

# HALF YEARLY REPORT

Un-Audited  
Standalone & Consolidated  
Condensed Interim Financial Information  
For The Half Year Ended  
December 31, 2021

**B.R.R. TOWER**



**B.R.R. Guardian Modaraba**

(An Islamic Financial Institution)

**Managed by:**

**B.R.R. Investment (Private) Limited**

**2021**

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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	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	AlBaraka Bank (Pakistan) Limited Habib Metropolitan Bank Limited National Bank of Pakistan
Website	<a href="http://www.firstdawood.com/brr">www.firstdawood.com/brr</a>
Registered Office & Head Office	1900-B, Saima Trade Tower, I.I. Chundrigar Road, Karachi-74000 Tel : 92-21-32270181-6 Fax : 92-21-3227-1912
Registrars	F.D. Registrar Services (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-75400

## DIRECTORS REPORT

### Dear Certificate Holders,

The Board of Directors of B.R.R. Investment (Private) Limited, Manager of B.R.R. Guardian Modaraba (BRRGM), take pleasure in presenting the 2nd Quarter Financial statement of the Modaraba for the six months ended December 31, 2021.

### OPERATIONS AND PERFORMANCE

Financial highlights	December 31, 2021	December 31, 2020
	..... Rupees.....	
<b>Rental Income</b>	<b>123,767,889</b>	114,555,772
<b>Total Income</b>	<b>208,286,943</b>	268,266,615
<b>Total Expenses</b>	<b>85,748,739</b>	83,970,385
<b>Profit after Management fee, WWF</b>	<b>104,607,297</b>	160,201,341
<b>Earning per certificate</b>	<b>1.10</b>	1.85

During the six months period under review the Modaraba has earned net profit of Rs. 104.607 million, as compared with Rs. 160.201 million profit in the same period last year.

Further the Certificate Holders' Equity of Modaraba stands at Rs 3,265.671 million as compared with Rs. 2,397.706 million in the same period last year with an increase of 36.20%. The breakup value comes to Rs 34.38 per certificate with an increase of 23.85%.

Operating expenses of the Modaraba have remained within the budget.

### CONCLUSION:

In view of the withdrawal of Tax exemption of modaraba, the management has decided to convert your modaraba into a company listed on PSX. We believe that the cost of regulatory compliance on modaraba is greater than the benefits.

We are closely watching the business scenario and our target is to continue profitable growth with the aim of creation of value for certificate holders.

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

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**Syed Ali Raza**  
Director

February 25, 2022  
Karachi.

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**Ayaz Dawood**  
Chief Executive Officer

## بی. آر. آر. گارجن مصادر بہ ڈاٹریکٹر کی رپورٹ

معزز سرٹیکیٹ ہولدرز،

بی. آر. آر. افیسمنٹ (پرائیویٹ) المیڈ (بی. آر. آر. آئی ایم) کے پورڈ آف ڈائریکٹر بی. آر. آر. گارجن مصادر (بی. آر. آر. آئی ایم) کے ناظم کی حیثیت سے دسمبر 2021 کو ختم ہونے والی دو سالی سماں اور ششماہی کے مالیاتی گوشوارے پیش کرتے ہوئے بے حد سرٹ محسوس کر رہے ہیں۔

اپنے پیش اور کارکردگی

مالیاتی جھلکیاں	دسمبر 31, 2021	دسمبر 31, 2020	پاکستان روپے میں
کرایہ سے آمدنی	123,767,889	114,555,772	
کل آمدنی	208,286,943	268,266,615	
کل خراجات	85,748,739	83,970,385	
منافع بعد از انتظامیہ کی فس اور ڈیلوڈیلو ایف	104,607,297	160,201,341	
تفصیلی سرٹیکیٹ	1.10	1.85	

زیر جائزہ ششماہی کے دوران مصادر بہ نے خالص منافع 104,607,297 میں روپے کیا، جبکہ گذشتہ سال کے اسی عرصہ میں 106.201 میں روپے منافع ہوا تھا۔

اس کے علاوہ مصادر بہ کے سرٹیکیٹ ہولدرز کی ایکوئی 3,265.371 میں روپے کیا، جبکہ پہلے سال کے اسی عرصہ میں 2,397.706 میں روپے لیتھی 36.20 فیصد کا اضافہ ہوا ہے۔  
بریک اپ ڈیلوڈیلو 23.85 فیصد اضافے کے ساتھ 34.38 روپے فی سرٹیکیٹ ہے۔  
مشادر بہ کے آپریٹنگ اخراجات بجٹ کے اندر رہے ہیں۔

### اختتامی کلمات اور اٹھاہار تکمیر

مشادر بہ کے ٹکنیکی سے استثنی کی پیش نظر انتظامیہ نے مشادر بکو ٹپورڈ کیپنی PSX میں اسٹ کرنے کا فیصلہ کیا ہے۔ انتظامیہ کے مطابق مشادر بہ پر گلوبال اخراجات کی لاگت فوائد سے زیادہ ہے۔ ہم کاروباری حالت کو بخورد کر رہے ہیں اور مستقبل میں آنے والے موقع کے لئے اپنی رسک میہنگت کی حکمت عملیوں کو مشبتو بنا رہے ہیں۔ ہمارا اہداف اپنے موجودہ کاروبار میں منافع بخش ترقی کے ساتھ اپنے سرٹیکیٹ ہولدرز کی قدر میں اضافہ کرتا ہے۔

از طرف پورڈ آف ڈائریکٹر

بی. آر. آر. افیسمنٹ (پرائیویٹ) المیڈ

سید علی رضا  
ڈاٹریکٹر

ایاز داؤد  
چیف ایگزیکوٹو آفیسر

فروہی 25, 2022

کراچی

## INDEPENDENT AUDITOR'S REVIEW REPORT

To The Certificate holders of B.R.R GUARDIAN MODARABA

### Report on Review of unconsolidated Interim Financial Statements

#### Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of B.R.R Guardian Modaraba ("the Modaraba"), as at December 31, 2021 and the related unconsolidated condensed interim profit and loss account and other comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). The Modaraba Management Company is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

#### Scope of Review

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

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements as at and for the half year ended December 31, 2021 is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

#### Other Matters

The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the three months period ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2021.

The engagement partner on the Review resulting in this independent auditor's report is Imran Shaikh.

GW

Crowe Hussain Chaudhury & Co.  
Chartered Accountants

Place: Karachi

Date:

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**CONDENSED UNCONSOLIDATED INTERIM BALANCE SHEET  
AS AT DECEMBER 31, 2021**

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	----- Rupees-----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	<b>89,374,358</b>	93,366,207
Investment properties	6	<b>921,465,367</b>	942,279,180
Long-term investment	7	<b>55,000,000</b>	55,000,000
Long-term musharaka finances	8	<b>61,311,740</b>	67,308,227
Long-term loans, advances and deposits		<b>5,973,987</b>	6,191,123
		<b>1,133,125,452</b>	1,164,144,737
<b>CURRENT ASSETS</b>			
Short-term investments	9	<b>2,444,538,881</b>	1,910,046,261
Current portion of musharaka finances	8	<b>28,692,055</b>	25,809,072
Ijarah / lease rental receivable		<b>14,055</b>	36,934
Loans, advances and prepayments		<b>21,934,647</b>	17,511,532
Accrued profit	10	<b>739,289</b>	455,240
Other receivables	11	<b>26,578,897</b>	89,819,830
Taxation - net		<b>30,623,363</b>	19,897,780
Cash and bank balances	12	<b>21,733,341</b>	39,381,695
		<b>2,574,854,528</b>	2,102,958,344
<b>TOTAL ASSETS</b>		<b>3,707,979,980</b>	3,267,103,081
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorised capital:			
140,000,000 (June 30, 2021: 140,000,000)		<b>1,400,000,000</b>	1,400,000,000
Modaraba certificates of Rs. 10/- each			
		<b>1,400,000,000</b>	1,400,000,000
Issued, subscribed and paid-up certificate capital		<b>949,984,890</b>	949,984,890
Reserves		<b>560,854,207</b>	579,965,705
Surplus on revaluation of investments		<b>1,754,832,175</b>	1,341,185,560
		<b>3,265,671,272</b>	2,871,136,155
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long-term loans	13	<b>-</b>	-
Long-term murabaha, musharaka and finance under mark-up arrangements	14	<b>-</b>	-
Long-term security deposits		<b>66,990,840</b>	66,182,475
		<b>66,990,840</b>	66,182,475
<b>CURRENT LIABILITIES</b>			
Current portion of long-term loan	13	<b>13,776,684</b>	27,544,684
Current portion of long-term murabaha, musharaka and finance under mark-up arrangements	14	<b>160,000,000</b>	90,000,000
Current portion of security deposits		<b>20,806,249</b>	22,495,349
Creditors, accrued and other liabilities	15	<b>143,945,695</b>	157,649,885
Accrued profit on borrowings		<b>705,206</b>	83,978
Profit distribution payable		<b>36,084,034</b>	32,010,555
Contingencies and commitments	16	<b>375,317,868</b>	329,784,451
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,707,979,980</b>	3,267,103,081

The annexed notes from 1 to 24 form an integral part of this condensed unconsolidated interim financial information.

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

Rafiq Dawood  
Chairman

Syed Ali Raza  
Director

Ayaz Dawood  
Chief Executive Officer

Syed Tariq Masood  
Chief Financial Officer

**CONDENSED UNCONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021  
(UN-AUDITED)**

Note	Half year ended		Quarter ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	----- (Rupees) -----			
<b>INCOME</b>				
Rental income	<b>123,767,889</b>	114,555,772	<b>58,295,072</b>	58,203,620
Income on murabaha, musharaka	<b>6,107,037</b>	5,486,264	<b>3,290,070</b>	3,282,355
Ijarah rental income - net	<b>578,554</b>	722,754	<b>393,610</b>	337,884
Return on investments - net	<b>17 9,017,054</b>	54,867,895	<b>11,155,846</b>	27,287,226
Profit on bank balances	<b>422,159</b>	308,566	<b>209,870</b>	152,975
Reversal of provision for doubtful receivables-net	<b>18 7,547,054</b>	1,537,695	<b>600,343</b>	38,079
Unrealised gain on revaluation of FVTPL investment	<b>55,465,970</b>	81,610,997	<b>(8,237,793)</b>	38,841,761
Gain on disposal of ijarah assets	-	281,373	-	90,265
Other income	<b>19 5,381,226</b>	8,895,299	<b>4,599,522</b>	8,368,894
Liability no longer payable - SWWF	-	-	<b>(10,523,541)</b>	-
	<b>208,286,943</b>	268,266,615	<b>59,783,000</b>	136,603,059
<b>EXPENSES</b>				
Administrative expenses	<b>59,869,313</b>	65,390,715	<b>32,953,641</b>	29,235,771
Depreciation on Investment properties	<b>20,930,583</b>	14,833,177	<b>10,460,201</b>	7,416,589
Financial charges	<b>4,948,843</b>	3,746,493	<b>3,228,581</b>	1,868,902
	<b>85,748,739</b>	83,970,385	<b>46,642,423</b>	38,521,262
Modaraba management company's fee	<b>122,538,204</b>	184,296,230	<b>13,140,577</b>	98,081,797
Sales tax on modaraba management company's fee	<b>12,253,820</b>	18,429,623	<b>1,314,057</b>	9,808,180
Provision for Sindh Workers' Welfare Fund	<b>1,592,997</b>	2,395,851	<b>170,828</b>	1,275,063
Profit before taxation	<b>2,173,828</b>	3,269,415	<b>2,173,828</b>	1,739,971
Taxation	<b>106,517,559</b>	160,201,341	<b>9,481,864</b>	85,258,582
Net profit for the period	<b>21 1,910,262</b>	-	<b>981,804</b>	-
Earnings per certificate - basic and diluted	<b>104,607,297</b>	160,201,341	<b>8,500,060</b>	85,258,582
	<b>1.10</b>	1.85	<b>0.09</b>	0.99

The annexed notes from 1 to 24 form an integral part of this condensed unconsolidated interim financial information.

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

Rafiq Dawood  
Chairman

Syed Ali Raza  
Director

Ayaz Dawood  
Chief Executive Officer

Syed Tariq Masood  
Chief Financial Officer

**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021  
(UN-AUDITED)**

	<b>Half year ended</b>		<b>Quarter ended</b>	
	<b>December 31, 2021</b>	<b>December 31, 2020</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
	<b>----- (Rupees) -----</b>			
Profit for the period	<b>104,607,297</b>	160,201,341	<b>8,500,060</b>	85,258,582
Other comprehensive income for the period				
Items that will be subsequently reclassified:				
- Unrealised gain on revaluation of fair value through OCI investments	<b>415,325,825</b>	539,745,282	<b>45,944,943</b>	328,788,842
Total comprehensive profit for the period	<b>519,933,122</b>	699,946,623	<b>54,445,003</b>	414,047,424

The annexed notes from 1 to 24 form an integral part of this condensed unconsolidated interim financial information.

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

Rafiq Dawood  
Chairman

Syed Ali Raza  
Director

Ayaz Dawood  
Chief Executive Officer

Syed Tariq Masood  
Chief Financial Officer

**CONDENSED UNCONSOLIDATED INTERIM CASH FLOW STATEMENT  
FOR THE HALF YEAR ENDED DECEMBER 31, 2021  
(UN-AUDITED)**

	Half year ended	
	December 31, 2021	December 31, 2020
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	<b>106,517,559</b>	160,201,341
<b>Adjustment of non-cash and other items:</b>		
Depreciation	27,502,269	20,237,629
Amortisation on ijarah assets	196,107	1,221,469
Provision against doubtful receivable-net	(7,547,054)	(1,537,695)
Gain on disposal of property and equipment - owned	(692,558)	(344,636)
Gain on disposal of property, plant and equipment - leased / ijarah	-	(281,373)
Ijarah Rental Income	(774,661)	(1,944,223)
Income on murabaha, musharaka	(6,107,037)	(5,486,264)
Liability no longer payable	-	
Financial charges	4,948,843	3,746,493
Unrealised gain on revaluation of FVTPL investment	(55,465,970)	(81,610,997)
Return on investments - net	(9,753,321)	(56,066,799)
	<b>(47,693,382)</b>	<b>(122,066,395)</b>
	<b>58,824,177</b>	38,134,946
<b>Increase / (decrease) in current assets</b>		
Ijarah / lease rentals receivable	783,485	2,322,499
Loans, advances and prepayments	(4,205,979)	(28,477,064)
Accrued profit	5,822,988	5,611,315
Other receivables	63,240,933	(18,286,784)
	<b>65,641,427</b>	(38,830,034)
<b>Increase / (decrease) in current liabilities</b>		
Creditors, accrued and other liabilities	(11,514,941)	2,874,680
Rent received in advance	(2,189,249)	3,994,651
Customers' security deposit	(880,735)	6,908,623
	<b>(14,584,925)</b>	13,777,954
Income tax paid	(12,635,845)	(301,743)
Net cash generated from operating activities	<b>97,244,834</b>	12,781,123
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition to property and equipment - owned	(4,977,981)	(8,482,450)
Addition to Investment properties	(116,770)	-
Proceeds from disposal of property and equipment - owned	1,205,495	344,635
Proceeds from disposal of property, plant and equipment - leased / ijarah	1,689,100	3,667,443
Investments disposed / (purchased) - net	(62,706,867)	24,016,161
Income received on investments	8,759,363	18,642,759
Musharaka finances	10,674,613	(8,738,113)
Net cash (used in) / generated from investing activities	<b>(45,473,047)</b>	29,450,436

**CONDENSED UNCONSOLIDATED INTERIM CASH FLOW STATEMENT  
FOR THE HALF YEAR ENDED DECEMBER 31, 2021  
(UN-AUDITED)**

	Half year ended	
	December 31, 2021	December 31, 2020
	----- Rupees -----	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Profit paid to certificate holders	(121,324,526)	(64,975,904)
Right Share Subscription Money Reciev'd	-	33,961,390
Finance under murabaha, musharaka and finance under mark-up arrangements	<b>70,000,000</b>	25,000,000
Long-term loan	<b>(13,768,000)</b>	(48,768,000)
Financial charges paid	<b>(4,327,615)</b>	(4,360,348)
Net cash used in financing activities	<b>(69,420,141)</b>	(59,142,862)
Net decrease in cash and cash equivalents	<b>(17,648,354)</b>	(16,911,303)
Cash and cash equivalents at the beginning of the period	<b>39,381,695</b>	32,487,352
Cash and cash equivalents at the end of the period	<b>21,733,341</b>	15,576,049

The annexed notes from 1 to 24 form an integral part of this condensed unconsolidated interim financial information.

