

**Un-Audited
Standalone & Consolidated
Condensed Interim Financial Information
For The Nine Months Period Ended
March 31, 2017**



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



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

2017



B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

Managed by:

B.R.R. Investment (Private) Limited

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B.R.R. Guardian Modaraba

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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), takes pleasure in presenting the interim financial statements to the certificate holders for the 3rd Quarter ended 31st March, 2017.

The brief of operational performance is as under:

Financial highlights	March 31, 2017	March 31, 2016	% age increase
 Rupees.....		
Total Income	291,473,504	198,868,303	+46.57%
Total Expenses	156,969,854	160,238,396	-2.04%
Net Profit for the period	116,918,643	33,541,575	+248.58%
Earning per certificate	1.50	0.43	+248.84%
Certificate holders' equity	1,229,213,883	1,031,908,413	+19.12%
Breakup value per certificate	15.75	13.22	+19.14%

During the period ended March 31, 2017 the Modaraba has earned profit of Rs 116.919 million as compared to profit of Rs 33.542 million in the same period of last year.

The Certificate Holders' Equity of Modaraba stands at Rs 1.23 billion as compared with Rs 1.03 billion in the same period last year. The breakup value per certificate comes to Rs 15.75 as compared to Rs 13.22 same period last year.

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 is also reflected in these interim financial statements.

CONCLUSION & APPRECIATION

We take this opportunity to place on record the dedication of the employees and their commitments which enabled the management to achieve its objectives.

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

April 24, 2017
Karachi

Rafique Dawood
Chairman



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

بی۔آر۔آر۔گار جین مضاربہ ڈائریکٹرز کی رپورٹ

محترم سرٹیفکیٹ ہولڈرز،

بی۔آر۔آر۔انویسٹمنٹ (ہائپوٹ) لمیٹڈ ("بی۔آر۔آر۔آئی" یا کہنی) کے بورڈ آف ڈائریکٹرز، بی۔آر۔آر۔گار جین مضاربہ (بی۔آر۔آر۔جی ایم) کے ناظم کی حیثیت سے مارچ 31، 2017 کو ختم ہونے والی تیسرے سہ ماہی کے عبوری مالیاتی حسابات پیش کرتے ہوئے بے حد مسرت محسوس کر رہے ہیں۔

مختصراً آپریشنل کارکردگی درج ذیل ہے:

وضاحت	مارچ 31، 2017	مارچ 31، 2016	شرح فیصد میں اضافہ
	پاکستانی روپے میں		
کل آمدنی	291,473,504	198,868,303	+46.57%
کل اخراجات	156,969,854	160,238,396	-2.04%
خالص منافع	116,918,643	33,541,575	+248.58%
نفع فی سرٹیفکیٹ	1.50	0.43	+248.84%
سرٹیفکیٹ ہولڈرز کی ایکونٹی	1,229,213,883	1,031,908,413	+19.12%
بریک اپ ویلیو - فی سرٹیفکیٹ	15.75	13.22	+19.14%

آپ کے مضاربہ نے پچھلے سال کی تیسری سہ ماہی تک کے 33.542 ملین روپے منافع کے مقابلے میں اس سال کی تیسری سہ ماہی تک 116.919 ملین روپے کا منافع کمایا ہے۔

مضاربہ کے سرٹیفکیٹ ہولڈرز کی ایکونٹی 1.23 ملین روپے پہنچی ہے جو کہ گزشتہ سال کے تقابلی مدت میں 1.03 ملین روپے تھی۔ بریک اپ ویلیو فی سرٹیفکیٹ 15.75 روپے ہے جو کہ گزشتہ سال کے تقابلی مدت میں 13.22 روپے تھی۔

ڈیٹی ڈائریکٹر ڈیویڈن برائے خصوصی کمپنیز (مضاربہ ونگ) کی منظوری مورخہ جنوری 20، 2017 کے مطابق مضاربہ کا مجاز فنڈ 870 ملین روپے سے بڑھ کے 1.15 ملین روپے ہو گیا ہے جو کہ ان عبوری مالیاتی حسابات میں شامل ہے۔

اختتامی کلمات اور اظہار تشکر

ہم اس موقع پر ملازمین کے عزم و لگن کو سراہتے ہیں جس کی وجہ سے انتظامیہ کو اپنے مقاصد حاصل کرنے میں کامیابی ہوئی۔

