

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

**HALF
YEARLY
REPORT**

B.R.R. TOWER



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

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

2021



B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

Managed by:

B.R.R. Investment (Private) Limited

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B.R.R. Guardian Modaraba

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B.R.R. Guardian Modaraba

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CORPORATE INFORMATION

Modaraba Company	B.R.R. Investment (Private) Limited
Chairman	Mr. Rafique Dawood
Chief Executive	Mr. Ayaz Dawood
Directors	Mr. Waqas Anwar Qureshi - Director Syed Ali Raza - Director
Audit Committee	Mr. Waqas Anwar Qureshi - Chairman Mr. Rafique Dawood - Member Syed Ali Raza - Member
HR and Remuneration Committee	Syed Ali Raza - Chairman Mr. Rafique Dawood - Member Mr. Waqas Anwar Qureshi - Member
Shariah Advisor	Mufti 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	www.firstdawood.com/brr
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-754000

DIRECTORS REPORT

Dear Certificate Holders,

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

OPERATIONS AND PERFORMANCE

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

Syed Ali Raza
Director

Ayaz Dawood
Chief Executive Officer

February 25, 2022
Karachi.



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

بی آر آر گارجین مضاربہ ڈائریکٹرز کی رپورٹ

معزز سرٹیفکیٹ ہولڈرز،

بی آر آر انویسٹمنٹس (پرائیوٹ) لمیٹڈ ("بی آر آر آئی" یا کمپنی) کے بورڈ آف ڈائریکٹرز، بی آر آر گارجین مضاربہ (بی آر آر جی ایم) کے ناظم کی حیثیت سے دسمبر 2021:31 کو ختم ہونے والی دوسری سہ ماہی اور ششماہی کے مالیاتی گوشوارے پیش کرتے ہوئے بے حد مسرت محسوس کر رہے ہیں۔

آپریشن اور کارکردگی

دسمبر 2020:31	دسمبر 2021:31	مالیاتی جھلکیاں
پاکستانی روپے میں		
114,555,772	123,767,889	کرایہ سے آمدنی
268,266,615	208,286,943	کل آمدنی
83,970,385	85,748,739	کل اخراجات
160,201,341	104,607,297	منافع بعد از انتظامیہ کی فیس اور ڈیلیوڈبلو ایف
1.85	1.10	نفع فی سرٹیفکیٹ

زیر جائزہ ششماہی کے دوران مضاربہ نے خالص منافع 104.607 ملین روپے کمایا، جبکہ گذشتہ سال کے اسی عرصہ میں 160.201 ملین روپے منافع ہوا تھا۔

اس کے علاوہ مضاربہ کے سرٹیفکیٹ ہولڈرز کی ایکویٹی 3,265.371 ملین روپے رہی جو کہ پچھلے سال کے اسی عرصہ میں 2,397.706 ملین روپے یعنی 36.20 فیصد کا اضافہ ہوا ہے۔ بریک اپ ڈیلیو 23.85 فی فیصد اضافے کے ساتھ 34.38 روپے فی سرٹیفکیٹ ہے۔

مضاربہ کے آپریٹنگ اخراجات بجٹ کے اندر رہے ہیں۔

اعتمادی کلمات اور اظہارِ تشکر

مضاربہ کے ٹیکس سے استثنیٰ کے پیش نظر انتظامیہ نے مضاربہ کو بطور سٹاکس PSX میں لسٹ کرانے کا فیصلہ کیا ہے۔ انتظامیہ کے مطابق مضاربہ پر ریگولیٹری اخراجات کی لاگت فوائد سے زیادہ ہے۔ ہم کاروباری حالات کو بغور دیکھ رہے ہیں اور مستقبل میں آنے والے مواقع کے لئے اپنی رسک مینجمنٹ کی حکمت عملیوں کو مضبوط بنا رہے ہیں۔ ہمارا ہدف اپنے موجودہ کاروبار میں منافع بخش ترقی کے ساتھ اپنے سرٹیفکیٹ ہولڈرز کی قدر میں اضافہ کرنا ہے۔

از طرف بورڈ آف ڈائریکٹرز

بی آر آر انویسٹمنٹس (پرائیوٹ) لمیٹڈ

ایاز داؤد
چیف ایگزیکٹو آفیسر

سید علی رضا
ڈائریکٹر

فروری 25، 2022
کراچی



Crowe Hussain Chaudhury & Co.
Chartered Accountants
Member Crowe Global

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Behind The Forum
Block 9, Clifton, Karachi, Pakistan.
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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.

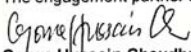
Conclusion

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.


Crowe Hussain Chaudhury & Co.
Chartered Accountants

Place: Karachi

Date: 28 FEB 2022

UDIN Number: RR202110207jcPsa4Wlo



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

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

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

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

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

Rafiq Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

Syed Tariq Masood
Chief Financial Officer



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

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

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

Syed Tariq Masood
Chief Financial Officer



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

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

	<u>Half year ended</u>		<u>Quarter ended</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>----- (Rupees) -----</u>			
Profit for the period	104,607,297	160,201,341	8,500,060	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	415,325,825	539,745,282	45,944,943	328,788,842
Total comprehensive profit for the period	<u>519,933,122</u>	<u>699,946,623</u>	<u>54,445,003</u>	<u>414,047,424</u>