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

Rafiq Dawood  
Chairman

Syed Ali Raza  
Director

Ayaz Dawood  
Chief Executive Officer

Syed Tariq Masood  
Chief Financial Officer

**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED DECEMBER 31, 2021  
(UN-AUDITED)**

Description	Issued, subscribed and paid-up certificate capital	Right Subscription Money	Capital reserves			Accumulated loss	Surplus on revaluation of investment	Total
			Profit prior to floatation	Merger reserve	Statutory reserve			
----- (Rupees) -----								
<b>Balance as at July 01, 2020</b>	863,622,630	-	10,532,683	44,902,567	830,269,870	(505,095,692)	486,928,899	1,731,160,957
Profit for the half year ended December 31, 2020	-	-	-	-	-	160,201,341	-	160,201,341
Other comprehensive income	-	-	-	-	-	-	539,745,282	539,745,282
Total comprehensive income for the period	-	-	-	-	-	160,201,341	539,745,282	699,946,623
Transfer of revaluation surplus on disposal of fair value through OCI investments	-	-	-	-	-	(9,879,293)	9,879,293	-
Profit distribution for the year ended June 30, 2020 @ per certificate 0.78 per certificate	-	-	-	-	-	(67,362,565)	-	(67,362,565)
Right Subscription Money received	-	33,961,390	-	-	-	-	-	33,961,390
<b>Balance as at December 31, 2020</b>	863,622,630	33,961,390	10,532,683	44,902,567	830,269,870	(422,136,208)	1,036,553,474	2,397,706,406
Profit for the half year ended June 30, 2020	-	-	-	-	-	116,396,793	-	116,396,793
Other comprehensive income	-	-	-	-	-	-	304,632,086	304,632,086
Total comprehensive income for the period	-	-	-	-	-	116,396,793	304,632,086	421,028,879
Right Subscription Money received	-	52,400,870	-	-	-	-	-	52,400,870
Issue of right certificates	86,362,260	(86,362,260)	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	138,332,205	(138,332,205)	-	-
<b>Balance as at July 01, 2021</b>	949,984,890	-	10,532,683	44,902,567	968,602,075	(444,071,620)	1,341,185,560	2,871,136,155
Profit for the half year ended December 31, 2021	-	-	-	-	-	104,607,297	-	104,607,297
Other comprehensive income	-	-	-	-	-	-	415,325,825	415,325,825
Total comprehensive income for the period	-	-	-	-	-	104,607,297	415,325,825	519,933,122
Transfer of revaluation surplus on disposal of fair value through OCI investments	-	-	-	-	-	1,679,210	(1,679,210)	-
Profit distribution for the year ended June 30, 2021 @ per certificate 1.32	-	-	-	-	-	(125,398,005)	-	(125,398,005)
<b>Balance as at December 31, 2021</b>	949,984,890	-	10,532,683	44,902,567	968,602,075	(463,183,118)	1,754,832,175	3,265,671,272

\* Statutory reserve represents profit set aside to comply with the Prudential Regulation for Modaraba issued by Securities and Exchange Commission of Pakistan (SECP).

The annexed notes from 1 to 24 form an integral part of this condensed unconsolidated interim financial information.

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

**Rafiq Dawood**  
**Chairman**

**Syed Ali Raza**  
**Director**

**Ayaz Dawood**  
**Chief Executive Officer**

**Syed Tariq Masood**  
**Chief Financial Officer**

## **NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021 (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 1900-B, Saima Trade Towers, 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 Board of Directors in their meeting held on September 30, 2021 has resolved and granted in principal approval for conversion of BRR Guardian Modaraba into a public limited company incorporated under the laws of Pakistan, by incorporating a new public limited company i.e. BRR Limited (Proposed) "BRRL" and amalgamating BRRGM with and into BRRL pursuant to a Scheme of Arrangement to be filed under a petition for sanction by the High Court of Sindh at Karachi in terms of section 279-283 of the Companies Act, 2017, read with SRO 840(I)/2017 dated August 17, 2017, "Scheme of Arrangement (Modaraba)" with the surviving entity being BRRL, which will be procured to be listed on PSX under a direct listing process in lieu of amalgamation of BRRGM with and into BRRL. The above proposed decision is subject to the approval of the Registrar of Modarabas, the Securities Exchange Commission of Pakistan, the Honorable High Court, the Certificate holders of BRRGM and other relevant authorities as per Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980, and the Companies Act, 2017 and other laws for the time being in force.

**1.3** 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. (Please refer note 7)

These represents the stand alone financial statements of the Modaraba.

### **2. BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

These condensed interim financial information of the Modaraba for the six months period ended December 31, 2021 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas.

In case where requirements differ, the provisions of or directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas have been followed.

The disclosures made in this condensed interim financial information have been limited, based on the requirements of International Accounting Standard 34 - "Interim Financial Reporting". These condensed interim financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Modaraba for the year ended June 30, 2021.

This condensed interim financial information is un-audited. However, limited scope review has been performed by the statutory auditors, except for the figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020, in accordance with the requirement of clause 27 of the Listed Companies (Code of Corporate Governance) Regulations, 2017 and are being submitted to the Certificate holders as required by Rule 10 of Modaraba Companies and Modaraba Rules, 1981.

## 2.2 Basis of measurement

This condensed interim financial information has been prepared under the "historical cost convention" except for the revaluation of certain financial assets which are stated at fair value. This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow statement.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of this condensed interim financial information are same as those applied in the preparation of annual financial statements for the year ended June 30, 2021.

### 3.1 Standards and amendments to published approved accounting standards which are effective during the half year ended December 31, 2021.

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for annual accounting period which began on July 1, 2021.

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

## 4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Modaraba's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2021.

Note	(Un-audited) December 31, 2021		(Audited) June 30, 2021	
	-----	Rupees	-----	-----
Property and equipment - owned	5.1	<b>68,567,939</b>	70,674,581	
Property, plant and equipment - leased / ijarah	5.2	<b>20,806,419</b>	22,691,626	
		<b>89,374,358</b>	<b>93,366,207</b>	

## 5. PROPERTY, PLANT AND EQUIPMENT

Property and equipment - owned	5.1	<b>68,567,939</b>	70,674,581
Property, plant and equipment - leased / ijarah	5.2	<b>20,806,419</b>	22,691,626
		<b>89,374,358</b>	<b>93,366,207</b>

### 5.1 Property and equipment - owned

Following additions and disposals were made during the period :

	Additions / Transfer		Disposals / Transfer	
	(Un-audited) December 31, 2021	(Audited) June 30, 2021	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	-----	(Rupees)	-----	-----
Building on leasehold land	-	38,000	-	-
Office premises	-	-	-	-
Lockers	-	7,196,950	-	-
Furniture and fixtures	-	5,000	-	-
Vehicles	<b>4,290,181</b>	12,307,860	<b>2,720,450</b>	5,107,000
Office equipment and appliances	<b>687,800</b>	1,250,180	<b>381,000</b>	528,000
	<b>4,977,981</b>	20,797,990	<b>3,101,450</b>	5,635,000

## 5.2 Property, plant and equipment - ijarah / leased

Following disposals were made during the period :

	Additions		Disposals / Transfer	
	(Un-audited) December 31, 2021	(Audited) June 30, 2021	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	----- (Rupees) -----			
Vehicles	-	-	<b>6,661,000</b>	14,779,390
Office equipment and appliances	-	-	<b>6,661,000</b>	14,779,390
			(Un-audited) December 31, 2021 (Audited) June 30, 2021	
			----- Rupees -----	

## 6 INVESTMENT PROPERTIES

Investment properties	6.1	<b>912,376,367</b>	933,190,180
Capital work-in-progress	6.2	<b>9,089,000</b>	9,089,000
		<b>921,465,367</b>	942,279,180

6.1 Following addition / disposals were made during the period :

	Additions / Transfer		Disposals / Transfer	
	(Un-audited) December 31, 2021	(Audited) June 30, 2021	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	----- (Rupees) -----			
Office premises	<b>116,770</b>	-	-	-
Building on leasehold land	-	1,372,000	-	-
	<b>116,770</b>	<b>1,372,000</b>	-	-

6.1.1 This includes an office premises costing Rs. 70 million, which was swapped by Modaraba in March 2012 from First Dawood Investment Bank Limited (FDIBL), an associated undertaking. The said property was earlier acquired by FDIBL from its borrower against the settlement of liabilities who had also defaulted in its obligation with commercial bank. The said commercial bank has obtained an stay order against the property due to which execution of the sale deed and transfer of title in the name of Modaraba are in abeyance. This property is in owned use as well as an investment property.

FDIBL has filed an application of intervention with the Honorable High Court of Sindh, for removal of stay of the commercial bank and to affect the transfer of the title in its favour, which is pending adjudication.

The original title documents and possession of the property rest with the Modaraba. As soon as the case in question is decided, FDIBL will be able to execute the sale deed in favour of the Modaraba.

## 6.2 Capital work-in-progress

(Un-audited) December 31, 2021	(Audited) June 30, 2021
----- (Rupees) -----	

Advance for office premises - Jofa Tower, Karachi	6.2.1	<b>66,420,000</b>	66,420,000
Provision against advance for office premises		<b>(57,331,000)</b>	(57,331,000)
		<b>9,089,000</b>	9,089,000

**6.2.1** This includes Rs. 57.331 million paid for the purchase of three shops of Jofa Tower. Because of a dispute in respect of payment for additional space due to structural changes in the design, the title or possession of the said property has not yet been transferred in the name of the Modaraba. In March 2012, the Modaraba filed a law suit for specific performance and deposited the balance amount of Rs. 9.089 million with Nazir High Court of Sindh. The law suit is currently pending before Honourable High Court of Sindh at Karachi. During prior year, Modaraba has made provision against the advance paid for the purchase of three shops amounting to Rs. 57.331 million.

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	----- (Rupees) -----	
<b>7 LONG-TERM INVESTMENT</b>		
In un-quoted wholly owned subsidiary company -		
at cost:		
BRR Financial Services (Private) Limited		
5,500,000 shares of Rs. 10 each (June 30, 2020:		
5,500,000 shares)	<u>55,000,000</u>	<u>55,000,000</u>

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

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. In prior year, PSX vide letter dated June 25, 2019 transferred TREC from Modaraba to BRR Financial Services (Private) Limited and thereby granted a TREC to BRR Financial Services (Private) Limited.

The Board of Directors of the Management Company in their meeting held on July 15, 2020, has approved the Scheme of Arrangement for merger by way of amalgamation of wholly owned subsidiary, BRR Financial Services (Private) Limited with and into the Modaraba. However, both the company and the modaraba are in the process of fulfilling their legal formalities in respect of merger to the respective authorities. Accordingly, one time right of TREC transfer will remain with the Modaraba.

The net assets of BRR Financial Services (Private) Limited based on latest audited financial statement as at June 30, 2021 amounted to Rs. 67.31 million (June 30, 2020: Rs.69.97 million).

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	----- (Rupees) -----	
<b>8 LONG-TERM MUSHARAKA FINANCES</b>	<b>Note</b>	
Considered good	90,003,795	93,117,299
Considered doubtful	8.2      51,750,739	62,104,534
Provision for doubtful receivables	8.1      141,754,534	155,221,833
Current portion of musharaka finances	8.2      (51,750,739)      90,003,795      (28,692,055)      61,311,740	(62,104,534)      93,117,299      (25,809,072)      67,308,227

**8.1** The expected profit receivable on these arrangements ranges from 8.21% to 18.58% (June 30, 2021: 8.21% to 18.58%) per annum. The arrangements are secured by way of hypothecation of stock, mortgage of property and equipment and pledge of shares. These finances are receivable on various dates up to June 24, 2039.

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	----- (Rupees) -----	
<b>8.2 Movement of provision</b>	<b>Note</b>	
Opening balance	62,104,534	79,948,344
Provision during the period	-	913,265
Written off during the period	(2,792,686)	(15,157,059)
Reversal during the period	18 (7,561,109)	(3,600,016)
Closing balance	<b>51,750,739</b>	<b>62,104,534</b>

## 9 SHORT-TERM INVESTMENTS

### Fair value through profit or loss -

#### FVTPL:

Listed ordinary shares	9.1	<b>570,097,916</b>	446,907,106
Mutual fund units	9.2	<b>25,222,287</b>	24,035,256
Preference shares	9.3	<b>6,725,530</b>	9,111,355
Listed debt securities	9.4	<b>10,786,500</b>	10,752,131

### Fair value through other comprehensive income - FVTOCI:

Listed ordinary shares / modaraba certificates	9.5	<b>1,763,753,779</b>	1,331,196,074
Mutual fund units	9.6	<b>8,589,337</b>	8,185,098
Unlisted ordinary shares	9.7	<b>74,339,727</b>	94,835,436
Unlisted debt securities	9.8	<b>1,245,953</b>	1,245,953
		<b>1,847,928,796</b>	1,435,462,561
Provision for diminution in value of investments	9.8.3	<b>(16,222,148)</b>	(16,222,148)
		<b>2,444,538,881</b>	1,910,046,261

### 9.1 FVTPL: Listed ordinary shares

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

December 30, 2021	June 30, 2021	Names of investees	December 31, 2021	June 30, 2021		
			----- (Rupees) -----			
<b>Glass &amp; ceramics</b>						
<b>96,515</b>	96,015	Ghani Glass Limited	<b>4,203,216</b>	4,627,923		
<b>Textile composite</b>						
<b>43,800</b>	43,800	Nishat Mills Limited	<b>3,485,604</b>	4,086,540		
<b>Cement</b>						
<b>58,396</b>	58,896	D.G. Khan Cement Company Limited	<b>4,843,364</b>	6,945,016		
<b>12,900</b>	7,400	Lucky Cement Limited	<b>8,762,712</b>	6,389,456		
<b>463,000</b>	468,000	Fauji Cement Company Limited	<b>8,505,310</b>	10,764,000		
<b>1,540,668</b>	1,319,668	Power Cement Limited	<b>9,798,648</b>	12,682,009		
<b>19,512</b>	67,403	Maple Leaf Cement Factory Limited	<b>701,456</b>	3,166,593		
<b>Power generation &amp; distribution</b>						
<b>3,525,746</b>	330,746	K-Electric Limited	<b>12,128,566</b>	1,382,518		



