

**Un-Audited
Standalone & Consolidated
Condensed Interim Financial Information
For The Nine Months Period Ended
March 31, 2019**



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

2019



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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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 Muhammad Aqeel
Chief Financial Officer	Syed Tariq Masood
Company Secretary	Mr. Tahir Mehmood
Head of Internal Audit, Risk and Compliance	Abdul Rahman Subhan
Auditors	Horwath Hussain Chaudhury & Co. Chartered Accountants
Legal Advisor	A.Q. Abbasi & Associates Malik & Malik Law Associates Minto & Mirza Nuruddin Saki & Co. Rabbani & Ansari Advocates S & B Durrani Law Associate
Bankers	Al Baraka Bank (Pakistan) Limited Habib Metropolitan Bank Limited National Bank of Pakistan
Web-site	www.firstdawood.com/br
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 : 92-21-32271912
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	Office No. 405 4th Floor, ISE Tower Jinnah Avenue, Islamabad
Security Vault	G-187, Block-2, Shahrah-e-Quaideen, PECHS Karachi-754000



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

DIRECTORS' REPORT

Dear Certificate holders,

The Board of Directors of B.R.R. Investment (Private) Limited, Manager of B.R.R. Guardian Modaraba (BRRGM), take pleasure in presenting the 3rd Quarter Financial statement of the Modaraba for the nine months ended March 31, 2019.

OPERATIONS AND PERFORMANCE

Financial highlights	March 31, 2019	March 31, 2018 (Restated)
 Rupees.....	
Total Income	171,083,461	204,465,697
Total Expenses	147,450,255	149,470,370
Profit After Management Fee & WWF	20,543,400	47,805,238
Earning per certificate	0.24	0.55

During the nine months period under review the Modaraba has earned an operating profit of Rs. 20.543 million, as compared with Rs. 47.805 million profit in the same period last year.

Operating expenses of the Modaraba have remained within the budget.

CONCLUSION & APPRECIATION:

Alhamdulillah, your Modaraba has paid off its outstanding principal and profit of diminishing musharaka based term finance certificates amounting to Rs. 800 Million issued to build B.R.R Tower, subsequent to the end of the period.

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

Waqas Anwar Qureshi
Director

Ayaz Dawood
Chief Executive Officer

April 30, 2019
Karachi



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" یا "کمپنی")، بورڈ آف ڈائریکٹرز کی طرف سے، بی.آر.آر. گارجین مڈارباہ (بی.آر.آر. جی ایم) کے ناظم کی حیثیت سے ہم مارچ 31، 2019 کو ختم ہونے والی تیسری سہ ماہی کے عبوری مالیاتی گوشوارے پیش کرتے ہوئے بے حد مسرت محسوس کر رہے ہیں۔

منظور آہٹیشن کارکردگی درج ذیل ہے:

مارچ 31، 2018 (دو بارہ بیان کردہ)	مارچ 31، 2019	تفصیل
پاکستانی روپے میں		
204,465,697	171,083,461	کل آمدنی
149,470,370	147,450,255	کل اخراجات
47,805,238	20,543,400	منافع بعد از انتظامیہ کی فیس اور ڈیویڈنڈ ایف
0.55	0.24	نفع فی سرٹیفکیٹ

آپ کے مڈارباہ نے پچھلے سال کی اسی نومبر کی مدت کے 47.805 ملین روپے آپریٹنگ منافع کے مقابلے میں اس سال کے نومبر میں 20.543 ملین روپے کا آپریٹنگ منافع کمایا ہے۔ مڈارباہ کے آپریٹنگ اخراجات بجٹ کے اندر رہے ہیں۔

اعتدائی کلمات اور اظہار تشکر

الحمد للہ، آپ کے مڈارباہ نے مدت کے اختتام کے بعد بی.آر.آر. ناظرین کو مطلع کرنے کے لئے ڈیپنٹیٹنگ مشاگرد کی بنیاد پر جاری شدہ 800 ملین روپے رقم کے ٹرم فنانس سرٹیفکیٹس کی بقایا اصل رقم اور منافع ادا کر دی ہیں۔