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

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

Syed Tariq Masood
Chief Financial Officer



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

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

	Half year ended	
	December 31, 2 0 2 1	December 31, 2 0 2 0
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	106,517,559	160,201,341
Adjustment of non-cash and other items:		
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)
	(47,693,382)	(122,066,395)
	58,824,177	38,134,946
Increase / (decrease) in current assets		
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)
	65,641,427	(38,830,034)
Increase / (decrease) in current liabilities		
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
	(14,584,925)	13,777,954
Income tax paid	(12,635,845)	(301,743)
Net cash generated from operating activities	97,244,834	12,781,123
CASH FLOWS FROM INVESTING ACTIVITIES		
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	(45,473,047)	29,450,436



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

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

	Half year ended	
	December 31, 2 0 2 1	December 31, 2 0 2 0
	----- Rupees -----	
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit paid to certificate holders	(121,324,526)	(64,975,904)
Right Share Subscription Money Recievd	-	33,961,390
Finance under murabaha, musharaka and finance under mark-up arrangements	70,000,000	25,000,000
Long-term loan	(13,768,000)	(48,768,000)
Financial charges paid	(4,327,615)	(4,360,348)
Net cash used in financing activities	(69,420,141)	(59,142,862)
Net decrease in cash and cash equivalents	(17,648,354)	(16,911,303)
Cash and cash equivalents at the beginning of the period	39,381,695	32,487,352
Cash and cash equivalents at the end of the period	21,733,341	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

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

Syed Tariq Masood
Chief Financial Officer



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

**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) -----								
Balance as at July 01, 2020	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
Balance as at December 31, 2020	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)	-	-
Balance as at July 01, 2021	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)
Balance as at December 31, 2021	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 Modarabas 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

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

Syed Tariq Masood
Chief Financial Officer



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NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR 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.

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

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	4,290,181	12,307,860	2,720,450	5,107,000
Office equipment and appliances	687,800	1,250,180	381,000	528,000
	4,977,981	20,797,990	3,101,450	5,635,000



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

6 INVESTMENT PROPERTIES

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

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	116,770	-	-	-
Building on leasehold land	-	1,372,000	-	-
	<u>116,770</u>	<u>1,372,000</u>	<u>-</u>	<u>-</u>

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	66,420,000	66,420,000
Provision against advance for office premises		<u>(57,331,000)</u>	<u>(57,331,000)</u>
		<u>9,089,000</u>	<u>9,089,000</u>



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- 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) -----	
7 LONG-TERM INVESTMENT		
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)	55,000,000	55,000,000

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

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) -----	
8 LONG-TERM MUSHARAKA FINANCES	Note		
Considered good		90,003,795	93,117,299
Considered doubtful	8.2	51,750,739	62,104,534
	8.1	141,754,534	155,221,833
Provision for doubtful receivables	8.2	(51,750,739)	(62,104,534)
		90,003,795	93,117,299
Current portion of musharaka finances		(28,692,055)	(25,809,072)
		61,311,740	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.



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		(Un-audited) December 31, 2021	(Audited) June 30, 2021
8.2 Movement of provision	Note	----- (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	18	(7,561,109)	(3,600,016)
Closing balance		51,750,739	62,104,534

9 SHORT-TERM INVESTMENTS

Fair value through profit or loss -

FVTPL:

Listed ordinary shares	9.1	570,097,916	446,907,106
Mutual fund units	9.2	25,222,287	24,035,256
Preference shares	9.3	6,725,530	9,111,355
Listed debt securities	9.4	10,786,500	10,752,131
		612,832,233	490,805,848

Fair value through other comprehensive income - FVTOCI:

Listed ordinary shares / modaraba certificates	9.5	1,763,753,779	1,331,196,074
Mutual fund units	9.6	8,589,337	8,185,098
Unlisted ordinary shares	9.7	74,339,727	94,835,436
Unlisted debt securities	9.8	1,245,953	1,245,953
		1,847,928,796	1,435,462,561
Provision for diminution in value of investments	9.8.3	(16,222,148)	(16,222,148)
		2,444,538,881	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 31, 2021	June 30, 2021	Names of investees	(Un-audited) December 31, 2021	(audited) June 30, 2021
Number of shares / units			----- (Rupees) -----	
96,515	96,015	Glass & ceramics		
		Ghani Glass Limited	4,203,216	4,627,923
43,800	43,800	Textile composite		
		Nishat Mills Limited	3,485,604	4,086,540
		Cement		
		D.G. Khan Cement Company Limited	4,843,364	6,945,016
58,396	58,896	Lucky Cement Limited	8,762,712	6,389,456
12,900	7,400	Fauji Cement Company Limited	8,505,310	10,764,000
463,000	468,000	Power Cement Limited	9,798,648	12,682,009
1,540,668	1,319,668	Maple Leaf Cement Factory Limited	701,456	3,166,593
	67,403			
		Power generation & distribution		
3,525,746	330,746	K-Electric Limited	12,128,566	1,382,518