از طرف بورڈ آف ڈائریکٹرز

بی۔آر۔آر۔انویسٹمنٹ (ہائپوٹ) لمیٹڈ

مورخہ اپریل 24، 2017

کراچی

رفیق داؤد

چئیرمین



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

Condensed Interim Balance Sheet
As at March 31, 2017

		(Un-audited) March 31, 2017	(Audited) June 30, 2016
	Note	----- (Rupees) -----	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	176,541,929	193,785,743
Investment properties	5	1,096,069,774	1,122,283,049
Long term investment	6	1,000,000	-
Long-term musharaka finances		15,024,117	1,349,702
Long-term loans, advances and deposits		10,524,082	17,588,760
TOTAL NON CURRENT ASSETS		1,299,159,902	1,335,007,254
CURRENT ASSETS			
Short-term investments	7	675,204,503	611,784,936
Current portion of musharaka finances		3,873,945	35,532,855
Ijarah / lease rental receivable		5,008,867	84,020
Loan, deposits, advances and prepayments		12,665,472	6,675,317
Accrued profit		342,168	1,597,773
Other receivables		815,449	12,327,208
Taxation		10,089,437	4,323,128
Cash and bank balances		121,446,944	15,153,463
		829,446,785	687,478,700
Non current asset held for sale		55,800,000	55,800,000
TOTAL CURRENT ASSETS		885,246,785	743,278,700
TOTAL ASSETS		2,184,406,688	2,078,285,954
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital			
115,000,000 (June 30, 2016: 87,000,000) certificate of Rs 10/- each	8	1,150,000,000	870,000,000
Issued, subscribed and paid up certificate capital		780,462,550	780,462,550
Reserves	9	152,009,862	56,163,708
Surplus on revaluation of investments		296,741,470	219,972,192
		1,229,213,883	1,056,598,450
LIABILITIES			
NON CURRENT LIABILITIES			
Diminishing musharaka based Term Finance Certificates		102,850,000	177,850,003
Long term customers' security deposits		99,703,278	90,197,976
TOTAL NON CURRENT LIABILITIES		202,553,278	268,047,979
CURRENT LIABILITIES			
Murabaha, musharaka and finance under mark up arrangements		312,149,098	312,149,098
Current portion of Diminishing musharaka based Term Finance Certificates		96,000,000	98,641,969
Current portion of customers' security deposits		2,612,850	4,626,100
Creditors, accrued and other liabilities		102,601,565	74,461,337
Accrued profit on borrowings		214,115,984	240,008,423
Profit distribution payable		25,160,030	23,752,598
TOTAL CURRENT LIABILITIES		752,639,527	753,639,525
TOTAL EQUITY AND LIABILITIES		2,184,406,688	2,078,285,954
CONTINGENCIES AND COMMITMENTS			

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The annexed notes from 1 to 13 form an integral part of these 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 Nine Months And Quarter Ended March 31, 2017
(Un-Audited)**

	Nine Months Ended		Quarter Ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	----- Rupees -----			
INCOME				
Rental income	126,029,161	99,872,841	42,541,620	37,058,534
Ijarah / lease rentals	26,195,052	26,810,000	12,036,982	8,181,544
Income on musharaka finances	5,103,104	2,662,940	1,086,950	709,546
Return on investments - net	46,286,101	43,206,587	4,600,403	16,134,569
Profit on banks balances	1,766,494	1,389,396	1,047,563	213,753
Unrealized gain / (loss) on revaluation of held-for-trading investments	51,798,012	(14,908,246)	10,787,447	(12,690,774)
Reversal of provision for doubtful receivables - net	19,549,666	801,698	7,523,331	415,000
Other income	14,745,914	39,033,087	6,133,722	1,340,392
	291,473,504	198,868,303	85,758,018	51,362,564
EXPENSES				
Administrative expenses	116,432,620	104,559,858	35,237,792	33,175,395
Amortization on ijarah assets	17,566,164	23,026,736	5,113,498	7,673,652
Impairment loss on available for sale investment	-	4,722,634	-	-
Financial charges	22,971,070	27,929,168	5,730,921	9,011,575
	156,969,854	160,238,396	46,082,211	49,860,622
Profit before management fee	134,503,651	38,629,907	39,675,808	1,501,942
Modaraba company's management fee	13,450,365	3,862,991	3,967,581	150,195
Sales Tax on Modaraba Management company's fee	1,748,547	540,819	420,957	21,027
Provision for Worker's Welfare Fund	2,386,095	684,522	705,746	26,614
Profit before taxation	116,918,643	33,541,575	34,581,523	1,304,106
Provision for taxation	-	-	-	-
Net profit for the period	116,918,643	33,541,575	34,581,523	1,304,106
Earnings per certificate-basic and diluted	1.50	0.43	0.44	0.02

The annexed notes from 1 to 13 form an integral part of these 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 Nine Months And Quarter Ended March 31, 2017
(Un-Audited)

	<u>Nine Months ended</u>		<u>Quarter Ended</u>	
	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u><----- Rupees -----></u>			
Profit for the period	116,918,643	33,541,575	34,581,523	1,304,106
Other Comprehensive Income				
Unrealized Surplus /(deficit) on revaluation of available for sale investments	76,769,278	38,842,224	5,363,472	(5,132,624)
Total Comprehensive Income for the period	<u>193,687,922</u>	<u>72,383,799</u>	<u>39,944,996</u>	<u>(3,828,518)</u>

The annexed notes from 1 to 13 form an integral part of these 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 Nine Months Period Ended March 31, 2017
(Un-Audited)