از طرف بورڈ آف ڈائریکٹرز

بی.آر.آر. انویسٹمنٹ (پرائیویٹ) لمیٹڈ

ایاز اودو

چیف ایگزیکٹو آفیسر

دعاس انور قریشی

ڈائریکٹر

اپریل 30، 2019

کراچی



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

Condensed Interim Balance Sheet
As at March 31, 2019

	Note	(Un-audited) March 31, 2019	(Audited) June 30, 2018
------(Rupees)-----			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	149,613,736	184,731,099
Investment properties	5	939,869,784	964,343,832
Long-term investment	6	55,000,000	55,000,000
Long-term musharaka finances		23,970,120	35,806,578
Long-term loans, advances and deposits		7,072,073	9,595,857
TOTAL NON CURRENT ASSETS		1,175,525,713	1,249,477,366
CURRENT ASSETS			
Short-term investments	7	598,617,275	705,241,075
Current portion of musharaka finances		15,517,453	12,761,216
Ijarah / lease rental receivable		2,883,402	955,181
Loans, advances and prepayments		8,987,218	18,709,926
Accrued profit		204,974	515,836
Other receivables		7,353,713	3,541,507
Taxation		16,784,592	14,552,678
Cash and bank balances		1,167,870	20,221,135
		651,516,497	776,498,554
Non current asset held for sale		55,800,000	55,800,000
TOTAL CURRENT ASSETS		707,316,497	832,298,554
TOTAL ASSETS		1,882,842,210	2,081,775,920
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital		1,400,000,000	1,150,000,000
140,000,000 (2018: 115,000,000) Modaraba certificates of Rs. 10/- each		863,622,630	863,622,630
Issued, subscribed and paid-up certificate capital		226,126,036	234,945,805
Reserves	8	280,851,554	293,330,362
Surplus on revaluation of investments		1,370,600,220	1,391,898,797
LIABILITIES			
NON CURRENT LIABILITIES			
Diminishing musharaka based term finance certificates		-	-
Long-term loans		111,864,684	128,616,684
Long-term murabaha, musharaka and finance under mark-up arrangements		-	28,225,802
Long-term security deposits		84,919,903	81,641,692
TOTAL NON CURRENT LIABILITIES		196,784,587	238,484,178
CURRENT LIABILITIES			
Current portion of long-term loan		27,536,000	27,536,000
Current portion of long-term murabaha, musharaka and finance under mark-up arrangements		57,280,125	93,776,446
Current portion of diminishing musharaka based term finance certificates		6,238,292	72,449,843
Current portion of security deposits		3,549,650	11,941,410
Creditors, accrued and other liabilities		191,509,121	217,445,463
Accrued profit on borrowings		446,096	407,573
Profit distribution payable		28,898,119	27,836,210
TOTAL CURRENT LIABILITIES		315,457,403	451,392,945
TOTAL EQUITY AND LIABILITIES		1,882,842,210	2,081,775,920
CONTINGENCIES AND COMMITMENTS			
	9		

The annexed notes from 1 to 12 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

Waqas Anwar Qureshi
Director

Syed Tariq Masood
Chief Financial Officer



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

Condensed Interim Profit And Loss Account
For The Nine Months And Quarter Ended March 31, 2019
(Un-Audited)

