 241 (2) OF THE COMPANIES ORDINANCE, 1984 AND MODARABA COMPANIES AND MODARABA RULES, 1981

The Chief Executive of the modaraba Management Company is presently out of the country and, hence financial statements have been signed as required under Section 241 (2) of the Companies Ordinance, 1984 and Rule 12 (2) of Modaraba Companies and Modaraba Rules, 1981.

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

Chairman

Director

Director



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

Condensed Interim Profit And Loss Account (Un-Audited)
For The Nine Months Period Ended March 31, 2013

	For the Nine Months ended		Quarter Ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	<----- Rupees ----->			
Lease / Ijarah Rentals	33,655,941	52,750,951	7,779,560	13,619,487
Income on Musharaka and Morabaha Finances	93,080,089	111,262,284	25,727,315	33,521,274
Return on Investments	46,652,266	36,639,660	10,216,213	22,956,588
Rental Income	58,380,959	60,615,058	18,657,774	19,853,305
Profit on Bank Balances	19,425,937	10,064,557	5,764,779	3,691,378
Other Income	4,774,878	5,594,712	160,820	465,779
	255,970,070	276,927,222	68,306,461	94,107,811
Amortization on Leased Assets	12,287,344	21,948,987	4,394,814	7,044,717
Impairment Loss	-	2,140,408	-	-
Operating Expenses	85,724,616	80,220,841	24,825,444	25,674,821
Financial Charges	154,989,463	184,896,876	47,808,601	58,716,520
	253,001,423	289,207,112	77,028,859	91,436,058
	2,968,647	(12,279,890)	(8,722,398)	2,671,753
Surplus / (Deficit) on Revaluation of Investments -Held for Trading		(1,189,494)		(1,189,494)
Reversal / (Provision) against Doubtful Receivables - Net	16,794,050	29,636,009	2,300,759	-
	19,762,697	16,166,625	(6,421,639)	1,482,259
Modaraba Management Company's Fee	1,976,269	1,616,662	(642,164)	148,225
Sales tax on Modaraba Management Company's fee	316,203	-	(102,746)	-
Provision for Worker's Welfare Fund	349,404	290,999	(113,535)	26,680
Profit Before Taxation	17,120,821	14,258,964	(5,563,194)	1,307,354
Taxation	-	-	-	-
Profit for the period	17,120,821	14,258,964	(5,563,194)	1,307,354
Earnings Per Certificate - Basic / Diluted	0.219	0.183	(0.071)	0.017

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

Chairman

Director

Director



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

Condensed Interim Statement of Comprehensive Income (Un-Audited)
For The Nine Months Period Ended March 31, 2013

	For the Nine Months ended		Quarter Ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	<----- Rupees ----->			
Profit for the Period	17,120,821	14,258,964	(5,563,194)	1,307,354
Other Comprehensive Income				
Unrealized Surplus on revaluation of available for sale investments	27,057,623	9,928,114	2,153,040	14,872,663
Total Comprehensive Income	44,178,444	24,187,078	(3,410,154)	16,180,017

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

Chairman

Director

Director



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

Condensed Interim Cash Flows Statement (Un-Audited)
For The Nine Months Period Ended March 31, 2013

