



B.R.R. TOWER



BRR Guardian Limited

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2023

Review Report by the Chairman on Board's overall Performance u/s 192 of the Companies Act 2017:

Dear Shareholders,

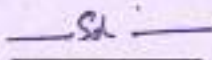
I am delighted to present an overview of B.R.R Guardian Limited's performance for the fiscal year ending on June 30, 2023. Despite the challenging economic landscape, our unwavering commitment to delivering value to our esteemed shareholders has remained steadfast.

The economic conditions in Pakistan have been marked by a series of significant events, including unprecedented floods, inflationary pressures, and political tensions, resulting in a meager GDP growth rate of just 0.5% in FY2023, a significant drop from the previous year's robust 6%.

However, even in the face of such challenges, we pursued strategic initiatives that underpin our dedication to sustainability and efficiency. Notably, In its first year, BRR Guardian Limited demonstrated strong financial performance, reporting a noteworthy PKR 217,375,964 in rental income from investment properties and PKR 63,301,250 from rental income derived from lockers and custodial services. The company achieved a commendable profit before taxation of PKR 241,783,240, while fulfilling tax obligations of PKR 94,066,429. After taxation, the net profit for the year amounted to a robust PKR 147,716,811, resulting in an earnings per share (EPS) of PKR 1.55. These figures reflect our dedication to efficient financial management, responsible governance, and continued value delivery to our shareholders, as we navigate a dynamic business landscape.

The Board is fully aware of its responsibilities concerning the Corporate and Financial Reporting Framework and recognizes its strategic importance in achieving the Company's primary goals. We are dedicated to enhancing returns for our shareholders and other stakeholders, continuing to provide high-quality products and services to our esteemed customers.

Sincerely,



Chairperson

Directors' Report

On behalf of the Board of Directors of B.R.R. Guardian Limited ('BRRG'), it gives us great pleasure to present to you the Annual Report and Audited Financial Statements for the year ended June 30, 2023.

FINANCIAL PERFORMANCE:

Summary of the financial performance is given below:

	June 30, 2023
Rental Income from Investment properties	217,375,964
Rental Income from lockers and custodial services	63,301,250
Profit Before Taxation	241,783,240
Taxation	94,066,429
Net profit for the year	147,716,811
Earning per share (before tax)	2.54
Earning per share (after tax)	1.55

As detailed in Note 1 of the attached financial statements, during the period, pursuant to the order of Honorable Sindh High Court sanctioning the scheme of amalgamation, 'B.R.R Guardian modaraba' ('BRRGM') merged with and into 'BRR Guardian Limited' ('BRRGL') w.e.f July 01, 2022, where by the entire undertaking inclusive of all assets, properties, rights, liabilities and dues of BRRGM have been transferred to and assumed by BRRGL.

In its first year, BRR Guardian Limited demonstrated strong financial performance, reporting a noteworthy PKR 217,375,964 in rental income from investment properties and PKR 63,301,250 from rental income derived from lockers and custodial services. The company achieved a commendable profit before taxation of PKR 241,783,240, while fulfilling tax obligations of PKR 94,066,429. After taxation, the net profit for the year amounted to a robust PKR 147,716,811, resulting in an earnings per share (EPS) of PKR 1.55. These figures reflect our dedication to efficient financial management, responsible governance, and continued value delivery to our shareholders, as we navigate a dynamic business landscape.

Dividend:

The Board of Directors has recommended final cash dividend at the rate of 5% i.e Rs.0.5 per share for the year ended June 30, 2023. The Board is pleased to announce dividend within two months of listing of BRR Guardian Limited.



NATURE OF BUSINESS AND MARKET DYNAMICS:

BRR Guardian Limited also known as BRRG is an emerging real estate development and marketing company with their head office located in heart of cosmopolitan city Karachi it brings / develops property for rental purposes.

The company is founded with a clear purpose to address the rapidly growing demand in the real estate sector of the country by offering innovative and sustainable solutions to its clients. As a company, BRRGL is unwavering in its commitment to delivering top-notch properties that are both high-quality and affordable, and which meet the diverse needs of its customers. BRR Tower on Hassan Ali Street Off: LL Chundrigar Road Karachi is our flagship project.

BRR Security Vault

The Company built a state of the art BRR Security Vault which was opened for business in July 1989. This custom built fort-like building on Shahrah-e-Quaideen, offers a unique blend of high security with a pleasant and friendly atmosphere within and around the building. The security vault has 4 floors of lockers in all sizes catering to business, commercial and individual clients alike. In addition, it offers custodial services to corporate clients.

ECONOMIC REVIEW

The economic conditions in Pakistan have been marked by a series of significant events, including unprecedented floods, inflationary pressures, and political tensions, resulting in a meager GDP growth rate of just 0.5% in FY2023, which is expected to be revised down, a significant drop from the previous year's robust 6%.

STRATEGY FOR BUSINESS SUSTAINABILITY

As our business strategy, we shall remain focused on following areas in FY 2023 -2024:

- Renting out of properties to highly rated customers.
- Enhance size of investment in sound, stable and dividend paying listed securities along with Sukuk and Musharaka based TFCs.
- Refresh tool of risk management processes particularly credit risk management in line with latest techniques.
- Further develop operation capacity of human resource through proper training.

CODE OF CORPORATE GOVERNANCE:

As disclosed in note 42 of the attached financial statements, your company has listed on the Pakistan Stock Exchange on August 4, 2023 subsequent to the financial year ended June 30, 2023. Therefore the requirements contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 are not applicable for the financial year ended June 30, 2023

TRADING / DEALING IN CERTIFICATE OF MODARABA AND SHARES OF BRRG

During the fiscal year, no trade in the certificate of the Modaraba and Shares of BRRG were carried out by the Directors, Chairman, CFO, Company Secretary and their spouses and minor children except the CEO has received, as per succession certificate, 345,800 shares in Central Depository Company (CDC) and 54,380 Physical certificates of BRR and transferred 1 Share of BRRG

CODE OF CONDUCT:

This is the Code of Conduct to which the company is committed voluntarily maintaining the highest standards of conduct and ethical behavior is a moral right and legal requirement that requires the personal commitment of every person associated/connected with the company. The Code of Conduct of the company indicates good business conduct that generally promote the qualities of honesty, fairness, consideration and enlightened professionalism.

OUR CORE VALUES

- ✓ Be customer focused
- ✓ Bring a positive energy and attitude to everything you do
- ✓ Work hard, work smart, and always get the job done
- ✓ Be a team player stepping in to help whenever needed.

Our recipe is quite simple. We take care of our customers, we bring a positive attitude and energy to everything we do by working harder and smarter, we always get the job done. And, through teamwork and collaboration, we have what it takes to be unstoppable!

STAFF RETIREMENT BENEFITS:

BRR Guardian Limited operates a Provident Fund scheme for all permanent employees. The value of investments as at June 30, 2023 is Rs.150.760 million.

POST BALANCE SHEET EVENTS:

No circumstances have arisen since the Balance Sheet date, which require adjustment to disclosure in the Financial Statements.

TRANSACTION WITH CONNECTED PERSONS / RELATED PARTIES:

All transactions between BRR Guardian Limited (BRRG) and connected person/related parties are carried at an arm's length basis except for those transactions whose justification has been recorded.

AUDITORS:

We would also like to apprise that on recommendation of Audit Committee, the appointment of Crowe Hussain Chaudhury & Co - Chartered Accountants have been recommended as the auditors of the company for the financial year 2023-24.



KEY OPERATING AND FINANCIAL DATA:

The Key Operating and Financial data has been presented with analysis summarized on the last page.

RISK MANAGEMENT:

Risk taking is an integral part of any business and is rooted in the philosophy of risk versus reward, (the higher the risk the greater the reward). Our fundamental objective is to maximize certificate's value, but this must be carried out in a clearly articulated risk tolerance framework. The Company has a robust risk management framework to identify, measure and mitigate business risks and opportunities. The company is susceptible to the following principal risks which are mitigated via specific policies and plans:

Operational Risks

Operational risks are those which hinder the entity from running its operations smoothly. Our main operational risks are:

Taxation Regime:

Significant measures in overall tax regime of Pakistan are required to rationalize tax laws and increase investors' confidence which may directly result in changed tax rates for companies and thereby affect company's profitability. We have paid Rs.50 million in taxes during the year.

Economic Risk & Volatility:

The country's overall economic situation due to possible adverse changes in Macro Economic / Political scenario may affect the business of the company and result in overdue and defaults. Further, changes in discount rates by State Bank of Pakistan and volatility of the Pakistan Stock Exchange (PSX) may also adversely affect the investment income of the company.

Financial Risks

Financial risks may cause financial loss to the company. Financial risk has been described in detail in note 37 of the attached financial statements.

Compliance & Regulatory Risk

Non-compliance with applicable laws and regulations may result in imposition of penalties and other adverse legal action. Therefore a comprehensive and effective compliance function is in place and Company's Code of Conduct clearly defines expectations from its employees. The employees and business partners are encouraged to report compliance violations that they may encounter. Further, changes in law and regulations could have a material impact on the revenues and cost of doing business for the company.



Board Composition & Remuneration

Composition of the Board and the names of members of Board Committees are as follows:

Audit Committee

Mr. Waqas Anwar Qureshi	-	Chairman
Mr. Ghazafar-ul-Islam	-	Member
Mr. Amer Maqbool	-	Member

Human Resource and Remuneration Committee

Mr. Junaid Sakhi	-	Chairman
Mr. Tahir Mehmood	-	Member
Mr. Waqas Anwar Qureshi	-	Member

Furthermore, the Board of Directors has a formal policy and transparent procedures for remuneration of its directors in accordance with Companies Act 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2019.

Independent and / or Non- Executive Director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee(s) thereof as per Articles of Association of the Company. Details of directors remuneration is disclosed in detail in note 36 of the attached financial statements.

Board of Directors Meetings of the Company

The status of Board of Directors Meetings is as follows:

Sr. No	Name	Designation	Attendance
1	Mr. Rafique Dawood (passed away on August 19, 2022)	Chairman	1 out of 1
2	Ms. Hamida Dawood	Chairperson	5 out of 5
3	Mr. Ayaz Dawood	CEO	6 out of 6
4	Mr. Tahir Mehmood	Director	6 out of 6
5	Mr. Amer Maqbool	Director	4 out of 5
6	Mr. Junaid Sakhi	Director	5 out of 5
7	Mr. Ghazanfar-Ul-Islam	Director	4 out of 5
8	Mr. Waqas Anwar Qureshi	Director	0 out of 5

INTERNAL CONTROL AND AUDIT FUNCTION:

The Board is responsible for effective implementation of a sound internal control system including compliance with control procedures. At BRRG, Audit Committee has in-house Internal Audit Function, for wider functions and role identified as below:

1. Review accounting and internal control system
2. Review the economy, efficiency and effectiveness of operations (Value for Money Audits / VFM Audits)
3. Examining financial and operational information.
4. Assisting with the identification of significant risks.

Dedicated Internal Audit Function helps to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. It is a control which functions by examining and evaluating the adequacy and effectiveness of other controls.

HUMAN RESOURCE MANAGEMENT POLICIES & SUCCESSION PLANNING:

We are 'an equal opportunity employer' and the Management of BRRG is committed to induct talented professionals through a transparent and competitive process while complying with best legal and ethical practices that has prescribed in our Human Resource Policy.

Our employees are our biggest asset and we go to great lengths to facilitate them. The compensation and benefit policies are designed not only to keep the employees motivated but also to attract and retain the competent valued workforce.

Employees' career management is being managed in parallel lines through utilizing a multidimensional approach. Performance management and annual appraisal are important part of career management. The Limited provides training to various disciplines and with a view to extend support to the Accounting & Finance professional as part of our CSR program.

SUCCESSION PLAN:

Our management policy is not only to take on board talented & dedicated professionals but also grooms and develops their skills for future leadership roles.

At BRRG, we believe in empowering people by providing them challenging opportunities to enhance their potential and develop their abilities. Succession plan contain information on performance and potential. In many cases succession plan is prepared for possible moves of key personnel and therefore treated in a highly confidential manner.

CORPORATE SUSTAINABILITY:

At BRRG, we recognize that we have responsibilities not only towards our customers, employees and shareholders, but also the communities in which we operate.

We believe that a sustainable company must be consistently profitable, but not solely concerned with making a profit. Success for BRRG means providing our customers with the products and services they need and want, understanding and managing the impact we have on society and the environment, and investing in the future of our employees and the communities we serve. These measures help us to carry out our work in a way that is both commercially astute and ethically sound.

Corporate Social Responsibility:

In an age in which environmental and social issues are top of mind for many consumers, businesses can no longer exist in a bubble. Today's shoppers aren't just looking for the best price and quality they expect the companies they patronize to do well with their money and make a positive impact



**Independent Auditor's Report
To the members of BRR Guardian Limited
Report on the Audit of the Financial Statements**

Opinion

We have audited the annexed financial statements of the **BRR Guardian Limited (the Company)** which comprise the statement of financial position as at June 30, 2023 and the statement of profit or loss and statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the profit and loss statement, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of its profit and other comprehensive income, the changes in equity and its cash flows for the period ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

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report. However, future events or conditions may cause the Company to cease to continue as a going concern

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

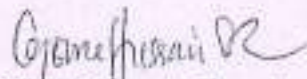
Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The financial statements of the Company for the year ended 30 June 2022 were audited by another firm of chartered accountants who expressed unmodified opinion dated 05 August 2022.