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



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December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	(Un-audited) December 31, 2 0 2 1	(audited) June 30, 2 0 2 1
Number of shares / units			----- (Rupees) -----	
Engineering				
11,500	-	Ittefaq Iron Industries Limited	137,655	-
537,875	473,500	Agha Steel Industries Limited	14,076,189	15,971,155
Transport				
5,500	5,500	Pakistan National Shipping Corporation Limited	299,750	399,850
599,000	-	Pakistan Intl. Bulk Terminal Limited	4,408,640	-
1,254	-	Universal Network Systems Limited	75,240	-
Food & personal care products				
-	36,030	Al-Tahur Limited	-	839,499
60,475	29,250	The Organic Meat Company Limited	1,918,872	1,074,645
6,875	3,800	National Foods Limited	1,049,331	870,276
63,000	25,000	Al-Shaheer Corporation Limited	849,240	498,250
38,350	38,350	Bunny's Limited	1,226,050	1,581,554
Technology & communication				
151,500	196,500	Pakistan Telecommunication Company Limited	1,318,050	2,326,560
317,103	195,180	Systems Limited	240,947,544	109,343,740
20,299	-	Octopus Digital Limited	1,578,450	-
5,200	-	Netsol Technologies Limited	488,072	-
Leather & tanneries				
63,580	63,680	Service Industries Limited	29,789,137	37,420,278
99,767	68,267	Service Global Footwear Limited	4,625,198	3,947,881
Pharmaceuticals				
1,600	-	Abbott Laboratories (Pakistan) Limited	1,148,016	-
25,600	7,200	AGP Limited	2,482,944	844,776
2,196	2,696	Highnoon Laboratories Limited	1,378,759	1,617,600
17,960	18,260	Ferozsans Laboratories Limited	5,851,907	6,442,493
139,929	102,257	The Searle Company Limited	20,110,596	24,809,593
154,765	132,765	GlaxoSmithKline Pakistan Limited	21,126,970	21,995,178



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December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	(Un-audited) December 31, 2 0 2 1	(audited) June 30, 2 0 2 1
Number of shares / units			----- (Rupees) -----	
		GlaxoSmithKline Consumer Healthcare Pakistan Limited		
36,300	12,500		8,750,478	3,126,125
11,150	-	Citi Pharma Limited	398,724	-
		Cable & electrical goods		
69,100	71,600	Pak Elektron Limited	1,556,132	2,510,296
262,000	249,000	Waves Singer Pakistan Limited	4,084,580	6,787,740
1,000	-	Pakistan Cables Limited	157,170	-
		Modarabas		
79,500	-	Modaraba Al - Mali	671,775	-
		Commercial banks		
18,500	60,000	Bank Islami Pakistan Limited	236,985	674,400
9,226	5,500	Meezan Bank Limited	1,237,299	634,755
		Paper & board		
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	-
		Woollen		
8,000	8,000	Bannu Woollen Mills Limited	319,600	400,640
		Miscellaneous		
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	-
		Vanaspati & Allied Industries		
-	5,390	Unity Foods Limited	-	239,963
		Real estate investment trust		
96,500	89,000	Dolmen City REIT	1,173,440	980,780
			570,097,916	446,907,106



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9.2 FVTPL: Investment in mutual fund units

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

9.3 FVTPL: Investment in preference shares

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

9.4 FVTPL: Investment in debt securities

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

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



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



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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	(Un-audited) December 31, 2 0 2 1	(audited) June 30, 2 0 2 1
Number of shares / units			----- (Rupees) -----	
Open-end mutual funds				
100,795	100,795	786 Smart Fund	8,589,337	8,185,098
			8,589,337	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 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.

9.7 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	(Un-audited) December 31, 2 0 2 1	(audited) June 30, 2 0 2 1
Number of shares / units			----- (Rupees) -----	
100,000	100,000	Al Baraka Bank (Pakistan) Limited - (note 9.7.2)	948,300	948,300
7,200,000	7,200,000	Dawood Family Takaful Limited - (note 9.7.3)	46,080,000	46,080,000
3,034,603	3,034,603	ISE Tower REIT Management Company Limited - (note 9.7.4)	27,311,427	47,807,136
			74,339,727	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
-------------------	----------------	--	--	----------

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



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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, 2021	June 30, 2021	Names of investees	(Un-audited) December 31, 2021	(audited) June 30, 2021
Number of shares / units			----- (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

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	----- (Rupees) -----	
9.8.3 Provision for diminution in value of investments		
Opening balance	16,222,148	16,222,148
Charge for the year	-	-
Closing balance	<u>16,222,148</u>	<u>16,222,148</u>

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

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) -----	
12 CASH AND BANK BALANCES			
Cash in hand		139,922	212,859
Cash with State Bank of Pakistan - current account		4,438	4,438
Cash with banks in:			
Savings accounts	12.1	21,322,537	39,037,234
Current accounts		266,444	127,164
		<u>21,733,341</u>	<u>39,381,695</u>



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- 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.

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

- 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.

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

- 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.

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



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- 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) -----	
17 RETURN ON INVESTMENTS - NET			
Dividend income		8,175,909	18,262,598
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		1,338,698	35,883,705
		9,753,321	56,066,799
Brokerage & commission		(736,267)	(1,198,904)
		9,017,054	54,867,895
18 REVERSAL OF PROVISION FOR DOUBTFUL			
Ijarah / Lease rentals		-	-
Musharaka	8.2	7,561,109	1,799,616
		7,561,109	1,799,616
Less: Charged during the year			
Ijarah / Lease rentals		14,055	-
Musharika		-	261,921
		14,055	261,921
		7,547,054	1,537,695
19 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	5,678,074
		5,381,226	8,895,299



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20 FAIR VALUE HIERARCHY

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

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

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

	December 31, 2021			Total
	Level 1	Level 2	Level 3	
	----- (Rupees) -----			
Investments at FVTPL				
Listed ordinary shares	570,097,916	-	-	570,097,916
Mutual fund units	25,222,287	-	-	25,222,287
Preference shares	6,725,530	-	-	6,725,530
listed debt securities	10,786,500	-	-	10,786,500
Investments at FVTOCI				
Listed ordinary shares	1,763,753,779	-	-	1,763,753,779
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
	2,385,175,349	-	75,585,680	2,460,761,029