	March 31, 2017 Rupees	March 31, 2016 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period	116,918,643	33,541,575
Adjustment for non-cash and other items		
Depreciation	33,363,858	32,371,359
Amortization on ijarah assets	17,566,164	23,026,736
Reversal of provision for doubtful receivables - net	(19,549,666)	(690,000)
Gain on disposal of property, plant and equipment - leased / ijarah	(812,444)	(1,489,267)
(Gain) / Loss on disposal of property and equipment - owned	(61,897)	275,141
Profit on musharaka, murabaha and finance under mark-up arrangements	22,971,070	27,917,130
Unrealized gain on revaluation of held-for-trading investment	(51,798,012)	-
Return on investments - net	(46,286,101)	(43,081,181)
	(44,607,029)	38,329,918
Decrease / (Increase) in current assets		
Ijarah / lease rentals receivable	(4,924,847)	600,841
Long term deposit	(10,000)	(5,000)
Loans, advances and prepayments	1,084,523	14,449,900
Accrued profit	1,255,605	13,139,752
Other receivables	11,511,759	16,118,330
	8,917,040	44,303,823
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	42,553,048	(53,272,496)
Rentals received in advance	(14,412,820)	(10,141,201)
Customers' security deposits	7,492,052	(4,591,778)
	35,632,280	(68,005,475)
Income tax paid	(5,766,309)	(1,368,667)
Net cash generated from operating activities	111,094,625	46,801,174
B CASH FLOW FROM INVESTING ACTIVITIES		
Investments (purchased) / disposed off - net	82,451,897	12,550,432
Income received on investments	46,286,101	43,121,550
(Increase) / decrease in musharaka and morabaha finances	17,984,495	40,952,872
Addition to property and equipment - owned	(11,072,882)	(11,288,148)
Addition to property, plant and equipment - ijarah	(800,000)	(14,677,000)
Proceeds from disposal of property, plant and equipment - leased / ijarah	5,416,815	11,355,246
Proceeds from disposal of property and equipment - owned	61,900	2,139,787
Net cash (used) in / generated from investing activities	140,328,326	84,154,739
C CASH FLOW FROM FINANCING ACTIVITIES		
Decrease in Morabahas and Finance		
Under Mark-up arrangements	(77,641,972)	(84,869,644)
Finance under murabaha, musharaka and finance under mark-up arrangements	(47,822,441)	(42,089,149)
Profit paid to certificate holders	(19,665,057)	(30,502,587)
Net cash used in financing activities	(145,129,470)	(157,461,380)
Net increase / (decrease) in cash and cash equivalents	106,293,481	(26,505,467)
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	121,446,944	8,762,206

The annexed notes from 1 to 13 form an integral part of these 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 Nine Months Period Ended March 31, 2017
(Un-Audited)**

	Certificate capital	Capital Reserve Profit prior to floatation	Statutory reserve	(Deficit)/ Surplus on revaluation of investment Available for sale	Accumulated (Loss)	Total
	Rupees-----					
Balance as at July 01, 2015	780,462,550	10,532,683	595,569,357	169,616,336	(565,047,579)	991,133,347
Profit for nine months ended March 31, 2016	-	-	-	-	33,541,575	33,541,575
Profit distribution for the year ended June 30, 2015 @ 0.405 per certificate	-	-	-	-	(31,608,733)	(31,608,733)
Other comprehensive income	-	-	-	38,842,224	-	38,842,224
	-	-	-	-	-	-
	-	-	-	38,842,224	1,932,842	40,775,066
Balance as at March 31, 2016	780,462,550	10,532,683	595,569,357	208,458,560	(563,114,737)	1,031,908,413
Profit for quarter ended June 30, 2016	-	-	-	-	13,176,405	13,176,405
Other comprehensive income	-	-	-	11,513,632	-	11,513,632
Transfer to statutory reserve	-	-	23,358,990	-	(23,358,990)	-
	-	-	23,358,990	11,513,632	(10,182,585)	24,690,037
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 nine months ended March 31, 2017	-	-	-	-	116,918,643	116,918,643
Profit distribution for the year ended June 30, 2016 @ 0.27 per certificate	-	-	-	-	(21,072,489)	(21,072,489)
Other comprehensive income	-	-	-	76,769,278	-	76,769,278
	-	-	-	-	-	-
	-	-	-	76,769,278	95,846,154	172,615,433
Balance as at March 31, 2017	780,462,550	10,532,683	618,928,347	296,741,470	(477,451,168)	1,229,213,883

The annexed notes from 1 to 13 form an integral part of these 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 Condensed Interim Financial Information
For The Nine Months Period Ended March 31, 2017
(Un-Audited)**

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 off; I.I. Chundrigar Road, Karachi.
- 1.2** 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 debts securities. The Modaraba also provides custodial and management services in the name of B.R.R. Security Vault.
- 1.3** 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

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

These condensed interim financial information are unaudited and are submitted to Certificate Holders and 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 information are the same as those applied in preparing the audited financial statements for the year ended June 30, 2016.

	Note	(Un-audited) March 31, 2017	(Audited) June 30, 2016
4. PROPERTY, PLANT AND EQUIPMENT			
Property and equipment - owned	4.1	103,362,706	99,440,410
Property, plant and equipment - leased / ijarah	4.2	73,179,223	94,345,333
		<u>176,541,929</u>	<u>193,785,743</u>

4.1 Property and equipment - Owned

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

	-----Additions-----		-----Disposal/Transfer *-----	
	(Un-audited) March 31, 2017	(Audited) June 30, 2016	(Un-audited) March 31, 2017	(Audited) June 30, 2016
	------(Rupees)-----			
Vehicles	7,522,200	7,836,900	575,000	5,028,766
Office equipment and appliances	1,063,182	1,731,238	44,000	6,203,331
Building on leasehold land	-	3,000,000	-	-
Lockers	2,487,500	-	-	-
	<u>11,072,882</u>	<u>12,568,138</u>	<u>619,000</u>	<u>11,232,097</u>