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



Crowe Hussain Chaudhury & Co.
Chartered Accountants

Karachi

Date: 05 OCT 2023

UDIN: AR202310207kwmvKxSGN

BRR GUARDIAN LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2023

4

BRR GUARDIAN LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	JUNE 30, 2023	JUNE 30, 2022
		----- Rupees -----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	156,781,788	-
Investment properties	6	858,820,601	-
Long-term investment	7	43,054,009	-
Long-term musharaka finances	8	43,476,707	-
Long-term loans, advances and deposits	9	4,419,424	-
Total non-current assets		<u>1,106,552,529</u>	-
Current assets			
Loans, advances and prepayments	10	16,097,417	-
Current portion of musharaka finances	8	38,656,663	-
Ijarah / lease rental receivable	11	-	-
Accrued profit	12	1,539,891	-
Other receivables	13	20,502,575	-
Tax refund due from government - net	14	69,959,701	-
Short-term investments	15	2,481,687,679	-
Cash and bank balances	16	19,589,310	70,075
Total current assets		<u>2,648,033,236</u>	<u>70,075</u>
TOTAL ASSETS		<u><u>3,754,585,765</u></u>	<u><u>70,075</u></u>
EQUITY AND LIABILITIES			
Capital and reserve			
Authorised capital			
140,010,000 (2022: 10,000)			
shares of Rs. 10/- each	1.2	<u>1,400,100,000</u>	<u>100,000</u>
Issued, subscribed and paid-up share capital	17	950,084,890	100,000
Reserves	18	1,286,704,137	(57,405)
Surplus on revaluation of investments-net	19	814,780,886	-
		<u>3,051,569,913</u>	<u>42,595</u>

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	Note	2023 Rupees	2022
LIABILITIES			
Non-current liabilities			
Long-term musharaka	20	-	-
Long-term security deposits	21	70,609,539	-
Deferred tax liability	22	238,599,621	-
Total non-current liabilities		309,209,160	-
Current liabilities			
Current portion of long-term musharaka		110,000,000	-
Current portion of security deposits	21	9,800,383	-
Creditors, accrued and other liabilities	23	236,361,137	27,480
Accrued profit on borrowings	24	2,064,673	-
Unclaimed dividends	25	35,580,499	-
Total current liabilities		393,806,692	27,480
Contingencies and commitments	26		
TOTAL EQUITY AND LIABILITIES		3,754,585,765	70,075

The annexed notes from 1 to 46 form an integral part of these financial statements.

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 DIRECTOR

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 CHIEF EXECUTIVE



 CHIEF FINANCIAL OFFICER

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BRR GUARDIAN LIMITED
STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2023

		FROM DECEMBER 16, 2021 TO
	JUNE 30 2023	JUNE 30, 2022
	Rupees	
Rental Income	27	298,140,264
Administrative and operating expenses	28	(186,332,424)
Depreciation	29	(55,688,988)
Expected credit loss allowance-net	30	1,132,855
Operating profit / (loss)		<u>57,251,707</u>
Other income	31	30,430,955
Investment income	32	181,522,555
Finance costs	33	(27,421,977)
Profit / (loss) before taxation		<u>241,783,240</u>
Taxation	34	(94,066,429)
Net profit for the year		<u>147,716,811</u>
Earnings per shares - basic and diluted	35	<u>1.55</u>

The annexed notes from 1 to 46 form an integral part of these financial statements.

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 DIRECTOR


 CHIEF EXECUTIVE



 CHIEF FINANCIAL OFFICER

BRR GUARDIAN LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	JUNE 30 2023	FROM DECEMBER 16, 2021 TO JUNE 30, 2022
	----- Rupees -----	
Profit / (loss) for the year	147,716,811	(57,405)
Other comprehensive income for the year		
Items that will be subsequently reclassified:		
- Unrealised gain on revaluation of fair value through OCI investments-net of deferred tax	61,506,144	
Total comprehensive income for the year	<u>209,222,955</u>	<u>(57,405)</u>

The annexed notes from 1 to 46 form an integral part of these financial statements.

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DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

BRR GUARDIAN LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	JUNE 30 2023	FROM DECEMBER 16, 2021 TO JUNE 30, 2022
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	241,783,240	(57,405)
Adjustment of non-cash and other items:		
Depreciation	55,688,988	-
Expected credit loss	(1,132,855)	-
Gain on disposal of property and equipment - owned	(706,132)	-
Ijarah rental income	(9,081,180)	-
Profit on murabaha, musharaka	(18,934,149)	-
Financial charges	27,378,783	-
Fee and subscriptions	37,480,510	-
Profit on debt securities	(5,915,767)	-
Rental income	(280,677,214)	-
Gain on sale of investments	(10,709,543)	-
Reversal of provision for diminution of investments	(4,722,634)	-
Impairment of long term investment	11,945,991	-
Unrealised gain on revaluation of PVTPL Investment	(126,863,841)	-
	(326,249,043)	-
	(84,465,803)	(57,405)
(Increase) / decrease in current assets		
Loans, advances and prepayments	(8,570,862)	-
Ijarah / lease rental receivable	9,081,180	-
Accrued profit	24,027,270	-
Other receivables	(367,683)	-
	24,169,905	-
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	(75,844,578)	27,480
Rentals received in advance -net	320,209,095	-
Accrued profit on borrowings	(25,314,110)	-
	219,050,407	27,480
Income tax paid - net	(50,211,306)	-
Net cash generated from / (used in) operating activities	108,543,203	(29,925)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property and equipment - owned	(16,875,042)	-
Addition to capital work in progress	(48,330,511)	-
Proceeds from the disposal of property and equipment - owned	820,199	-
Proceeds from the disposal of leased assets-net	10,545,849	-
Investments purchased - net	(36,320,039)	-
Musharaka finances	(1,237,031)	-
Long-term loans, advances and deposits	1,339,008	-
Net cash used in investing activities	(90,057,567)	-

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 Chartered Accountants
 15/16, Market Street, Colombo 02

'FROM
 DECEMBER 16,
 2021 TO JUNE
 30, 2022
 ----- Rupees -----

CASH FLOWS FROM FINANCING ACTIVITIES

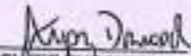
Profit paid to certificate holders	(50,480)	-
Shares issued during the year	-	100,000
Finance under murabaha, musharaka and finance	(40,000,000)	-
Long-term security deposits	2,618,433	-
Net cash (used in) / generated from financing activities	<u>(37,432,047)</u>	<u>100,000</u>
Net (decrease) / increase in cash and cash equivalents	(18,946,411)	70,075
Cash and cash equivalents at the beginning of the year	70,075	-
Cash and cash equivalents transfer from amalgamated entity	38,465,646	-
Cash and cash equivalents at the end of the year	<u>19,589,310</u>	<u>70,075</u>

The annexed notes from 1 to 46 form an integral part of these financial statements.

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 DIRECTOR



 CHIEF EXECUTIVE



 CHIEF FINANCIAL OFFICER

BRR GUARDIAN LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

Description	Issued, subscribed and paid-up share capital	Capital reserve		Revenue reserve Accumulated (loss)/ Profit	Surplus on revaluation of investment	Total
		Merger Reserve				
Balance as at December 16, 2021						
Shares issued during the period	100,000	-	-	-	-	100,000
Other comprehensive income	-	-	(57,405)	-	-	(57,405)
Balance as at June 30, 2022	100,000	-	(57,405)	-	-	42,595
Issue of shares on amalgamation (Refer: Note 1.2)						
Reserve on amalgamation of BRRGM	949,984,890	1,130,801,550	-	-	-	949,984,890
FVOCI reserve transfer from amalgamated entity - net of deferred tax	-	-	147,716,811	761,517,923	-	761,517,923
Profit for the year ended June 30, 2023	-	-	-	61,506,144	-	61,506,144
Other comprehensive income	949,984,890	1,130,801,550	147,716,811	823,024,067	-	3,051,527,318
Transfer of gain on disposal of fair value through OCI investments	-	-	8,243,181	(8,243,181)	-	-
Balance as at June 30, 2023	950,084,890	1,130,801,550	155,902,587	814,780,886	-	3,051,569,913

The annexed notes from 1 to 46 form an integral part of these financial statements.

CWC


 DIRECTOR


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER

BRR GUARDIAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**1. LEGAL STATUS AND NATURE OF THE BUSINESS**

1.1 BRR Guardian Limited ('the Company' or 'BRRGL') was incorporated in Pakistan on December 16, 2021 as a public limited company (un-listed) under Company Act, 2017. The principle line of business of the company is marketing and development of all type of real estate including developed or undeveloped land, housing or commercial projects including commercial markets or multistoried building (for commercial or residential purposes), shopping centers, restaurants, hotels, recreational facilities etc. with the permission of concerned authorities and compliance with applicable laws and regulations. The registered office of the Company is situated at 20th floor, B.R.R Tower, Hassan Ali Street, I.I Chundrigar Road, Karachi. It is to be noted that the Company has acquired Modaraba business however the business of Ijarah leasing and diminishing musharika have been discontinued after the amalgamation and the existing contracts are live for recovery purposes only.

1.2 In prior year, the Board of Directors of B.R.R. Investment (Private) Limited (then Modaraba Management Company of BRR Guardian Modaraba), in their meeting resolved and granted in principal approval for conversion of BRR Guardian Modaraba ('BRRGM') into a public limited company incorporated under the laws of Pakistan, by incorporating a new public limited company i.e. BRR Guardian Limited "BRRGL" and amalgamating BRRGM with and into BRRGL pursuant to a Scheme of Arrangement 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 BRRGL, which will be procured to be listed on PSX under a direct listing process in lieu of amalgamation of BRRGM with and into BRRGL. The said transfers took place at the carrying values of the assets and liabilities of the Modaraba as per the latest audited financial statements available at the time of conversion. The above proposed decision was subject to the approval of the Registrar of Modaraba, the Securities Exchange Commission of Pakistan, the Honorable High Court, the Certificate holders of BRRGM and other relevant authorities as per Modaraba Companies Modaraba Flotation Control Ordinance 1980, and the Companies Act, 2017 and other laws for the time being in force.

The Registrar of Modaraba had issued NOC on proposed merger vide its letter dated March 28, 2023 and on April 14, 2023 the Modaraba submitted petition for approval of Sindh High Court for the aforesaid merger. Further, the certificate holders of the Modaraba in their meeting held on May 20, 2023 approved unanimously the "Scheme of Arrangement (Modaraba)" for aforesaid merger involving swap ratio of 1:1 having effect from the close of business on June 30, 2022 i.e July 01, 2022 or such other date as may be stated by the court subject to approval of Registrar of Modaraba and such changes, modifications as may be required or advised by legal counsel and / or accounting consultants and / or by the High Court.

awc

During the year, the Honorable Sindh High Court, Karachi through its Order vide No. J. M. No.06 of 2022 dated April 23, 2023 sanctioned the Scheme of Arrangement for the Amalgamation of 'B.R.R Guardian modaraba' with and into 'BRR Guardian Limited' ('BRRGL') having effect from the close of business on June 30, 2022 i.e. July 01, 2022, whereby the entire undertaking inclusive of all assets, properties, rights, liabilities and dues of BRRGM transferred to and assumed by BRRGL. BRRGL will continue as a going concern and BRRGM upon amalgamation will cease to exist. These financial statements have been prepared in accordance with the aforesaid order of the High Court of Sindh:

On the scheme becoming effective, the authorized capital of BRRGM of Rs. 1,400,000,000 has been merged and combined with the authorized capital of BRRGL of Rs.100,000. Consequently the merged authorized capital of BRRGL stands increased at Rs.1,400,100,000 divided into 140,010,000 ordinary shares of Rs.10 each. Further, consequent on the scheme becoming effective the issued, subscribed and paidup capital of BRRGM of Rs.949,984,890 has been merged with and combined with the issued, subscribed and paidup capital of BRRGL of Rs.100,000. Consequently the issued, subscribed and paidup certificate capital of BRRGL stands increased to Rs.950,084,890 divided into 95,008,489 ordinary shares of Rs. 10 each calculated at a swap ratio of 1 : 1 (BRRGL : BRRGM).

As a result as on July 01,2022, the entire business of BRRGM including properties, assets, liabilities and rights and obligations vested into the Company. Since BRRGM was a group entity under common control, the merger has been accounted for as a common control transaction and predecessor accounting has been applied. Under predecessors accounting, the acquired net assets of BRRGM are included in the financial statements of the Company at the same carrying values as recorded in BRRGM's own financial statements as on July 01, 2022. The results and the statement of financial position of BRRGM are consolidated prospectively from date of merger.

- 1.3 In prior year, BRRGM had incorporated a wholly owned subsidiary namely BRR Financial Services (Private) Limited (the Subsidiary) which was incorporated on November 30, 2015 under the Companies Ordinance 1984 now Companies Act 2017. The Subsidiary has not yet commenced its operations as at year end (refer note 8). Pursuant to the scheme of amalgamation of BRRGM with and into BRRGL as detailed in Note 1.2 above, BRRGL has now become the parent company of BRR Financial Services (Private) Limited.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 and Part VIII A of the repealed Companies Ordinance, 1984;

Where the provisions of and directives issued under the Companies Act, 2017, Part VIII A of the repealed Companies Ordinance, 1984 differ from the IFRS standards, the provisions of and directives issued under Companies Act, 2017 have been followed.

GMC

2.2 Basis of measurement

These financial statements have been prepared under the "historical cost convention" except for the revaluation of certain financial assets which are stated at fair value. These financial statements have been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

These financial statements have been presented in Pakistan Rupees, which is the functional and presentation currency of the company.

2.4 Significant accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period effected.

Judgments made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows;

	Note
Amortization of property, plant and equipment - Ijarah	4.1
Amortization of property, plant and equipment - leased	4.1.1
Depreciation on property and equipment - own	4.1.2
Classification and valuation of investments	4.4
Provision for doubtful receivables	4.5
Impairment of investments, debt securities and leased assets	4.7

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards, amendments and interpretations to the published standards that are relevant to the Company and adopted in the current year

There were certain amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 01, 2022. However, these are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and, therefore, have not been disclosed in these financial statements.

3.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

There is a standard and certain other amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

CHU

4 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below.

4.1 Property, plant and equipment under ijarah arrangements

The Modaraba had adopted Islamic Financial Accounting Standard 2 - Ijarah in the year ended June 30, 2009 for all ijarah contracts commencing on or after July 01, 2008. The Company has continued the same accounting policy.

The assets subject to ijarah commencing on or after July 01, 2008 are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged on these assets using the straight line method over the ijarah period which is from date of delivery of respective assets to mustajir upto the date of maturity / termination of ijarah agreement. In respect of the addition or deletion during the year, amortisation is charged proportionately to the period of ijarah.

4.1.1 Property, plant and equipment under lease arrangements

Leased fixed assets are stated at cost less accumulated amortisation and impairment loss (if any). Amortisation is charged to income applying the annuity method whereby the cost of an asset less its residual value, is written off over its lease period. In respect of additions and disposals during the year, amortisation is charged proportionately to the period of lease.

Gain or loss on disposal of leased assets is recognised as income or expense as and when incurred.

4.1.2 Property, plant and equipment under own use

Operating fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss account during the period in which they are incurred.