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

	June 30, 2021			Total
	Level 1	Level 2	Level 3	
	----- (Rupees) -----			
Investments at FVTPL				
Listed ordinary shares	446,907,106	-	-	446,907,106
Mutual fund units	24,035,256	-	-	24,035,256
Preference shares	9,111,355	-	-	9,111,355
listed debt securities	10,752,131	-	-	10,752,131
Investments at FVTOCI				
Listed ordinary shares	1,331,196,074	-	-	1,331,196,074
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
	1,830,187,020	-	96,081,389	1,926,268,409

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 deferred 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:

Transactions during the period:

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

Transactions during the period:

Relationship with the Modaraba	Nature of transactions	(Un-audited) December 31, 2021 ----- (Rupees) -----	(Un-audited) December 31, 2020 -----
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	5,085	502
- Subsidiary Company			
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
- Associated companies / other related parties			
Dawood Family Takaful Limited	Rental Received against property	1,397,421	2,737,464
Dawood Family Takaful Limited	Musharaka finance received-net	97,000,000	105,000,000
Dawood Family Takaful Limited	Group Life Takaful	201,040	160,792
Dawood Family Takaful Limited	Musharaka finance repaid	82,000,000	80,000,000
Dawood Family Takaful Limited	Profit paid on musharaka finance	468,472	1,511,311
First Dawood Investment Bank Limited	Rent received against property	60,000	60,000
First Dawood Investment Bank Limited	Share of common expenses - net	112,798	54,727
First Dawood Investment Bank Limited	Musharaka finance received-net	115,000,000	-
First Dawood Investment Bank Limited	Musharaka finance repaid	60,000,000	-

Relationship with the Modaraba	Nature of transactions	(Un-audited) December 31, 2021 ----- (Rupees) -----	(Un-audited) December 31, 2020 -----
First Dawood Investment Bank Limited	Profit paid on musharaka finance	3,782,407	2,847,936
First Dawood Employees Provident Fund	Transfer to provident fund	1,713,953	1,499,615
Hydrochina Dawood Power (Private) Limited	Rent received against property	-	3,697,429
Dawood Global Foundation	Charity paid	100,810	215,321

Period end balances:

Relationship with the Modaraba	Nature of balances	(Un-audited) December 31, 2021 ----- (Rupees) -----	(Audited) June 30, 2021 -----
- Management Company			
BRR Investment (Private) Limited	Management fee payable	12,253,820	31,942,494
- Associated companies / other related parties			
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

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

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

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

Syed Ali Raza
Director

Ayaz Dawood
Chief Executive Officer

February 25, 2022
Karachi.



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

بی۔آر۔آر۔ گارجین مضاربہ

ڈائریکٹرز کی رپورٹ برائے مجموعی مالیاتی گوشوارے

معزز سرٹیفکیٹ ہولڈرز،

بی۔آر۔آر۔ انویسٹمنٹ (پرائیویٹ) لمیٹڈ ("بی آر آئی" یا کمپنی) کے بورڈ آف ڈائریکٹرز، بی آر گارجین مضاربہ (بی آر جی ایم) کے ناظم کی حیثیت سے دسمبر 2021، 31 کو ختم ہونے والی دوسری سہ ماہی اور ششماہی کے مجموعی مالیاتی گوشوارے پیش کرتے ہوئے بے حد مسرت محسوس کر رہے ہیں۔

آپریشن اور کارکردگی

مالیاتی جھلکیاں	دسمبر 2021، 31	دسمبر 2020، 31
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 ڈیویڈنڈ اینف	101,087,654	144,492,544
نفع فی سرٹیفکیٹ	1.06	1.67

زیر جائزہ ششماہی کے دوران مضاربہ نے خالص منافع 101.088 ملین روپے کمایا، جبکہ گزشتہ سال کے اسی عرصہ میں 144.493 ملین روپے منافع ہوا تھا۔

اس کے علاوہ مضاربہ کے سرٹیفکیٹ ہولڈرز کی ایکویٹی 3,266.033 ملین روپے رہی جو کہ پچھلے سال کے اسی عرصہ میں 2,412.676 ملین روپے یعنی 35.37 فیصد کا اضافہ ہوا ہے۔ بریک اپ ویلیو 23.05 فی فیصد اضافے کے ساتھ 34.38 روپے فی سرٹیفکیٹ ہے۔

مضاربہ کے آپریٹنگ اخراجات بجٹ کے اندر رہے ہیں۔

اختتامی کلمات اور اظہار تشکر

مضاربہ کے ٹیکس سے استثنیٰ کے پیش نظر انتظامیہ نے مضاربہ کو بطور کمپنی PSX میں لسٹ کرانے کا فیصلہ کیا ہے۔ انتظامیہ کے مطابق مضاربہ پر ریگولیٹری اخراجات کی لاگت فوائد سے زیادہ ہے۔ ہم کاروباری حالات کو بخیر و کج رہے ہیں اور مستقبل میں آنے والے مواقع کے لئے اپنی رسک مینجمنٹ کی حکمت عملیوں کو مضبوط بناتے ہیں۔ ہمارا ہدف اپنے موجودہ کاروبار میں منافع بخش ترقی کے ساتھ اپنے سرٹیفکیٹ ہولڈرز کی قدر میں اضافہ کرنا ہے۔