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

4.2 Property, plant and equipment - Ijarah / Leased

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

	-----Additions-----		-----Disposal-----	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	March 31,	June 30,	March 31,	June 30,
	2017	2016	2017	2016
	------(Rupees)-----		------(Rupees)-----	
Plant and Machinery	-	-	-	39,380,713
Vehicles	800,000	16,334,500	20,874,500	24,297,717
	800,000	16,334,500	20,874,500	63,678,430

5. INVESTMENT PROPERTY

		(Un-audited)	(Audited)
		March 31,	June 30,
		2017	2016
Investment property	5.1	1,029,649,774	1,055,863,049
Capital work-in-progress		66,420,000	66,420,000
		1,096,069,774	1,122,283,049

5.1 Investment Property

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

	-----Additions-----		-----Disposal-----	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	March 31,	June 30,	March 31,	June 30,
	2017	2016	2017	2016
	------(Rupees)-----		------(Rupees)-----	
Building on leasehold land	-	1,238,840	-	-
	-	1,238,840	-	-

6. LONG TERM INVESTMENT

In unquoted wholly owned subsidiary companies - at cost
BRR Financial Services (Private) Limited
100,000 ordinary shares (2016: Nil) of Rs. 10 each

	(Un-audited)	(Audited)
	March 31,	June 30,
	2017	2016
	1,000,000	-

6.1 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.



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

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

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

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

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

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.

	(Unaudited) March 31, 2017	(Audited) June 30, 2016
7. SHORT TERM INVESTMENTS	----- (Rupees) -----	
Held for trading		
Listed ordinary shares	199,317,188	192,803,854
Available for sale		
Listed ordinary shares	322,564,443	232,807,930
Unlisted ordinary shares	83,387,550	89,747,550
Investment in debts securities	84,911,517	111,401,797
	490,863,510	433,957,277
	690,180,698	626,761,131
Less: Provision for diminution in the value of investments	(14,976,195)	(14,976,195)
	675,204,503	611,784,936

8. AUTHORIZED CAPITAL

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.



	(Unaudited) March 31, 2017	(Audited) June 30, 2016
	----- (Rupees) -----	
9. RESERVES		
Capital reserve		
Profit prior to floatation	10,532,683	10,532,683
Statutory reserve	618,928,347	618,928,347
Revenue reserve		
Accumulated loss	(477,451,168)	(573,297,322)
	<u>152,009,862</u>	<u>56,163,708</u>

10. CONTINGENCIES AND COMMITMENTS

10.1 There are no contingencies and commitments as at March 31, 2017 (June 30, 2016: Nil).

11. 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.

The detail of transactions with related parties and balances with them, apart from compensation to executives, is given below.

Relationship with the Modaraba	Nature of transactions	(Un-audited) March 31, 2017	(Un-audited) March 31, 2016
Management Company			
B.R.R. Investment (Private) Limited	Management fee accrued	13,450,365	3,862,991
B.R.R. Investment (Private) Limited	Management fee paid	5,380,520	8,106,829
B.R.R. Investment (Private) Limited	Rent received	200,000	225,000
Subsidiary Company			
B.R.R. Financial Services (Private) Limited	Preliminary expenses paid	12,330	531,970
B.R.R. Financial Services (Private) Limited	Subscription against share capital	1,000,000	-
Associated companies / other related parties			
First Dawood Investment Bank Limited	Rent received against property	613,800	409,200
First Dawood Investment Bank Limited	Share of common expenses received - net	128,277	253,796
First Dawood Investment Bank Limited	Consideration received against BBL Shares	6,750,000	13,850,000
First Dawood Investment Bank Limited	Principal paid against investment in Sukuk	14,783,762	9,817,872
First Dawood Investment Bank Limited	Profit paid against investment in Sukuk	9,868,686	5,482,641
Crescent Standard Modaraba	Share of common expenses received	151,550	159,455
Equity International (Private) Limited	Principal received on musharaka	-	16,100,000
Equity International (Private) Limited	Profit received on musharaka	-	12,955,914
Equity International (Private) Limited	Principal adjusted against settlement	-	55,858,769



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(An Islamic Financial Institution)

Relationship with the Modaraba	Nature of transactions	(Un-audited) March 31, 2017	(Un-audited) March 31, 2016
First Dawood Employees Provident Fund	Transfer to provident fund	1,836,988	1,531,367
First Dawood Employees Provident Fund	Principal paid against investment in Sukuk	4,033,532	3,946,126
First Dawood Employees Provident Fund	Profit paid against investment in Sukuk	2,300,948	2,925,587
Dawood Family Takaful Ltd	Rental received against ijarah / property	3,319,747	3,398,794
Dawood Family Takaful Ltd	Group life insurance paid	187,445	176,278
Dawood Family Takaful Ltd	Principal paid against investment in Sukuk	7,042,210	13,556,250
Dawood Family Takaful Ltd	Profit paid against investment in Sukuk	3,472,355	8,902,679
Dawood Equities limited	Brokerage and commission paid	236,045	1,000,531
Dawood Equities limited	Rent received against property	99,000	165,000
Hamida Dawood	Principal paid against investment in Sukuk	1,081,170	1,387,500
Hamida Dawood	Profit paid against investment in Sukuk	533,099	923,421
Dawood Capital Management Limited	Cost reimbursed	1,052,998	-
Dawood Islamic Fund	Dividend received	-	12,167,966
Pioneer Cement Limited	Dividend received	71	118
Dawood Global Foundation	Charity paid	86,280	169,412
		(Un-audited) March 31, 2017	(Audited) June 30, 2016
11.1 Period end balances			
Management Company			
B.R.R. Investment (Private) Limited	Management fee payable	13,450,365	5,380,520
Subsidiary Company			
B.R.R. Financial Services (Private) Limited	Receivable against preliminary expenses	544,300	531,970
Associated companies / other related parties			
First Dawood Investment Bank Limited	Consideration receivable against BBL Shares	2,330,000	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	144,576	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	118,730	1,294,437
Dawood Family Takaful Ltd	Profit payable against investment in Sukuk	253,826	1,155,024
Hamida Dawood	Profit payable against investment in Sukuk	38,969	177,328
Dawood Capital Management Limited	Receivable against staff cost paid	-	1,052,998