Depreciation is charged to income applying the straight-line method whereby the cost of an asset is written off over its estimated useful life. In respect of additions and disposals during the year, depreciation is charged proportionately to the period of use.

The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the profit and loss account.

Depreciation method, useful lives and residual values, are reassessed at least at each balance sheet date and changes, if any, are recognised prospectively.

CVC

4.2 Capital work-in-progress

Capital work-in-progress, if any, is stated at cost (less impairment losses, if any) and represents expenditure on fixed assets in the course of construction and installation and advances for capital expenditure. Transfers are made to relevant operating fixed assets and investment property category as and when the assets are available for intended use.

4.3 Investment properties

Leased investment properties are properties accounted for under IAS 40 'Investment Properties' (held to earn rentals or for capital appreciation). The investment properties of the company comprises of buildings including capital work-in-progress and is valued using the cost method i.e. at cost less any accumulated depreciation and any impairment losses.

Properties held to earn rentals or for capital appreciation are classified as an investment properties. The investment properties of the company comprises of buildings including capital work-in-progress and is valued using the cost method i.e. at cost less any accumulated depreciation and any impairment losses.

Depreciation on investment properties is charged on straight line method over their estimated useful life at rates ranging from 2% to 5% per annum. In respect of additions and disposals during the year, depreciation is charged proportionately to the period of use.

4.4 Financial assets

The company classifies its financial assets into following three categories:

- Fair Value through Other Comprehensive Income (FVOCI);
- Fair Value through Profit or Loss (FVTPL); and
- At Amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

4.4.1 Subsequent measurement

Debt instruments at FVOCI

These assets are subsequently measured at fair value. Profit / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

CAC

Equity instruments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

Financial assets FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss.

Financial assets measured at amortised cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Profit / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. These comprise of Ijarah rental receivable, musharaka finances, advances, deposits, prepayments and other receivables and trade debts.

4.5 Provisions for doubtful receivables

Provisions are recognised when the company has a present, legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.6 Trade date accounting

All 'regular way' purchases and sales of quoted equity securities are recognised on the trade date i.e. the date that the company commits to purchase / sell the asset. 'Regular way' purchases or sales of quoted investments require delivery within two working days after the transaction date as per stock exchange regulations.

CAC

4.7 Impairment

4.7.1 Impairment on Financial assets.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. IFRS 9 introduces a forward looking expected credit loss model, rather than the current incurred loss model, when assessing the impairment of financial asset in the scope of IFRS 9. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVTOCI, but not to investment in equity instruments.

Provision of financial assets (i.e. Musharaka, Ijarah and Murabaha) is recognized in accordance with the criteria laid down in prudential regulations issued by Securities and Exchange commission of Pakistan (SECP) and is charged to profit and loss account in the period to which it relates.

For the provision of other financial assets, the company follows expected credit loss model of IFRS 9.

Impairment loss in respect of financial assets classified as fair value through other comprehensive income (other than debt securities) is recognized based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. A significant or prolonged decline in fair value of an equity investment below its cost is also considered an objective evidence of impairment. The determination of what is significant or prolonged requires judgment.

In case of impairment of financial assets at FVOCI, the cumulative loss that has been recognized directly in statement of comprehensive income is taken to the statement of profit or loss.

Other individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All these impairment losses are recognized in the statement of profit or loss.

4.7.2 Impairment on Non-financial assets

The company assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Where impairment loss for asset subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. Reversal of impairment loss is recognised as income in profit or loss account.

CYIC

4.8 Derecognition of financial instruments

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

4.9 Revenue recognition

4.9.1 Ijarah income / operating lease income

Up until June 30, 2008, the company treated all leases as operating leases and from July 01, 2008, the company has adopted IFAS 2 - Ijarah for all new disbursements. In accordance with the requirements of IFAS 2 - Ijarah, rental from Ijarah arrangements are recognised in profit and loss account on an accrual basis as and when rentals become due. Unrealised income in respect of non-performing Ijarah finance is held in suspense account, where necessary, in accordance with the requirements of the Prudential Regulations for companies issued by the SECP.

Leases in which a significant portion of the risk and reward is retained by the company are classified as an operating lease. Rental income from operating leases is recognised on straight line on an accrual basis.

4.9.2 Murabaha and musharaka transactions

Profit from musharaka transactions is recognised on the basis of pro rata accrual of the profit estimated for the transaction over the period.

Profit from murabaha finance is accounted for on culmination of murabaha transaction. However, the profit on that portion of murabaha finance not due for payment is deferred and recorded as "Deferred Murabaha Income". The same is then recognised on a time proportion basis.

4.9.3 Rental income

Rental income arising from investment properties and lockers is accounted for on accrual basis.

4.9.4 Dividend income

Dividend is recognised as income when the company's right to receive dividend is established.

4.9.5 Gain and losses on sale of investment

Gains and losses on sale of investments are accounted for when their commitment (trade date) for sale of security is made.

4.9.6 Income on debt securities

Income is recognised on a time proportion basis under the effective yield method.

CNC

4.9.7 Income on balances with banks

Profit on saving accounts with banks is recognised on an accrual basis.

4.9.8 Unrealised income on non-performing assets

Unrealised income is suspended, where necessary, on non-performing assets (including non-performing net investment in ijarah and murabaha and musharaka finances), in accordance with the requirements of the Prudential Regulations for companies issued by the SECP. Unrealised suspense income is recognised in profit and loss account on receipt basis.

4.10 Taxation**4.10.1 Current**

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credit and tax rebates realisable, if any.

4.10.2 Deferred

The company accounts for deferred taxation on all material temporary differences using the liability method arising between the amounts attributed to assets and liabilities for financial reporting purposes and financial statements used for taxation purposes.

4.11 Staff provident fund

The Company contributes to an approved group fund scheme covering all its employees who are eligible under the scheme. Equal monthly contributions are made by the company and the employees to the fund at 10% of the basic salary of the employees.

4.12 Foreign currencies translation

Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange approximating to those prevalent on the balance sheet date. Foreign currency transactions are converted into Pak Rupees at the rate of exchange prevailing on the date of transactions. Exchange gains and losses on translation are recognised in profit and loss account.

4.13 Financial assets

Financial assets include lease rentals receivable, investments, musharaka and murabaha finances, deposits and other receivables, excluding taxation. Lease rentals receivable, musharaka, murabaha and other receivables are stated at cost as reduced by appropriate allowances for estimated irrecoverable amounts.

GWC

4.14 Financial liabilities

Financial liabilities are classified according to the substance of contractual arrangements entered into. These are initially recognised at fair value and subsequently stated at amortised cost. Significant financial liabilities are musharaka, murabaha and finance under mark-up arrangements, deposit on lease contracts and accrued and other liabilities.

4.15 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, balances at banks in current and deposit accounts and stamps in hand, as well as balance held with the State Bank of Pakistan (SBP).

4.16 Offsetting financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the balance sheet, if the company has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Corresponding income on the assets and charge on the liability is also offset.

4.17 Segment reporting

As per IFRS 8, "Operating Segments", operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision maker. The chief executive officer of the company management company has been identified as the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the company's other components. The company has only one reportable segment.

4.18 Earnings per share

The company presents earnings per share (EPS) data for its shares. Basic EPS is calculated by dividing the profit or loss attributable to share holders of the company by weighted average number of shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential shareholders.

4.19 Related party transactions

All transactions with the related parties are priced on arm's length basis. Prices for those transactions are determined on the basis of admissible valuation methods.

CNC

5 PROPERTY, PLANT AND EQUIPMENT	Note	2023	2022
		(Rupees)	
Property and equipment - owned	5.1	72,783,657	
Property, plant and equipment - leased / Ijarah	5.2	9,800,570	
Advance / Capital work in progress		74,197,561	
		<u>156,781,788</u>	

5.1. Property, plant and equipment - owned

Particulars	Leasehold land	Building on leasehold land	Office Premises	Lockers	Furniture and fixtures	Vehicles	Office equipment and computers	Total
	(Rupees)							

Year ended June 30, 2023

Net carrying value basis

Opening net book value (NBV)								
Transfer from unconsolidated entity	985,873	4,482,045	23,702,436	12,268,809	2,881,081	21,472,267	2,074,085	68,880,586
Additions (at cost)				136,906	171,809	14,589,340	1,908,900	16,875,042
Disposals (NBV)							(114,987)	(114,987)
Depreciation (at age)	(58,557)	(154,512)	(2,828,492)	(1,721,534)	(420,587)		(8,094,885)	(13,448,557)
Closing net book value	935,316	6,327,534	21,681,844	10,661,275	2,734,295	27,853,157	2,599,136	72,783,657

Gross carrying value basis

Cost	2,527,890	26,879,419	46,735,154	25,568,189	5,551,236	52,062,881	22,821,635	193,285,074
Accumulated depreciation	(1,592,574)	(19,751,885)	(22,611,803)	(24,906,893)	(2,816,932)	(25,049,824)	(20,222,499)	(118,063,402)
Accumulated impairment			(2,438,487)					(2,438,487)
Net book value	935,316	6,327,534	21,681,844	10,661,275	2,734,295	27,853,157	2,599,136	72,783,657

Depreciation rate % per annum

2%	2-5%	2-5%	10%/15%	10%	20%	33.33%
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5.1.1 Disposal of property and equipment - during the year - (Owned)

Property and equipment	Cost	Accumulated depreciation	Net book value	Disposal proceeds	Gains / (Loss) on disposal	Mode of disposal	Particulars of purchaser
	(Rupees)						
Vehicles							
Suzuki Cultus 81T-479	1,147,309	1,147,299	1	114,730	154,729	Company Policy	Chen Zelf
Suzuki Cultus 82W-945	1,090,502	1,060,809	1	106,058	196,040	Company Policy	Aviz Ali
Toyota Corolla GII 88S-175	1,901,793	1,901,059	1	190,076	190,089	Company Policy	Muhammad Ahmed
Lexus 8D-020	1,907,600	1,907,599	1	190,760	290,759	Company Policy	Chen Zelf
Suzuki Mehran 8DV-763	668,600	668,799	1	66,888	66,870	Company Policy	Armed Siddiqui
Super Power 70CC 18H-17-6L37	41,500	41,489	1	4,150	4,180	Company Policy	Muhammad Aslam
Uniq-70CC 88S-1987	48,500	48,499	1	4,850	4,880	Company Policy	Fahim
Uniq-70CC 88S-2390	48,500	48,499	1	4,850	4,880	Company Policy	Shuja Usdin
Uniq-70CC 80P-1851	62,500	5,390	77,000	74,000	(3,000)	Insurance Claim	TPL Insurance
Uniq-70CC 88S-1965	52,800	45,665	6,934	13,867	6,933	Company Policy	Muhammad Solih
Uniq-70CC 80C-6652	58,300	28,178	30,122	25,952	5,170	Company Policy	Rahid Usar
Super Power 70CC 88S-6437	47,700	47,699	1	4,770	4,799	Company Policy	Ahmar Ali
Super Power 70CC 88S-6480	47,700	47,699	1	4,770	4,799	Company Policy	Waseem Muhammad
Union Star -85V0 ALT-210	45,000	44,999	1	4,500	4,499	Company Policy	Ahmed Hameed
June 30, 2023	<u>7,156,680</u>	<u>7,642,533</u>	<u>114,067</u>	<u>630,189</u>	<u>716,132</u>		

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	Nota	2023 (Rupees)	2022
5.2 Property, plant and equipment - leased / ijarah			
Property, plant and equipment - leased	5.2.1 & 5.2.3	9,069,400	-
Property, plant and equipment - ijarah	5.2.2	731,170	-
		<u>9,800,570</u>	<u>-</u>

5.2.1 Property, plant and equipment - leased

Particulars	Plant and machinery	Vehicles	Motor boat	Total
	(Rupees)			
Year ended June 30, 2023				
Net carrying value basis				
Opening net book value (NBV)				
Transfer from amalgamated entity	14,281,091	5,064,742	269,416	19,615,249
Additions (at cost)				
Disposals (NBV)	(9,597,933)	(678,500)	(269,416)	(10,545,849)
Depreciation charge				
Closing net book value	<u>4,683,158</u>	<u>4,386,242</u>	<u>-</u>	<u>9,069,400</u>
Gross carrying value basis				
Cost	46,832,000	76,359,995	-	123,191,995
Accumulated impairment		(41,659,585)	-	(41,659,585)
Accumulated depreciation	(42,148,842)	(30,314,168)	-	(72,463,010)
Net book value	<u>4,683,158</u>	<u>4,386,242</u>	<u>-</u>	<u>9,069,400</u>

5.2.2 Property, plant and equipment - ijarah

Particulars	Vehicles --- (Rupees) ---
Year ended June 30, 2023	
Net carrying value basis	
Opening net book value (NBV)	-
Transfer from amalgamated entity	731,170
Additions (at cost)	-
Disposals (NBV)	-
Depreciation charge	-
Closing net book value	<u>731,170</u>
Gross carrying value basis	
Cost	3,572,000
Accumulated depreciation	(2,840,830)
Net book value	<u>731,170</u>

C/L

5.2.3 These fully depreciated leased assets are related to non-performing lease receivables which are under litigation in various courts and are being persuaded professionally by competent legal counsels. Further, in prior year, the lease receivables related to these assets were also fully provided under Prudential Regulations for Modaraba's by BRRGM. The Company has also maintained full provision policy against these balances.

5.2.4 In view of the large number of disposal of property, plant and equipment given on lease/ijarah, the management of the company is of the opinion that no practical purpose will be served by presenting details of such disposals.