از طرف بورڈ آف ڈائریکٹرز

بی۔آر۔آر۔ انویسٹمنٹ (پرائیویٹ) لمیٹڈ

ایاز داؤد
چیف ایگزیکٹو آفیسر

سید علی رضا
ڈائریکٹر

فروری 25، 2022

کراچی



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

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

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	----- Rupees -----	
ASSETS			
NON-CURRENT ASSETS			
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
		1,078,425,452	1,109,444,737
CURRENT ASSETS			
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
		2,629,915,996	2,170,175,065
TOTAL ASSETS		3,708,341,448	3,279,619,802
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital: 140,000,000 (June 30,2021: 140,000,000) Modaraba certificates of Rs. 10/- each		1,400,000,000	1,400,000,000
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		1,758,596,594	1,353,384,630
		3,266,032,740	2,883,451,917
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term loans	12	-	-
Long-term murabaha, musharaka and finance under mark-up arrangements	13	-	-
Long-term security deposits		66,990,840	66,182,475
		66,990,840	66,182,475
CURRENT LIABILITIES			
Current portion of long-term loan	12	13,776,684	27,544,684
Current portion of long-term murabaha, musharaka and finance under mark-up arrangements	13	160,000,000	90,000,000
Current portion of security deposits		20,806,249	22,495,349
Creditors, accrued and other liabilities	14	143,945,695	157,850,844
Accrued profit on borrowings		705,206	83,978
Profit distribution payable		36,084,034	32,010,555
		375,317,868	329,985,410
Contingencies and commitments	15	-	-
TOTAL EQUITY AND LIABILITIES		3,708,341,448	3,279,619,802

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

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

Syed Tariq Masood
Chief Financial Officer



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

**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
	----- (Rupees) -----			
INCOME				
Rental income	123,767,889	114,555,772	58,295,072	58,203,620
Income on murabaha, musharaka	6,107,037	5,486,264	3,290,070	3,282,355
Ijarah rental income - net	578,554	722,754	393,610	337,884
Return on investments - net	16 9,461,573	36,104,689	11,569,365	8,664,972
Profit on bank balances	433,382	351,706	215,833	155,639
Reversal of provision for doubtful receivables - net	17 7,547,054	1,537,695	600,343	38,079
Unrealised gain on revaluation of FVTPL investment	51,523,293	91,665,668	(9,881,867)	39,959,238
Gain on disposal of ijarah assets	-	281,373	-	90,265
Other income	18 5,381,226	3,217,225	4,599,522	2,690,820
Liability no longer payable - SWWF	-	-	(10,523,541)	-
	204,800,008	253,923,146	58,558,407	113,422,872
EXPENSES				
Administrative expenses	59,901,721	66,756,043	32,956,763	30,590,281
Depreciation on Investment properties	20,930,583	14,833,177	10,460,201	7,416,589
Financial charges	4,949,143	3,746,493	3,228,581	2,342,874
	85,781,447	85,335,713	46,645,545	40,349,744
Modaraba management company's fee	119,018,561	168,587,433	11,912,862	73,073,128
Sales tax on modaraba management company's fee	12,253,820	18,429,623	1,314,057	9,808,180
Provision for Sindh Workers' Welfare Fund	1,592,997	2,395,851	170,828	1,275,063
	2,173,828	3,269,415	2,173,828	1,739,971
Profit before taxation	102,997,916	144,492,544	8,254,149	60,249,914
Taxation	20 1,910,262	-	981,804	-
Net profit for the period	101,087,654	144,492,544	7,272,345	60,249,914
Earnings per certificate - basic and diluted	1.06	1.67	0.08	0.70

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

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

Syed Tariq Masood
Chief Financial Officer



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

**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	101,087,654	144,492,544	7,272,345	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	406,891,174	555,453,741	45,058,526	344,497,301
Total comprehensive profit for the period	507,978,828	699,946,285	52,330,871	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

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

Syed Tariq Masood
Chief Financial Officer



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

**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 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	102,997,916	144,492,544
Adjustment of non-cash and other items:		
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
Increase / (decrease) in current assets		
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)
Increase / (decrease) in current liabilities		
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
CASH FLOWS FROM INVESTING ACTIVITIES		
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)



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

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

Half year ended	
December 31,	December 31,
2021	2020
----- Rupees -----	

CASH FLOWS FROM FINANCING ACTIVITIES

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

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

Syed Tariq Masood
Chief Financial Officer



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

**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) -----								
Balance as at July 01, 2020	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
Balance as at December 31, 2020	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)	-	-
Balance as at July 01, 2021	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)
Balance as at December 31, 2021	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

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

Syed Tariq Masood
Chief Financial Officer



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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR 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) "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.

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.