12. DATE OF AUTHORISATION OF ISSUE

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

13. GENERAL

Figures have been rounded off to the nearest Rupee.

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 Nine Months Period Ended
March 31, 2017



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), takes pleasure in presenting the consolidated interim financial statements to the certificate holders for the 3rd Quarter ended 31st March, 2017.

The brief of operational performance is as under:

Financial highlights	March 31, 2017	March 31, 2016	% age increase
 Rupees.....		
Total Income	291,481,513	198,868,303	+46.57%
Total Expenses	157,534,954	160,238,396	-1.69%
Net Profit for the period	116,361,552	33,541,575	+246.92%
Earning per certificate	1.49	0.43	+246.51%
Certificate holders' equity	1,228,656,792	1,031,908,413	+19.07%
Breakup value per certificate	15.74	13.22	+19.06%

During the period ended March 31, 2017 the Modaraba has earned profit of Rs 116.362 million as compared to profit of Rs 33.542 million in the same period of last year.

CONCLUSION & APPRECIATION

We take this opportunity to place on record the dedication of the employees and their commitments which enabled the management to achieve its objectives.

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

April 24, 2017
Karachi

Rafique Dawood
Chairman



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

مجموعی مالیاتی حسابات برائے بی۔آر۔آر۔گار جین مضاربہ ڈائریکٹرز کی رپورٹ

محترم سرٹیفکیٹ ہولڈرز،

بی۔آر۔آر۔انویسٹمنٹ (پرائیویٹ) لمیٹڈ ("بی آر آئی" یا کہنی) کے بورڈ آف ڈائریکٹرز، بی آر گار جین مضاربہ (بی آر جی ایم) کے ناظم کی حیثیت سے مارچ 31، 2017 کو ختم ہونے والی تیسرے سہ ماہی کے مجموعی عبوری مالیاتی حسابات پیش کرتے ہوئے بے حد مسرت محسوس کر رہے ہیں۔

منصفاً آپریشنل کارکردگی درج ذیل ہے:

وضاحت	مارچ 31، 2017	مارچ 31، 2016	شرح فیصد میں اضافہ
	پاکستانی روپے میں		
کل آمدنی	291,481,513	198,868,303	+46.57%
کل اخراجات	157,534,954	160,238,396	-1.69%
خالص منافع	116,361,552	33,541,575	+246.92%
نفع فی سرٹیفکیٹ	1.49	0.43	+246.51%
سرٹیفکیٹ ہولڈرز کی ایکونٹی	1,228,656,792	1,031,908,413	+19.07%
بریک اپ ویلیو - فی سرٹیفکیٹ	15.74	13.22	+19.06%

آپ کے مضاربہ نے پچھلے سال کی تیسری سہ ماہی تک کے 33.542 ملین روپے منافع کے مقابلے میں اس سال کی تیسری سہ ماہی تک 116.362 ملین روپے کا منافع کمایا ہے۔

اختتامی کلمات اور اظہار تشکر

ہم اس موقع پر ملازمین کے عزم و لگن کو سراہتے ہیں جس کی وجہ سے انتظامیہ کو اپنے مقاصد حاصل کرنے میں کامیابی ہوئی۔