	Note	2023 (Rupees)	2022
6 INVESTMENT PROPERTIES			
Investment properties	6.1	849,731,601	-
Capital work in progress	6.2	9,089,000	-
		<u>858,820,601</u>	

6.1. Investment properties

Particulars	Leasehold land	Building on leasehold land	Office premises	Total
	(Rupees)			
Year ended June 30, 2023				
Net carrying value basis				
Opening net book value (NBV)				
Transfer from amalgamated entity	131,943,886	511,111,681	248,407,696	891,463,263
Additions (at cost)	-	-	-	-
Transfer from owned asset (NBV)	-	-	-	-
Transfer to owned asset (NBV)	-	-	-	-
Disposals (NBV)	-	-	-	-
Depreciation charge	(3,790,221)	(18,266,709)	(19,674,732)	(41,731,662)
Closing net book value	<u>128,153,665</u>	<u>492,844,972</u>	<u>228,732,964</u>	<u>849,731,601</u>
Gross carrying value basis				
Cost	189,511,155	675,793,069	567,498,203	1,432,802,427
Accumulated impairment	-	-	(3,982,432)	(3,982,432)
Accumulated depreciation	(61,357,490)	(182,948,097)	(334,782,807)	(579,088,394)
Net book value	<u>128,153,665</u>	<u>492,844,972</u>	<u>228,732,964</u>	<u>849,731,601</u>
Depreciation rate % per annum	2%	2-5%	2-5%	

6.1.1 The fair value of investment property as at June 30, 2023 as per valuation report of independent valuer is Rs. 4,936.484 million.

etc

	Note	2023 ----- (Rupees) -----	2022 -----
6.2 Capital work-in-progress			
Advance for office premise - Jofa Tower, Karachi	6.2.1	66,420,000	-
Less: Provision against advance for office premises		(57,331,000)	-
		<u>9,089,000</u>	<u>-</u>

- 6.2.1** This includes Rs. 57.331 million paid for the purchase of three shops of Jofa Tower. Due to 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 company. In March 2012, the erstwhile BRRGM 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 years, erstwhile BRRGM has made provision against the advance paid for the purchase of three shops amounting to Rs. 57.331 million.

	2023 ----- (Rupees) -----	2022 -----
7 LONG-TERM INVESTMENT		
Un-quoted wholly owned subsidiary company - at cost BRR Financial Services (Private) Limited		
5,500,000 shares of Rs. 10 each	55,000,000	-
Less: Impairment reserve	(11,945,991)	-
	<u>43,054,009</u>	<u>-</u>

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

Pursuant to approval from SECP, BRRGM incorporated a wholly owned subsidiary, namely, BRR Financial Services (Private) Limited (the Company) on November 30, 2015. In prior years, the erstwhile 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 and PSX vide letter dated June 25, 2019 transferred TREC from Modaraba to B.R.R Financial Services (Private) Limited and thereby granted a TREC to BRR Financial Services (Private) Limited.

The net assets of BRR Financial Services (Private) Limited based on latest audited financial statement as at June 30, 2023 amounted to Rs. 36.861 million (June 30, 2022 : Rs. 43.054 million). During the period, an impairment loss of Rs.11.946 million has been booked on this investment.

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	Note	2023 (Rupees)	2022
8 LONG-TERM MUSHARAKA FINANCES			
Diminishing musharaka finance	8.1 & 8.3	133,442,150	-
Expected credit loss allowance	8.2	(51,308,780)	-
		<u>82,133,370</u>	-
Current portion of musharaka finances		(38,656,663)	-
		<u>43,476,707</u>	-

8.1 The expected profit receivable on these arrangements ranges from 10.21% to 26.02% (June 30, 2022: 8.21% to 19.33%) per annum. The arrangements are secured by way of hypothecation of asset, mortgage of property and equipment. These finances are receivable on various dates up to June 24, 2039.

	Note	2023 (Rupees)	2022
8.2 Movement in Expected credit loss allowance			
Opening balance		-	-
Transfer from amalgamated entity		52,026,735	-
Reversal during the year	30	(717,955)	-
Closing balance		<u>51,308,780</u>	-

8.3 Ageing of musharaka finances			
Neither past due nor impaired		83,680,409	-
Past due and impaired		49,761,741	-
		<u>133,442,150</u>	-

9 LONG TERM LOANS, ADVANCES AND DEPOSITS			
Loans - secured - considered good			
To employees	9.1	1,676,376	-
Current portion of loans to employees		(315,982)	-
		<u>1,360,394</u>	-
To executives	9.1, 9.2 & 9.3	1,673,440	-
Current portion of loans to executives		(1,673,440)	-
		<u>3,059,030</u>	-
Deposits		4,419,424	-
		<u>4,419,424</u>	-

9.1 These represent diminishing musharaka house loans disbursed to employees and executives under the terms of employment. These loans carry profit at the rate of 5% per annum and are secured against the mortgage of properties.

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- 9.2 The maximum amount of loans and advances due from executives at the end of any month during the year was Rs. 2.82 million.
- 9.3 The company has availed the benefit of forced sale value of the collateral amounting to Rs. 1.673 million against a loan to an executive.

	Note	2023 ----- (Rupees) -----	2022
10 LOANS, ADVANCES AND PREPAYMENTS			
Loans and advances - secured - considered good:			
- against salary		6,021,791	-
Loans and advances - unsecured - considered good:			
- current portion of loans to employees	9	315,982	-
- current portion of loans to executives	9	1,673,440	-
- against investment		-	-
- against expenses		7,665,105	-
- against purchases	26.1	44,922,678	-
- against musharaka		-	-
Prepayments:			
- fees and subscription		421,099	-
- takaful		-	-
Provision for doubtful receivables	26.1	(44,922,678)	-
		<u>16,097,417</u>	<u>-</u>
11 DJARAH / LEASE RENTAL RECEIVABLE			
Considered good		-	-
Considered doubtful		9,659,121	-
Lease rental receivables		9,659,121	-
Credit loss allowance	11.1	(9,659,121)	-
		<u>-</u>	<u>-</u>
11.1 Movement in Expected credit allowance			
Opening		-	-
Transfer from amalgamated entity		10,074,021	-
Charge for the year	30	-	-
Reversals during the year	30	(414,900)	-
Written off during the year		-	-
Closing balance		<u>9,659,121</u>	<u>-</u>
12 ACCRUED PROFIT			
Accrued profit on:			
Debt securities		858,399	-
Musharaka finances		681,492	-
		<u>1,539,891</u>	<u>-</u>

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		2023	2022
	Note	----- (Rupees) -----	
13 OTHER RECEIVABLES			
Rent receivable - unsecured, considered good		3,964,423	-
Takaful premium receivable		942,644	-
Other receivable		15,595,508	-
		<u>20,502,575</u>	-
Others		33,810,401	-
Provision for doubtful debts	13.1	<u>(33,810,401)</u>	-
		<u>20,502,575</u>	-

13.1 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. In prior year, BRRGM has filed a criminal complaint against the borrower and its owner against misappropriation of pledged stock.

A suit was also filed on September 29, 2012 by BRRGM before the Modaraba Tribunal / Banking Court-II for the recovery of outstanding dues from borrower. The Tribunal passed a judgment order in favour of BRRGM 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 BRRGM 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, Jararwala 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 BRRGM. The Modaraba has also filed a reply to the application filed by the borrower which is currently pending consideration.

In prior year, complete provision has been made against outstanding balance. The management is confident that the said lawsuit and criminal case will be decided in favour of the company.

		2023	2022
	Note	----- (Rupees) -----	
14 TAXATION - NET			
Opening balance		-	-
Transfer from amalgamated entity		46,667,319	-
Income tax paid during the year		49,909,506	-
		<u>96,576,825</u>	-
Provision for the year		(23,877,353)	-
Prior year adjustment		<u>(2,739,771)</u>	-
		<u>69,959,701</u>	-

etc

	Note	2023		2022	
		(Rupees)			
15 SHORT-TERM INVESTMENTS					
Fair value through profit or loss - FVTPL:					
Listed ordinary shares	15.1	1,394,425,541		-	
Mutual fund units	15.2	35,944,797		-	
Preference Shares	15.3	5,604,668		-	
Listed debt securities	15.4	40,448,560		-	
Deliverable future contracts		4,032,046		-	
		1,480,455,612			
Fair value through other comprehensive income - FVTOCI:					
Listed ordinary shares / modaraba certificate	15.5	959,706,460		-	
Unlisted ordinary shares	15.6	51,779,168		-	
		1,011,485,628			
Provision for diminution in value of investme	15.7	(10,253,561)		-	
		2,481,687,679			

15.1 FVTPL: Listed ordinary shares

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

June 30 2023	June 30 2022	Names of investees	June 30 2023	June 30 2022
Number of shares			(Rupees)	
2,900	-	Abbot Laboratories (Pakistan) Limited	1,073,000	-
562,875	-	Agha Steel Industries Limited	5,471,145	-
26,100	-	AGP Limited	1,474,128	-
60,352	-	Al-Shaheer Corporation Limited	436,345	-
3,000	-	Atlas Battery Limited	613,170	-
20,000	-	At-Tahur Limited	329,200	-
13,371	-	Attock Petroleum Limited	4,014,643	-
31,842	-	Attock Refinery Limited	3,748,742	-
11,647	-	Avanceon Limited	512,934	-
8,000	-	Bannu Woollen Mills Limited	179,040	-
39,625	-	Berger Paints Pakistan Limited	1,941,229	-
15,856	-	Biafo Industries Limited	1,046,496	-
2,000	-	Bolan Casting Limited	66,000	-
38,350	-	Bunny's Limited	636,610	-
15,000	-	Citi Pharma Ltd.	320,100	-
562,890	-	Energyco PK Limited	1,598,608	-
128,653	-	D.G. Khan Cement Company Limited	6,599,899	-
172,000	-	Dolmen City Reit	2,352,960	-
33,490	-	Engro Corporation Limited	6,104,816	-
4,310	-	Engro Polymer and Chemicals Limited	186,323	-
656,562	-	Fauji Cement Company Limited	7,721,169	-
22,362	-	Ferozsons Laboratories Limited	3,058,871	-
213,500	-	First Prudential Modarba	266,875	-
28,274	-	Frieslandcampins Engro Foods Limited	1,669,014	-
98,515	-	Ghani Glass Limited	2,512,133	-
125,956	-	Ghani Global Holdings Limited	1,243,186	-
160,565	-	GlaxoSmithKline (Pakistan) Limited	12,101,784	-

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June 30 2023	June 30 2022	Names of investees	June 30 2023	June 30 2022
Number of shares			(Rupees)	
35,300	-	Haleon Pakistan Limited	4,046,942	-
2,651	-	Highbroon Laboratories Limited	891,187	-
50,650	-	Image Pakistan Limited	489,279	-
10,000	-	Interloop Limited	352,600	-
16,500	-	Ittefaq Iron Industries Limited	75,405	-
111,543	-	Ittehad Chemical Limited	4,349,062	-
3,992,246	-	K-Electric Limited	6,866,603	-
9,659	-	Lucky Cement Limited	5,042,867	-
8,208	-	Lucky Core Industries	4,958,781	-
64,641	-	Maple Leaf Cement Factory Limited	1,831,280	-
7,941	-	Mari Petroleum Company Limited	12,027,756	-
13,555	-	Meezan Bank Limited	1,170,745	-
164	-	Millat Tractors Limited	64,011	-
85,000	-	Modaraba Al - Mali	298,350	-
24,675	-	National Foods Limited	2,428,020	-
53,073	-	National Refinery Limited	9,460,950	-
15,394	-	NetSol Technologies Limited	1,151,033	-
78,884	-	Nishat Mills Limited	4,478,245	-
186,798	-	Oil and Gas Development Company Limited	14,570,244	-
101,000	-	Pak Agro Packaging Limited(GEM)	700,940	-
236,803	-	Pak Elektron Limited	2,143,067	-
31,669	-	Pakistan Aluminium Beverage Cans Limited	3,693,072	-
1,950	-	Pakistan Cables Limited	161,694	-
699,300	-	Pakistan International Bulk Terminal Limited	2,874,045	-
13,000	-	Pakistan National Shipping Corporation Limited	1,722,890	-
58,228	-	Pakistan Oxygen Limited	5,490,900	-
131,036	-	Pakistan Petroleum Limited	7,749,469	-
40,056	-	Pakistan Refinery Limited	543,159	-
109,279	-	Pakistan State Oil Company Limited	12,131,062	-
151,500	-	Pakistan Telecommunication Company Limited	910,515	-
71,931	-	Panther Tyres Ltd.	1,450,129	-
1,533,168	-	Power Cement Limited	6,285,989	-
93,881	-	Roshan Packages Limited	834,602	-
50	-	Senofi-Aventis Pakistan Limited	34,575	-
218,023	-	Sazgar Engineering Works Limited	11,086,470	-
20,300	-	Security Paper Limited	1,887,900	-
104,767	-	Service GlobalFootwear Limited	2,920,904	-
63,580	-	Service Industries Limited	16,688,478	-
85,500	-	Shabbir Tiles and Ceramics Limited	711,360	-
40,017	-	Shell Pakistan Limited	4,627,966	-
700	-	Sitara Chemical Industries Limited	157,906	-
118,500	-	Sitara Peroxide Limited	1,465,845	-
26,596	-	Sui Northern Gas Pipelines Limited	1,047,085	-
273,500	-	Sui Southern Gas Company Limited	1,919,865	-
43,450	-	Supernet Limited	651,316	-
2,848,138	-	Systems Limited	1,148,739,500	-
22,220	-	Tariq Glass Industries Limited	1,513,182	-
55,786	-	The Organic Meat Company Limited	1,990,433	-
197,552	-	The Searle Company Limited	7,570,193	-
952	-	Tri-Pack Films Limited	113,621	-
1,598	-	United Distributors Pakistan Limited	47,237	-
1,254	-	Universal Network Systems Limited(GEM)	77,121	-
40,200	-	Waves Home Appliances Limited	178,086	-
255,500	-	Waves Singer Pakistan Limited	1,571,325	-
			1,394,425,541	

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15.2 FVTPL: Investment in mutual fund units

June 30 2023	June 30 2022	Names of investees	June 30 2023	June 30 2022
Number of units			(Rupees)	
436,920	-	Open-end mutual funds		
		786 Smart Fund	35,944,797	-
			<u>35,944,797</u>	

15.3 FVTPL: Investment in preference shares

June 30 2023	June 30 2022	Names of investees	June 30 2023	June 30 2022
Number of shares			(Rupees)	
756,990	-	Power Cement Limited - Preference Shares	5,291,360	-
26,109	-	Engro Polymer & Chemicals Limited -Preference Shares	313,308	-
			<u>5,604,668</u>	

15.4 FVTPL: Investment in debt securities

June 30 2023	June 30 2022	Sukuk	June 30 2023	June 30 2022
Number of sukuk			(Rupees)	
10	-	Berger Paint Pakistan Limited	10,000,000	-
10	-	Abhi (Private) Limited	10,000,000	-
300	-	K-Electric Limited	20,448,560	-
			<u>40,448,560</u>	