	Nine Months Ended		Quarter Ended	
	March 31, 2019	March 31, 2018 (Restated)	March 31, 2019	March 31, 2018 (Restated)
----- Rupees -----				
INCOME				
Rental income	139,934,046	128,130,960	48,442,457	42,931,019
Income on musharaka finances	4,657,365	4,010,017	1,707,097	1,682,464
Ijarah rental income	24,053,503	38,515,159	7,055,461	11,183,440
Return on investments - net	13,017,869	20,981,025	1,945,462	4,626,798
Profit on bank balances	463,265	1,558,674	156,760	210,244
Reversal of provision for doubtful receivables	25,897,428	27,586,612	9,600,298	11,371,666
Unrealised (loss) / gain on revaluation of held-for-trading investment	(45,762,471)	(39,108,860)	(3,086,263)	22,865,609
Gain/(loss) on disposal of ijarah assets	1,217,500	(408,220)	103,293	(76,234)
Other income	7,604,956	23,200,330	284,037	5,842,071
	171,083,461	204,465,697	66,208,602	100,637,077
EXPENSES				
Amortisation on ijarah assets	21,240,262	30,941,323	6,177,893	9,665,054
Provision against doubtful receivables	-	50,815	-	-
Administrative expenses	103,780,101	110,460,796	36,027,839	35,672,089
Financial charges	22,429,892	8,017,436	5,372,455	2,501,501
	147,450,255	149,470,370	47,578,187	47,838,644
Profit before management fee	23,633,206	54,995,327	18,630,415	52,798,433
Modaraba management company's fee	2,363,321	5,499,533	1,863,042	5,279,844
Sales tax on modaraba management company's fee	307,232	714,939	242,196	686,379
Provision for Sindh Worker's Welfare Fund	419,253	975,617	330,503	936,644
Profit before taxation	20,543,400	47,805,238	16,194,674	45,895,566
Taxation	-	-	-	-
Net Profit for the period	20,543,400	47,805,238	16,194,674	45,895,566
Earnings per certificate-basic and diluted	0.24	0.55	0.19	0.53

The annexed notes from 1 to 12 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

Waqas Anwar Qureshi
Director

Syed Tariq Masood
Chief Financial Officer



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

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For The Nine Months And Quarter Ended March 31, 2019
(Un-Audited)

	Nine Months ended		Quarter Ended	
	March 31, 2019	March 31, 2018 (Restated)	March 31, 2019	March 31, 2018 (Restated)
	----- Rupees -----			
Profit for the period	20,543,400	47,805,238	16,194,674	45,895,566
Other comprehensive loss for the period				
Items that will be subsequently reclassified to profit or loss:				
Unrealised (loss) / gain on revaluation of available-for-sale investments	(9,388,604)	23,133,897	(2,796,681)	64,489,591
Unrealised gain on revaluation of available for sale investments transferred to the income statement on disposal	(3,090,204)	-	(1,658,405)	-
Total comprehensive income for the period	8,064,592	70,939,135	11,739,588	110,385,157

The annexed notes from 1 to 12 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

Waqas Anwar Qureshi
Director

Syed Tariq Masood
Chief Financial Officer



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

Condensed Interim Statement of Cash Flows
For The Nine Months Period Ended March 31, 2019
(Un-Audited)

	March 31, 2019	March 31, 2018 (Restated)
	Rupees	Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period	20,543,400	47,805,238
Adjustment for non-cash and other items		
Depreciation	32,409,151	31,841,731
Amortisation on ijarah assets	21,240,262	30,941,323
Reversal of provision for doubtful receivables - net	(25,897,428)	(27,535,797)
Loss / (gain) on disposal of property, plant and equipment - leased / ijarah	(168,545)	567,827
Gain on disposal of property and equipment - owned	(1,217,500)	(581,669)
Profit on musharaka and finance under markup arrangements	22,429,892	8,016,236
Unrealized loss / (gain) on revaluation of held-for-trading investment	45,762,471	39,108,860
Return on investments - net	(13,017,869)	(20,981,025)
	81,540,434	61,377,486
(Increase) / decrease in current assets		
Ijarah / lease rentals receivable	(1,928,221)	2,667,349
Loans, advances and prepayments	12,246,492	(39,344,841)
Accrued profit	310,862	24,600
Other receivables	(3,812,206)	2,342,536
	6,816,927	(34,310,356)
(Decrease) / increase in current liabilities		
Creditors, accrued and other liabilities	(4,657,028)	1,894,567
Rentals received in advance	(24,369,118)	(5,733,090)
Customers' security deposits	(5,113,549)	987,063
	(34,139,695)	(2,851,460)
Income tax paid	(2,231,914)	(2,122,866)
Net cash generated from operating activities	72,529,152	69,898,042
B CASH FLOW FROM INVESTING ACTIVITIES		
Investments (purchased) / disposed off - net	21,835,781	(46,181,344)
Income received on investments	7,044,656	20,643,013
(Increase) / decrease in musharaka and morabaha finances	34,977,649	(12,773,938)
Addition to property and equipment - owned	(3,631,000)	(7,219,882)
Advance against ijarah assets	-	509,500
Addition to investment property	-	(7,548,227)
Proceeds from disposal of property, plant and equipment - leased / ijarah	10,418,079	3,925,616
Proceeds from disposal of property and equipment - owned	594,967	610,883
Net cash generated from / (used) in investing activities	71,240,132	(48,034,379)
C CASH FLOW FROM FINANCING ACTIVITIES		
Financial charges paid	(4,613,492)	(7,671,908)
Finance under diminishing musharaka based Term Finance Certificates	(66,211,551)	(66,155,841)
Finance under musharaka arrangements	(46,944,246)	-
Long term loan - net	(16,752,000)	27,844,000
Profit paid to certificate holders	(28,301,260)	(75,483,459)
Net cash used in financing activities	(162,822,549)	(121,467,208)
Net decrease in cash and cash equivalents	(19,053,265)	(99,603,545)
Cash and cash equivalents at the beginning of the period	20,221,135	109,498,460
Cash and cash equivalents at the end of the period	1,167,870	9,894,915