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



B.R.R. Guardian Modaraba

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5.1 Property and equipment - owned

Following additions and disposals were made during the period :

	Additions / Transfer		Disposals / Transfer	
	(Un-audited) December 31, 2 0 2 1	(Audited) June 30, 2 0 2 1	(Un-audited) December 31, 2 0 2 1	(Audited) June 30, 2 0 2 1
	----- (Rupees) -----			
Building on leasehold land	-	38,000	-	-
Office premises	-	-	-	-
Lockers	-	7,196,950	-	-
Furniture and fixtures	-	5,000	-	-
Vehicles	4,290,181	12,307,860	2,720,450	5,107,000
Office equipment and appliances	687,800	1,250,180	381,000	528,000
	4,977,981	20,797,990	3,101,450	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, 2 0 2 1	(Audited) June 30, 2 0 2 1	(Un-audited) December 31, 2 0 2 1	(Audited) June 30, 2 0 2 1
	----- (Rupees) -----			
Vehicles	-	-	6,661,000	14,779,390
Office equipment and appliances	-	-	-	-
	-	-	6,661,000	14,779,390
			(Un-audited) December 31, 2 0 2 1	(Audited) June 30, 2 0 2 1
			----- Rupees -----	

6 INVESTMENT PROPERTIES

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

6.1 Following addition / disposals were made during the period :

	Additions / Transfer		Disposals / Transfer	
	(Un-audited) December 31, 2 0 2 1	(Audited) June 30, 2 0 2 1	(Un-audited) December 31, 2 0 2 1	(Audited) June 30, 2 0 2 1
	----- (Rupees) -----			
Office premises	116,770	-	-	-
Building on leasehold land	-	1,372,000	-	-
	116,770	1,372,000	-	-



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

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) December 31, 2 0 2 1 ----- (Rupees) -----	(Audited) June 30, 2 0 2 1 -----
Considered good	7.2	90,003,795	93,117,299
Considered doubtful	7.1	<u>51,750,739</u>	<u>62,104,534</u>
		141,754,534	155,221,833
Provision for doubtful receivables	7.2	<u>(51,750,739)</u>	<u>(62,104,534)</u>
		90,003,795	93,117,299
Current portion of musharaka finances		<u>(28,692,055)</u>	<u>(25,809,072)</u>
		<u>61,311,740</u>	<u>67,308,227</u>

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.

	Note	(Un-audited) December 31, 2 0 2 1 ----- (Rupees) -----	(Audited) June 30, 2 0 2 1 -----
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	17	<u>(7,561,109)</u>	<u>(3,600,016)</u>
Closing balance		<u>51,750,739</u>	<u>62,104,534</u>

		(Un-audited) December 31, 2 0 2 1	(Audited) June 30, 2 0 2 1
	Note	----- (Rupees) -----	
8 SHORT-TERM INVESTMENTS			
Fair value through profit or loss - FVTPL:			
Listed ordinary shares	8.1	594,986,578	475,858,631
Mutual fund units	8.2	27,776,014	26,468,798
Preference Shares	8.3	6,725,530	9,111,355
Listed debt securities	8.4	10,786,500	10,752,131
		640,274,622	522,190,915
Fair value through other comprehensive income - FVTOCI:			
Listed ordinary shares / modaraba	8.5	1,789,877,873	1,365,754,819
Mutual fund units	8.6	8,589,337	8,185,098
Unlisted ordinary shares	8.7	74,339,727	94,835,436
Unlisted debt securities	8.8	1,245,953	1,245,953
		1,874,052,890	1,470,021,306
Provision for diminution in value of investments	8.8.3	(16,222,148)	(16,222,148)
		2,498,105,364	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	(Un-audited) December 31, 2 0 2 1	(audited) June 30, 2 0 2 1
Number of shares / units			----- (Rupees) -----	
101,005	100,505	Glass & ceramics Ghani Glass Limited	4,398,756	4,844,341
48,800	48,800	Textile composite Nishat Mills Limited Kohinoor Textile Mills	3,883,504	4,553,040
25,500	25,500	Limited	1,770,210	1,917,600
58,396	58,896	Cement D.G. Khan Cement Company Limited	4,843,364	6,945,016
12,900	7,400	Lucky Cement Limited	8,762,712	6,389,456
463,000	468,000	Fauji Cement Company Limited	8,505,310	10,764,000
1,540,668	1,319,668	Power Cement Limited	9,798,648	12,682,009
19,512	67,403	Maple Leaf Cement Factory Limited	701,456	3,166,593
5,400	5,400	Bestway Cement Limited	834,083	872,208
3,808,246	613,246	Power generation & distribution K-Electric Limited The Hub Power Company Limited	13,100,366	2,563,368
10,500	10,500		749,070	836,535



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December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	(Un-audited) December 31, 2 0 2 1	(audited) June 30, 2 0 2 1
Number of shares / units			----- (Rupees) -----	
Refinery				
5,914	2,698	Attock Refinery Limited	851,793	691,902
52,084	50,950	National Refinery Limited	14,822,586	26,656,531
Fertilizer				
22,422	15,931	Engro Corporation Limited	6,108,201	4,693,432
Oil & gas exploration companies				
		Mari Petroleum Company Limited		
2,860	2,860		4,731,098	4,359,755
189,367	154,060	Pakistan Petroleum Limited	14,967,568	13,377,030
		Oil & Gas Development Company Limited		
201,559	187,059		17,374,386	17,776,217
-	-	Attock Petroleum Limited	-	-
30,917	29,917	Shell Pakistan Limited	3,746,831	5,241,458
5,000	5,000	Pakistan Oilfields Limited	1,788,100	1,969,300
Oil & gas marketing companies				
		Pakistan State Oil Company Limited		
92,279	57,280		16,784,627	12,845,040
		Sui Northern Gas Pipelines Limited		
49,142	67,392		1,643,800	3,273,903
		Sui Southern Gas Company Limited		
223,500	223,500		2,076,315	2,972,550
Automobile assembler				
		Sazgar Engineering Work Limited		
207,523	161,210		20,196,138	27,117,134
7,564	4,120	Millat Tractors Limited	6,521,983	4,447,993
12,200	12,200	Agriauto Industries Limited	2,725,846	3,347,558
Automobile parts & accessories				
47,931	23,943	Panther Tyres Limited	2,001,599	1,655,180
Chemical				
13,447	13,447	ICI Pakistan Limited	10,231,150	11,682,754
120,543	101,100	Ittehad Chemicals Limited	3,125,680	3,846,855
208,500	189,500	Sitara Peroxide Limited	4,015,710	5,360,955
46,100	44,300	Pakistan Oxygen Limited	7,049,612	6,866,500
2,000	2,000	Archroma Pakistan Limited	1,040,380	1,145,000
		Berger Paints Pakistan Limited		
39,625	23,625		3,134,734	2,061,990
		Limited		
		Engro Polymer & Chemical Limited		
1,000	-		54,210	-
3,960	-	Biafo Industries Limited	354,024	-
1,700	1,700	Sitara Chemical Limited	523,736	598,400