15.4.1 Particulars of Sukuks

Names of the investee	Repayment frequency	Profit rate per annum	Maturity date	Secured / unsecured
Berger Paint Pakistan Limited	Quarterly	3 months KIBOR + 1.5%	26-Sep-26	Secured
Abhi (Private) Limited	Quarterly	6 months KIBOR + 2.6%	10-Nov-23	Secured
K-Electric Limited	Quarterly	3 months KIBOR + 1.70%	23-Nov-29	Secured

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15.5 FVTOCI: Listed ordinary shares / modaraba certificates

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

June 30 2023	June 30 2022	Names of investees	June 30 2023	June 30 2022
Number of shares			(Rupees)	
33,326	-	Abbot Laboratories (Pakistan) Limited	12,330,620	-
1,747	-	Avanceon Limited	76,938	-
7,925	-	Berger Paints Pakistan Limited	388,246	-
80	-	Colgate Palmolive (Pakistan) Limited	89,826	-
185,000	-	Dolmen City Reit	2,530,800	-
18,816	-	Ghani Glass Limited	479,808	-
32,165	-	GlaxoSmithKline (Pakistan) Limited	2,424,276	-
30,906	-	Haleon Pakistan Limited	4,331,167	-
758	-	Highnoon Laboratories Limited	254,817	-
7,597	-	Image Pakistan Limited	73,387	-
5,000	-	Interloop Limited	176,300	-
53,700	-	K.S.B. Pumps Co. Limited	4,837,833	-
8,190	-	Mari Petroleum Company Limited	12,404,902	-
2,332	-	Millat Tractors Limited	910,203	-
409	-	Pakistan Cables Limited	33,914	-
1,000	-	Pakistan International Container Terminal Limited	57,050	-
5,000	-	Pakistan National Shipping Corporation Limited	662,650	-
14,557	-	Pakistan Oxygen Limited	1,372,725	-
11,699	-	Sitara Chemical Industries Limited	2,639,060	-
2,213,934	-	Systems Limited	892,946,000	-
		Financial services		
1,935,506	-	786 Investments Limited	10,432,377	-
		First Dawood Investment		
3,339,922	-	Bank Limited -(Related party) (fully provided)	10,253,561	-
		(Note: 15.5.1)		
			959,706,460	-

15.5.1 This represents sponsor shares of the related party. In prior year, full amount of provision has also been recognised against this investment.

15.6 FVTOCI: Investment in unlisted ordinary shares

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

June 30 2023	June 30 2022	Names of investees	June 30 2023	June 30 2022
Number of shares			(Rupees)	
100,000	-	Al Baraka Bank (Pakistan)	1,063,000	-
7,200,000	-	Dawood Family Takaful	50,112,000	-
34,603	-	ISE Tower REIT	604,168	-
			51,779,168	-

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

Name of investees	Reference note	Break-up value as per latest available audited financial statements (Rupees)	% of holding of the investee's paid-up capital	Auditors
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June 30, 2023

Al Baraka Bank (Pakistan) Limited	(15.6.2)	975,000	0.01%	EY Ford Rhodes, Chartered Accountants
Dawood Family Takaful Limited	(15.6.3)	52,255,973	9.60%	Yousaf Adi, Chartered Accountants
ISE Tower REIT Management Company Limited	(15.6.4)	584,791	0.01%	Yousaf Adi, Chartered Accountants

15.6.2 The break-up value of investment in shares of Al Baraka (Pakistan) Limited (ABPL) is Rs. 1.063 million (as per latest available audited financial statement dated December 31, 2022) whereas the book value of investment in shares of ABPL is Rs. 0.976 million resulting in revaluation surplus of Rs. 0.087 million during the year.

15.6.3 The break-up value of investment in shares of Dawood Family Takaful (DFTL) is Rs. 52.255 million (as per latest audited accounts dated December 31, 2022). During the year, the management has estimated the fair value of this investment based on information of available market transaction at Rs.6.96 per share (June 30, 2022 : Rs.6.64 per share) and has recorded revaluation gain of Rs.2.30 million.

15.6.4 The breakup value of the investment in shares of ISE Tower REIT Management Company Limited amounted to Rs. 0.604 million (as per un-audited financial statement as at March 31, 2023) whereas the book value of investment in shares is Rs. 0.584 million resulting in revaluation surplus of Rs. 0.02 million.

15.7 Provision for diminution in value of investments

Opening balance
Transfer from amalgamated entity
Charge / Reversal for the year
Write off
Closing balance

	2023	2022
	(Rupees)	
	-	-
	16,222,148	-
	(4,722,634)	-
	(1,245,953)	-
	<u>10,253,561</u>	-

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16 CASH AND BANK BALANCES

Cash in hand		242,677	4,195
Cash with State Bank of Pakistan - current account		24,438	
Cash with banks in:			
Savings accounts	16.1	19,183,827	65,800
Current accounts		<u>138,368</u>	
		<u>19,589,310</u>	<u>70,075</u>

16.1 These carry profit at rates ranging from 6.00% to 18.50% per annum.

17 ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

Ordinary shares of Rs. 10 each

2023 (Number of shares)	2022		2023 ----- (Rupees) -----	2022
10,000	10,000	Shares issued as fully paid in cash	100,000	100,000
		Shares issued to certificate holders of BRR Guardian Modaraba under the Scheme of Amalgamation (Refer : Note 1.2)		
94,998,489			949,984,890	
<u>95,008,489</u>	<u>10,000</u>		<u>950,084,890</u>	<u>100,000</u>

17.1 BRR Investments (Private) Limited held 18,998,461 (19.99%) shares/certificates of Rs. 10 each as at June 30, 2023.

17.2 Mr. Ayaz Dawood (CEO) held 12,071,574 (12.70%) shares/certificates of Rs.10 each as at June 30, 2023.

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	Note	2023 ----- (Rupees) -----	2022 -----
18 RESERVES			
Capital reserve			
Merger Reserve		1,130,801,550	
Revenue reserve			
Accumulated gain / (loss)		155,902,587	(57,405)
		<u>1,286,704,137</u>	<u>(57,405)</u>
19 SURPLUS ON REVALUATION OF INVESTMENTS - net			
Listed ordinary shares		930,209,695	
Unlisted shares / debt securities		(1,350,722)	
		<u>928,858,973</u>	
less: Deferred tax - OCI		(114,078,087)	
		<u>814,780,886</u>	
20 LONG-TERM MURABAHA, MUSHARAKA AND FINANCE UNDER MARK-UP ARRANGEMENTS			
Musharaka arrangement - First Dawood Investment Bank Limited	20.1	110,000,000	
Current portion of musharaka arrangements		(110,000,000)	
		<u>-</u>	<u>-</u>
20.1	The company 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.25.168 million and made profit payment amounting to Rs. 23.103 million.		
20.2	Following are the changes in the long term musharaka (i.e for which cash flows have been classified as financing activities in the statement of cash flows)		
Opening balance		-	
Transfer from amalgamated entity		150,000,000	
Received during the year		113,000,000	
Payment during the year		(153,000,000)	
Current portion of loan		(110,000,000)	
Closing balance		<u>-</u>	<u>-</u>

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21 LONG TERM SECURITY DEPOSITS	Note	2023	2022
		(Rupees)	
Lease / Ijarah		9,800,383	-
Investment properties		44,662,474	-
Lockers		25,947,065	-
		80,409,922	-
Current portion of security deposits		(9,800,383)	-
		<u>70,609,539</u>	-

22 DEFERRED TAXATION

Deferred tax is recognised in respect of all temporary differences arising from carrying value of assets and liabilities in financial statements and their tax base.

Taxable temporary differences

Property, plant and equipment & investment properties	12,333,228	-
Short term investment - FVTPL	152,873,978	-
Short term investment - FVOCI	114,078,087	-
	<u>279,285,293</u>	-

Deductible temporary differences

Provision against musharaka	(14,879,546)	-
Provision for doubtful receivable	(13,027,577)	-
Provision for diminution in value of investments	(2,973,533)	-
Provision-other receivables	(9,805,016)	-
	<u>(40,685,672)</u>	-
	<u>238,599,621</u>	-

22.1 Classification of deferred tax liability

Other comprehensive income	114,078,087	-
Profit and loss account	124,521,534	-
	<u>238,599,621</u>	-

22.1 During the year, the company has recognized deferred tax liability amounting to Rs. 159.04 million. Deferred tax liability transferred from amalgamated entity amounted to Rs.77.27 million.

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	Note	2023 (Rupees)	2022
23 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Rentals received in advance:			
Lodgers		54,941,370	-
Investment Properties		45,348,544	-
Modaraba Management fee payable		37,480,510	-
Sales tax on Modaraba management fee payable		4,872,466	-
Provision for Sindh Workers' Welfare Fund		25,163,017	-
Accrued liabilities		18,312,600	25,000
Advance against sale of land	23.1	12,156,301	-
Others		38,086,329	2,480
		<u>236,361,137</u>	<u>27,480</u>

23.1 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.

	Note	2023 (Rupees)	2022
24 ACCRUED PROFIT ON BORROWINGS			
Finance under musharaka arrangements		<u>2,064,673</u>	-
25 UNCLAIMED DIVIDEND			
Unclaimed dividend payable to shareholders		<u>35,580,499</u>	-

26 CONTINGENCIES AND COMMITMENTS

26.1 BRRGM 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, 2022: Rs. 171.143 million) along with the mark-up thereon on or before February 10, 2007. The management and the legal advisor of the Company is confident that the matter will be decided in the favour of the Company 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 (Refer Note : 11)

26.2 A commercial bank has lodged a claim of Rs. 1.090 million on account of excess mark-up paid to BRRGM during previous years which was not accepted by the Modaraba. BRRGM 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, 2022: 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.

GNC

	Note	FROM DECEMBER 16, 2021 TO JUNE 30,	
		2023	2022
27 RENTAL INCOME		(Rupees)	
Investment properties	27.1	217,375,964	-
Lockers and custodial services		63,301,250	-
Other charges from tenants		17,463,050	-
		<u>298,140,264</u>	<u>-</u>

27.1 This includes rental income amounting to Rs.13.05 million (June 30, 2022: nil) from associated companies and other related parties.

	Note	FROM DECEMBER 16, 2021 TO JUNE 30,	
		2023	2022
28 ADMINISTRATIVE EXPENSES		(Rupees)	
Salaries and other benefits		68,104,424	-
Medical		2,187,273	-
Provident fund contributions	28.1	4,112,651	-
Bonus		7,163,681	-
Vehicle running		22,146,686	-
Leave encashment		260,877	-
Employee old age contribution		605,750	-
Traveling and conveyance		1,643,505	-
Entertainment		344,568	-
Office expense		2,986,057	-
Electricity, water and gas		5,286,584	-
Telephone and fax		494,583	-
Postage and courier		373,431	-
Stationery and printing		1,338,339	-
Computer expenses		590,725	-
Fees and subscriptions		7,523,223	1,600
Takaful		5,403,417	-
Repairs and maintenance		5,957,148	-
Rent, rates and taxes		3,156,806	-
Security expenses		2,202,405	-
Legal and professional charges		1,256,830	-
Auditor's remuneration	28.2	1,170,400	46,600
Others		4,542,551	9,205
Modaraba management company fee excluding sales tax		37,480,510	-
		<u>186,332,424</u>	<u>57,405</u>

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	FROM DECEMBER 16, 2021 TO JUNE 30,	
	2023	2022
	----- (Rupees) -----	
28.1 Disclosures relating to provident fund		
Size of the fund	238,683,283	
Fair value of investments	150,760,354	
Break-up of Investments		
Government securities	47,610,189	
Term finance certificates	18,856,338	
Investment in sukuk	12,134,568	
Listed securities	46,572,204	
Mutual funds	25,587,055	
	% age of size of the fund	
Break-up of Investments		
Government securities	31.58%	0.00%
Term finance certificates	12.51%	0.00%
Investment in sukuk	8.05%	0.00%
Listed securities	30.89%	0.00%
Mutual Funds	16.97%	0.00%

The figures for 2023 are based on the unaudited financial statements of the provident fund. Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

	Note	FROM DECEMBER 16, 2021 TO JUNE 30,	
		2023	2022
		----- (Rupees) -----	
28.2 Auditor's remuneration			
Audit fee		715,000	25,000
Limited review, special reports, certification and sundry advisory		325,500	21,600
Out of pocket expenses		129,900	-
		<u>1,170,400</u>	<u>46,600</u>
29 DEPRECIATION			
Depreciation on owned assets	5.1	13,957,326	-
Depreciation on investment properties	6.1	41,731,662	-
		<u>55,688,988</u>	<u>-</u>

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BRR Guardian Limited

FROM
DECEMBER
16, 2021 TO
JUNE 30,
2022

	Note	2023	(Rupees)	2022
30 EXPECTED CREDIT LOSS ALLOWANCE				
Reversal during the year				
Lease rentals / Ijarah	11.1	414,900		-
Musharaka	8.2	717,955		-
		<u>1,132,855</u>		-
31 OTHER INCOME				
Income on musharaka, murabaha		18,934,149		-
Ijarah/Lease rental income - net		9,081,180		-
Miscellaneous and other				-
termination charges		1,709,494		-
Gain on disposal of property				-
and equipment - owned		706,132		-
		<u>30,430,955</u>		-
32 INVESTMENT INCOME - NET				
Dividend Income	32.1	44,790,927		-
Gain on sale of investments		12,250,103		-
Profit on debt securities		5,915,767		-
Gain/Loss on settlement of DFC's		(1,540,560)		-
Profit on bank balances		1,274,910		-
Reversal of provision for diminution	15.7	4,722,634		-
Impairment of long term Investment		(11,945,991)		-
Unrealised gain on revaluation of				-
FVTPL Investment		126,863,841		-
		<u>182,331,631</u>		-
Less: Commission and brokerage		(809,076)		-
		<u>181,522,555</u>		-

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BRR Guardian Limited

FROM
DECEMBER
16, 2021 TO
JUNE 30,
2022

2023

(Rupees)

32.1 Dividend income

786 Smart Fund	7,153,322
Abbott Laboratories	544,661
Agp Limited	52,200
Attock Petroleum Limited	525,944
Attock Refinery Limited	164,402
BankIslami Pakistan Limited	74,500
Berger Paints Pak. Ltd.	157,530
Biafo Industries Limited	48,619
Colgate Palmolive (Pak)	3,200
D.G. Khan Cement Company Limited	115,183
Dolmen City Reit	614,040
Engro Corporation Limited	1,590,493
Engro Polymer & Chemical	103,655
Ferozsons Laboratories Limited	83,957
Ghani Glass Limited	96,515
Highnoon Laboratories	69,532
Ici Pakistan Limited	213,627
Interloop Ltd	30,000
Ise Towers Reit Management	22,492
Ittehad Chemicals Limited	325,999
Mari Petroleum Company Lt	1,444,136
Meezan Bank Limited	122,779
Millat Tractors Limited	112,425
National Foods Ltd	41,715
National Refinery Ltd	923,531
Nishat Mills Limited	191,048
Oil & Gas Development Co Ltd	1,679,099
Pakistan Cables Ltd	6,480
Pakistan International Container	12,428
Pakistan National Shipping	221,837
Pakistan Petroleum Limited	220,995
Pakistan State Oil Co. Ltd.	1,076,992
Panther Tyres Ltd	66,823
Security Papers Limited	195,770
Service Global Footwear Ltd	345,089
Service Industries Limited	317,900
Shell Pakistan Limited	136,781
Sitara Chemical Industries Ltd	99,192
Sui Northern Gas Pipelines Ltd	254,572
Systems Ltd.	25,310,360
Tariq Glass Indu	16,344
Tri-Pack Films Limited	4,760
	<u>44,790,927</u>

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FROM
DECEMBER
16, 2021 TO
JUNE 30,
2022

2023

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

33 FINANCE COST

Profit on:		
Finance under musharaka arrangement	27,378,783	-
Bank charges and commission	43,194	-
	<u>27,421,977</u>	<u>-</u>

34 TAXATION

Prior year	3,041,572	-
Current tax	23,877,353	-
Deferred tax	67,147,504	-
	<u>94,066,429</u>	<u>-</u>

34.1 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. BRRGM 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.