**B.R.R. Guardian Modaraba**  
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December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	December 31, 2 0 2 1	June 30, 2 0 2 1	
Number of shares / units			----- (Rupees) -----		
<b>Refinery</b>					
<b>5,914</b>	2,698	Attock Refinery Limited	<b>851,793</b>	691,902	
<b>52,084</b>	50,950	National Refinery Limited	<b>14,822,586</b>	26,656,531	
<b>Fertilizer</b>					
		Engro Corporation Limited			
<b>22,422</b>	15,931		<b>6,108,201</b>	4,693,432	
<b>Oil &amp; gas exploration companies</b>					
		Mari Petroleum Company Limited			
<b>2,860</b>	2,860		<b>4,731,098</b>	4,359,755	
		Pakistan Petroleum Limited			
<b>189,367</b>	154,060		<b>14,967,568</b>	13,377,030	
<b>201,559</b>	187,059	Oil & Gas Development Company Limited	<b>17,374,386</b>	17,776,217	
-	-	Attock Petroleum Limited	-	-	
<b>27,317</b>	26,317	Shell Pakistan Limited	<b>3,310,547</b>	4,610,738	
<b>5,000</b>	5,000	Pakistan Oilfields Limited	<b>1,788,100</b>	1,969,300	
<b>Oil &amp; gas marketing companies</b>					
		Pakistan State Oil Company Limited			
<b>92,279</b>	57,280		<b>16,784,627</b>	12,845,040	
		Sui Northern Gas Pipelines Limited			
<b>49,142</b>	67,392		<b>1,643,800</b>	3,273,903	
<b>223,500</b>	223,500	Sui Southern Gas Company Limited	<b>2,076,315</b>	2,972,550	
<b>Automobile assembler</b>					
		Sazgar Engineering Work Limited			
<b>203,023</b>	156,710		<b>19,758,198</b>	26,360,189	
<b>7,564</b>	4,120	Millat Tractors Limited	<b>6,521,983</b>	4,447,993	
<b>Automobile parts &amp; accessories</b>					
<b>47,931</b>	23,943	Panther Tyres Limited	<b>2,001,599</b>	1,655,180	
<b>Chemical</b>					
		ICI Pakistan Limited			
<b>8,447</b>	8,447		<b>6,426,900</b>	7,338,754	
		Ittehad Chemicals Limited			
<b>120,543</b>	101,100		<b>3,125,680</b>	3,846,855	
<b>108,500</b>	89,500	Sitara Peroxide Limited	<b>2,089,710</b>	2,531,955	
<b>46,100</b>	44,300	Pakistan Oxygen Limited	<b>7,049,612</b>	6,866,500	
		Archroma Pakistan Limited			
-	-	Berger Paints Pakistan Limited	-	-	
<b>39,625</b>	23,625		<b>3,134,734</b>	2,061,990	
		Engro Polymer & Chemical Limited			
<b>1,000</b>	-		<b>54,210</b>	-	
<b>3,960</b>	-	Biafo Industries Limited	<b>354,024</b>	-	



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

December 31, 2021	June 30, 2021	Names of investees	December 31, 2021	June 30, 2021	
Number of shares / units			----- (Rupees) -----		
<b>Engineering</b>					
<b>11,500</b>	-	Ittefaq Iron Industries Limited	<b>137,655</b>	-	
<b>537,875</b>	473,500	Agha Steel Industries Limited	<b>14,076,189</b>	15,971,155	
<b>Transport</b>					
<b>5,500</b>	5,500	Pakistan National Shipping Corporation Limited	<b>299,750</b>	399,850	
<b>599,000</b>	-	Pakistan Intl. Bulk Terminal Limited	<b>4,408,640</b>	-	
<b>1,254</b>	-	Universal Network Systems Limited	<b>75,240</b>	-	
<b>Food &amp; personal care products</b>					
-	36,030	Al-Tahur Limited	-	839,499	
<b>60,475</b>	29,250	The Organic Meat Company Limited	<b>1,918,872</b>	1,074,645	
<b>6,875</b>	3,800	National Foods Limited	<b>1,049,331</b>	870,276	
<b>63,000</b>	25,000	Al-Shaheer Corporation Limited	<b>849,240</b>	498,250	
<b>38,350</b>	38,350	Bunny's Limited	<b>1,226,050</b>	1,581,554	
<b>Technology &amp; communication</b>					
<b>151,500</b>	196,500	Pakistan Telecommunication Company Limited	<b>1,318,050</b>	2,326,560	
<b>317,103</b>	195,180	Systems Limited	<b>240,947,544</b>	109,343,740	
<b>20,299</b>	-	Octopus Digital Limited	<b>1,578,450</b>	-	
<b>5,200</b>	-	Netsol Technologies Limited	<b>488,072</b>	-	
<b>Leather &amp; tanneries</b>					
<b>63,580</b>	63,680	Service Industries Limited	<b>29,789,137</b>	37,420,278	
<b>99,767</b>	68,267	Service Global Footwear Limited	<b>4,625,198</b>	3,947,881	
<b>Pharmaceuticals</b>					
<b>1,600</b>	-	Abbott Laboratories (Pakistan) Limited	<b>1,148,016</b>	-	
<b>25,600</b>	7,200	AGP Limited	<b>2,482,944</b>	844,776	
<b>2,196</b>	2,696	Highnoon Laboratories Limited	<b>1,378,759</b>	1,617,600	
<b>17,960</b>	18,260	Ferozsons Laboratories Limited	<b>5,851,907</b>	6,442,493	
<b>139,929</b>	102,257	The Searle Company Limited	<b>20,110,596</b>	24,809,593	
<b>154,765</b>	132,765	GlaxoSmithKline Pakistan Limited	<b>21,126,970</b>	21,995,178	



**B.R.R. Guardian Modaraba**  
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December 31, 2021	June 30, 2021	Names of investees	December 31, 2021	June 30, 2021
Number of shares / units			----- (Rupees) -----	
		GlaxoSmithKline Consumer Healthcare		
36,300	12,500	Pakistan Limited	8,750,478	3,126,125
11,150	-	Citi Pharma Limited	398,724	-
		<b>Cable &amp; electrical goods</b>		
69,100	71,600	Pak Elektron Limited	1,556,132	2,510,296
		Waves Singer Pakistan Limited		
262,000	249,000	Pakistan Cables Limited	4,084,580	6,787,740
1,000	-		157,170	-
		<b>Modarabas</b>		
79,500	-	Modaraba Al - Mali	671,775	-
		<b>Commercial banks</b>		
18,500	60,000	Bank Islami Pakistan Limited	236,985	674,400
9,226	5,500	Meezan Bank Limited	1,237,299	634,755
		<b>Paper &amp; board</b>		
20,300	-	Security Paper Limited	2,433,767	-
92,381	94,381	Roshan Packages Limited	1,809,744	3,108,910
101,000	-	Pak Agro Packaging Limited	1,815,980	-
		<b>Woollen</b>		
8,000	8,000	Bannu Woollen Mills Limited	319,600	400,640
		<b>Miscellaneous</b>		
1,598	1,598	United Distributors Pakistan Limited	68,714	80,300
84,669	-	Pakistan Aluminium Beverage Cans Limited	2,899,067	-
952	-	Tri Pack Films	193,304	-
		<b>Vanaspati &amp; Allied Industries</b>		
-	5,390	Unity Foods Limited	-	239,963
		<b>Real estate investment trust</b>		
96,500	89,000	Dolmen City REIT	1,173,440	980,780
			<b>570,097,916</b>	<b>446,907,106</b>

## 9.2 FVTPL: Investment in mutual fund units

December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	December 31, 2 0 2 1	June 30, 2 0 2 1
Number of shares / units	----- (Rupees) -----		----- (Rupees) -----	----- (Rupees) -----
<b>Open-end mutual funds</b>				
295,981	295,981	786 Smart Fund	25,222,287	24,035,256
			<u>25,222,287</u>	<u>24,035,256</u>

## 9.3 FVTPL: Investment in preference shares

December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	December 31, 2 0 2 1	June 30, 2 0 2 1
Number of shares / units	----- (Rupees) -----		----- (Rupees) -----	----- (Rupees) -----
<b>Cement</b>				
756,990	756,990	Power Cement Limited - Preference Shares	6,434,415	8,818,934
			<u>6,434,415</u>	<u>8,818,934</u>
<b>Chemical</b>				
26,109	26,109	Engro Polymer & Chemicals Limited - Preference Shares	291,115	292,421
			<u>291,115</u>	<u>292,421</u>
			<u>6,725,530</u>	<u>9,111,355</u>

## 9.4 FVTPL: Investment in debt securities

December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	December 31, 2 0 2 1	June 30, 2 0 2 1
Number of shares / units	----- (Rupees) -----		----- (Rupees) -----	----- (Rupees) -----
K-Electric				
2,115	2,115	K-Electric	10,786,500	10,752,131
			<u>10,786,500</u>	<u>10,752,131</u>

### 9.4.1 Particulars of Sukuk

Names of the investee	Repayment frequency	Profit rate per annum	Maturity date	Secured / unsecured
K-Electric	Quarterly	3 months KIBOR + 1.70%	December 27, 2026	Secured

## 9.5 FVTOCI: Listed ordinary shares / modaraba certificates

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

December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	December 31, 2 0 2 1	June 30, 2 0 2 1
Number of shares / units	----- (Rupees) -----		----- (Rupees) -----	----- (Rupees) -----
<b>Oil &amp; gas exploration companies</b>				
8,190	8,190	Mari Petroleum Company	13,548,144	12,484,754
<b>Leather &amp; tanneries</b>				
-	400	Service Industries Limited	-	235,052



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

December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	December 31, 2 0 2 1	June 30, 2 0 2 1	
Number of shares / units			----- (Rupees) -----		
<b>Real estate investment trust</b>					
280,500	310,500	Dolmen City REIT	3,410,880	3,421,710	
<b>14,199</b>	14,199	<b>Chemical</b> Sitar Chemical Industries	<b>4,374,428</b>	4,998,048	
<b>54,000</b>	54,000	<b>Engineering</b> KSB Pumps Company Limited	<b>8,583,840</b>	11,980,980	
<b>1,000</b>	1,000	<b>Transport</b> Pakistan International Container Terminal Limited	<b>154,000</b>	165,040	
<b>5,000</b>	5,000	Pakistan National Shipping Corporation Limited	<b>272,500</b>	363,500	
<b>33,826</b>	36,776	<b>Pharmaceuticals</b> Abbott Laboratories (Pakistan) Limited	<b>24,270,493</b>	29,139,831	
<b>32,165</b>	32,165	GlaxoSmithKline (Pakistan) Limited	<b>4,390,844</b>	5,328,776	
<b>30,906</b>	30,906	GlaxoSmithKline Consumer Healthcare (Pakistan) Limited	<b>7,450,200</b>	7,729,282	
<b>138</b>	138	Highnoon Laboratories Limited	<b>86,643</b>	82,800	
<b>2,213,934</b>	2,213,934	<b>Technology &amp; communication</b> Systems Limited - (related party)	<b>1,682,235,611</b>	1,240,290,105	
<b>1,935,506</b>	1,935,506	<b>Financial services</b> 786 Investments Limited (Formerly Dawood Capital Management Limited) - (fully provided) (Note: 9.5.1)	<b>4,722,635</b>	4,722,635	
<b>3,339,922</b>	3,339,922	First Dawood Investment Bank Limited -(Related party) (fully provided) (Note: 9.5.1)	<b>10,253,561</b>	10,253,561	
			<b>1,763,753,779</b>	<b>1,331,196,074</b>	

**9.5.1** This represents sponsor shares of the related party and is a non shariah compliant investment. The management is currently in process of finding prospective buyers as per instruction of SECP. Further, full amount of provision has also been recognised.

**9.6 FVTOCI: Investment in mutual fund units**

December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	December 31, 2 0 2 1	June 30, 2 0 2 1
Number of shares / units	----- (Rupees)-----		----- (Rupees)-----	----- (Rupees)-----
<b>Open-end mutual funds</b>				
<b>100,795</b>	100,795	786 Smart Fund	<b>8,589,337</b>	8,185,098
			<b>8,589,337</b>	8,185,098

**9.6.1** On Merger of Dawood Income fund (previously FDMF) into 786 Smart Fund, 493,212 units held in name of BRRGMI which were removed from books in prior years as they were shariah non-compliant converted into 100,795 unit of 786 Smart Funds on December 19, 2019 and are shariah compliant.

**9.7 FVTOCI: Investment in unlisted ordinary shares**

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

December 30, 2 0 2 1	June 30, 2 0 2 1	Names of investees	December 30, 2 0 2 1	June 30, 2 0 2 1
Number of shares / units	----- (Rupees)-----		----- (Rupees)-----	----- (Rupees)-----
<b>Al Baraka Bank (Pakistan) Limited - (note 9.7.2)</b>				
<b>100,000</b>	100,000	Al Baraka Bank (Pakistan) Limited - (note 9.7.2)	<b>948,300</b>	948,300
<b>7,200,000</b>	7,200,000	Dawood Family Takaful Limited - (note 9.7.3)	<b>46,080,000</b>	46,080,000
<b>3,034,603</b>	3,034,603	ISE Tower REIT Management Company Limited - (note 9.7.4)	<b>27,311,427</b>	47,807,136
			<b>74,339,727</b>	94,835,436

**9.7.1** Breakup value of above investment in unlisted ordinary shares are as follows :

Name of investees	Reference note	Break-up value as per latest available audited financial statements (Rupees)	% of holding of the investee's paid-up capital	Auditors
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**June 30, 2021**

Al Baraka Bank (Pakistan) Limited	(9.7.2)	948,300	0.01%	EY Ford Rhodes, Chartered Accountants
Dawood Family Takaful Limited	(9.7.3)	47,174,400	9.60%	Yousuf Adil, Chartered Accountants
ISE Tower REIT Management Company Limited	(9.7.4)	47,807,136	0.83%	Yousuf Adil, Chartered Accountants

**June 30, 2020**

Al Baraka Bank (Pakistan) Limited	(9.7.2)	926,631	0.01%	EY Ford Rhodes, Chartered Accountants
Dawood Family Takaful Limited	(9.7.3)	39,744,000	9.60%	Deloitte Yousuf Adil, Chartered Accountants
ISE Tower REIT Management Company Limited	(9.7.4)	43,971,397	0.83%	BDO Ebrahim & Co., Chartered Accountants

**9.7.2** The break-up value of investment in shares of Al Baraka (Pakistan) Limited (ABPL) is Rs. 0.948 million (as per latest available audited financial statement dated September 31, 2021) whereas the book value of investment in shares of ABPL is Rs. 0.926 million resulting in revaluation surplus of Rs. 0.022 million in prior year.

**9.7.3** The break-up value of investment in shares of Dawood Family Takaful (DFTL) is Rs. 47.174 million (as per latest audited accounts dated December 31, 2020) where as the cost of investment in shares of DFTL is Rs. 72 million. Upto June 30, 2017, management has recorded total impairment of Rs. 19.872 million based on embedded value of investment as at June 30, 2016 amounting to Rs. 52.128 million (Rs. 8.27 per share). During prior year, the management has estimated the fair value of this investment based on information of available market transaction at Rs. 6.40 per share and has recorded revaluation loss of Rs. 6.048 million.

**9.7.4** Out of the total shares of Rs. 10 each, 60% shares are kept in blocked account and divestment of the same will be in accordance with the requirement of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012.

The breakup value of the investment in shares of ISE Tower REIT Management Company Limited amounted to Rs. 47.807 million (as per un-audited financial statement as at March 31, 2021) whereas the book value of investment in shares is Rs. 43.971 million resulting in revaluation surplus of Rs. 3.836 million in prior year.

During the period, the management has estimated the fair value of this investment based on market quotes at Rs. 9 per share and has recorded revaluation loss amounting to Rs. 20.496 million.

## 9.8 FVTOCI: Investment in unlisted debt securities

December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	December 31, 2 0 2 1	June 30, 2 0 2 1
Number of shares / units	----- (Rupees) -----		----- (Rupees) -----	----- (Rupees) -----
1,267	1,267	Eden Housing Limited - (Fully provided)	1,245,953	1,245,953
			1,245,953	1,245,953

**9.8.1** This represents investment in privately placed sukuk with a tenure of 5 years. In prior year, company has defaulted in its principal & profit payment, therefore full amount of the provision has been recorded.