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December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	(Un-audited) December 31, 2 0 2 1	(audited) June 30, 2 0 2 1
Number of shares / units			----- (Rupees) -----	
Engineering				
17,000	5,500	Ittefaq Iron Industries Limited	203,490	104,225
537,875	473,500	Agha Steel Industries Limited	14,076,189	15,971,155
8,800	8,800	K.S.B Pumps Company Limited	1,398,848	1,952,456
Transport				
5,500	5,500	Pakistan National Shipping Corporation Limited	299,750	399,850
599,000	-	Pakistan International Bulk Terminal Limited	4,408,640	-
1,254	-	Universal Network Systems Limited	75,240	-
Food & personal care products				
-	36,030	Al-Tahur Limited	-	839,499
60,475	29,250	The Organic Meat Company Limited	1,918,872	1,074,645
6,875	3,800	National Foods Limited	1,049,331	870,276
63,000	25,000	Al-Shaheer Corporation Limited	849,240	498,250
38,350	38,350	Bunny's Limited	1,226,050	1,581,554
Technology & communication				
151,500	196,500	Pakistan Telecommunication Company Limited	1,318,050	2,326,560
317,103	195,180	Systems Limited	240,947,544	109,343,740
20,299	-	Octopus Digital Limited	1,578,450	-
5,200	-	Netsol Technologies Limited	488,072	-
Leather & tanneries				
63,580	63,680	Service Industries Limited	29,789,137	37,420,278
99,767	68,267	Service Global Footwear Limited	4,625,198	3,947,881
Pharmaceuticals				
3,150	1,550	Abbott Laboratories (Pakistan) Limited	2,260,157	1,228,159
25,600	7,200	AGP Limited	2,482,944	844,776
9,786	10,286	Highnoon Laboratories Limited	6,144,140	6,171,600
19,160	19,460	Ferozsosns Laboratories Limited	6,242,903	6,865,877
139,929	102,257	The Searle Company Limited	20,110,596	24,809,593
154,765	132,765	GlaxoSmithKline Pakistan Limited	21,126,970	21,995,178



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December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	(Un-audited) December 31, 2 0 2 1	(audited) June 30, 2 0 2 1
Number of shares / units			----- (Rupees) -----	
		GlaxoSmithKline		
38,300	14,500	Consumer Healthcare		
11,150	-	Pakistan Limited	9,232,598	3,626,305
		Citi Pharma Limited	398,724	-
70,100	72,600	Pak Elektron Limited	1,578,652	2,545,356
		Waves Singer Pakistan		
262,000	249,000	Limited	4,084,580	6,787,740
1,000	-	Pakistan Cables Limited	157,170	-
		Modarabas		
79,500	-	Modaraba Al - Mali	671,775	-
		Commercial banks		
21,000	62,500	Bank Islami Pakistan	269,010	702,500
9,226	5,500	Meezan Bank Limited	1,237,299	634,755
		Paper & board		
26,800	6,500	Security Paper Limited	3,213,052	939,705
92,381	94,381	Roshan Packages Limited	1,809,744	3,108,910
		Pak Agro Packaging		
101,000	-	Limited	1,815,980	-
		Woollen		
8,000	8,000	Bannu Woollen Mills Limited	319,600	400,640
		Miscellaneous		
		United Distributors		
1,598	1,598	Pakistan Limited	68,714	80,300
		Pakistan Aluminium		
84,669	-	Beverage Cans Limited	2,899,067	-
952	-	Tri-Pack Films Limited	193,304	-
		Vanaspati & Allied Industries		
1,000	6,390	Unity Foods Limited	26,472	284,485
		Real estate investment trust		
96,500	89,000	Dolmen City REIT	1,173,440	980,780
			594,986,578	475,858,631

8.2 FVTPL: Investment in mutual fund units

December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	(Un-audited) December 31, 2 0 2 1	(audited) June 30, 2 0 2 1
Number of shares / units			----- (Rupees) -----	
Open-end mutual funds				
325,949	325,949	786 Smart Fund	27,776,014	26,468,798
			27,776,014	26,468,798



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8.3 FVTPL: Investment in preference shares

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

8.4 FVTPL: Investment in debt securities

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

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



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December 31, 2 0 2 1	June 30, 2 0 2 1	Names of investees	(Un-audited) December 31, 2 0 2 1	(audited) June 30, 2 0 2 1
Number of shares / units			----- (Rupees) -----	

Transport

		Pakistan International Container Terminal Limited		
1,000	1,000		154,000	165,040
5,000	5,000	Pakistan National Shipping Corporation Limited	272,500	363,500