از طرف بورڈ آف ڈائریکٹرز

بی۔آر۔آر۔انویسٹمنٹ (پرائیویٹ) لمیٹڈ

مورخہ اپریل 24، 2017

کراچی

رفیق داؤد

چیئرمین



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

**CONSOLIDATED CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2017**

		(Un-audited) March 31, 2017	(Audited) June 30, 2016
Note		------(Rupees)-----	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	176,541,929	193,785,743
Investment properties	5	1,096,069,774	1,122,283,049
Long-term musharaka finances		15,024,117	1,349,702
Long-term loans, advances and deposits		10,524,082	17,588,760
TOTAL NON CURRENT ASSETS		1,298,159,902	1,335,007,254
CURRENT ASSETS			
Short-term investments	6	675,204,503	611,784,936
Current portion of musharaka finances		3,873,945	35,532,855
Ijarah / lease rental receivable		5,008,867	84,020
Loan, deposits, advances and prepayments		12,665,472	6,675,317
Accrued profit		342,168	1,597,773
Other receivables		271,149	12,327,208
Taxation		10,090,238	4,323,128
Cash and bank balances		122,434,592	15,153,463
		829,890,934	687,478,700
Non current asset held for sale		55,800,000	55,800,000
TOTAL CURRENT ASSETS		885,690,934	743,278,700
TOTAL ASSETS		2,183,850,837	2,078,285,954
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital			
115,000,000 (June 30, 2016: 87,000,000) certificate of Rs 10/- each	7	1,150,000,000	870,000,000
Issued, subscribed and paid up certificate capital		780,462,550	780,462,550
Reserves	8	151,452,771	56,163,708
Surplus on revaluation of investments		296,741,470	219,972,192
		1,228,656,792	1,056,598,450
LIABILITIES			
NON CURRENT LIABILITIES			
Diminishing musharaka based Term Finance Certificates		102,850,000	177,850,003
Long term customers' security deposits		99,703,278	90,197,976
TOTAL NON CURRENT LIABILITIES		202,553,278	268,047,979
CURRENT LIABILITIES			
Murabaha, musharaka and finance under mark up arrangements		312,149,098	312,149,098
Current portion of Diminishing musharaka based Term Finance Certificates		96,000,000	98,641,969
Current portion of customers' security deposits		2,612,850	4,626,100
Creditors, accrued and other liabilities		102,602,805	74,461,337
Accrued profit on borrowings		214,115,984	240,008,423
Profit distribution payable		25,160,030	23,752,598
TOTAL CURRENT LIABILITIES		752,640,767	753,639,525
TOTAL EQUITY AND LIABILITIES		2,183,850,837	2,078,285,954
CONTINGENCIES AND COMMITMENTS			
	9		

The annexed notes from 1 to 12 form an integral part of these 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 Nine Months And Quarter Ended March 31, 2017
(Un-Audited)**

	Nine Months Ended		Quarter Ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	----- Rupees -----			
INCOME				
Rental income	126,029,161	99,872,841	42,541,620	37,058,534
Ijarah / lease rentals	26,195,052	26,810,000	12,036,982	8,181,544
Income on musharaka finances	5,103,104	2,662,940	1,086,950	709,546
Return on investments - net	46,286,101	43,206,587	4,600,403	16,134,569
Profit on banks balances	1,774,503	1,389,396	1,055,572	213,753
Unrealized gain / (loss) on revaluation of held-for-trading investments	51,798,012	(14,908,246)	10,787,447	(12,690,774)
Reversal of provision for doubtful receivables - net	19,549,666	801,698	7,523,331	415,000
Other income	14,745,914	39,033,087	6,133,722	1,340,392
	291,481,513	198,868,303	85,766,027	51,362,564
EXPENSES				
Administrative expenses	116,997,720	104,559,858	35,243,942	33,175,395
Amortization on ijarah assets	17,566,164	23,026,736	5,113,498	7,673,652
Impairment loss on available for sale investment	-	4,722,634	-	-
Financial charges	22,971,070	27,929,168	5,730,921	9,011,575
	157,534,954	160,238,396	46,088,361	49,860,622
Profit before management fee	133,946,560	38,629,907	39,677,667	1,501,942
Modaraba company's management fee	13,450,365	3,862,991	3,967,581	150,195
Sales Tax on Modaraba Management company's fee	1,748,547	540,819	420,957	21,027
Provision for Worker's Welfare Fund	2,386,095	684,522	705,746	26,614
Profit before taxation	116,361,552	33,541,575	34,583,382	1,304,106
Provision for taxation	-	-	-	-
Net profit for the period	116,361,552	33,541,575	34,583,382	1,304,106
Earnings per certificate-basic and diluted	1.49	0.43	0.44	0.02

The annexed notes from 1 to 12 form an integral part of these 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 Nine Months And Quarter Ended March 31, 2017
(Un-Audited)**

	Nine Months ended		Quarter Ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	<----- Rupees ----->			
Profit for the period	116,361,552	33,541,575	34,583,382	1,304,106
Other Comprehensive Income				
Unrealized Surplus /(deficit) on revaluation of available for sale investments	76,769,278	38,842,224	5,363,472	(5,132,624)
Total Comprehensive Income for the period	193,130,831	72,383,799	39,946,855	(3,828,518)

The annexed notes from 1 to 12 form an integral part of these 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 Cash Flows
For The Nine Months Period Ended March 31, 2017
(Un-Audited)