### 9.8.2 Particulars of Sukuk

Names of the investee	Repayment frequency	Profit rate per annum	Maturity date	Secured / unsecured
Eden Housing Limited	Quarterly	3 months KIBOR + 2.50%	June 29, 2014	Secured

### 9.8.3 Provision for diminution in value of investments

(Un-audited)  
December 31,  
2021  
----- (Rupees) -----

Opening balance	16,222,148	16,222,148
Charge for the year	-	-
Closing balance	16,222,148	16,222,148

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees) -----	
<b>10 ACCRUED PROFIT</b>			
Accrued profit on:			
Debt securities		<b>247,192</b>	149,388
Musharaka finances		<b>492,097</b>	305,852
		<b>739,289</b>	455,240
<b>11 OTHER RECEIVABLES</b>			
Rent receivable - unsecured, considered good		<b>15,868,432</b>	7,002,491
Takaful premium receivable		<b>1,410,296</b>	1,814,792
Other receivable		<b>9,300,169</b>	18,456,088
Receivable for Settlement of future sale contracts		-	62,546,459
Receivable from ex-employees - unsecured, considered doubtful	11.1	<b>51,274,920</b>	51,274,920
Provision for doubtful receivables		<b>(51,274,920)</b>	(51,274,920)
Others	11.2	<b>33,810,401</b>	33,810,401
Provision for doubtful debts		<b>(33,810,401)</b>	(33,810,401)
		<b>-</b>	-
		<b>26,578,897</b>	89,819,830

**11.1** This represents balance receivable from certain ex-employees and other parties in respect of embezzlement of funds. The matter is pending before the Special Court, Lahore. As a matter of prudence, full provision in respect of these receivables has been made in these condensed interim financial information.

**11.2** This represents finance facility which was partly secured against pledge of stock of jute while some of the stock was misappropriated from the factory premises of the borrower. During prior year, the Modaraba has filed a criminal case against the borrower and its owner against misappropriation of pledged stock.

A suit was also been filed on September 29, 2012 by the Modaraba before the Modaraba Tribunal / Banking Court-II for the recovery of outstanding dues from borrower. The Tribunal passed a judgment order in favour of the Modaraba and directed the defendant (borrower) to pay all outstanding dues along with cost of the suit, however the recovery of the decretal amount is uncertain due to the misappropriation of pledged stock by the borrower. Therefore, in prior year the Modaraba has filed the execution petition for the recovery of decretal amount by attaching the other auction able assets of the borrower including piece and parcel of land / building of factory situated at 40-More, Lahore Road, Jaranwala and one vehicle. The borrower filed an application in Honourable Lahore High Court against the judgment and pleaded to suspend the judgment and decree in favour of Modaraba. The Modaraba has also filed a reply to the application filed by the borrower which is currently pending consideration.

Complete provision has been recorded against outstanding balance as per Prudential Regulations. The management is confident that the said lawsuit and criminal case will be decided in favour of the Modaraba.

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees) -----	
<b>12 CASH AND BANK BALANCES</b>			
Cash in hand		<b>139,922</b>	212,859
Cash with State Bank of Pakistan - current account		<b>4,438</b>	4,438
Cash with banks in:			
Savings accounts	12.1	<b>21,322,537</b>	39,037,234
Current accounts		<b>266,444</b>	127,164
		<b>21,733,341</b>	39,381,695

**12.1** These carry profit at rates ranging from 2.75% to 8.25% (June 30, 2021: 2.75% to 5.50%) per annum. Saving accounts includes balances placed under arrangements permissible under shariah amounting to Rs. 21,322 million.

<b>13 LONG-TERM LOANS</b>	<b>Note</b>	<b>(Un-audited)</b>	<b>(Audited)</b>
		<b>December 31, 2021</b>	<b>June 30, 2021</b>
		<b>----- (Rupees) -----</b>	<b>----- (Rupees) -----</b>
National Bank of Pakistan	13.1	<b>13,776,684</b>	27,544,684
Current portion of long term loans		<b>(13,776,684)</b>	<b>(27,544,684)</b>
		<b>-</b>	<b>-</b>

**13.1** The loan had been restructured on June 12, 2017 with the outstanding balance of Rs. 137.689 million at zero percent interest payable over next five years in equal quarterly instalments commencing from July 01, 2017. The loan is secured by way of registered mortgage of property situated at ground, mezzanine, first and second level, Business and Finance Centre, bearing plot No. 7/3, Seri Quarters, I. I. Chundrigar Road, Karachi.

<b>14 LONG-TERM MURABAHA, MUSHARAKA AND FINANCE UNDER MARK-UP ARRANGEMENTS</b>	<b>Note</b>	<b>(Un-audited)</b>	<b>(Audited)</b>
		<b>December 31, 2021</b>	<b>June 30, 2021</b>
		<b>----- (Rupees) -----</b>	<b>----- (Rupees) -----</b>
Musharaka arrangement - Dawood Family			
Takaful Limited	14.1	<b>50,000,000</b>	35,000,000
Musharaka arrangement -First Dawood			
Investment Bank Limited	14.2	<b>110,000,000</b>	55,000,000
Current portion of musharaka arrangements		<b>(160,000,000)</b>	<b>(90,000,000)</b>
		<b>-</b>	<b>-</b>

**14.1** The Modaraba has entered into various musharaka agreements (Musharaka) with Dawood Family Takaful Limited (DFTL) on monthly profit sharing basis carrying profit at 1 M / 6M KIBOR plus 100 basis points.

During the period, the Modaraba has recorded profit on various musharaka arrangements with DFTL amounting to Rs.1.089 million and made profit payment amounting to Rs.0.468 million.

**14.2** The Modaraba has entered into various musharaka agreement (Musharaka) with First Dawood Investment Limited on monthly profit sharing basis carrying profit at 6M KIBOR plus 100 basis points.

During the period, the Modaraba has recorded profit on these musharaka arrangements amounting to Rs.3.782 million and made profit payment amounting to Rs.3.782 million.

<b>15 CREDITORS, ACCRUED AND OTHER LIABILITIES</b>	<b>Note</b>	<b>(Un-audited)</b>	<b>(Audited)</b>
		<b>December 31, 2021</b>	<b>June 30, 2021</b>
		<b>----- (Rupees) -----</b>	<b>----- (Rupees) -----</b>
Modaraba management fee payable		<b>12,253,820</b>	31,942,494
Sales tax on Modaraba management fee payable		<b>1,592,997</b>	4,152,524
Provision for Sindh Workers' Welfare Fund		<b>12,697,369</b>	10,523,541
Accrued liabilities		<b>5,126,460</b>	13,324,186
Rentals received in advance			-
Lockers		<b>45,449,365</b>	41,752,061
Properties		<b>29,435,715</b>	31,994,821
Ijarah		<b>5,693</b>	140
Musharaka		-	3,333,000
Charity payable		<b>78,103</b>	90,948
Advance against sale of land and building	15.1	<b>2,100,000</b>	2,100,000
Others		<b>35,206,173</b>	18,436,170
		<b>143,945,695</b>	<b>157,649,885</b>

**15.1** This represents amount received from SKM Limited as token money for agreement to sale of investment property measuring 24- Kanals situated at Tehsil city, Lahore.

## 16 CONTINGENCIES AND COMMITMENTS

**16.1** 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 (June 30, 2020: 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. Further, the management has fully provided net amount of Rs. 44.9 million receivable from Innovative Investment Bank.

**16.2** 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 (June 30, 2020: 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.

	Note	(Un-audited) December 31, 2021	(Un-audited) December 31, 2020
		----- (Rupees) -----	----- (Rupees) -----
<b>17 RETURN ON INVESTMENTS - NET</b>			
Dividend income		<b>8,175,909</b>	18,262,598
Profit on debt securities		<b>583,454</b>	380,161
(Loss) / gain on settlement of Deliverable Future Contracts		<b>(344,740)</b>	1,540,335
Gain on sale of investments		<b>1,338,698</b>	35,883,705
Brokerage & commission		<b>9,753,321</b>	56,066,799
		<b>(736,267)</b>	(1,198,904)
		<b>9,017,054</b>	54,867,895
<b>18 REVERSAL OF PROVISION FOR DOUBTFUL</b>			
Ijarah / Lease rentals		<b>-</b>	<b>-</b>
Musharaka	8.2	<b>7,561,109</b>	1,799,616
<b>Less: Charged during the year</b>		<b>7,561,109</b>	1,799,616
Ijarah / Lease rentals		<b>14,055</b>	<b>-</b>
Musharika		<b>-</b>	261,921
		<b>14,055</b>	261,921
		<b>7,547,054</b>	1,537,695
<b>19 OTHER INCOME</b>			
Gain on disposal of property and equipment - owned		<b>692,558</b>	344,635
Miscellaneous and other termination charges		<b>742,662</b>	2,872,590
Recovery in respect of Bad debts written off previously		<b>3,946,006</b>	5,678,074
		<b>5,381,226</b>	8,895,299

## 20 FAIR VALUE HIERARCHY

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

- Level 1: quoted prices in active markets for identical assets.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at December 31, 2021, the Modaraba held the following financial instruments measured at fair value:

	<b>December 31, 2021</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>----- (Rupees) -----</b>		
<b>Investments at FVTPL</b>			
Listed ordinary shares	<b>570,097,916</b>	-	-
Mutual fund units	<b>25,222,287</b>	-	-
Preference shares	<b>6,725,530</b>	-	-
listed debt securities	<b>10,786,500</b>	-	-
			<b>570,097,916</b>
			<b>25,222,287</b>
			<b>6,725,530</b>
			<b>10,786,500</b>
<b>Investments at FVTOCI</b>			
Listed ordinary shares	<b>1,763,753,779</b>	-	-
Mutual fund units	<b>8,589,337</b>	-	-
Unlisted ordinary shares	-	-	<b>74,339,727</b>
Unlisted debt securities	-	-	<b>1,245,953</b>
	<b>2,385,175,349</b>	-	<b>75,585,680</b>
			<b>2,460,761,029</b>

As at June 30, 2021, the Modaraba held the following financial instruments measured at fair value:

	<b>June 30, 2021</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>----- (Rupees) -----</b>		
<b>Investments at FVTPL</b>			
Listed ordinary shares	446,907,106	-	-
Mutual fund units	24,035,256	-	-
Preference shares	9,111,355	-	-
listed debt securities	10,752,131	-	-
			446,907,106
			24,035,256
			9,111,355
			10,752,131
<b>Investments at FVTOCI</b>			
Listed ordinary shares	1,331,196,074	-	-
Mutual fund units	8,185,098	-	-
Unlisted ordinary shares	-	-	94,835,436
Unlisted debt securities	-	-	1,245,953
	<b>1,830,187,020</b>	-	<b>96,081,389</b>
			<b>1,926,268,409</b>

### Valuation techniques

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

### Transfers during the period

During the half year ended December 31, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

## 21 TAXATION

**21.1** The Finance Bill, 2021 has validated and given legislative effect to the Tax Law (Second Amendment) Ordinance 2021 enacted on March 22, 2021 with effect from July 01, 2021 whereby Clause 100 of the Part 1 of Second Schedule of the Income Tax Ordinance, 2001 relating to the income tax exemption available to Modarabas has been withdrawn. Accordingly, provision for income tax has been booked in these financial statements.

Further, the management has initiated the process of the determination of the tax bases (carrying values) of assets and liabilities admissible for taxation purposes as per requirements of International Accounting Standard 12, 'Income taxes', for the purpose of determination of the net balance of differed tax, which it considers to be accurately finalised when the return of this financial year becomes due.

**21.2** The Additional Commissioner Inland Revenue has amended the assessment under section 122(5)(A) of the Income Tax Ordinance, 2001 for the Tax Year 2005 by creating demand of Rs. 954,036. The Modaraba has filed appeal before the Commissioner Inland Revenue (Appeals-I) and decision of the Commissioner Inland revenue (Appeals-I) was made in favour of the Modaraba. Further, the Department has filed appeal before the Appellate Tribunal, Inland revenue and the hearing of appeal is still pending.

**21.3** Moreover, the Assistant Commissioner of Inland revenue has amended the assessment under section 122(5) of the Income Tax Ordinance, 2011 for the Tax Year 2014 by creating demand of Rs. 472,103. The Modaraba had filed appeal before the Commissioner Inland Revenue (Appeals-I) and the decision has been made in favour of Modaraba. Further, the Department has filed appeal before the Appellate Tribunal, Inland revenue and the hearing of appeal is still pending. There has been no further correspondence regarding the order.

**21.4** Assessment for the Tax Year 2012 was selected for audit by Deputy Commissioner (IR), Audit Unit-IV, under section 122(5)(A). The Deputy Commissioner (IR) vide order dated June 30, 2018 has amended the assessment for the Tax Year 2012 thereby creating a demand of Rs. 5,908,802. The Modaraba has filed an appeal before the Commissioner Appeals against the said demand which is pending adjudication. The Commissioner Appeals has remanded back the order setting aside the demand by Deputy Commissioner (IR). Appeal effect order under section 122 / section 125 is still pending. No provision have been made in these regards against the above demand by the authority as the management is confident that the decision will be made in the favour of modaraba.

## 22 RELATED PARTY TRANSACTIONS

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

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

The details of related party transactions and balances as at 31 December, 2021 are as follows:

<b><u>Relationship with the Modaraba</u></b>	<b><u>Nature of transactions</u></b>	<b><u>(Un-audited) December 31, 2021</u></b>	<b><u>(Un-audited) December 31, 2020</u></b>
<b><u>Transactions during the period:</u></b>			
- <b>Management Company</b>			
BRR Investment (Private) Limited	Management fee accrued	<b>12,253,820</b>	18,429,623
BRR Investment (Private) Limited	Management fee paid	<b>31,942,494</b>	17,152,959
BRR Investment (Private) Limited	Rent received	<b>60,000</b>	60,000

**Transactions during the period:**

<b>Relationship with the Modaraba</b>	<b>Nature of transactions</b>	<b>(Un-audited) December 31, 2021</b>	<b>(Un-audited) December 31, 2020</b>
		<b>----- (Rupees) -----</b>	
BRR Investment (Private) Limited	Advance received	-	4,000,000
BRR Investment (Private) Limited	Advance repaid	-	4,000,000
BRR Investment (Private) Limited	Reimbursement of expense	<b>5,085</b>	502
<b>- Subsidiary Company</b>			
BRR Financial Services (Private) Limited	Loan received	-	5,000,000
BRR Financial Services (Private) Limited	Loan repaid	-	40,000,000
BRR Financial Services (Private) Limited	Profit paid	-	473,972
BRR Financial Services (Private) Limited	Profit returned	-	6,152,046
BRR Financial Services (Private) Limited	Dividend received	-	14,970,225
<b>- Associated companies / other related parties</b>			
Dawood Family Takaful Limited	Rental Received against property	<b>1,397,421</b>	2,737,464
Dawood Family Takaful Limited	Musharaka finance received-net	<b>97,000,000</b>	105,000,000
Dawood Family Takaful Limited	Group Life Takaful	<b>201,040</b>	160,792
Dawood Family Takaful Limited	Musharaka finance repaid	<b>82,000,000</b>	80,000,000
Dawood Family Takaful Limited	Profit paid on musharaka finance	<b>468,472</b>	1,511,311
First Dawood Investment Bank Limited	Rent received against property	<b>60,000</b>	60,000
First Dawood Investment Bank Limited	Share of common expenses - net	<b>112,798</b>	54,727
First Dawood Investment Bank Limited	Musharaka finance received-net	<b>115,000,000</b>	-
First Dawood Investment Bank Limited	Musharaka finance repaid	<b>60,000,000</b>	-

<b>Relationship with the Modaraba</b>	<b>Nature of transactions</b>	<b>(Un-audited) December 31, 2021</b>	<b>(Un-audited) December 31, 2020</b>
		----- <b>(Rupees)</b> -----	-----
First Dawood Investment Bank Limited	Profit paid on musharaka finance	<b>3,782,407</b>	2,847,936
First Dawood Employees Provident Fund	Transfer to provident fund	<b>1,713,953</b>	1,499,615
Hydrochina Dawood Power (Private) Limited	Rent received against property	-	3,697,429
Dawood Global Foundation	Charity paid	<b>100,810</b>	215,321
<b><u>Period end balances:</u></b>			
<b>Relationship with the Modaraba</b>	<b>Nature of balances</b>	<b>(Un-audited) December 31, 2021</b>	<b>June 30, 2021</b>
		----- <b>(Rupees)</b> -----	-----
<b>- Management Company</b>			
BRR Investment (Private) Limited	Management fee payable	12,253,820	31,942,494
<b>- Associated companies / other related parties</b>			
First Dawood Investment Bank Limited	Musharaka finance	110,000,000	55,000,000
Dawood Family Takaful Limited	Musharaka finance	50,000,000	35,000,000
Dawood Family Takaful Limited	Profit payable	705,206	83,978
Dawood Family Takaful Limited	Advance rental	929,289	3,355,332
Hydrochina Dawood Power (Private) Limited	Advance rental	1,858,456	3,707,170

## 23 AUTHORISATION FOR ISSUE

This condensed unconsolidated interim financial statement was authorised for issue on February 25, 2022 by the Board of Directors of B.R.R. Investment (Private) Limited.