Pharmaceuticals

		Abbott Laboratories (Pakistan) Limited		
33,826	36,776		24,270,493	29,139,831
32,165	32,165	GlaxoSmithKline (Pakistan) Limited	4,390,844	5,328,776
		GlaxoSmithKline Consumer Healthcare (Pakistan) Limited	7,450,200	7,729,282
30,906	30,906			
138	138	Highnoon Laboratories Limited	86,643	82,800

Technology & communication

2,213,934	2,213,934	Systems Limited - (related party)	1,682,235,611	1,240,290,105
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Automobile assembler

268,435	205,450	Sazgar Engineering Work Limited	26,124,094	34,558,745
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Financial services

		786 Investments Limited (Formerly Dawood Capital Management Limited) - (fully provided) (Note: 8.5.1)		
1,935,506	1,935,506		4,722,635	4,722,635
		First Dawood Investment Bank Limited -(Related party) (fully provided) (Note: 8.5.1)		
3,339,922	3,339,922		10,253,561	10,253,561

1,789,877,873

1,365,754,819

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	(Un-audited) December 31, 2 0 2 1	(audited) June 30, 2 0 2 1
Number of shares / units			----- (Rupees) -----	

Open-end mutual funds

100,795	100,795	786 Smart Fund	8,589,337	8,185,098
			8,589,337	8,185,098



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

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
June 30, 2021				
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
June 30, 2020				
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.



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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, 2021	June 30, 2021	Names of investees	(Un-audited) December 31, 2021	(audited) June 30, 2021
Number of shares / units			----- (Rupees) -----	
1,267	1,267	Eden Housing Limited - (Fully provided)	1,245,953	1,245,953
			1,245,953	1,245,953

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

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

8.8.3 Provision for diminution in value of investments

Opening balance	16,222,148	16,222,148
Charge for the year	-	-
Closing balance	<u>16,222,148</u>	<u>16,222,148</u>

9 ACCRUED PROFIT

Accrued profit on:

Debt securities

Musharaka finances

247,192	149,388
<u>492,097</u>	<u>305,852</u>
<u>739,289</u>	<u>455,240</u>

10 OTHER RECEIVABLES

Rent receivable - unsecured,
considered good

Takaful premium receivable

Other receivable

Receivable for Settlement of future
sale contracts

15,868,432	7,002,491
1,410,296	1,814,792
9,482,868	19,412,190

-	62,546,459
<u>26,761,596</u>	<u>90,775,932</u>

Receivable from ex-employees -

unsecured, considered doubtful

Provision for doubtful receivables

10.1	51,274,920	51,274,920
	(51,274,920)	(51,274,920)

Others

Provision for doubtful debts

10.2	33,810,401	33,810,401
	(33,810,401)	(33,810,401)

-	-
<u>26,761,596</u>	<u>90,775,932</u>



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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.

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

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	13,776,684	27,544,684
Current portion of long term loans		(13,776,684)	(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	50,000,000	35,000,000
Musharaka arrangement -First Dawood Investment Bank Limited	13.2	110,000,000	55,000,000
Current portion of musharaka arrangements		(160,000,000)	(90,000,000)
		-	-



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- 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.

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

	Note	(Un-audited) December 31, 2 0 2 1 ----- (Rupees) -----	(Un-audited) December 31, 2 0 2 0 -----
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
		10,197,846	37,470,588
Brokerage & commission		(736,273)	(1,365,899)
		9,461,573	36,104,689

17 REVERSAL OF PROVISION FOR DOUBTFUL RECEIVABLES

Ijarah / Lease rentals		-	-
Musharaka	8.2	7,561,109	1,799,616
		7,561,109	1,799,616
Less: Charged during the year			
Ijarah / Lease rentals		14,055	-
Musharika		-	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.



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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) -----			
Investments at FVTPL				
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
Investments at FVTOCI				
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
	<u>2,438,741,832</u>	<u>-</u>	<u>75,585,680</u>	<u>2,514,327,512</u>

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) -----			
Investments at FVTPL				
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
Investments at FVTOCI				
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
	<u>1,896,130,832</u>	<u>-</u>	<u>96,081,389</u>	<u>1,992,212,221</u>

Valuation techniques

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

Transfers during the period

During the half year ended December 31, 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 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 deferred tax, which it considers to be accurately finalised when the return of this financial year becomes due.



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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, 2 0 2 1	(Un-audited) December 31, 2 0 2 0
		----- (Rupees) -----	-----
- Management Company			
BRR Investment (Private) Limited	Management fee accrued	12,253,820	18,429,623
BRR Investment (Private) Limited	Management fee paid	31,942,494	17,152,959
BRR Investment (Private) Limited	Rent received	60,000	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	5,085	502

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

Period end balances:

Relationship with the Modaraba	Nature of balances	(Un-audited)	(Audited)
		December 31, 2 0 2 1	June 30, 2 0 2 1
- Management Company		----- (Rupees) -----	
BRR Investment (Private) Limited	Management fee payable	12,253,820	31,942,494
- Associated companies / other related parties			
First Dawood Investment Bank Limited	Musharaka finance	110,000,000	55,000,000
First Dawood Investment Bank Limited	Profit payable	-	-

Relationship with the Modaraba	Nature of balances	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		----- (Rupees) -----	
- Associated companies / other related parties			
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

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)

Rafiq Dawood
Chairman

Ayaz Dawood
Chief Executive Officer

Syed Ali Raza
Director

Syed Tariq Masood
Chief Financial Officer

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