The annexed notes from 1 to 12 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

Waqas Anwar Qureshi
Director

Syed Tariq Masood
Chief Financial Officer



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

**Condensed Interim Statement of Changes In Equity
For The Nine Months Period Ended March 31, 2019
(Un-Audited)**

	Issued, subscribed and paid-up certificate	Capital reserves			Surplus on revaluation of investment	Accumulated loss	Total
		Profit prior to floatation	Merger reserve	Statutory reserve			
(Rupees)							
Balance as at July 01, 2017 - restated	863,622,630	10,532,683	44,902,567	701,898,993	279,215,719	(507,666,335)	1,392,506,257
Profit for the nine month ended March 31, 2018	-	-	-	-	-	47,805,238	47,805,238
Other comprehensive income	-	-	-	-	23,133,897	-	23,133,897
Total comprehensive income for the period	-	-	-	-	23,133,897	47,805,238	70,939,135
Profit distribution for the year ended June 30, 2017*	-	-	-	-	-	(79,646,255)	(79,646,255)
Balance as at March 31, 2018 - restated	863,622,630	10,532,683	44,902,567	701,898,993	302,349,616	(539,507,352)	1,383,799,137
Profit for the quarter ended June 30, 2018	-	-	-	-	-	17,118,914	17,118,914
Other comprehensive loss	-	-	-	-	(9,019,254)	-	(9,019,254)
Total comprehensive loss for the period	-	-	-	-	(9,019,254)	17,118,914	8,099,660
Transfer to statutory reserve	-	-	-	32,299,766	-	(32,299,766)	-
Balance as at June 30, 2018	863,622,630	10,532,683	44,902,567	734,198,759	293,330,362	(554,688,204)	1,391,898,797
Profit for the nine months ended March 31, 2019	-	-	-	-	-	20,543,400	20,543,400
Other comprehensive loss	-	-	-	-	(12,478,808)	-	(12,478,808)
Total comprehensive loss for the period	-	-	-	-	(12,478,808)	20,543,400	8,064,592
Profit distribution for the year ended June 30, 2018 @ Re.0.34 per certificate	-	-	-	-	-	(29,363,169)	(29,363,169)
Balance as at March 31, 2019	863,622,630	10,532,683	44,902,567	734,198,759	280,851,554	(563,507,973)	1,370,600,220

* @ Re. 0.1 and 0.08 per certificate for BRR and CSM, respectively.

The annexed notes from 1 to 12 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

Waqas Anwar Qureshi
Director

Syed Tariq Masood
Chief Financial Officer



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

**Notes To The Condensed Interim Financial Information
For The Nine Months Period Ended March 31, 2019
(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 Modaraba Companies and Modaraba Rules, 1981 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.