## 24 GENERAL

- 24.1** This condensed unconsolidated interim financial statement is presented in Pak Rupees, which is the Modaraba's functional and presentation currency.
- 24.2** Amounts have been presented and rounded off to the nearest Rupee.

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

Rafiq Dawood  
Chairman

Syed Ali Raza  
Director

Ayaz Dawood  
Chief Executive Officer

Syed Tariq Masood  
Chief Financial Officer

**Un-Audited**  
**Consolidated Condensed Interim**  
**Financial Information**  
**For The Half Year Ended**  
**December 31, 2021**

## **DIRECTORS' REPORT TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**

**Dear Certificate Holders,**

The Board of Directors of B.R.R. Investment (Private) Limited, Manager of B.R.R. Guardian Modaraba (BRRGM), take pleasure in presenting the 2nd Quarter Consolidated Financial statement of the Modaraba for the six months ended December 31, 2021.

### **OPERATIONS AND PERFORMANCE**

<b>Financial highlights</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
	<b>..... Rupees.....</b>	
<b>Rental Income</b>	<b>123,767,889</b>	114,555,772
<b>Total Income</b>	<b>204,800,008</b>	253,923,146
<b>Total Expenses</b>	<b>85,781,447</b>	85,335,713
<b>Profit after Management fee, WWF</b>	<b>101,087,654</b>	144,492,544
<b>Earning per certificate</b>	<b>1.06</b>	1.67

During the six months period under review the Modaraba has earned net profit of Rs. 101.088 million, as compared with Rs. 144.493 million profit in the same period last year.

Further the Certificate Holders' Equity of Modaraba stands at Rs 3,266.033 million as compared with Rs. 2,412.676 million in the same period last year with an increase of 35.37%. The breakup value comes to Rs 34.38 per certificate with an increase of 23.05%.

Operating expenses of the Modaraba have remained within the budget.

### **CONCLUSION / FUTURE PROSPECT:**

In view of the withdrawal of Tax exemption of modaraba, the management has decided to convert your modaraba into a company listed on PSX. We believe that the cost of regulatory compliance on modaraba is greater than the benefits.

We are closely watching the business scenario and our target is to continue profitable growth with the aim of creation of value for certificate holders.

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

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**Syed Ali Raza**  
Director

February 25, 2022  
Karachi.

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**Ayaz Dawood**  
Chief Executive Officer

## بی۔ آر۔ آر۔ گار جیلن مضاربہ ڈائریکٹر کی رپورٹ برائے مجموعی مالیاتی گوشوارے

معزز سرٹیفیکیٹ ہولدرز،

بی۔ آر۔ آر۔ انویسٹمنٹ (پرائیویٹ) لیمیٹڈ (بی۔ آر۔ آر۔ آئی۔ یا۔ کین) کے بورڈ آف ڈائریکٹر ہولڈنگز بی۔ آر۔ آر۔ جیلن مضاربہ (بی۔ آر۔ آر۔ جی۔ ایم) کے نامہمکی جیشیت سے دسمبر 31، 2021 کو ختم ہوتے۔  
والي دوسری سماں مالی اور ششماہی کے مجموعی مالیاتی گوشوارے پیش کرتے ہوئے ہے جو حد مرست محسوس کر رہے ہیں۔

اپنے یہش اور کارکردگی

مالیاتی جملکلیاں	دسمبر 31, 2021	دسمبر 31, 2020	پاکستان روپے میں
کرایہ سے آمدنی	123,767,889	114,555,772	
کل آمدنی	204,800,008	253,923,146	
کل اخراجات	85,781,447	85,335,713	
منافع بعد از انتظامیہ کی فیس اور ڈیلیوڈیلو ایف	101,087,654	144,492,544	
منافع سے آمدنی	1.06	1.67	

زیر جائزہ ششماہی کے دوران مضاربہ نے خالص منافع 101.088 ملین روپے کیا ہے، جبکہ لگہ شتسال کے اسی عرصہ میں 144.493 ملین روپے منافع ہوا تھا۔

اس کے علاوہ مضاربہ کے سرٹیفیکیٹ ہولڈرز کی ایکوئی 3,266.033 ملین روپے رہی جو کہ پچھلے سال کے اسی عرصہ میں 2,412.676 ملین روپے تھے اسی 23.05 فیصد کا اضافہ ہوا ہے۔  
بریک اپ ڈیلیوڈیلو 23 فیصد اضافے کے ساتھ 34.38 فیصد سے سرٹیفیکیٹ ہے۔

مضاربہ کے آپریٹر اخراجات بجٹ کے اندر رہے ہیں۔

### اختتامی کلمات اور اٹھاہر تکفیر

مضاربہ کے یہکیوں سے اختتامی کے پیش نظر انتظامیہ نے مضاربہ کو بطور کمپنی PSX میں لست کرنے کا فیصلہ کیا ہے۔ انتظامیہ کے مطابق مضاربہ پر ڈیگولیزی اخراجات کی لائگت فوائد سے زیادہ ہے۔  
ہم کاروباری حالات کو بغور دیکھ رہے ہیں اور مستقبل میں آنے والے موقع کے لئے اپنی رسک ٹینچنٹ کی حکمت عملیوں کو مضبوط بنارہے ہیں۔ ہمارا ہدف اپنے موجودہ کاروبار میں منافع  
بیش تری کے ساتھ اپنے سرٹیفیکیٹ ہولڈرز کی قدر میں اضافہ کرنا ہے۔

از طرف بورڈ آف ڈائریکٹر

بی۔ آر۔ آر۔ انویسٹمنٹ (پرائیویٹ) لیمیٹڈ

ایاڑاڈو  
چیف ایگزیکیوٹیو آفیسر

سید علی رضا  
ڈائریکٹر

25 فروری 2022،

کراچی

**CONDENSED CONSOLIDATED INTERIM BALANCE SHEET  
AS AT DECEMBER 31, 2021**

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	Rupees -----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	89,374,358	93,366,207
Investment properties	6	921,465,367	942,279,180
Long-term musharaka finances	7	61,311,740	67,308,227
Long-term loans, advances and deposits		6,273,987	6,491,123
		<b>1,078,425,452</b>	<b>1,109,444,737</b>
<b>CURRENT ASSETS</b>			
Short-term investments	8	2,498,105,364	1,975,990,073
Current portion of musharaka finances	7	28,692,055	25,809,072
Ijarah / lease rental receivable		14,055	36,934
Loans, advances and prepayments		21,934,647	17,511,532
Accrued profit	9	739,289	455,240
Other receivables	10	26,761,596	90,775,932
Taxation		30,445,918	19,548,103
Cash and bank balances	11	23,223,072	40,048,179
		<b>2,629,915,996</b>	<b>2,170,175,065</b>
<b>TOTAL ASSETS</b>		<b>3,708,341,448</b>	<b>3,279,619,802</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorised capital: 140,000,000 (June 30,2021: 140,000,000) Modaraba certificates of Rs. 10/- each		<b>1,400,000,000</b>	<b>1,400,000,000</b>
Issued, subscribed and paid-up certificate capital		949,984,890	949,984,890
Reserves		557,451,256	580,082,397
Surplus on revaluation of investments		<b>1,758,596,594</b>	<b>1,353,384,630</b>
		<b>3,266,032,740</b>	<b>2,883,451,917</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long-term loans	12	-	-
Long-term murabaha, musharaka and finance under mark-up arrangements	13	-	-
Long-term security deposits		<b>66,990,840</b>	<b>66,182,475</b>
		<b>66,990,840</b>	<b>66,182,475</b>
<b>CURRENT LIABILITIES</b>			
Current portion of long-term loan	12	<b>13,776,684</b>	<b>27,544,684</b>
Current portion of long-term murabaha, musharaka and finance under mark-up arrangements	13	<b>160,000,000</b>	<b>90,000,000</b>
Current portion of security deposits	14	<b>20,806,249</b>	<b>22,495,349</b>
Creditors, accrued and other liabilities		<b>143,945,695</b>	<b>157,850,844</b>
Accrued profit on borrowings		<b>705,206</b>	<b>83,978</b>
Profit distribution payable		<b>36,084,034</b>	<b>32,010,555</b>
Contingencies and commitments	15	<b>375,317,868</b>	<b>329,985,410</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,708,341,448</b>	<b>3,279,619,802</b>

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

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

Rafiq Dawood  
Chairman

Syed Ali Raza  
Director

Ayaz Dawood  
Chief Executive Officer

Syed Tariq Masood  
Chief Financial Officer

**CONDENSED CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021  
(UN-AUDITED)**

Note	Half year ended		Quarter ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>INCOME</b>				
Rental income	<b>123,767,889</b>	114,555,772	<b>58,295,072</b>	58,203,620
Income on murabaha, musharaka	<b>6,107,037</b>	5,486,264	<b>3,290,070</b>	3,282,355
Ijarah rental income - net	<b>578,554</b>	722,754	<b>393,610</b>	337,884
Return on investments - net	<b>16 9,461,573</b>	36,104,689	<b>11,569,365</b>	8,664,972
Profit on bank balances	<b>433,382</b>	351,706	<b>215,833</b>	155,639
Reversal of provision for doubtful receivables - net	<b>17 7,547,054</b>	1,537,695	<b>600,343</b>	38,079
Unrealised gain on revaluation of FVTPL investment	<b>51,523,293</b>	91,665,668	<b>(9,881,867)</b>	39,959,238
Gain on disposal of ijarah assets	-	281,373	-	90,265
Other income	<b>18 5,381,226</b>	3,217,225	<b>4,599,522</b>	2,690,820
Liability no longer payable - SWWF	-	-	<b>(10,523,541)</b>	-
	<b>204,800,008</b>	253,923,146	<b>58,558,407</b>	113,422,872
<b>EXPENSES</b>				
Administrative expenses	<b>59,901,721</b>	66,756,043	<b>32,956,763</b>	30,590,281
Depreciation on Investment properties	<b>20,930,583</b>	14,833,177	<b>10,460,201</b>	7,416,589
Financial charges	<b>4,949,143</b>	3,746,493	<b>3,228,581</b>	2,342,874
	<b>85,781,447</b>	85,335,713	<b>46,645,545</b>	40,349,744
Modaraba management company's fee	<b>119,018,561</b>	168,587,433	<b>11,912,862</b>	73,073,128
Sales tax on modaraba management company's fee	<b>12,253,820</b>	18,429,623	<b>1,314,057</b>	9,808,180
	<b>1,592,997</b>	2,395,851	<b>170,828</b>	1,275,063
Provision for Sindh Workers' Welfare Fund	<b>2,173,828</b>	3,269,415	<b>2,173,828</b>	1,739,971
Profit before taxation	<b>102,997,916</b>	144,492,544	<b>8,254,149</b>	60,249,914
Taxation	<b>20 1,910,262</b>	-	<b>981,804</b>	-
Net profit for the period	<b>101,087,654</b>	144,492,544	<b>7,272,345</b>	60,249,914
Earnings per certificate - basic and diluted	<b>1.06</b>	1.67	<b>0.08</b>	0.070

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

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

Rafiq Dawood  
Chairman

Syed Ali Raza  
Director

Ayaz Dawood  
Chief Executive Officer

Syed Tariq Masood  
Chief Financial Officer

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021  
(UN-AUDITED)**

	Half year ended		Quarter ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	----- (Rupees) -----			
Profit for the period	<b>101,087,654</b>	144,492,544	<b>7,272,345</b>	60,249,914
Other comprehensive income/(loss) for the period				
- Items that will be subsequently reclassified:				
Unrealised gain on revaluation of				
fair value through OCI investments	<b>406,891,174</b>	555,453,741	<b>45,058,526</b>	344,497,301
Total comprehensive profit for the period	<b>507,978,828</b>	699,946,285	<b>52,330,871</b>	404,747,215

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

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

Rafiq Dawood  
Chairman

Syed Ali Raza  
Director

Ayaz Dawood  
Chief Executive Officer

Syed Tariq Masood  
Chief Financial Officer

**CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT  
FOR THE HALF YEAR ENDED DECEMBER 31, 2021  
(UN-AUDITED)**

	Half year ended	
	December 31, 2021	December 31, 2020
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	102,997,916	144,492,544
<b>Adjustment of non-cash and other items:</b>		
Depreciation	27,502,269	20,237,629
Amortisation on ijarah assets	196,107	1,221,469
Provision against doubtful receivable-net	(7,547,054)	(1,537,695)
Gain on disposal of property and equipment - owned	(692,558)	(344,635)
Gain on disposal of property, plant and equipment - leased / ijarah	-	(281,373)
Ijarah Rental Income	(774,661)	(1,944,223)
Income on murabaha, musharaka	(6,107,037)	(5,486,264)
Liability no longer payable	-	-
Financial charges	4,949,143	3,746,493
Unrealised gain on revaluation of FVTPL investment	(51,523,293)	(91,665,668)
Return on investments - net	(10,197,846)	(37,470,588)
	(44,194,930)	(113,524,855)
	58,802,986	30,967,689
<b>Increase / (decrease) in current assets</b>		
Ijarah / lease rentals receivable	783,485	2,322,499
Loans, advances and prepayments	(4,205,979)	(28,477,064)
Accrued profit	5,822,988	5,611,315
Other receivables	64,014,336	(18,796,264)
	66,414,830	(39,339,514)
<b>Increase / (decrease) in current liabilities</b>		
Creditors, accrued and other liabilities	(11,715,900)	2,522,907
Rent received in advance	(2,189,249)	3,994,651
Customers' security deposit	(880,735)	6,908,623
	(14,785,884)	13,426,181
Income tax paid	(12,808,077)	(832,837)
Net cash generated from operating activities	97,623,855	4,221,519
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition to property and equipment - owned	(4,977,981)	(8,482,450)
Addition to Investment properties	(116,770)	-
Proceeds from disposal of property and equipment - owned	1,205,495	344,635
Proceeds from disposal of property, plant and equipment - leased / ijarah	1,689,100	3,667,443
Investments disposed / (purchased) - net	(62,706,466)	3,490,443
Income received on investments	9,203,488	3,760,884
Musharaka finances	10,674,613	(8,738,113)
Net cash (used in) / generated from investing activities	(45,028,521)	(5,957,158)

**CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT  
FOR THE HALF YEAR ENDED DECEMBER 31, 2021  
(UN-AUDITED)**

	<b>Half year ended</b>	
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
----- Rupees -----		

**CASH FLOWS FROM FINANCING ACTIVITIES**

Profit paid to certificate holders	<b>(121,324,526)</b>	(64,975,904)
Right Share Subscription Money Reciev'd	-	33,961,390
Finance under murabaha, musharaka and finance under mark-up arrangements	<b>70,000,000</b>	25,000,000
Long-term loan	<b>(13,768,000)</b>	(13,768,000)
Financial charges paid	<b>(4,327,915)</b>	(4,360,347)
Net cash used in financing activities	<b>(69,420,441)</b>	(24,142,861)
Net decrease in cash and cash equivalents	<b>(16,825,107)</b>	(25,878,500)
Cash and cash equivalents at the beginning of the period	<b>40,048,179</b>	41,530,052
Cash and cash equivalents at the end of the period	<b>23,223,072</b>	15,651,552

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

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

Rafiq Dawood  
Chairman

Syed Ali Raza  
Director

Ayaz Dawood  
Chief Executive Officer

Syed Tariq Masood  
Chief Financial Officer

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED DECEMBER 31, 2021  
(UN-AUDITED)**