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. BRRGM had filed appeal before the Commissioner Inland Revenue (Appeals-I) and the decision has been 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. There has been no further correspondence regarding the order.

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, 2020 has amended the assessment for the Tax Year 2012 thereby creating a demand of Rs. 5,908,802. BRRGM 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 the company.

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FROM
DECEMBER
16, 2021 TO
JUNE 30,
2022

Note ----- 2023 (Rupees) -----

35 EARNINGS PER SHARE - BASIC AND DILUTED

The earnings per certificate as required under IAS 33 "Earnings per share" is given below:

Profit for the year / period	<u>147,716,811</u>	<u>(57,405)</u>
	---- Number of shares ----	
Weighted average number of shares outstanding	<u>95,008,489</u>	<u>100,000</u>
	----- (Rupees) -----	
Earnings per certificate - Basic and diluted	<u>1.55</u>	<u>(0.57)</u>

There were no convertible dilutive potential ordinary shares outstanding as on June 30, 2023 and June 30, 2022 which have dilutive effect on earnings per share.

36 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS & EXECUTIVES

	Chief Executive & Executive Director		Non Executive Directors		Executives		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees		Rupees		Rupees		Rupees	
Remuneration	9,620,000	-	-	-	21,114,500	-	30,734,500	-
Meeting fee	-	-	1,200,000	-	-	-	1,200,000	-
Bonus	1,950,000	-	-	-	1,797,000	-	3,747,000	-
Medical expenses	120,935	-	-	-	384,000	-	504,935	-
Retirement benefits	641,331	-	-	-	1,407,635	-	2,048,966	-
Travelling expense	1,350,000	-	-	-	-	-	1,350,000	-
Other benefits	216,661	-	-	-	-	-	216,661	-
	<u>13,893,927</u>	<u>-</u>	<u>1,200,000</u>	<u>-</u>	<u>24,703,135</u>	<u>-</u>	<u>39,802,062</u>	<u>-</u>
Number of persons	2	2	5	1	7	-	14	3

The officers and executives are also provided with the free use of vehicles owned and maintained by the company.

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37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's objective in managing risk is the creation and protection of certificate holders' value. Risk is inherent in the company's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed, based on limits established by the Management Company, company's constitutive documents and the regulations and directives of the SECP. The company's activities expose it to a variety of financial risks: market risk (including profit rate risk, equity price risk and fair value risk), credit risk and liquidity risk. The Board of Directors of the Management Company has an overall responsibility for the establishment and oversight of the company's risk management framework.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

The company primarily invests in Ijarah assets, musharaka, diversified portfolio of listed securities, sukuk certificates and term finance certificates. Such investments are subject to varying degrees of risk, which emanate from various factors that include but are not limited to market risk, credit risk and liquidity risk.

37.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and equity prices.

37.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates. As of June 30, 2023 the company's exposure to the risk of changes in market interest rates relates primarily to bank balances in saving accounts, musharaka and murabaha agreements and debt securities. The bank balances in saving accounts are subject to profit rates as declared by the respective banks on yearly basis while, the musharaka and murabaha agreements and debt securities are subject to floating profit rates. As at June 30, 2023 approximately 5.47% (June 30, 2022: 94.01%) of the company's financial assets are subject to floating profit rates. The management of the company estimates that an increase of 100 basis points in the market profit rate, with all other factors remaining constant, would increase the company's income by Rs. 1.430 million (June 30, 2022: Rs. 659) and a decrease of 100 basis points would result in a decrease in the company's income by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

37.3 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

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37.4 Equity price risk

Equity price risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the company in which the investment is made, change in business circumstances of the company, its business sector, industry and / or the economy in general.

At the balance sheet date, the exposure to listed equity securities is Rs. 2,359.736 million (June 30, 2022: nil). Management of the company estimates that 5% increase or decrease in the overall equity prices in the market with all other factors remaining constant would result in increase or decrease of company's net assets by Rs. 117.986 million (June 30, 2022: nil). However, in practice, the actual results may differ from the sensitivity analysis.

37.5 Segment by class of business for investment in equity securities

Sector	June 30, 2023		June 30, 2022	
	Rupees	%	Rupees	%
Automobile Assembler	12,060,683	0.51%	-	-
Automobile Parts And Accessories	2,063,299	0.09%	-	-
Cable And Electrical Goods	3,910,000	0.17%	-	-
Cement	32,772,564	1.39%	-	-
Chemical	25,642,892	1.09%	-	-
Commercial Banks	1,170,745	0.05%	-	-
Engineering	10,450,383	0.44%	-	-
Financial Services	20,685,938	0.88%	-	-
Fertilizer	6,104,816	0.26%	-	-
Food And Personal Care Products	7,489,622	0.32%	-	-
Glass And Ceramics	5,216,483	0.22%	-	-
Leather And Tanneries	19,609,382	0.83%	-	-
Miscellaneous	3,853,930	0.16%	-	-
Modarabas	565,225	0.02%	-	-
Oil And Gas Exploration Companies	46,752,371	1.98%	-	-
Oil And Gas Marketing Companies	23,740,620	1.01%	-	-
Paper And Board	3,423,442	0.15%	-	-
Pharmaceuticals	50,811,659	2.15%	-	-
Power Generation And Distribution	6,866,663	0.29%	-	-
Real Estate Investment Trust	4,883,760	0.21%	-	-
Refinery	15,351,459	0.65%	-	-
Synthetic And Rayon	562,666	0.02%	-	-
Technology And Communication	2,044,989,135	86.66%	-	-
Textile Composite	5,007,145	0.21%	-	-
Textile Weaving	178,086	0.01%	-	-
Transport	5,394,656	0.23%	-	-
Woolen	179,045	0.01%	-	-
	2,359,736,669	100%	-	-

37.6 Liquidity risk

Liquidity risk is defined as the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressful conditions, without incurring unacceptable losses or risking damage to the company's reputation.

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The table below summarizes the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

June 30, 2023	Profit rate	Six months or less	Six to Twelve months	One to five years	Over five years	Total contractual cash flows
----- Rupees -----						
Mushtaka, nurabaha and finance under mark-up arrangements	6 month Kbor + 100 bps	110,000,000	-	-	-	110,000,000
Creditors, accrued and other liabilities	-	-	236,361,137	-	-	236,361,137
Accrued profit on borrowing	-	2,664,673	-	-	-	2,664,673
Profit distribution payable	-	35,580,499	-	-	-	35,580,499
Total		147,645,172	236,361,137	-	-	384,006,309

June 30, 2022	Profit rate	Six months or less	Six to Twelve months	One to five years	Over five years	Total contractual cash flows
----- Rupees -----						
Long term loan						
Mushtaka, nurabaha and finance under mark-up arrangements	6 month Kbor + 100 bps	-	-	-	-	-
Creditors, accrued and other liabilities	-	-	-	-	-	-
Accrued profit on borrowing	-	-	-	-	-	-
Profit distribution payable	-	-	-	-	-	-
Total		-	-	-	-	-

37.7 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the company by failing to discharge its obligation. The company's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines, offering document and regulatory requirements. The table below analyses the company's maximum exposure to credit risk. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements at reporting date:

	2023	2022
	----- (Rupees) -----	
Short-term investments	2,481,687,679	-
Loans, advances and other receivables	20,516,841	-
Accrued profit	1,539,891	-
Bank balances	19,346,633	65,880
Total	2,523,091,044	65,880

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Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the company's total credit exposure.

The company's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. The table below analyses the company's concentration of credit risk by industrial distribution:

37.7.1 Segment by class of business for property, plant and equipment - Ijara/leased

Sector	June 30, 2023		June 30, 2022	
	Rupees	%	Rupees	%
Transport	4,386,012	44.75%	-	-
Miscellaneous	5,414,558	55.25%	-	-
	<u>9,800,570</u>	<u>100%</u>	-	-

37.7.2 Segment by class of business for musharaka and murabaha finances

Sector	June 30, 2023		June 30, 2022	
	Rupees	%	Rupees	%
Oil and lubricants	4,074,277	3.05%	-	-
Chemical and pharmaceutical	12,809,494	9.60%	-	-
Engineering	36,424,861	27.30%	-	-
Auto and transportation	78,966	0.06%	-	-
Hospitality business	9,471,425	7.10%	-	-
Miscellaneous	70,583,127	52.89%	-	-
	<u>133,442,150</u>	<u>100%</u>	-	-

37.7.3 Segment by class of business for investment in debt securities - TFC's / Sukuk

Particulars	June 30, 2023		June 30, 2022	
	Rupees	%	Rupees	%
Chemical	10,000,000	25%	-	0%
Financial Sector	10,000,000	25%	-	0%
Power generation & distribution	20,448,560	51%	-	0%
	<u>40,448,560</u>	<u>100%</u>	-	0%

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37.8 Financial instruments by category

2023
----- (Rupees) -----
2022

Financial assets**Amortised cost:**

Long-term deposits

3,059,030

Musharaka finance

82,133,370

Loans and advances

17,036,712

Accrued profit

1,539,891

Other receivables

20,502,575

Cash and bank balances

19,589,310

FVTOCI:

Short-term investments

1,001,232,067

70,075

FVTPL:

Short-term investments

1,480,455,612

2,625,548,567

70,075

Financial liabilities**Amortised cost:**Murabaha, musharaka and finance under
mark-up arrangements

110,000,000

Creditors, accrued and other liabilities

236,361,137

Accrued profit on borrowings

2,064,673

27,480

Profit distribution payable

35,580,499

384,006,309

27,480

38 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value as the items are short term in nature.

The carrying values of all financial assets and liabilities reflected in the financial statements are approximate to their fair values. Fair value is determined on the basis of the objective evidence at each required date. The following table compares the carrying amounts and fair values of the company's financial assets and financial liabilities as at June 30;

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	June 30, 2023		June 30, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans and receivables at amortised cost				
Long-term deposits	3,059,030	3,059,030	-	-
Musharaka finance	82,133,370	82,133,370	-	-
Loans and advances	17,457,811	17,457,811	-	-
Accrued profit	1,539,891	1,539,891	-	-
Other receivables	20,502,575	20,502,575	-	-
Cash and bank balances	19,589,310	19,589,310	70,075	70,075
Fair value through OCI				
Short-term investments	1,001,232,067	1,001,232,067	-	-
Fair value through profit and loss				
Short-term investments	1,480,455,612	1,480,455,612	-	-
Financial liabilities				
Financial liabilities at amortised cost				
Murahaha, musharaka and finance under mark-up arrangements	110,000,000	110,000,000	-	-
Creditors, accrued and other liabilities	236,361,137	236,361,137	27,480	27,480
Accrued profit on borrowings	2,064,673	2,064,673	-	-
Profit distribution payable	35,580,499	35,580,499	-	-

38.1 Fair value hierarchy

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement.

Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

etc

As at June 30, 2023 the company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Investments at FVTPL				
Listed ordinary shares	1,394,425,541	-	-	1,394,425,541
Mutual fund units	35,944,797	-	-	35,944,797
Preference Shares	5,604,668	-	-	5,604,668
Listed debt securities	40,448,560	-	-	40,448,560
Deliverable future contracts	4,032,046	-	-	4,032,046
Investments at FVOCI				
Listed ordinary shares	959,706,460	-	-	959,706,460
Unlisted ordinary shares	-	-	51,779,168	51,779,168
	<u>2,440,162,072</u>	<u>-</u>	<u>51,779,168</u>	<u>2,491,941,240</u>

As at June 30, 2022 the company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Investments at FVTPL				
Listed ordinary shares	-	-	-	-
Mutual fund units	-	-	-	-
Preference Shares	-	-	-	-
Listed debt securities	-	-	-	-
Investments at FVOCI				
Listed ordinary shares	-	-	-	-
Unlisted ordinary shares	-	-	-	-
Unlisted debt securities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Valuation techniques

For Level 2 debt securities held at FVTOCI, the company values the investments using rates prescribed by MUFAP. For Level 3 debt securities held at FVTOCI, the company values the investment at breakup value or embedded value of investee which approximates the fair value of the investment.

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Transfers during the year

During the period, there were no transfers into or out of Level 3 fair value measurements.

The following table presents the movement in level 3 instruments.

	2023	2022
	----- (Rupees) -----	
Opening balance	-	-
Transfer from amalgamated entity	50,614,744	-
Unrealized gain during the year	2,410,377	-
Closing balance	<u>53,025,121</u>	<u>-</u>

39 CAPITAL RISK MANAGEMENT

The company's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for certificate-holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of profit distributed to certificate-holders, issue new certificates or sell assets to reduce debt.