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** The Modaraba has incorporated a wholly owned subsidiary namely BRR Financial Services (Private) Limited (the Company) which was incorporated on November 30, 2015. The subsidiary has not yet commenced operations as at period end.

These represents the stand alone financial statements of the Modaraba.

- 1.3** On September 4, 2018 the High Court of Sindh sanctioned the scheme of arrangement for merger by way of amalgamation of Crescent Standard Modaraba (CSM) with and into BRR Guardian Modaraba (BRRGM) with effect from July 1, 2017, whereby the entire undertaking and business inclusive of all assets, properties, rights, liabilities and dues of CSM were transferred to and assumed by BRRGM and CSM upon amalgamation ceases to exist.

On the scheme becoming effective, the authorised modaraba capital of CSM of Rs. 250,000,000 merged and combined with the authorised capital of BRRGM, consequently the merged authorised capital of BRRGM stand increased at Rs.1,400,000,000 divided into 140,000,000 modaraba certificates of Rs.10 each. Further, consequent on the scheme becoming effective the issued, subscribed and paid-up capital of CSM of Rs.200,000,000 merged and combined with the issued, subscribed and paid-up capital of BRGM, consequently the issued, subscribed and paidup capital of BRRGM stand increased to Rs.863,622,630 divided into 86,362,263 modaraba certificates of Rs. 10 each at a swap ratio of 1.00 : 2.405 (BRRGM : CSM). Accordingly, comparative information for the nine months ended and the quarter ended March 31, 2018 has been restated to incorporate the effect of amalgamation of CSM with and into BRRGM with effect from July 1, 2017.

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, 2018.

3.1 Standards and amendments to published approved accounting standards which are effective during the nine months ended March 31, 2019.

Following is a new standard and amendment to approved accounting standard which is mandatory for the Company's annual accounting period which began on July 1, 2018.

Standard or Interpretation

**IASB effective date
(Annual periods beginning on or after)**

IFRS 15 - Revenue from Contracts with Customers

July 1, 2018



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

However, the application of above standard do not have any significant impact on the Company's financial reporting and, therefore, have not been presented in these condensed interim unconsolidated financial statements.

	Note	(Un-audited) March 31, 2019	(Audited) June 30, 2018
------(Rupees)-----			
4 PROPERTY, PLANT AND EQUIPMENT			
Property and equipment - owned	4.1	100,212,191	104,942,713
Property, plant and equipment - leased / ijarah	4.2	49,401,545	79,788,386
		149,613,736	184,731,099

4.1 Property and equipment - Owned

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

	Additions / Transfer		Disposals	
	(Un-audited) March 31, 2019	(Audited) June 30, 2018	(Un-audited) March 31, 2019	(Audited) June 30, 2018
------(Rupees)-----				
Building on leasehold land	-	3,655,000	-	-
Lockers	967,500	-	-	-
Furniture and fixtures	-	650,000	-	-
Vehicles	1,965,200	8,762,457	1,566,600	6,180,551
Office equipment and appliances	698,300	1,223,457	76,040	18,600
	3,631,000	14,290,914	1,642,640	6,199,151

4.2 Property, plant and equipment - Ijarah / leased

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

	Additions		Disposals	
	(Un-audited) March 31, 2019	(Audited) June 30, 2018	(Un-audited) March 31, 2019	(Audited) June 30, 2018
------(Rupees)-----				
Plant and machinery	-	-	-	7,639,805
Vehicles	-	-	46,372,442	57,825,768
Office equipment and appliances	-	-	677,000	785,000
	-	-	47,049,442	66,250,573

	Note	(Un-audited) March 31, 2019	(Audited) June 30, 2018
------(Rupees)-----			
5 INVESTMENT PROPERTIES			
Investment properties	5.1	930,780,784	955,254,832
Capital work-in-progress	5.2	9,089,000	9,089,000
		939,869,784	964,343,832



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(Un-audited) (Audited)
March 31, June 30,
2019 2018

------(Rupees)-----

5.1 Investment Property

No additions and disposals in investment properties at cost, were made during the period.