Description	Issued, subscribed and paid-up certificate capital	Right Subscription Money	Capital reserves			Accumulated loss	Surplus on revaluation of investment	Total
			Profit prior to floatation	Merger reserve	Statutory reserve			
----- (Rupees) -----								
<b>Balance as at July 01, 2020</b>	863,622,630	-	10,532,683	44,902,567	830,269,870	(490,125,467)	486,928,899	1,746,131,182
Profit for the half year ended December 31, 2020	-	-	-	-	-	144,492,544	-	144,492,544
Other comprehensive income	-	-	-	-	-	-	555,453,741	555,453,741
Total comprehensive income for the period	-	-	-	-	-	144,492,544	555,453,741	699,946,285
Transfer of revaluation surplus on disposal of fair value through OCI investments	-	-	-	-	-	(9,879,293)	9,879,293	-
Profit distribution for the year ended June 30, 2020 @ 0.78 per certificate	-	-	-	-	-	(67,362,565)	-	(67,362,565)
Right Subscription Money received	-	33,961,390	-	-	-	-	-	33,961,390
<b>Balance as at December 31, 2020</b>	863,622,630	33,961,390	10,532,683	44,902,567	830,269,870	(422,874,781)	1,052,261,933	2,412,676,292
Profit for the half year ended June 30, 2020	-	-	-	-	-	117,252,058	-	117,252,058
Other comprehensive income	-	-	-	-	-	-	301,122,697	301,122,697
Total comprehensive income for the period	-	-	-	-	-	117,252,058	301,122,697	418,374,755
Right Subscription Money received	-	52,400,870	-	-	-	-	-	52,400,870
Issue of right certificates	86,362,260	(86,362,260)	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	138,332,205	(138,332,205)	-	-
<b>Balance as at July 01, 2021</b>	949,984,890	-	10,532,683	44,902,567	968,602,075	(443,954,928)	1,353,384,630	2,883,451,917
Profit for the half year ended December 31, 2021	-	-	-	-	-	101,087,654	-	101,087,654
Other comprehensive income	-	-	-	-	-	-	406,891,174	406,891,174
Total comprehensive income for the period	-	-	-	-	-	101,087,654	406,891,174	507,978,828
Transfer of revaluation surplus on disposal of fair value through OCI investments	-	-	-	-	-	1,679,210	(1,679,210)	-
Profit distribution for the year ended June 30, 2021 @ 1.32 per certificate	-	-	-	-	-	(125,398,005)	-	(125,398,005)
<b>Balance as at December 31, 2021</b>	949,984,890	-	10,532,683	44,902,567	968,602,075	(466,586,069)	1,758,596,594	3,266,032,740

\* Statutory reserve represents profit set aside to comply with the Prudential Regulation for Modarabas issued by Securities and Exchange Commission of Pakistan (SECP).

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

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

Rafiq Dawood  
Chairman

Syed Ali Raza  
Director

Ayaz Dawood  
Chief Executive Officer

Syed Tariq Masood  
Chief Financial Officer

## **CONDENSED CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021 (UN-AUDITED)**

### **1. LEGAL STATUS AND NATURE OF THE BUSINESS**

This consolidated condensed interim financial information consist of the following group companies:

#### **1.1 Holding Company**

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 1900-B, Saima Trade Towers, 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.

The Board of Directors in their meeting held on September 30, 2021 has resolved and granted in principal approval for conversion of BRR Guardian Modaraba into a public limited company incorporated under the laws of Pakistan, by incorporating a new public limited company i.e. BRR Limited (Proposed) "BRR" and amalgamating BRRGM with and into BRRL pursuant to a Scheme of Arrangement to be filed under a petition for sanction by the High Court of Sindh at Karachi in terms of section 279-283 of the Companies Act, 2017, read with SRO 840(I)/2017 dated August 17, 2017, "Scheme of Arrangement (Modaraba)" with the surviving entity being BRRL, which will be procured to be listed on PSX under a direct listing process in lieu of amalgamation of BRRGM with and into BRRL. The above proposed decision is subject to the approval of the Registrar of Modarabas, the Securities Exchange Commission of Pakistan, the Honorable High Court, the Certificate holders of BRRGM and other relevant authorities as per Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980, and the Companies Act, 2017 and other laws for the time being in force.

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.

#### **1.2 Subsidiary Company**

The group comprises of the following subsidiary company.

BRR Financial Services (Private) Limited (the Company) was incorporated in Pakistan on November 30, 2015 as a private limited company under the repealed Companies Ordinance, 1984. 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, Off I.I Chundrigar Road, Karachi.

The Company is wholly owned subsidiary of B.R.R Guardian Modaraba (the Modaraba).

The Board of Directors of the Management Company of the modaraba in their meeting held on July 15, 2020, has approved the Scheme of Arrangement for merger by way of amalgamation of wholly owned subsidiary, BRR Financial Services (Private) Limited with and into the Modaraba. However, both the company and the modaraba are in the process of fulfilling their legal formalities in respect of merger to the respective authorities. Accordingly, one time right of TREC transfer will remain with the Modaraba.

### **2. BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

This condensed consolidated interim financial information of the Modaraba for the six months period ended December 31, 2021 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas.

In case where requirements differ, the provisions of or directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas have been followed.

The disclosures made in this condensed consolidated interim financial information have been limited, based on the requirements of International Accounting Standard 34 - "Interim Financial Reporting". These condensed consolidated interim financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Modaraba for the year ended June 30, 2021.

This condensed consolidated interim financial information is un-audited. However, limited scope review has been performed by the statutory auditors, except for the figures of the condensed consolidated interim profit and loss account and condensed consolidated interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020, in accordance with the requirement of clause 27 of the Listed Companies (Code of Corporate Governance) Regulations, 2017 and are being submitted to the Certificate holders as required by Rule 10 of Modaraba Companies and Modaraba Rules, 1981.

This consolidated condensed interim financial information is un-audited.

## 2.2 Basis of measurement

This condensed consolidated interim financial information has been prepared under the "historical cost convention" except for the revaluation of certain financial assets which are stated at fair value. This condensed consolidated interim financial information has been prepared following accrual basis of accounting except for cash flow information.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of this condensed consolidated interim financial information are same as those applied in the preparation of annual financial statements for the year ended June 30, 2021.

### 3.1 Standards and amendments to published approved accounting standards which are effective during the half year ended December 31, 2020.

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for annual accounting period which began on July 1, 2021.

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

## 4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Modaraba's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2021.

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		----- Rupees -----	
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Property and equipment - owned	5.1	<b>68,567,939</b>	70,674,581
Property, plant and equipment - leased / ijarah	5.2	<b>20,806,419</b> <b>89,374,358</b>	22,691,626 93,366,207

### 5.1 Property and equipment - owned

Following additions and disposals were made during the period :

	Additions / Transfer		Disposals / Transfer	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	December 31, 2021	June 30, 2021	December 31, 2021	June 30, 2021
	----- (Rupees) -----			
Building on leasehold land	-	38,000	-	-
Office premises	-	-	-	-
Lockers	-	7,196,950	-	-
Furniture and fixtures	-	5,000	-	-
Vehicles	<b>4,290,181</b>	12,307,860	<b>2,720,450</b>	5,107,000
Office equipment and appliances	<b>687,800</b>	1,250,180	<b>381,000</b>	528,000
	<b>4,977,981</b>	20,797,990	<b>3,101,450</b>	5,635,000

### 5.2 Property, plant and equipment - ijarah / leased

Following disposals were made during the period :

	Additions		Disposals / Transfer	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	December 31, 2021	June 30, 2021	December 31, 2021	June 30, 2021
	----- (Rupees) -----			
Vehicles	-	-	<b>6,661,000</b>	14,779,390
Office equipment and appliances	-	-	-	-
	<b>-</b>	<b>-</b>	<b>6,661,000</b>	14,779,390
	----- (Un-audited) -----			
	December 31, 2021		June 30, 2021	
	----- Rupees -----			

### 6 INVESTMENT PROPERTIES

Investment properties	6.1	<b>912,376,367</b>	933,190,180
Capital work-in-progress	6.2	<b>9,089,000</b>	9,089,000
		<b>921,465,367</b>	942,279,180

### 6.1 Following addition / disposals were made during the period :

	Additions / Transfer		Disposals / Transfer	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	December 31, 2021	June 30, 2021	December 31, 2021	June 30, 2021
	----- (Rupees) -----			
Office premises	<b>116,770</b>	-	-	-
Building on leasehold land	-	1,372,000	-	-
	<b>116,770</b>	1,372,000	-	-

**6.1.1** This includes an office premises costing Rs. 70 million, which was swapped by Modaraba in March 2012 from First Dawood Investment Bank Limited (FDIBL), an associated undertaking. The said property was earlier acquired by FDIBL from its borrower against the settlement of liabilities who had also defaulted in its obligation with commercial bank. The said commercial bank has obtained an stay order against the property due to which execution of the sale deed and transfer of title in the name of Modaraba are in abeyance. This property is in owned use as well as an investment property.

FDIBL has filed an application of intervention with the Honorable High Court of Sindh, for removal of stay of the commercial bank and to affect the transfer of the title in its favour, which is pending adjudication.

The original title documents and possession of the property rest with the Modaraba. As soon as the case in question is decided, FDIBL will be able to execute the sale deed in favour of the Modaraba.

## 6.2 Capital work-in-progress

Note	(Un-audited)	(Audited)
	December 31, 2 0 2 1	June 30, 2 0 2 1
	----- (Rupees)-----	----- (Rupees)-----
Advance for office premises - Jofa Tower, Provision against advance for office premises	6.2.1  <u>66,420,000</u> <u>(57,331,000)</u> <u>9,089,000</u>	66,420,000  (57,331,000) 9,089,000

**6.2.1** This includes Rs. 57.331 million paid for the purchase of three shops of Jofa Tower. Because of a dispute in respect of payment for additional space due to structural changes in the design, the title or possession of the said property has not yet been transferred in the name of the Modaraba. In March 2012, the Modaraba filed a law suit for specific performance and deposited the balance amount of Rs. 9.089 million with Nazir High Court of Sindh. The law suit is currently pending before Honourable High Court of Sindh at Karachi. During prior year, Modaraba has made provision against the advance paid for the purchase of three shops amounting to Rs. 57.331 million.

## 7 LONG-TERM MUSHARAKA FINANCES

Note	(Un-audited)	(Audited)
	December 31, 2 0 2 1	June 30, 2 0 2 1
	----- (Rupees)-----	----- (Rupees)-----
Considered good	<u>90,003,795</u>	93,117,299
Considered doubtful	<u>51,750,739</u>	62,104,534
Provision for doubtful receivables	<u>141,754,534</u> <u>(51,750,739)</u>	155,221,833 (62,104,534)
Current portion of musharaka finances	<u>90,003,795</u> <u>(28,692,055)</u> <u>61,311,740</u>	93,117,299 (25,809,072) 67,308,227

**7.1** The expected profit receivable on these arrangements ranges from 8.21% to 18.58% (June 30, 2021: 8.21% to 18.58%) per annum. The arrangements are secured by way of hypothecation of stock, mortgage of property and equipment and pledge of shares. These finances are receivable on various dates up to June 24, 2039.

## 7.2 Movement of provision

Note	(Un-audited)	(Audited)
	December 31, 2 0 2 1	June 30, 2 0 2 1
	----- (Rupees)-----	----- (Rupees)-----
Opening balance	62,104,534	79,948,344
Provision during the period	-	913,265
Written off during the period	(2,792,686)	(15,157,059)
Reversal during the period	(7,561,109)	(3,600,016)
Closing balance	<u>51,750,739</u>	<u>62,104,534</u>

(Un-audited)	(Audited)
December 31,	June 30,
2 0 2 1	2 0 2 1

## 8 SHORT-TERM INVESTMENTS

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

### Fair value through profit or loss -

#### FVTPL:

Listed ordinary shares	8.1	<b>594,986,578</b>	475,858,631
Mutual fund units	8.2	<b>27,776,014</b>	26,468,798
Preference Shares	8.3	<b>6,725,530</b>	9,111,355
Listed debt securities	8.4	<b>10,786,500</b>	10,752,131
		<b>640,274,622</b>	522,190,915

### Fair value through other

#### comprehensive income - FVTOCI:

Listed ordinary shares / modaraba	8.5	<b>1,789,877,873</b>	1,365,754,819
Mutual fund units	8.6	<b>8,589,337</b>	8,185,098
Unlisted ordinary shares	8.7	<b>74,339,727</b>	94,835,436
Unlisted debt securities	8.8	<b>1,245,953</b>	1,245,953
Provision for diminution in value of investments	8.8.3	<b>(16,222,148)</b>	(16,222,148)
		<b>1,874,052,890</b>	1,470,021,306
		<b>2,498,105,364</b>	1,975,990,073

### 8.1 FVTPL: Listed ordinary shares

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

December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	December 31, 2 0 2 1	June 30, 2 0 2 1
Number of shares / units	(Rupees)			
<b>Glass &amp; ceramics</b>				
<b>101,005</b>	100,505	Ghani Glass Limited	<b>4,398,756</b>	4,844,341
<b>Textile composite</b>				
<b>48,800</b>	48,800	Nishat Mills Limited	<b>3,883,504</b>	4,553,040
<b>25,500</b>	25,500	Kohinoor Textile Mills Limited	<b>1,770,210</b>	1,917,600
<b>Cement</b>				
<b>58,396</b>	58,896	D.G. Khan Cement Company Limited	<b>4,843,364</b>	6,945,016
<b>12,900</b>	7,400	Lucky Cement Limited	<b>8,762,712</b>	6,389,456
<b>463,000</b>	468,000	Fauji Cement Company Limited	<b>8,505,310</b>	10,764,000
<b>1,540,668</b>	1,319,668	Power Cement Limited	<b>9,798,648</b>	12,682,009
<b>19,512</b>	67,403	Maple Leaf Cement Factory Limited	<b>701,456</b>	3,166,593
<b>5,400</b>	5,400	Bestway Cement Limited	<b>834,083</b>	872,208



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

December 31, 2021	June 30, 2021	Names of investees	December 31, 2021	June 30, 2021	
Number of shares / units			----- (Rupees) -----		
<b>Power generation &amp; distribution</b>					
<b>3,808,246</b>	613,246	K-Electric Limited	<b>13,100,366</b>	2,563,368	
<b>10,500</b>	10,500	The Hub Power Company Limited	<b>749,070</b>	836,535	
<b>Refinery</b>					
<b>5,914</b>	2,698	Attock Refinery Limited	<b>851,793</b>	691,902	
<b>52,084</b>	50,950	National Refinery Limited	<b>14,822,586</b>	26,656,531	
<b>Fertilizer</b>					
<b>22,422</b>	15,931	Engro Corporation Limited	<b>6,108,201</b>	4,693,432	
<b>Oil &amp; gas exploration companies</b>					
<b>2,860</b>	2,860	Mari Petroleum Company Limited	<b>4,731,098</b>	4,359,755	
<b>189,367</b>	154,060	Pakistan Petroleum Limited	<b>14,967,568</b>	13,377,030	
<b>201,559</b>	187,059	Oil & Gas Development Company Limited	<b>17,374,386</b>	17,776,217	
<b>-</b>	-	Attock Petroleum Limited	<b>-</b>	-	
<b>30,917</b>	29,917	Shell Pakistan Limited	<b>3,746,831</b>	5,241,458	
<b>5,000</b>	5,000	Pakistan Oilfields Limited	<b>1,788,100</b>	1,969,300	
<b>Oil &amp; gas marketing companies</b>					
<b>92,279</b>	57,280	Pakistan State Oil Company Limited	<b>16,784,627</b>	12,845,040	
<b>49,142</b>	67,392	Sui Northern Gas Pipelines Limited	<b>1,643,800</b>	3,273,903	
<b>223,500</b>	223,500	Sui Southern Gas Company Limited	<b>2,076,315</b>	2,972,550	
<b>Automobile assembler</b>					
<b>207,523</b>	161,210	Sazgar Engineering Work Limited	<b>20,196,138</b>	27,117,134	
<b>7,564</b>	4,120	Millat Tractors Limited	<b>6,521,983</b>	4,447,993	
<b>12,200</b>	12,200	Agriauto Industries Limited	<b>2,725,846</b>	3,347,558	
<b>Automobile parts &amp; accessories</b>					
<b>47,931</b>	23,943	Panther Tyres Limited	<b>2,001,599</b>	1,655,180	
<b>Chemical</b>					
<b>13,447</b>	13,447	ICI Pakistan Limited	<b>10,231,150</b>	11,682,754	
<b>120,543</b>	101,100	Ittehad Chemicals Limited	<b>3,125,680</b>	3,846,855	
<b>208,500</b>	189,500	Sitara Peroxide Limited	<b>4,015,710</b>	5,360,955	
<b>46,100</b>	44,300	Pakistan Oxygen Limited	<b>7,049,612</b>	6,866,500	
<b>2,000</b>	2,000	Archroma Pakistan Limited	<b>1,040,380</b>	1,145,000	
<b>39,625</b>	23,625	Berger Paints Pakistan Limited	<b>3,134,734</b>	2,061,990	