	March 31, 2013 Rupees	March 31, 2012 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the Period	17,120,821	14,258,964
Adjustments of non cash and other items;		
Depreciation	34,646,902	31,796,046
Amortization	12,287,344	21,948,987
Impairment loss on Investments	-	2,140,408
Reversal of Provision net	(16,794,050)	(29,644,765)
Fixed Capital Expenditure on Assets Leased Out	(43,223,455)	(1,030,000)
Proceeds on Disposal of Assets Leased Out	23,389,070	3,440,555
Profit on Sale of Assets Leased Out	(3,603,074)	29,925
Profit on Sale of Investment & Own Property	(463,024)	(128,947)
Profit on Musharaka, Morabaha and Finance Under Mark-up Arrangements	154,963,716	182,531,628
Return on Investments	(46,652,266)	(36,639,660)
	114,551,163	174,444,177
(Increase) / Decrease in Current Assets		
Lease Rentals Receivable	9,719,760	(10,587,157)
Loans, Advances and Prepayments	157,279	293,870
Decrease in assets classified as held for trading	170,000	-
Accrued Profit	9,571,702	26,958,542
Other Receivables	108,812	29,886,174
	19,727,553	46,551,429
Increase / (Decrease) in Current Liabilities		
Creditors, Accrued and Other Liabilities	1,591,320	(9,925,409)
Customers Security Deposits	(5,363,426)	(504,913)
Rentals Received in Advance	7,222,327	2,399,844
Income Tax Paid	(385,083)	(201,651)
	3,065,138	(8,232,129)
Net Cash Generated from Operating Activities	154,464,675	227,022,441
B CASH FLOW FROM INVESTING ACTIVITIES		
Decreases/(Increase) in Investments	14,060,215	57,587,116
Income Received on Investments	48,734,367	39,253,949
Decrease/(Increase) in Musharaka and Morabaha Finances	124,570,325	118,625,790
Fixed Capital Expenditure on Assets in Own Use	(3,588,720)	-
Fixed Capital Expenditure on Investment Property & CWIP	(38,025,068)	(166,505,337)
Proceeds from Disposal of Assets in Own Use	1,156,266	533,012
Net Cash Generated Investing Activities	146,907,385	49,494,530
C CASH FLOW FROM FINANCING ACTIVITIES		
Decrease in Finance under Morabaha, Musharaka and Finance under mark-up arrangement	(106,662,572)	(39,185,936)
Profit Paid on Borrowing	(129,071,247)	(159,436,174)
Profit Paid to Certificate Holders	(12,088,074)	(19,211,840)
Net Cash Used in Financing Activities	(247,821,893)	(217,833,950)
Net Increased / (Decrease) in Cash and Cash Equivalents	53,550,167	58,683,021
Cash and Cash Equivalents at the Beginning of the Period	231,630,479	121,699,207
Cash and Cash Equivalents at the End of the Period	285,180,646	180,382,228

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STATEMENT UNDER SECTION 241 (2) OF THE COMPANIES ORDINANCE, 1984 AND MODARABA COMPANIES AND MODARABA RULES, 1981

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

Chairman

Director

Director



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

Condensed Interim Statement of Changes In Equity (Un-Audited)
For The Nine Months Period Ended March 31, 2013

	Certificate Capital	Capital Reserves Profit Prior to Floatation	Statutory Reserve	General Reserve	Surplus on Revaluation of Investments	Accumulated (Loss)	Total
	-----Rupees-----						
Balance as at July 01, 2011	780,462,550	10,532,683	498,840,899	56,000,000	28,952,417	(642,104,733)	732,683,816
Transfer from General reserve				(56,000,000)	-	56,000,000	-
Other comprehensive income					9,928,114		9,928,114
Profit for the period ended March 31, 2012						14,258,964	14,258,964
Profit distribution for the year ended June 30, 2011 @ 0.25 per certificate						(19,511,564)	(19,511,564)
Balance as at March 31, 2012	780,462,550	10,532,683	498,840,899	-	38,880,531	(591,357,333)	737,359,330
Other comprehensive income					20,522,707	-	20,522,707
Profit for the period ended June 30, 2012						14,923,297	14,923,297
Transfer to Statutory Reserve			14,450,000			(14,450,000)	
Balance as at June 30, 2012	780,462,550	10,532,683	513,290,899	-	59,403,238	(590,884,036)	772,805,334
Other comprehensive income					27,057,623		27,057,623
Profit for the Period ended March 31, 2013						17,120,821	17,120,821
Profit distribution for the year ended June 30, 2012 @ 0.18 per certificate						(14,048,327)	(14,048,327)
Balance as at March 31, 2013	780,462,550	10,532,683	513,290,899	-	86,460,861	(587,811,540)	802,935,453

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

STATEMENT UNDER SECTION 241 (2) OF THE COMPANIES ORDINANCE, 1984 AND MODARABA COMPANIES AND MODARABA RULES, 1981

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

Chairman

Director

Director



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

Condensed Interim Notes To The Financial Statements (Un-Audited)
For The Nine Months Period Ended March 31, 2013

1. LEGAL STATUS AND NATURE OF THE BUSINESS

B.R.R. Guardian Modaraba (BRRGM) is a multipurpose, perpetual Modaraba floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder and is managed by B.R.R. Investments (Private) Limited, having its registered office at 19th Floor, Saima Trade Tower, I.I. Chundrigar Road, Karachi. The Modaraba is listed on the Karachi Stock Exchange Limited. The Modaraba's principal activity is leasing (Ijarah) of assets, deployment of funds in musharakas, murabahas and investment in properties, equity and debt securities. The Modaraba also provides custodial and management services in the name of B.R.R. Security Vault.