The company's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total Diminishing Musharaka Term Finance Certificates and borrowings less cash and bank balances.

The gearing ratio of the company at year end is as follows:

	2023	2022
	----- (Rupees) -----	
Debts	110,000,000	-
Cash and bank balances	(19,589,310)	(70,075)
Net debt	<u>90,410,690</u>	<u>-</u>
Equity	3,051,569,913	42,595
Net debt to equity ratio	<u>0.03</u>	<u>-</u>

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40 RELATED PARTY TRANSACTIONS

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

The details of related party transactions and balances are as follows:

Relationship with the company	Transactions during the year	Nature of transactions	2023 ----- (Rupees) -----	2022 -----
Associated companies / other related parties				
BRR Investment (Private) Limited	BRR Investment (Private) Limited	Management fee accrued	37,480,510	-
BRR Investment (Private) Limited	BRR Investment (Private) Limited	Management fee paid	82,522,411	-
BRR Investment (Private) Limited	BRR Investment (Private) Limited	Rent received	90,000	-
BRR Investment (Private) Limited	BRR Investment (Private) Limited	Reimbursement of expense-net	1,209,878	-
Dawood Family Takaful Limited	Dawood Family Takaful Limited	Rental Received against property	10,531,503	-
Dawood Family Takaful Limited	Dawood Family Takaful Limited	Group Life Takaful	821,655	-
Dawood Family Takaful Limited	Dawood Family Takaful Limited	Musharaka finance received	93,000,000	-
Dawood Family Takaful Limited	Dawood Family Takaful Limited	Musharaka finance repaid	93,000,000	-
Dawood Family Takaful Limited	Dawood Family Takaful Limited	Profit accrued on Musharaka	2,210,371	-
Dawood Family Takaful Limited	Dawood Family Takaful Limited	Profit paid on musharaka	2,210,371	-
First Dawood Investment Bank Limited	First Dawood Investment Bank Limited	Rent received against property	120,000	-
First Dawood Investment Bank Limited	First Dawood Investment Bank Limited	Share of common expenses - net	487,456	-
First Dawood Investment Bank Limited	First Dawood Investment Bank Limited	Musharaka finance received	20,000,000	-
First Dawood Investment Bank Limited	First Dawood Investment Bank Limited	Musharaka finance repaid	60,000,000	-
First Dawood Investment Bank Limited	First Dawood Investment Bank Limited	Profit accrued on Musharaka	25,168,413	-
First Dawood Investment Bank Limited	First Dawood Investment Bank Limited	Profit paid on musharaka	23,103,739	-
First Dawood Employees Provident Fund	First Dawood Employees Provident Fund	Transfer to provident fund	4,112,651	-
Hydrochina Dawood Power (Private) Limited	Hydrochina Dawood Power (Private) Limited	Rent received against property	3,729,678	-
Dawood Global Foundation	Dawood Global Foundation	Charity paid	219,451	-

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Year end balances	Nature of balances	
Relationship with the company		
Associated companies / other related parties		
BRR Investment (Private) Limited	Management fee payable	37,480,510
First Dawood Investment Bank Limited	Musharaka finance	110,000,000
First Dawood Investment Bank Limited	Profit payable	2,064,673
Hydrochina Dawood Power (Private) Limited	Advance rental	108,064

Group shared services

The company has entered into arrangements with associated undertakings to share various administrative, human resource and related costs on agreed terms.

41 SEGMENT REPORTING

As per IFRS 8, operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Chief Executive Officer of the Management Company has been identified as the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

The Chief Operating Officer is responsible for the company's entire product portfolio and considers the business to have single operating segment. The company's asset allocation decisions are based on a single integrated investment strategy and the company's performance is evaluated on an overall basis.

The internal reporting provided to the Chief Executive Officer for the company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

The company is domiciled in Pakistan. All of the company's income is from investments in entities incorporated in Pakistan.

42 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

Subsequent to the balance sheet date, BRR Guardian Limited has listed on Pakistan Stock Exchange on August 04, 2023 and is now a listed public company. Accordingly, various legal, regulatory and disclosure requirements as applicable on a listed company shall become applicable on BRRGL prospectively from this date.

The Board of Directors of BRR Guardian Limited in their meeting held on October 05, 2023 has recommended final cash dividend at the rate of 5% i.e Rs.0.5 per share amounting to Rs.47.504 million for the year ended June 30, 2023 subject to the approval of the shareholders in the forthcoming annual general meeting. These financial statements do not reflect this distribution.

CNC

43 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 15 OCT 2022 by the Board of Directors of BRR Guardian Limited.

44 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation. However, no significant reclassification has been made during the year.

45 NUMBER OF EMPLOYEES

The number of employees as at year end was 64 (June 30, 2022: nil) and average number of employees during the year was 62 (June 30, 2022: nil).

46 GENERAL

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

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DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

Directors' Report

On behalf of the Board of Directors of B.R.R. Guardian Limited ('BRRG'), it gives us great pleasure to present to you the Annual Report and Consolidated Audited Financial Statements for the year ended June 30, 2023.

FINANCIAL PERFORMANCE:

Summary of the financial performance is given below:

	June 30, 2023
Rental Income from Investment properties	217,375,964
Rental Income from lockers and custodial services	63,301,250
Profit Before Taxation	238,826,925
Taxation	94,277,481
Net profit for the year	144,549,444
Earning per share (before tax)	2.51
Earning per share (after tax)	1.52

As detailed in Note 1 of the attached financial statements, during the period, pursuant to the order of Honorable Sindh High Court sanctioning the scheme of amalgamation, 'B.R.R Guardian modaraba' ('BRRGM') merged with and into 'BRR Guardian Limited' ('BRRGL') w.e.f July 01, 2022, where by the entire undertaking inclusive of all assets, properties, rights, liabilities and dues of BRRGM have been transferred to and assumed by BRRGL.

In its first year, BRR Guardian Limited demonstrated strong financial performance, reporting a noteworthy PKR 217,375,964 in rental income from investment properties and PKR 63,301,250 from rental income derived from lockers and custodial services. The company achieved a commendable profit before taxation of PKR 238,826,925, while fulfilling tax obligations of PKR 94,277,481. After taxation, the net profit for the year amounted to a robust PKR 144,549,444 resulting in an earnings per share (EPS) of PKR 1.52. These figures reflect our dedication to efficient financial management, responsible governance, and continued value delivery to our shareholders, as we navigate a dynamic business landscape.

Dividend:

The Board of Directors has recommended final cash dividend at the rate of 5% i.e Rs.0.5 per share for the year ended June 30, 2023. The Board is pleased to announce dividend within two months of listing of BRR Guardian Limited.

NATURE OF BUSINESS AND MARKET DYNAMICS:

BRR Guardian Limited also known as BRRGL is an emerging real estate development and marketing company with their head office located in heart of cosmopolitan city Karachi it brings / develops property for rental purposes.

The company is founded with a clear purpose to address the rapidly growing demand in the real estate sector of the country by offering innovative and sustainable solutions to its clients. As a company, BRRGL is unwavering in its commitment to delivering top-notch properties that are both high-quality and affordable, and which meet the diverse needs of its customers. BRR Tower on Hassan Ali Street Off: I.I. Chundrigar Road Karachi is our flagship project.

BRR Security Vault

The Company built a state of the art BRR Security Vault which was opened for business in July 1989. This custom built fort-like building on Shalrah-e-Quaideen, offers a unique blend of high security with a pleasant and friendly atmosphere within and around the building. The security vault has 4 floors of lockers in all sizes catering to business, commercial and individual clients alike. In addition, it offers custodial services to corporate clients.

ECONOMIC REVIEW

The economic conditions in Pakistan have been marked by a series of significant events, including unprecedented floods, inflationary pressures, and political tensions, resulting in a meager GDP growth rate of just 0.5% in FY2023, which is expected to be revised down, a significant drop from the previous year's robust 6%.

STRATEGY FOR BUSINESS SUSTAINABILITY

As our business strategy, we shall remain focused on following areas in FY 2023 -2024:

- Renting out of properties to highly rated customers.
- Enhance size of investment in sound, stable and dividend paying listed securities along with Sukuk and Musharaka based TFCs.
- Refresh tool of risk management processes particularly credit risk management in line with latest techniques.
- Further develop operation capacity of human resource through proper training.

CODE OF CORPORATE GOVERNANCE:

As disclosed in note 42 of the attached financial statements, your company has listed on the Pakistan Stock Exchange on August 4, 2023 subsequent to the financial year ended June 30, 2023. Therefore the requirements contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 are not applicable for the financial year ended June 30, 2023

TRADING / DEALING IN CERTIFICATE OF MODARABA AND SHARES OF BRRG

During the fiscal year, no trade in the certificate of the Modaraba and Shares of BRRG were carried out by the Directors, Chairman, CFO, Company Secretary and their spouses and minor children except the CEO has received, as per succession certificate, 345,800 shares in Central Depository Company (CDC) and 54,380 Physical certificates of BRR and transferred 1 Share of BRRG

CODE OF CONDUCT:

This is the Code of Conduct to which the company is committed voluntarily maintaining the highest standards of conduct and ethical behavior is a moral right and legal requirement that requires the personal commitment of every person associated/connected with the company. The Code of Conduct of the company indicates good business conduct that generally promote the qualities of honesty, fairness, consideration and enlightened professionalism.

OUR CORE VALUES

- ✓ Be customer focused
- ✓ Bring a positive energy and attitude to everything you do
- ✓ Work hard, work smart, and always get the job done
- ✓ Be a team player stepping in to help whenever needed.

Our recipe is quite simple. We take care of our customers, we bring a positive attitude and energy to everything we do by working harder and smarter, we always get the job done. And, through teamwork and collaboration, we have what it takes to be unstoppable!

STAFF RETIREMENT BENEFITS:

BRR Guardian Limited operates a Provident Fund scheme for all permanent employees. The value of investments as at June 30, 2023 is Rs.150.760 million.

POST BALANCE SHEET EVENTS:

No circumstances have arisen since the Balance Sheet date, which require adjustment to disclosure in the Financial Statements.

TRANSACTION WITH CONNECTED PERSONS / RELATED PARTIES:

All transactions between BRR Guardian Limited (BRRG) and connected person/related parties are carried at an arm's length basis except for those transactions whose justification has been recorded.

AUDITORS:

We would also like to apprise that on recommendation of Audit Committee, the appointment of Crowe Hussain Chaudhury & Co - Chartered Accountants have been recommended as the auditors of the company for the financial year 2023-24.



KEY OPERATING AND FINANCIAL DATA:

The Key Operating and Financial data has been presented with analysis summarized on the last page.

RISK MANAGEMENT:

Risk taking is an integral part of any business and is rooted in the philosophy⁹ of risk versus reward, (the higher the risk the greater the reward). Our fundamental objective is to maximize certificate's value, but this must be carried out in a clearly articulated risk tolerance framework. The Company has a robust risk management framework to identify, measure and mitigate business risks and opportunities. The company is susceptible to the following principal risks which are mitigated via specific policies and plans:

Operational Risks

Operational risks are those which hinder the entity from running its operations smoothly. Our main operational risks are:

Taxation Regime:

Significant measures in overall tax regime of Pakistan are required to rationalize tax laws and increase investors' confidence which may directly result in changed tax rates for companies and thereby affect company's profitability. We have paid Rs.50 million in taxes during the year.

Economic Risk & Volatility:

The country's overall economic situation due to possible adverse changes in Macro Economic / Political scenario may affect the business of the company and result in overdue and defaults. Further, changes in discount rates by State Bank of Pakistan and volatility of the Pakistan Stock Exchange (PSX) may also adversely affect the investment income of the company.

Financial Risks

Financial risks may cause financial loss to the company. Financial risk has been described in detail in note 37 of the attached financial statements.

Compliance & Regulatory Risk

Non-compliance with applicable laws and regulations may result in imposition of penalties and other adverse legal action. Therefore a comprehensive and effective compliance function is in place and Company's Code of Conduct clearly defines expectations from its employees. The employees and business partners are encouraged to report compliance violations that they may encounter. Further, changes in law and regulations could have a material impact on the revenues and cost of doing business for the company.



Board Composition & Remuneration

Composition of the Board and the names of members of Board Committees are as follows:

Audit Committee

Mr. Waqas Anwar Qureshi	-	Chairman
Mr. Ghazafar -ul - Islam	-	Member
Mr. Amer Maqbool	-	Member

Human Resource and Remuneration Committee

Mr. Junaid Sakhi	-	Chairman
Mr. Tahir Mehmood	-	Member
Mr. Waqas Anwar Qureshi	-	Member

Furthermore, the Board of Directors has a formal policy and transparent procedures for remuneration of its directors in accordance with Companies Act 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2019.

Independent and / or Non- Executive Director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee(s) thereof as per Articles of Association of the Company. Details of directors remuneration is disclosed in detail in note 36 of the attached financial statements.

Board of Directors Meetings of the Company

The status of Board of Directors Meetings is as follows:

Sr. No	Name	Designation	Attendance
1	Mr. Rafique Dawood (passed away on August 19, 2022)	Chairman	1 out of 1
2	Ms. Hamida Dawood	Chairperson	5 out of 5
3	Mr. Ayaz Dawood	CEO	6 out of 6
4	Mr. Tahir Mehmood	Director	6 out of 6
5	Mr. Amer Maqbool	Director	4 out of 5
6	Mr. Junaid Sakhi	Director	5 out of 5
7	Mr. Ghazanfar-Ul-Islam	Director	4 out of 5
8	Mr. Waqas Anwar Qureshi	Director	0 out of 5

INTERNAL CONTROL AND AUDIT FUNCTION:

The Board is responsible for effective implementation of a sound internal control system including compliance with control procedures. At BRRG, Audit Committee has in-house Internal Audit Function, for wider functions and role identified as below:

1. Review accounting and internal control system
2. Review the economy, efficiency and effectiveness of operations (Value for Money Audits / VFM Audits)
3. Examining financial and operational information.
4. Assisting with the identification of significant risks.



Dedicated Internal Audit Function helps to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. It is a control which functions by examining and evaluating the adequacy and effectiveness of other controls.

HUMAN RESOURCE MANAGEMENT POLICIES & SUCCESSION PLANNING:

We are 'an equal opportunity employer' and the Management of BRRG is committed to induct talented professionals through a transparent and competitive process while complying with best legal and ethical practices that has prescribed in our Human Resource Policy.