December 31, 2021	June 30, 2021	Names of investees	December 31, 2021	June 30, 2021
Number of shares / units			----- (Rupees) -----	
<b>1,000</b>	-	Engro Polymer & Chemical Limited	<b>54,210</b>	-
<b>3,960</b>	-	Biafo Industries Limited	<b>354,024</b>	-
<b>1,700</b>	1,700	Sitara Chemical Limited	<b>523,736</b>	598,400
<b>Engineering</b>				
<b>17,000</b>	5,500	Ittefaq Iron Industries Limited	<b>203,490</b>	104,225
<b>537,875</b>	473,500	Agha Steel Industries Limited	<b>14,076,189</b>	15,971,155
<b>8,800</b>	8,800	K.S.B Pumps Company Limited	<b>1,398,848</b>	1,952,456
<b>Transport</b>				
<b>5,500</b>	5,500	Pakistan National Shipping Corporation Limited	<b>299,750</b>	399,850
<b>599,000</b>	-	Pakistan International Bulk Terminal Limited	<b>4,408,640</b>	-
<b>1,254</b>	-	Universal Network Systems Limited	<b>75,240</b>	-
<b>Food &amp; personal care products</b>				
-	36,030	Al-Tahur Limited	-	839,499
<b>60,475</b>	29,250	The Organic Meat Company Limited	<b>1,918,872</b>	1,074,645
<b>6,875</b>	3,800	National Foods Limited	<b>1,049,331</b>	870,276
<b>63,000</b>	25,000	Al-Shaheer Corporation Limited	<b>849,240</b>	498,250
<b>38,350</b>	38,350	Bunny's Limited	<b>1,226,050</b>	1,581,554
<b>Technology &amp; communication</b>				
<b>151,500</b>	196,500	Pakistan Telecommunication Company Limited	<b>1,318,050</b>	2,326,560
<b>317,103</b>	195,180	Systems Limited	<b>240,947,544</b>	109,343,740
<b>20,299</b>	-	Octopus Digital Limited	<b>1,578,450</b>	-
<b>5,200</b>	-	Netsol Technologies Limited	<b>488,072</b>	-
<b>Leather &amp; tanneries</b>				
<b>63,580</b>	63,680	Service Industries Limited	<b>29,789,137</b>	37,420,278
<b>99,767</b>	68,267	Service Global Footwear Limited	<b>4,625,198</b>	3,947,881
<b>Pharmaceuticals</b>				
<b>3,150</b>	1,550	Abbott Laboratories (Pakistan) Limited	<b>2,260,157</b>	1,228,159
<b>25,600</b>	7,200	AGP Limited	<b>2,482,944</b>	844,776
<b>9,786</b>	10,286	Hightnoon Laboratories Limited	<b>6,144,140</b>	6,171,600



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

December 31, 2021	June 30, 2021	Names of investees	December 31, 2021	June 30, 2021
Number of shares / units			----- (Rupees) -----	
<b>19,160</b>	19,460	Ferozsons Laboratories Limited	<b>6,242,903</b>	6,865,877
<b>139,929</b>	102,257	The Searle Company Limited	<b>20,110,596</b>	24,809,593
<b>154,765</b>	132,765	GlaxoSmithKline Pakistan Limited	<b>21,126,970</b>	21,995,178
<b>38,300</b>	14,500	GlaxoSmithKline Consumer Healthcare	<b>9,232,598</b>	3,626,305
<b>11,150</b>	-	Pakistan Limited	<b>398,724</b>	-
<b>70,100</b>	72,600	Citi Pharma Limited	<b>1,578,652</b>	2,545,356
<b>262,000</b>	249,000	Pak Elektron Limited	<b>4,084,580</b>	6,787,740
<b>1,000</b>	-	Waves Singer Pakistan Limited	<b>157,170</b>	-
<b>Modarabas</b>				
<b>79,500</b>	-	Modaraba Al - Mali	<b>671,775</b>	-
<b>Commercial banks</b>				
<b>21,000</b>	62,500	Bank Islami Pakistan	<b>269,010</b>	702,500
<b>9,226</b>	5,500	Meezan Bank Limited	<b>1,237,299</b>	634,755
<b>Paper &amp; board</b>				
<b>26,800</b>	6,500	Security Paper Limited	<b>3,213,052</b>	939,705
<b>92,381</b>	94,381	Roshan Packages Limited	<b>1,809,744</b>	3,108,910
<b>101,000</b>	-	Pak Agro Packaging Limited	<b>1,815,980</b>	-
<b>Woollen</b>				
<b>8,000</b>	8,000	Bannu Woolen Mills Limited	<b>319,600</b>	400,640
<b>Miscellaneous</b>				
<b>1,598</b>	1,598	United Distributors	<b>68,714</b>	80,300
<b>84,669</b>	-	Pakistan Limited	<b>2,899,067</b>	-
<b>952</b>	-	Pakistan Aluminium Beverage Cans Limited	<b>193,304</b>	-
<b>Vanaspatti &amp; Allied Industries</b>				
<b>1,000</b>	6,390	Unity Foods Limited	<b>26,472</b>	284,485
<b>Real estate investment trust</b>				
<b>96,500</b>	89,000	Dolmen City REIT	<b>1,173,440</b>	980,780
			<b>594,986,578</b>	<b>475,858,631</b>

### 8.3 FVTPL: Investment in preference shares

December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	December 31, 2 0 2 1	June 30, 2 0 2 1
Number of shares / units			----- (Rupees) -----	
		<b>Cement</b>		
<b>756,990</b>	756,990	Power Cement Limited - Preference Shares	<b>6,434,415</b>	8,818,934
		<b>Chemical</b>		
<b>26,109</b>	26,109	Engro Polymer & Chemicals Limited - Preference Shares	<b>291,115</b>	292,421
			<b>6,725,530</b>	<b>9,111,355</b>

### 8.4 FVTPL: Investment in debt securities

December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	December 31, 2 0 2 1	June 30, 2 0 2 1
Number of shares / units			----- (Rupees) -----	
<b>2,115</b>	2,115	K-Electric Limited	<b>10,786,500</b>	10,752,131
			<b>10,786,500</b>	<b>10,752,131</b>

#### 8.4.1 Particulars of Sukuk

Names of the investee	Repayment frequency	Profit rate per annum	Maturity date	Secured / unsecured
K-Electric	Quarterly	3 months KIBOR + 1.70%	December 27, 2026	Secured

### 8.5 FVTOCI: Listed ordinary shares / modaraba certificates

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

December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	December 31, 2 0 2 1	June 30, 2 0 2 1
Number of shares / units			----- (Rupees) -----	
		<b>Oil &amp; gas exploration companies</b>		
<b>8,190</b>	8,190	Mari Petroleum Company Limited	<b>13,548,144</b>	12,484,754
		<b>Leather &amp; tanneries</b>		
-	400	Service Industries Limited	-	235,052
		<b>Real estate investment trust</b>		
<b>280,500</b>	310,500	Dolmen City REIT	<b>3,410,880</b>	3,421,710
		<b>Chemical</b>		
<b>14,199</b>	14,199	Sitara Chemical Industries Limited	<b>4,374,428</b>	4,998,048
		<b>Engineering</b>		
<b>54,000</b>	54,000	KSB Pumps Company	<b>8,583,840</b>	11,980,980

December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	December 31, 2 0 2 1	June 30, 2 0 2 1	
Number of shares / units			----- (Rupees) -----		
<b>Transport</b>					
1,000	1,000	Pakistan International Container Terminal Limited	<b>154,000</b>	165,040	
5,000	5,000	Pakistan National Shipping Corporation Limited	<b>272,500</b>	363,500	
<b>Pharmaceuticals</b>					
33,826	36,776	Abbott Laboratories (Pakistan) Limited	<b>24,270,493</b>	29,139,831	
32,165	32,165	GlaxoSmithKline (Pakistan) Limited	<b>4,390,844</b>	5,328,776	
30,906	30,906	GlaxoSmithKline Consumer Healthcare (Pakistan) Limited	<b>7,450,200</b>	7,729,282	
138	138	Highnoon Laboratories Limited	<b>86,643</b>	82,800	
<b>Technology &amp; communication</b>					
2,213,934	2,213,934	Systems Limited - (related party)	<b>1,682,235,611</b>	1,240,290,105	
<b>Automobile assembler</b>					
268,435	205,450	Sazgar Engineering Work Limited	<b>26,124,094</b>	34,558,745	
<b>Financial services</b>					
1,935,506	1,935,506	786 Investments Limited (Formerly Dawood Capital Management Limited) - (fully provided) (Note: 8.5.1)	<b>4,722,635</b>	4,722,635	
3,339,922	3,339,922	First Dawood Investment Bank Limited -(Related party) (fully provided) (Note: 8.5.1)	<b>10,253,561</b>	10,253,561	
<b>1,789,877,873</b>				<b>1,365,754,819</b>	

**8.5.1** This represents sponsor shares of the related party and is a non shariah compliant investment. The management is currently in process of finding prospective buyers as per instruction of SECP. Further, full amount of provision has also been recognised.

#### 8.6 FVTOCI: Investment in mutual fund units

December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	December 31, 2 0 2 1	June 30, 2 0 2 1	
Number of shares / units			----- (Rupees) -----		
<b>Open-end mutual funds</b>					
100,795	100,795	786 Smart Fund	<b>8,589,337</b>	8,185,098	
			<b>8,589,337</b>	8,185,098	

**8.6.1** On Merger of Dawood Income fund (previously FDMF) into 786 Smart Fund, 493,212 units held in name of BRRGM which were removed from books in prior years as they were shariah non-compliant converted into 100,795 unit of 786 Smart Funds on December 19, 2019 and are shariah compliant.

### 8.7 FVTOCI: Investment in unlisted ordinary shares

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

December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	December 31, 2 0 2 1	June 30, 2 0 2 1
Number of shares / units	----- (Rupees) -----		----- (Rupees) -----	----- (Rupees) -----
<b>100,000</b>	100,000	Al Baraka Bank (Pakistan) Limited - (note 8.7.2)	<b>948,300</b>	948,300
<b>7,200,000</b>	7,200,000	Dawood Family Takaful Limited - (note 8.7.3 )	<b>46,080,000</b>	46,080,000
<b>3,034,603</b>	3,034,603	ISE Tower REIT Management Company Limited - (note 8.7.4)	<b>27,311,427</b>	47,807,136
			<b>74,339,727</b>	<u>94,835,436</u>

**8.7.1** Breakup value of above investment in unlisted ordinary shares are as follows :

Name of investees	Reference note	Break-up value as per latest available audited financial statements (Rupees)	% of holding of the investee's paid-up capital	Auditors
<b>June 30, 2021</b>				
Al Baraka Bank (Pakistan) Limited	(8.7.2)	948,300	0.01%	EY Ford Rhodes, Chartered Accountants
Dawood Family Takaful Limited	(8.7.3)	47,174,400	9.60%	Yousuf Adil, Chartered Accountants
ISE Tower REIT Management Company Limited	(8.7.4)	47,807,136	0.83%	Yousuf Adil, Chartered Accountants
<b>June 30, 2020</b>				
Al Baraka Bank (Pakistan) Limited	(8.7.2)	926,631	0.01%	EY Ford Rhodes, Chartered Accountants
Dawood Family Takaful Limited	(8.7.3)	39,744,000	9.60%	Deloitte Yousuf Adil, Chartered Accountants
ISE Tower REIT Management Company Limited	(8.7.4)	43,971,397	0.83%	BDO Ebrahim & Co., Chartered Accountants

**8.7.2** The break-up value of investment in shares of Al Baraka (Pakistan) Limited (ABPL) is Rs. 0.948 million (as per latest available audited financial statement dated December 31, 2020) whereas the book value of investment in shares of ABPL is Rs. 0.926 million resulting in revaluation surplus of Rs. 0.022 million in prior year.

**8.7.3** The break-up value of investment in shares of Dawood Family Takaful (DFTL) is Rs. 47.174 million (as per latest audited accounts dated December 31, 2020) where as the cost of investment in shares of DFTL is Rs. 72 million. Upto June 30, 2017, management has recorded total impairment of Rs. 19.872 million based on embedded value of investment as at June 30, 2016 amounting to Rs. 52.128 million (Rs. 8.27 per share). During prior year, the management has estimated the fair value of this investment based on information of available market transaction at Rs. 6.40 per share and has recorded revaluation loss of Rs. 6.048 million.

**8.7.4** Out of the total shares of Rs. 10 each, 60% shares are kept in blocked account and divestment of the same will be in accordance with the requirement of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012.

The breakup value of the investment in shares of ISE Tower REIT Management Company Limited amounted to Rs. 47.807 million (as per un-audited financial statement as at March 31, 2021) whereas the book value of investment in shares is Rs. 43.971 million resulting in revaluation surplus of Rs. 3.836 million in prior year.

During the period, the management has estimated the fair value of this investment based on market quotes at Rs.9 per share and has recorded revaluation loss amounting to Rs.20.496 million.

#### 8.8 FVTOCI: Investment in unlisted debt securities

December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	December 31, 2 0 2 1	June 30, 2 0 2 1
Number of shares / units			(Rupees)	
1,267	1,267	Eden Housing Limited - (Fully provided)	1,245,953	1,245,953
			<b>1,245,953</b>	<b>1,245,953</b>

**8.8.1** This represents investment in privately placed sukuk with a tenure of 5 years. In prior year, company has defaulted in its principal & profit payment, therefore full amount of the provision has been recorded.

#### 8.8.2 Particulars of Sukuk

Names of the investee	Repayment frequency	Profit rate per annum	Maturity date	Secured / unsecured
Eden Housing Limited	Quarterly	3 months KIBOR + 2.50%	June 29, 2014	Secured

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		----- (Rupees) -----	
Opening balance		<b>16,222,148</b>	16,222,148
Charge for the year		-	-
Closing balance		<b>16,222,148</b>	16,222,148

#### 9 ACCRUED PROFIT

Accrued profit on:		
Debt securities		247,192
Musharaka finances		492,097

#### 10 OTHER RECEIVABLES

Rent receivable - unsecured, considered good		15,868,432	7,002,491
Takaful premium receivable		1,410,296	1,814,792
Other receivable		9,482,868	19,412,190
Receivable for Settlement of future sale contracts		-	62,546,459
		<b>26,761,596</b>	90,775,932
10.1		51,274,920 (51,274,920)	51,274,920 (51,274,920)
Others	10.2	33,810,401 (33,810,401)	33,810,401 (33,810,401)
Provision for doubtful receivables		-	-
		<b>26,761,596</b>	90,775,932

**10.1** This represents balance receivable from certain ex-employees and other parties in respect of embezzlement of funds. The matter is pending before the Special Court, Lahore. As a matter of prudence, full provision in respect of these receivables has been made in these condensed interim financial information.