	March 31, 2017 Rupees	March 31, 2016 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period	116,361,552	33,541,575
Adjustment for non-cash and other items		
Depreciation	33,363,858	32,371,359
Amortization on ijarah assets	17,566,164	23,026,736
Reversal of provision for doubtful receivables - net	(19,549,666)	(690,000)
Gain on disposal of property, plant and equipment - leased / ijarah	(812,444)	(1,489,267)
(Gain) / Loss on disposal of property and equipment - owned	(61,897)	275,141
Profit on musharaka, murabaha and finance under mark-up arrangements	22,971,070	27,917,130
Unrealized gain on revaluation of held-for-trading investment	(51,798,012)	-
Return on investments - net	(46,286,101)	(43,081,181)
	(44,607,029)	38,329,918
Decrease / (Increase) in current assets		
Ijarah / lease rentals receivable	(4,924,847)	600,841
Long term deposit	(10,000)	(5,000)
Loans, advances and prepayments	1,084,523	14,449,900
Accrued profit	1,255,605	13,139,752
Other receivables	12,056,059	16,118,330
	9,461,340	44,303,823
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	42,554,288	(53,272,496)
Rentals received in advance	(14,412,820)	(10,141,201)
Customers' security deposits	7,492,052	(4,591,778)
	35,633,520	(68,005,475)
Income tax paid	(5,767,110)	(1,368,667)
Net cash generated from operating activities	111,082,273	46,801,174
B CASH FLOW FROM INVESTING ACTIVITIES		
Investments (purchased) / disposed off - net	83,451,897	12,550,432
Income received on investments	46,286,101	43,121,550
(Increase) / decrease in musharaka and morabaha finances	17,984,495	40,952,872
Addition to property and equipment - owned	(11,072,882)	(11,288,148)
Addition to property, plant and equipment - ijarah	(800,000)	(14,677,000)
Proceeds from disposal of property, plant and equipment - leased / ijarah	5,416,815	11,355,246
Proceeds from disposal of property and equipment - owned	61,900	2,139,787
Net cash (used) in / generated from investing activities	141,328,326	84,154,739
C CASH FLOW FROM FINANCING ACTIVITIES		
Decrease in Morabahas and Finance		
Under Mark-up arrangements	(77,641,972)	(84,869,644)
Finance under murabaha, musharaka and finance under mark-up arrangements	(47,822,441)	(42,089,149)
Profit paid to certificate holders	(19,665,057)	(30,502,587)
Net cash used in financing activities	(145,129,470)	(157,461,380)
Net increase / (decrease) in cash and cash equivalents	107,281,129	(26,505,467)
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	122,434,592	8,762,206

The annexed notes from 1 to 12 form an integral part of these 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 Nine Months Period Ended March 31, 2017
(Un-Audited)**

	Certificate capital	Capital Reserve Profit prior to floatation	Statutory reserve	(Deficit)/ Surplus on revaluation of investment Available for sale	Accumulated (Loss)	Total
				Rupees		
Balance as at July 01, 2015	780,462,550	10,532,683	595,569,357	169,616,336	(565,047,579)	991,133,347
Profit for nine months ended March 31, 2016	-	-	-	-	33,541,575	33,541,575
Profit distribution for the year ended June 30, 2015 @ 0.405 per certificate	-	-	-	-	(31,608,733)	(31,608,733)
Other comprehensive income	-	-	-	38,842,224	-	38,842,224
	-	-	-	-	-	-
	-	-	-	38,842,224	1,932,842	40,775,066
Balance as at March 31, 2016	780,462,550	10,532,683	595,569,357	208,458,560	(563,114,737)	1,031,908,413
Profit for quarter ended June 30, 2016	-	-	-	-	13,176,405	13,176,405
Other comprehensive income	-	-	-	11,513,632	-	11,513,632
Transfer to statutory reserve	-	-	23,358,990	-	(23,358,990)	-
	-	-	23,358,990	11,513,632	(10,182,585)	24,690,037
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 nine months ended March 31, 2017	-	-	-	-	116,361,552	116,361,552
Profit distribution for the year ended June 30, 2016 @ 0.27 per certificate	-	-	-	-	(21,072,489)	(21,072,489)
Other comprehensive income	-	-	-	76,769,278	-	76,769,278
	-	-	-	-	-	-
	-	-	-	76,769,278	95,289,063	172,058,342
Balance as at March 31, 2017	780,462,550	10,532,683	618,928,347	296,741,470	(478,008,259)	1,228,656,792

The annexed notes from 1 to 12 form an integral part of these 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 Nine Months Period Ended March 31, 2017
(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. The subsidiary has not yet commenced its operations.

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

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

These consolidated condensed interim financial information are unaudited and are submitted to Certificate Holders and 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 consolidated condensed interim financial information are the same as those applied in preparing the audited financial statements for the year ended June 30, 2016 except for the accounting of subsidiary for which relevant disclosures are made in consolidated condensed interim financial information for the half year ended December 31, 2016.



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

	Note	(Un-audited) March 31, 2017	(Audited) June 30, 2016
4. PROPERTY, PLANT AND EQUIPMENT			
Property and equipment - owned	4.1	103,362,706	99,440,410
Property, plant and equipment - leased / ijarah	4.2	73,179,223	94,345,333
		<u>176,541,929</u>	<u>193,785,743</u>

4.1 Property and equipment - Owned

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

	-----Additions-----		-----Disposal/Transfer *-----	
	(Un-audited) March 31, 2017	(Audited) June 30, 2016	(Un-audited) March 31, 2017	(Audited) June 30, 2016
	------(Rupees)-----			
Vehicles	7,522,200	7,836,900	575,000	5,028,766
Office equipment and appliances	1,063,182	1,731,238	44,000	6,203,331
Building on leasehold land	-	3,000,000	-	-
Lockers	2,487,500	-	-	-
	<u>11,072,882</u>	<u>12,568,138</u>	<u>619,000</u>	<u>11,232,097</u>

4.2 Property, plant and equipment - Ijarah / Leased

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

	-----Additions-----		-----Disposal-----	
	(Un-audited) March 31, 2017	(Audited) June 30, 2016	(Un-audited) March 31, 2017	(Audited) June 30, 2016
	------(Rupees)-----			
Plant and Machinery	-	-	-	39,380,713
Vehicles	800,000	16,334,500	20,874,500	24,297,717
	<u>800,000</u>	<u>16,334,500</u>	<u>20,874,500</u>	<u>63,678,430</u>