2. BASIS OF PREPARATION

These financial statement are unaudited and being submitted to certificate holders as required under Rule 10 of Modaraba Companies and Modaraba Rules 1981, These have been prepared in accordance with International Accounting Standard- 34 "Interim Financial Reporting" as applicable in Pakistan

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of these condensed interim financial statement are the same as those applied in preparing the audited financial statements for the year ended June 30, 2012.

4. SHORT TERM INVESTMENTS

Held for Trading

Investments in Listed Companies and
Mutual Funds

(Un-audited) March 31, 2013 Rupees	(Audited) June 30, 2012 Rupees
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87,974,344	49,437,391
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Available for Sale:

Investments in Listed Companies and
Mutual Funds
Investments in Unlisted Companies
Investment in Debts Securities

117,604,340	104,451,886
178,661,305	178,661,305
96,000,001	134,692,000

480,239,990	467,242,582
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5. PROPERTY AND EQUIPMENT - OWNED

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

	----- Additions -----		----- Disposals -----	
	(Un-audited) March 31 2013	(Audited) June 30, 2012	(Un-audited) March 31 2013	(Audited) June 30, 2012
	< ----- Rupees ----- >			
Building	1,400,000	80,500,000	-	-
Vehicles	2,188,720	5,488,705	3,464,605	3,196,435
Office Equipment and Appliances	-	102,000	163,398	-
	3,588,720	86,090,705	3,628,003	3,196,435



B.R.R. Guardian Modaraba
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6. PROPERTY, PLANT AND EQUIPMENT - Leased / Ijarah

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

Land and Building (Leasehold)	-	-	30,000,000	-
Plant and Machinery	2,203,955	-	33,155,200	91,236,000
Vehicles	40,234,500	6,482,500	15,437,300	25,414,488
Office Equipment and Appliances	785,000	-	-	5,692,100
	43,223,455	6,482,500	78,592,500	122,342,588

7. INVESTMENT PROPERTIES

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

Building on Leasehold Land	-	33,000,000	-	-
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8. CONTINGENCIES AND COMMITMENTS

Commitments in respect of capital expenditure on B.R.R Tower amounting to Rs 36.079 million.

9. RELATED PARTY TRANSACTIONS

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

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

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

Relationship with the Modaraba		(Un-audited) March 31, 2013 Rupees	(Un-audited) March 31, 2012 Rupees
BRR Investments (Pvt) Limited	Management fee accrued	1,976,270	1,616,662
BRR Investments (Pvt) Limited	Share of common expenses received	4,500,000	2,393,100
BRR Investments (Pvt) Limited	Rent accrued	-	4,957,240
First Dawood Investments Limited	Rent received	1,146,960	150,000
First Dawood Investments Limited	Rent receivable	573,480	-
First Dawood Investments Limited	Rent paid	-	1,693,170
First Dawood Investments Limited	Share of common expenses received	1,266,392	2,200,360
First Dawood Investments Limited	Share of common expenses receivable	680,475	-
First Dawood Investments Limited	Share of common expenses paid	395,718	(1,270,799)
Crescent Standard Modaraba	Share of common expenses received	1,954,179	1,930,045
Crescent Standard Modaraba	Share of common expenses receivable	110,000	-
Crescent Standard Modaraba	Sale of vehicle	676,033	-
Dawood Capital Management Limited	Share of common expenses received	-	5,162,505
Dawood Islamic Fund	Investment made	42,420,721	60,000,000
Dawood Income Fund	Investment encashed	-	(60,000,000)
Dawood Income Fund	Gain on investment	-	1,971,159
FDIBL and Others Employess Provident Fund	Transfer to provident fund	1,215,628	(1,193,431)



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

10. DATE OF AUTHORISATION OF ISSUE

These financial statements have been authorised for issue on April 20, 2013 by the Board of Directors of the B.R.R. Investments (Private) Limited.

11. FIGURES

Figures have been rounded off to the nearest Rupee.

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

STATEMENT UNDER SECTION 241 (2) OF THE COMPANIES ORDINANCE, 1984 AND MODARABA COMPANIES AND MODARABA RULES, 1981

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

Chairman

Director

Director

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