**10.2** This represents finance facility which was partly secured against pledge of stock of jute while some of the stock was misappropriated from the factory premises of the borrower. During prior year, the Modaraba has filed a criminal case against the borrower and its owner against misappropriation of pledged stock.

A suit was also been filed on September 29, 2012 by the Modaraba before the Modaraba Tribunal / Banking Court-II for the recovery of outstanding dues from borrower. The Tribunal passed a judgment order in favour of the Modaraba and directed the defendant (borrower) to pay all outstanding dues along with cost of the suit, however the recovery of the decretal amount is uncertain due to the misappropriation of pledged stock by the borrower. Therefore, in prior year the Modaraba has filed the execution petition for the recovery of decretal amount by attaching the other auctionable assets of the borrower including piece and parcel of land / building of factory situated at 40-More, Lahore Road, Jaranwala and one vehicle. The borrower filed an application in Honorable Lahore High Court against the judgment and pleaded to suspend the judgment and decree in favour of Modaraba. The Modaraba has also filed a reply to the application filed by the borrower which is currently pending consideration.

Complete provision has been recorded against outstanding balance as per Prudential Regulations. The management is confident that the said lawsuit and criminal case will be decided in favour of the Modaraba.

	<b>(Un-audited)</b> <b>December 31,</b> <b>2 0 2 1</b>	<b>(Audited)</b> <b>June 30,</b> <b>2 0 2 1</b>
	----- (Rupees) -----	
<b>11 CASH AND BANK BALANCES</b>		
Cash in hand	<b>149,587</b>	222,859
Cash with State Bank of Pakistan -		
current account	<b>4,438</b>	4,438
Cash with banks in:		
Savings accounts	11.1	<b>22,802,603</b>
Current accounts		<b>266,444</b>
		<b>23,223,072</b>
		39,693,718
		127,164
		40,048,179

**11.1** These carry profit at rates ranging from 2.75% to 8.25% (June 30, 2021: 2.75% to 5.50%) per annum. Saving accounts includes balances placed under arrangements permissible under shariah amounting to Rs. 21.322 million.

## **12 LONG-TERM LOANS**

National Bank of Pakistan	12.1	<b>13,776,684</b>	27,544,684
Current portion of long term loans		<b>(13,776,684)</b>	(27,544,684)

**12.1** The loan had been restructured on June 12, 2017 with the outstanding balance of Rs. 137,689 million at zero percent interest payable over next five years in equal quarterly installments commencing from July 01, 2017. The loan is secured by way of registered mortgage of property situated at ground, mezzanine, first and second level, Business and Finance Centre, bearing plot No. 7/3, Seri Quarters, I. I. Chundrigar Road, Karachi.

## **13 LONG-TERM MURABAHA, MUSHARAKA AND FINANCE UNDER MARK-UP ARRANGEMENTS**

Musharaka arrangement - Dawood			
Family Takaful Limited	13.1	<b>50,000,000</b>	35,000,000
Musharaka arrangement -First			
Dawood Investment Bank Limited	13.2	<b>110,000,000</b>	55,000,000
Current portion of musharaka arrangements		<b>(160,000,000)</b>	(90,000,000)
		-	-

**13.1** The Modaraba has entered into various musharaka agreements (Musharaka) with Dawood Family Takaful Limited (DFTL) on monthly profit sharing basis carrying profit at 1 M / 6M Kibor plus 100 basis points.

During the period, the Modaraba has recorded profit on various musharaka arrangements with DFTL amounting to Rs.1.089 million and made profit payment amounting to Rs.0.468 million.

**13.2** The Modaraba has entered into various musharaka agreement (Musharaka) with First Dawood Investment Limited on monthly profit sharing basis carrying profit at 6M Kibor plus 100 basis points.

During the period, the Modaraba has recorded profit on these musharaka arrangements amounting to Rs.3.782 million and made profit payment amounting to Rs.3.782 million.

	<b>Note</b>	<b>(Un-audited) December 31, 2 0 2 1</b>	<b>(Audited) June 30, 2 0 2 1</b>
		<b>----- (Rupees) -----</b>	
<b>14 CREDITORS, ACCRUED AND OTHER LIABILITIES</b>			
Modaraba management fee payable		<b>12,253,820</b>	31,942,494
Sales tax on Modaraba management fee payable		<b>1,592,997</b>	4,152,524
Provision for Sindh Workers' Welfare Fund		<b>12,697,369</b>	10,523,541
Accrued liabilities		<b>5,126,460</b>	13,399,186
Rentals received in advance			
Lockers		<b>45,449,365</b>	41,752,061
Properties		<b>29,435,715</b>	31,994,821
Ijarah		<b>5,693</b>	140
Musharaka		-	3,333,000
Charity payable		<b>78,103</b>	96,907
Advance against sale of land and building	14.1	<b>2,100,000</b>	2,100,000
Others		<b>35,206,173</b>	18,556,170
		<b>143,945,695</b>	157,850,844

**14.1** This represents amount received from SKM Limited as token money for agreement to sale of investment property measuring 24- Kanals situated at Tehsil city, Lahore.

## **15 CONTINGENCIES AND COMMITMENTS**

**15.1** 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 (June 30, 2020: 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. Further, the management has fully provided net amount of Rs. 44.9 million receivable from Innovative Investment Bank.

**15.2** 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 (June 30, 2020: 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.

	(Un-audited) December 31, 2021	(Un-audited) December 31, 2020
Note	----- (Rupees)-----	----- (Rupees)-----

## 16 RETURN ON INVESTMENTS - NET

Dividend income	8,620,034	3,380,723
Profit on debt securities	583,454	380,161
(Loss) / gain on settlement of Deliverable Future Contracts	(344,740)	1,540,335
Gain on sale of investments	1,339,098	32,169,369
 Brokerage & commission	 10,197,846	 37,470,588
	(736,273)	(1,365,899)
	 9,461,573	 36,104,689

## 17 REVERSAL OF PROVISION FOR DOUBTFUL RECEIVABLES

Ijarah / Lease rentals	-	-
Musharaka	8.2	1,799,616
<b>Less: Charged during the year</b>		
Ijarah / Lease rentals	7,561,109	7,561,109
Musharika	-	1,799,616
	14,055	-
	-	261,921
	14,055	261,921
	 7,547,054	 1,537,695

## 18 OTHER INCOME

Gain on disposal of property and equipment - owned	692,558	344,635
Miscellaneous and other termination charges	742,662	2,872,590
Recovery in respect of bad debts written off previously	3,946,006	-
	 5,381,226	 3,217,225

## 19 FAIR VALUE HIERARCHY

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

- Level 1: quoted prices in active markets for identical assets.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at December 31, 2021, the Modaraba held the following financial instruments measured at fair value:

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>Investments at FVTPL</b>				
Listed ordinary shares	594,986,578	-	-	594,986,578
Mutual fund units	27,776,014	-	-	27,776,014
Preference Shares	6,725,530	-	-	6,725,530
listed debt securities	10,786,500	-	-	10,786,500
<b>Investments at FVTOCI</b>				
Listed ordinary shares	1,789,877,873	-	-	1,789,877,873
Mutual fund units	8,589,337	-	-	8,589,337
Unlisted ordinary shares	-	-	74,339,727	74,339,727
Unlisted debt securities	-	-	1,245,953	1,245,953
	<b>2,438,741,832</b>	<b>-</b>	<b>75,585,680</b>	<b>2,514,327,512</b>

As at June 30, 2021, the Modaraba held the following financial instruments measured at fair value:

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>Investments at FVTPL</b>				
Listed ordinary shares	475,858,631	-	-	475,858,631
Mutual fund units	26,468,798	-	-	26,468,798
Preference Shares	9,111,355	-	-	9,111,355
listed debt securities	10,752,131	-	-	10,752,131
<b>Investments at FVTOCI</b>				
Listed ordinary shares	1,365,754,819	-	-	1,365,754,819
Mutual fund units	8,185,098	-	-	8,185,098
Unlisted ordinary shares	-	-	94,835,436	94,835,436
Unlisted debt securities	-	-	1,245,953	1,245,953
	<b>1,896,130,832</b>	<b>-</b>	<b>96,081,389</b>	<b>1,992,212,221</b>

### Valuation techniques

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

### Transfers during the period

During the half year ended December 31, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

## 20 TAXATION

**20.1** The Finance Bill, 2021 has validated and given legislative effect to the Tax Law (Second Amendment) Ordinance 2021 enacted on March 22, 2021 with effect from July 01, 2021 whereby Clause 100 of the Part 1 of Second Schedule of the Income Tax Ordinance, 2001 relating to the income tax exemption available to Modaraba has been withdrawn. Accordingly, provision for income tax has been booked in these financial statements.

Further, the management has initiated the process of the determination of the tax bases (carrying values) of assets and liabilities admissible for taxation purposes as per requirements of International Accounting Standard 12, 'Income taxes', for the purpose of determination of the net balance of deferred tax, which it considers to be accurately finalised when the return of this financial year becomes due.

**20.2** The Additional Commissioner Inland Revenue has amended the assessment under section 122(5)(A) of the Income Tax Ordinance, 2001 for the Tax Year 2005 by creating demand of Rs. 954,036. The Modaraba has filed appeal before the Commissioner Inland Revenue (Appeals-I) and decision of the Commissioner Inland revenue (Appeals-I) was made in favor of the Modaraba. Further, the Department has filed appeal before the Appellate Tribunal, Inland revenue and the hearing of appeal is still pending.

**20.3** Moreover, the Assistant Commissioner of Inland revenue has amended the assessment under section 122(5) of the Income Tax Ordinance, 2011 for the Tax Year 2014 by creating demand of Rs. 472,103. The Modaraba had filed appeal before the Commissioner Inland Revenue (Appeals-I) and the decision has been made in favour of Modaraba. Further, the Department has filed appeal before the Appellate Tribunal, Inland revenue and the hearing of appeal is still pending. There has been no further correspondence regarding the order.

**20.4** Assessment for the Tax Year 2012 was selected for audit by Deputy Commissioner (IR), Audit Unit-IV, under section 122(5)(A). The Deputy Commissioner (IR) vide order dated June 30, 2018 has amended the assessment for the Tax Year 2012 thereby creating a demand of Rs. 5,908,802. The Modaraba has filed an appeal before the Commissioner Appeals against the said demand which is pending adjudication. The Commissioner Appeals has remanded back the order setting aside the demand by Deputy Commissioner (IR). Appeal effect order under section 122 / section 125 is still pending. No provision have been made in these regards against the above demand by the authority as the management is confident that the decision will be made in the favour of modaraba.

## 21 RELATED PARTY TRANSACTIONS

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

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

The details of related party transactions and balances as at December 31, 2021 are as follows:

### Transactions during the period:

Relationship with the Modaraba	Nature of transactions	(Un-audited) December 31, 2021	(Un-audited) December 31, 2020
		----- (Rupees) -----	----- (Rupees) -----
<b>- Management Company</b>			
BRR Investment (Private) Limited	Management fee accrued	<b>12,253,820</b>	18,429,623
BRR Investment (Private) Limited	Management fee paid	<b>31,942,494</b>	17,152,959
BRR Investment (Private) Limited	Rent received	<b>60,000</b>	60,000
BRR Investment (Private) Limited	Advance received	-	4,000,000
BRR Investment (Private) Limited	Advance repaid	-	4,000,000
BRR Investment (Private) Limited	Reimbursement of expense	<b>5,085</b>	502

<b>Relationship with the Modaraba</b>	<b>Nature of transactions</b>	<b>(Un-audited) December 31, 2 0 2 1</b>	<b>(Un-audited) December 31, 2 0 2 0</b>
<b>----- (Rupees) -----</b>			
<b>- Associated companies / other related parties</b>			
Dawood Family Takaful Limited	Rental Received against property	<b>1,397,421</b>	2,737,464
Dawood Family Takaful Limited	Group Takaful paid	<b>201,040</b>	160,792
Dawood Family Takaful Limited	Musharaka finance received-net	<b>97,000,000</b>	105,000,000
Dawood Family Takaful Limited	Musharaka finance repaid	<b>82,000,000</b>	80,000,000
Dawood Family Takaful Limited	Profit paid on musharaka finance	<b>468,472</b>	1,511,311
First Dawood Investment Bank Limited	Rent received against property	<b>60,000</b>	60,000
First Dawood Investment Bank Limited	Share of common expenses - net	<b>112,798</b>	54,727
First Dawood Investment Bank Limited	Musharaka finance received-net	<b>115,000,000</b>	-
First Dawood Investment Bank Limited	Musharaka finance repaid	<b>60,000,000</b>	-
First Dawood Investment Bank Limited	Profit paid on musharaka finance	<b>3,782,407</b>	2,847,936
First Dawood Employees Provident Fund	Transfer to provident fund	<b>1,713,953</b>	1,499,615
Hydrochina Dawood Power (Private) Limited	Rent received against property	-	3,697,429
Dawood Global Foundation	Charity paid	<b>100,810</b>	215,321
<b>Period end balances:</b>			
<b>Relationship with the Modaraba</b>	<b>Nature of balances</b>	<b>(Un-audited) December 31, 2 0 2 1</b>	<b>(Audited) June 30, 2 0 2 1</b>
<b>----- (Rupees) -----</b>			
<b>- Management Company</b>			
BRR Investment (Private) Limited	Management fee payable	<b>12,253,820</b>	31,942,494
<b>- Associated companies / other related parties</b>			
First Dawood Investment Bank Limited	Musharaka finance	<b>110,000,000</b>	55,000,000
First Dawood Investment Bank Limited	Profit payable	-	-

<b>Relationship with the Modaraba</b>	<b>Nature of balances</b>	<b>(Un-audited) December 31, 2 0 2 1</b>	<b>(Audited) June 30, 2 0 2 1</b>
<b>----- (Rupees) -----</b>			
<b>- Associated companies / other related parties</b>			
Dawood Family Takaful Limited	Musharaka finance	<b>50,000,000</b>	35,000,000
Dawood Family Takaful Limited	Profit payable	<b>705,206</b>	83,978
Dawood Family Takaful Limited	Advance rental	<b>929,289</b>	3,355,332
Hydrochina Dawood Power (Private) Limited	Advance rental	<b>1,858,456</b>	3,707,170

## **22 AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue on February 25, 2022 by the Board of Directors of B.R.R. Investment (Private) Limited.

## **23 GENERAL**

- 23.1** This condensed interim financial information is presented in Pak Rupees, which is the Modaraba's functional and presentation currency.
- 23.2** Amounts have been presented and rounded off to the nearest Rupee.

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

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Rafiq Dawood  
Chairman

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Syed Ali Raza  
Director

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Ayaz Dawood  
Chief Executive Officer

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Syed Tariq Masood  
Chief Financial Officer

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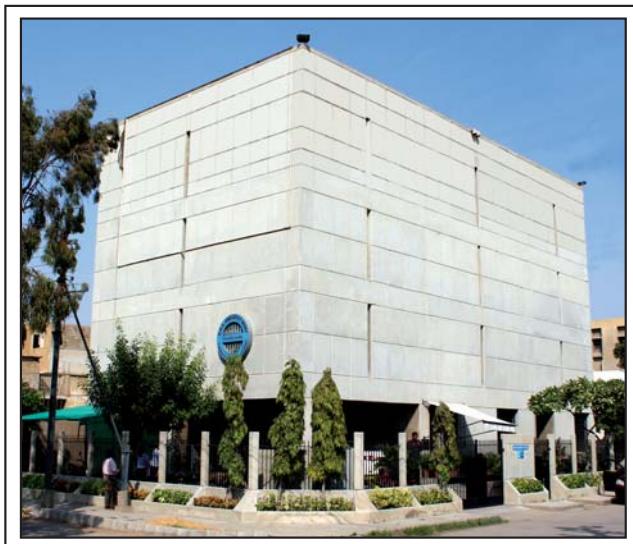
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