5.2 Capital work-in-progress

Advance for office premises - Jofa Tower, Karachi	66,420,000	66,420,000
Less: Provision against advance for office premises	(57,331,000)	(57,331,000)
	9,089,000	9,089,000

6 LONG TERM INVESTMENT

In unquoted wholly owned subsidiary companies - at cost
BRR Financial Services (Private) Limited
5,500,000 ordinary shares (2018: 5,500,000) of Rs. 10 each

55,000,000	<u>55,000,000</u>
-------------------	-------------------

- 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.

Pursuant to approval from SECP the Modaraba has incorporated a wholly owned subsidiary, namely, BRR Financial Services (Private) Limited (the Company) on November 30, 2015. In prior year, the Modaraba has subscribed 5,500,000 ordinary shares of Rs. 10 each in order to comply with minimum paid-up capital requirement under Securities Brokers (Licensing and Operations) Regulations 2016. As of the balance sheet date, the subsidiary has not yet commenced its operations. The Modaraba has requested Pakistan Stock Exchange to transfer TREC and other brokerage related assets to BRR Financial Services (Private) Limited which is still pending.

The net assets of BRR Financial Services (Private) Limited based on latest audited financial statement as at June 30, 2018 amounted to Rs. 54.663 million (2017 : 54.409 million).

7 SHORT TERM INVESTMENTS

Held for trading

Listed ordinary shares	175,303,853	213,612,057
	175,303,853	213,612,057

Available for sale

Listed ordinary shares / modaraba certificates	348,476,884	362,667,682
Unlisted ordinary shares	89,812,733	89,812,733
Unlisted debt securities	1,245,953	55,370,751
	439,535,570	507,851,166
	614,839,423	721,463,223
Less: Provision for diminution in the value of investments	(16,222,148)	(16,222,148)
	598,617,275	705,241,075



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	(Un-audited) March 31, 2019	(Audited) June 30, 2018
----- (Rupees) -----		
8 RESERVES		
Capital reserve		
Profit prior to floatation	10,532,683	10,532,683
Statutory reserve	734,198,759	734,198,759
Merger reserve	44,902,567	44,902,567
Revenue reserve		
Accumulated loss	(563,507,973)	(554,688,204)
	<u>226,126,036</u>	<u>234,945,805</u>

9 CONTINGENCIES AND COMMITMENTS

9.1 A commercial bank has lodged a claim of Rs. 1.090 million on account of excess mark-up paid to the Modaraba during previous years which is not accepted by the Modaraba. The Modaraba has also lodged a claim before the banking tribunal against the said commercial bank for short payment of mark-up to the Modaraba to the extent of Rs. 2.498 million (2017: Rs. 2.498 million). The proceedings under both cases are pending to date. As a matter of abundant caution, full provision in respect of the said claim of commercial bank had been made by the Modaraba in 2015. During the prior year, bank balances have been written off against provision amounting to Rs. 1.090 million.

9.2 The Modaraba had received a legal notice from Innovative Investment Bank Limited (formerly: Crescent Standard Investment Bank Limited) which was addressed to previous Management Company (Financial Link Limited) of the Modaraba, wherein they had asked Modaraba to settle an outstanding balance of short-term borrowing amounting to Rs. 171.143 million (2017: Rs. 171.143 million) along with the mark-up thereon on or before February 10, 2007. The management and the legal advisor of the Modaraba is confident that the matter will be decided in the favour of the Modaraba and, accordingly, no liability in respect of the above has been recognised in the financial statements.

10 RELATED PARTY TRANSACTIONS

The Modaraba has related party relationship with its Management Company, associated undertakings, employee benefit plans, and its key management personnel.