		(Un-audited) March 31, 2017	(Audited) June 30, 2016
5. INVESTMENT PROPERTY			
Investment property	5.1	1,029,649,774	1,055,863,049
Capital work-in-progress		66,420,000	66,420,000
		<u>1,096,069,774</u>	<u>1,122,283,049</u>

5.1 Investment Property

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

	-----Additions-----		-----Disposal-----	
	(Un-audited) March 31, 2017	(Audited) June 30, 2016	(Un-audited) March 31, 2017	(Audited) June 30, 2016
	------(Rupees)-----			
Building on leasehold land	-	1,238,840	-	-
	<u>-</u>	<u>1,238,840</u>	<u>-</u>	<u>-</u>



	(Unaudited) March 31, 2017	(Audited) June 30, 2016
6. SHORT TERM INVESTMENTS	----- (Rupees) -----	
Held for trading		
Listed ordinary shares	199,317,188	192,803,854
Available for sale		
Listed ordinary shares	322,564,443	232,807,930
Unlisted ordinary shares	83,387,550	89,747,550
Investment in debts securities	84,911,517	111,401,797
	490,863,510	433,957,277
	690,180,698	626,761,131
Less: Provision for diminution in the value of investments	(14,976,195)	(14,976,195)
	675,204,503	611,784,936

7. AUTHORIZED CAPITAL

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. 1.15 billion (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. 1.15 billion divided into Rs. 10/ each.

	(Unaudited) March 31, 2017	(Audited) June 30, 2016
8. RESERVES	----- (Rupees) -----	
Capital reserve		
Profit prior to floatation	10,532,683	10,532,683
Statutory reserve	618,928,347	618,928,347
Revenue reserve		
Accumulated loss	(478,008,259)	(573,297,322)
	151,452,771	56,163,708

9. CONTINGENCIES AND COMMITMENTS

9.1 There are no contingencies and commitments as at March 31, 2017 (June 30, 2016: Nil).

10. 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.

The detail of transactions with related parties and balances with them, apart from compensation to executives, is given below.



		(Un-audited) March 31, 2017	(Un-audited) March 31, 2016
Relationship with the Modaraba	Nature of transactions		
Management Company			
B.R.R. Investment (Private) Limited	Management fee accrued	13,450,365	3,862,991
B.R.R. Investment (Private) Limited	Management fee paid	5,380,520	8,106,829
B.R.R. Investment (Private) Limited	Rent received	200,000	225,000
Associated companies / other related parties			
First Dawood Investment Bank Limited	Rent received against property	613,800	409,200
First Dawood Investment Bank Limited	Share of common expenses received - net	128,277	253,796
First Dawood Investment Bank Limited	Consideration received against BBL Shares	6,750,000	13,850,000
First Dawood Investment Bank Limited	Principal paid against investment in Sukuk	14,783,762	9,817,872
First Dawood Investment Bank Limited	Profit paid against investment in Sukuk	9,868,686	5,482,641
Crescent Standard Modaraba	Share of common expenses received	151,550	159,455
Equity International (Private) Limited	Principal received on musharaka	-	16,100,000
Equity International (Private) Limited	Profit received on musharaka	-	12,955,914
Equity International (Private) Limited	Principal adjusted against settlement	-	55,858,769
First Dawood Employees Provident Fund	Transfer to provident fund	1,836,988	1,531,367
First Dawood Employees Provident Fund	Principal paid against investment in Sukuk	4,033,532	3,946,126
First Dawood Employees Provident Fund	Profit paid against investment in Sukuk	2,300,948	2,925,587
Dawood Family Takaful Ltd	Rental received against ijarah / property	3,319,747	3,398,794
Dawood Family Takaful Ltd	Group life insurance paid	187,445	176,278
Dawood Family Takaful Ltd	Principal paid against investment in Sukuk	7,042,210	13,556,250
Dawood Family Takaful Ltd	Profit paid against investment in Sukuk	3,472,355	8,902,679
Dawood Equities limited	Brokerage and commission paid	236,045	1,000,531
Dawood Equities limited	Rent received against property	99,000	165,000
Hamida Dawood	Principal paid against investment in Sukuk	1,081,170	1,387,500
Hamida Dawood	Profit paid against investment in Sukuk	533,099	923,421
Dawood Capital Management Limited	Cost reimbursed	1,052,998	-
Dawood Islamic Fund	Dividend received	-	12,167,966
Pioneer Cement Limited	Dividend received	71	118
Dawood Global Foundation	Charity paid	86,280	169,412



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

		(Un-audited) March 31, 2017	(Audited) June 30, 2016
10.1 Period end balances			
Management Company			
B.R.R. Investment (Private) Limited	Management fee payable	13,450,365	5,380,520
Associated companies / other related parties			
First Dawood Investment Bank Limited	Consideration receivable against BBL Shares	2,330,000	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	144,576	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	118,730	1,294,437
Dawood Family Takaful Ltd	Profit payable against investment in Sukuk	253,826	1,155,024
Hamida Dawood	Profit payable against investment in Sukuk	38,969	177,328
Dawood Capital Management Limited	Receivable against staff cost paid	-	1,052,998

11. DATE OF AUTHORISATION OF ISSUE

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

12. GENERAL

Figures have been rounded off to the nearest Rupee.

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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