The details of related party transactions and balances as at 31 March, 2019 are as follows:

Relationship with the Modaraba	Nature of transactions	(Un-audited) March 31, 2019	(Un-audited) March 31, 2018 (Restated)
----- (Rupees) -----			
Transactions during the period			
Management Company			
BRR Investment (Private) Limited	Management fee accrued	2,363,321	5,499,533
BRR Investment (Private) Limited	Management fee paid	-	19,921,896
BRR Investment (Private) Limited	Rent received	225,000	225,000
BRR Investment (Private) Limited	Advance received	38,500,000	43,200,000
BRR Investment (Private) Limited	Advance repaid	32,500,000	29,700,000
Subsidiary Company			
BRR Financial Services (Private) Limited	Preliminary expenses paid	-	4,305
BRR Financial Services (Private) Limited	Preliminary expenses repaid	-	549,975
BRR Financial Services (Private) Limited	Loan received	3,900,000	48,500,000
BRR Financial Services (Private) Limited	Profit repaid	1,417,260	-



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		(Un-audited) March 31, 2019	(Un-audited) March 31, 2018 (Restated)
Associated companies / other related parties		----- (Rupees) -----	
Dawood Family Takaful Limited	Rental Received against Ijarah / property	2,442,099	3,499,660
Dawood Family Takaful Limited	Sale of sukuk	53,308,891	6,251,536
Dawood Family Takaful Limited	Principal paid against investment in sukuk	14,084,415	14,084,415
Dawood Family Takaful Limited	Profit paid against investment in sukuk	666,251	1,632,132
Dawood Family Takaful Limited	Group life insurance paid	155,972	136,374
First Dawood Investment Bank Limited	Rent received against property	613,800	409,200
First Dawood Investment Bank Limited	Share of common expenses - net	161,234	81,060
First Dawood Investment Bank Limited	Principal paid against investment in sukuk	8,077,986	8,022,276
First Dawood Investment Bank Limited	Profit paid against investment in sukuk	378,925	929,638
First Dawood Employees Provident Fund	Transfer to provident fund	2,050,639	2,090,217
First Dawood Employees Provident Fund	Principal paid against investment in sukuk	6,588,117	6,588,117
First Dawood Employees Provident Fund	Profit paid against investment in sukuk	311,645	763,446
Hamida Dawood	Principal paid against investment in sukuk	2,162,340	2,162,340
Hamida Dawood	Profit paid against investment in sukuk	102,288	250,576
Dawood Global Foundation	Charity paid	898,883	98,451
		(Un-audited) March 31, 2019	(Audited) June 30, 2018
Relationship with the Modaraba		----- (Rupees) -----	
Nature of balances			
Period end balances			
Management Company			
BRR Investment (Private) Limited	Management fee payable	9,832,219	7,468,899
BRR Investment (Private) Limited	Advance payable	6,000,000	-
Subsidiary Company			
BRR Financial Services (Private) Limited	Loan payable	49,900,000	46,000,000
BRR Financial Services (Private) Limited	Profit payable	395,439	-



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		(Un-audited) March 31, 2019	(Audited) June 30, 2018
		----- (Rupees) -----	
Associated companies / other related parties			
First Dawood Investment Bank Limited	Principal payable against investment in sukuk	707,511	8,785,497
First Dawood Investment Bank Limited	Profit payable against investment in sukuk	5,744	49,363
First Dawood Employees Provident Fund	Principal payable against investment in sukuk	626,785	7,214,902
First Dawood Employees Provident Fund	Profit payable against investment in sukuk	5,090	40,594
Dawood Family Takaful Limited	Principal payable against investment in sukuk	1,339,976	15,424,391
Dawood Family Takaful Limited	Profit payable against investment in sukuk	10,881	86,788
Dawood Family Takaful Limited	Advance rental	-	32,160
Dawood Family Takaful Limited	Rental receivable	1,312,917	-
Hamida Dawood	Principal payable against investment in sukuk	205,715	2,368,055
Hamida Dawood	Profit payable against investment in sukuk	1,670	13,325
Hydrochina Dawood Power (Private) Limited	Advance rental	851,360	13,915

11 DATE OF AUTHORISATION FOR ISSUE

These financial statements was authorised for issue on April 30, 2019 by the Board of Directors of B.R.R. Investment (Private) Limited.

12 GENERAL

Amounts have been presented and rounded off to the nearest Rupee.

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

Rafique Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Waqas Anwar Qureshi
Director

Syed Tariq Masood
Chief Financial Officer