Our employees are our biggest asset and we go to great lengths to facilitate them. The compensation and benefit policies are designed not only to keep the employees motivated but also to attract and retain the competent valued workforce.

Employees' career management is being managed in parallel lines through utilizing a multidimensional approach. Performance management and annual appraisal are important part of career management. The Limited provides training to various disciplines and with a view to extend support to the Accounting & Finance professional as part of our CSR program.

SUCCESSION PLAN:

Our management policy is not only to take on board talented & dedicated professionals but also grooms and develops their skills for future leadership roles.

At BRRG, we believe in empowering people by providing them challenging opportunities to enhance their potential and develop their abilities. Succession plan contain information on performance and potential. In many cases succession plan is prepared for possible moves of key personnel and therefore treated in a highly confidential manner.

CORPORATE SUSTAINABILITY:

At BRRG, we recognize that we have responsibilities not only towards our customers, employees and shareholders, but also the communities in which we operate.

We believe that a sustainable company must be consistently profitable, but not solely concerned with making a profit. Success for BRRG means providing our customers with the products and services they need and want, understanding and managing the impact we have on society and the environment, and investing in the future of our employees and the communities we serve. These measures help us to carry out our work in a way that is both commercially astute and ethically sound.

Corporate Social Responsibility:

In an age in which environmental and social issues are top of mind for many consumers, businesses can no longer exist in a bubble. Today's shoppers aren't just looking for the best price and quality they expect the companies they patronize to do well with their money and make a positive impact

on the world around them. To this end, many organizations are now making social responsibility a top priority.

Health, Safety & Environment

At BRRG, we are committed to maintain a safe and healthy working environment for our employees. Through our proactive approach, we ensured that occupational safety is upheld by relevant contract workforce through code of conduct contractors. We are confident that our office premises have proper electric wiring, installation of fire extinguisher, ready first aid to office inmates while maintaining smoking free environment.

BRRG has valid Takaful policies against all possible perils relating to the property. BRRG has also provided group family and health Takaful to all its employees against natural and incidental health related hazards.

PATTERN OF CERTIFICATE HOLDING:

The pattern of certificate holding as on June 30, 2023 along with disclosure is annexed.


DIRECTORS' TRAINING PROGRAM:

The Company was listed subsequent to the year, however the directors of the company have been provided with copies of the Code of Corporate Governance, Rules, Company's Memorandum and Articles of Association, and all other relevant rules and regulations and hence are conversant of the relevant laws applicable to the Limited, its policies and procedures and provisions of memorandum and article of Associations and of their duties and responsibilities. Three directors out of seven are duly approved PICG and ICMA.

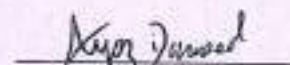
CONCLUSION / FUTURE PROSPECT:

On April 14, 2023 the petition for approval of Honorable Sindh High Court for the merger of BRR Guardian Limited with and into BRR Guardian Limited "the company" was submitted. The Honorable Sindh High Court, Karachi through its Order vide No. J. M. No.06 of 2022 sanctioned the Scheme of Arrangement for the Amalgamation of 'B.R.R Guardian Modaraba' with and into 'BRR Guardian Limited' having effect from the close of business on June 30, 2022 i.e. July 01, 2022. Accordingly, as disclosed in note 41 of the attached financial statements, your company has successfully listed on the Pakistan Stock Exchange on August 4, 2023.

On Behalf of the Board of Directors
B.R.R. Guardian Limited



Amer Maqbool
Director


Ayaz Dawood
Chief Executive Officer

October 05, 2023
Karachi.

B.R.R GUARDIAN LIMITED
CONSOLIDATED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2023

Independent Auditor's Report
To the members of B.R.R Guardian Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **B.R.R Guardian Limited** (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

CAC

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group's or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Group's financial reporting process.

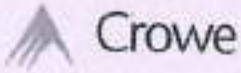
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

etc



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

A handwritten signature in black ink, appearing to read "Ayame Hussain".

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Karachi

Date: 05 OCT 2023

UDIN Number: AR202310207ePUqSpbtE

BRR GUARDIAN LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

JUNE 30,
2023
Note ----- Rupees -----

ASSETS

Non-current assets

Property, plant and equipment	5	156,781,788
Investment properties	6	858,820,601
Long-term musharaka finances	7	43,476,707
Long-term loans, advances and deposits	8	4,719,424
Total non-current assets		<u>1,063,798,520</u>

Current assets

Loans, advances and prepayments	9	16,097,417
Current portion of musharaka finances	7	38,656,663
Ijarah / lease rental receivable	10	-
Accrued profit	11	1,539,891
Other receivables	12	20,502,575
Tax refund due from government - net	13	70,149,323
Short-term investments	14	2,518,046,670
Cash and bank balances	15	19,797,365
Total current assets		<u>2,684,789,904</u>

TOTAL ASSETS

3,748,588,424

EQUITY AND LIABILITIES

Capital and reserve

Authorised capital 140,010,000 (2022: 10,000) shares of Rs. 10/- each	1.1	<u>1,400,100,000</u>
---	-----	----------------------

Issued, subscribed and paid-up share capital	16	950,084,890
Reserves	17	1,283,536,770
Surplus on revaluation of investments-net	18	811,755,623
		<u>3,045,377,283</u>

LMU

2 0 2 3
Note ----- Rupees -----

LIABILITIES

Non-current liabilities

Long-term musharaka	19	-
Long-term security deposits	20	70,609,539
Deferred tax liability	21	238,599,621
Total non-current liabilities		309,209,160

Current liabilities


Current portion of long-term musharaka		110,000,000
Current portion of security deposits	20	9,800,383
Creditors, accrued and other liabilities	22	236,556,426
Accrued profit on borrowings	23	2,064,673
Unclaimed dividends	24	35,580,499
Total current liabilities		394,001,981

Contingencies and commitments 25

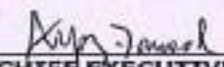
TOTAL EQUITY AND LIABILITIES **3,748,588,424**

The annexed notes from 1 to 45 form an integral part of these consolidated financial statements.

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DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

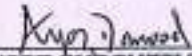
BRR GUARDIAN LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2023

	Note	JUNE 30 2023 ----- Rupees -----
Rental Income	26	298,140,264
Administrative and operating expenses	27	(186,556,600)
Depreciation	28	(55,688,988)
Expected credit loss allowance-net	29	<u>1,132,855</u>
Operating Profit		57,027,531
Other income	30	30,430,955
Investment income	31	178,790,716
Finance costs	32	<u>(27,422,277)</u>
Profit before taxation		238,826,925
Taxation	33	(94,277,481)
Net profit for the year		<u>144,549,444</u>
Earnings per shares - basic and diluted	34	<u>1.52</u>

The annexed notes from 1 to 45 form an integral part of these consolidated financial statements.

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 DIRECTOR



 CHIEF EXECUTIVE



 CHIEF FINANCIAL OFFICER

BRR GUARDIAN LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	JUNE 30 2023 ----- Rupees -----
Profit for the year	144,549,444
Other comprehensive income for the year	
Items that will be subsequently reclassified:	
Unrealised gain on revaluation of fair value through OCI investments-net of deferred tax	58,480,881
Total comprehensive income for the year	<u>203,030,325</u>

The annexed notes from 1 to 45 form an integral part of these consolidated financial statements.

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DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

2023
144,549,444
58,480,881
203,030,325

BRR GUARDIAN LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

Description	Issued, subscribed and paid-up share capital	Capital reserve		Revenue reserve		Surplus on revaluation of investment	Total
		Merger Reserve	Accumulated (loss)/ Profit	Accumulated (loss)/ Profit			
Balance as at July 01, 2022	100,000	-	(57,405)	-	-	42,595	
Issue of shares on amalgamation (Refer: Note 1.1)	949,984,890	-	-	-	-	949,984,890	
Reserve on amalgamation of BRRGM	-	1,130,801,550	-	-	-	1,130,801,550	
FVOCI surplus transfer from amalgamated entity- net of deferred tax	-	-	-	-	761,517,923	761,517,923	
Profit for the year ended June 30, 2023	-	-	144,549,444	-	-	144,549,444	
Other comprehensive income	-	-	-	-	58,480,881	58,480,881	
	949,984,890	1,130,801,550	144,549,444	-	819,998,804	3,045,334,688	
Transfer of gain on disposal of fair value through OCI Investments	-	-	8,243,181	-	(8,243,181)	-	
Balance as at June 30, 2023	950,084,890	1,130,801,550	152,735,220	811,755,623	-	3,045,377,283	

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The annexed notes from 1 to 45 form an integral part of these consolidated financial statements.


DIRECTOR


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

BRR GUARDIAN LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

JUNE 30
2023

----- Rupees -----

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation 238,326,925

Adjustment of non-cash and other items:

Depreciation	55,688,988
Expected credit loss	(1,132,855)
Gain on disposal of property and equipment - owned	(706,132)
Ijarah rental income	(9,081,180)
Profit on murabaha, musharaka	(18,934,149)
Financial charges	27,378,783
Fee and subscriptions	37,480,510
Profit on debt securities	(5,915,767)
Rental income	(280,677,214)
Gain on sale of investments	(10,713,673)
Reversal of provision for diminution of investments	(4,722,634)
Impairment-long term investments	11,945,991
Unrealised gain on revaluation of FVTPL Investment	(122,454,095)
	(321,843,427)
	(83,016,502)

(Increase) / decrease in current assets

Loans, advances and prepayments	(8,570,862)
Ijarah / lease rental receivable	9,081,180
Accrued profit	24,027,270
Other receivables	(367,684)
	24,169,904

Increase / (decrease) in current liabilities

Creditors, accrued and other liabilities	(75,649,289)
Rentals received in advance -net	320,209,095
Accrued profit on borrowings	(25,314,110)
	219,245,696
Income tax paid - net	(50,611,982)

Net cash generated from operating activities 109,787,116

CASH FLOWS FROM INVESTING ACTIVITIES

Addition to property and equipment - owned	(16,875,042)
Addition to capital work in progress	(48,330,511)
Proceeds from the disposal of property and equipment - owned	820,199
Proceeds from the disposal of leased assets-net	10,545,849
Investments purchased - net	(37,055,897)
Musharaka finances	(1,237,031)
Long-term loans, advances and deposits	1,039,008

Net cash used in from investing activities (91,093,425)

CXC

JUNE 30
2023

----- Rupees -----

CASH FLOWS FROM FINANCING ACTIVITIES

Profit paid to certificate holders	(50,480)
Shares issued during the year	-
Finance under murabaha, musharaka and finance	(40,000,000)
Long-term security deposits	2,618,433
	<hr/>
Net cash used in financing activities	(37,432,047)
	<hr/>
Net decrease in cash and cash equivalents	(18,738,356)
	<hr/>
Cash and cash equivalents at the beginning of the year	-
	<hr/>
Cash and cash equivalents transferred from amalgamated entity	38,535,721
	<hr/>
Cash and cash equivalents at the end of the year	19,797,365

The annexed notes from 1 to 45 form an integral part of these consolidated financial statements.

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DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

BRR GUARDIAN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. LEGAL STATUS AND NATURE OF THE BUSINESS

These consolidated financial statements consist of the following group companies:

1.1 Holding Company

BRR Guardian Limited ('the Company' or 'BRRGL') was incorporated in Pakistan on December 16, 2021 as a public limited company (un-listed) under Company Act, 2017. The principle line of business of the company is marketing and development of all type of real estate including developed or undeveloped land, housing or commercial projects including commercial markets or multistoried building (for commercial or residential purposes), shopping centers, restaurants, hotels, recreational facilities etc. with the permission of concerned authorities and compliance with applicable laws and regulations. The registered office of the company is situated at 20th floor, B.R.R Tower, Hassan Ali Street. I.I Chundrigar Road, Karachi.

During the period, the Honorable Sindh High Court, Karachi through its Order vide No. J. M. No.06 of 2022 dated April 23, 2023 sanctioned the Scheme of Arrangement for the Amalgamation of 'B.R.R Guardian modaraba' with and into 'BRR Guardian Limited' ('BRRGL') having effect from the close of business on June 30, 2022 i.e. July 01, 2022, whereby the entire undertaking inclusive of all assets, properties, rights, liabilities and dues of BRRGM will be transferred to and assumed by BRRGL. BRRGL will continue as a going concern and BRRGM upon amalgamation will cease to exist. These financial statements have been prepared in accordance with the aforesaid order of the High Court of Sindh.

On the scheme becoming effective, the authorized capital of BRRGM of Rs. 1,400,000,000 shall be merged and combined with the authorized capital of BRRGL of Rs.100,000, consequently the merged authorized capital of BRRGL shall stand increased at Rs.1,400,100,000 divided into 140,010,000 ordinary shares of Rs.10 each. Further, consequent on the scheme becoming effective the Issued, subscribed and paidup capital of BRRGM of Rs. 949,984,890 shall be merged with and combined with the Issued, subscribed and paidup capital of BRRGL of Rs.100,000, consequently the Issued, subscribed and paidup certificate capital of BRRGL shall stand increased to Rs. 950,084,890 divided into 95,008,489 ordinary shares of Rs. 10 each calculated at a swap ratio of 1 : 1 (BRRGL : BRRGM).

As a result as on July 01,2022, the entire business of BRRGM including properties, assets, liabilities and rights and obligations vested into the company. Since BRRGM was a group entity under common control, the merger has been accounted for as a common control transaction and predecessor accounting has been applied. Under predecessors accounting, the acquired net assets of BRRGM are included in the financial statements of the company at the same carrying values as recorded in BRRGM's own financial statements as on July 01, 2022. Accordingly, BRRFS has now become a wholly owned subsidiary of BRRGL with effect from July 01, 2022.

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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 now Companies Act 2017. 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 at 18th Floor, B.R.R Towers, Hassan Ali Street off I.I. Chundrigar Road, Karachi.

Pursuant to the court order sanctioning the Scheme of Arrangement for the Amalgamation of 'B.R.R Guardian modaraba' with and into 'BRR Guardian Limited' as detailed in Note 1.1 above, BRRFS has become a wholly owned subsidiary of BRRGL with effect from July 01, 2022.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 and Part VIII A of the repealed Companies Ordinance, 1984;

Where the provisions of and directives issued under the Companies Act, 2017, Part VIII A of the repealed Companies Ordinance, 1984 differ from the IFRS standards, the provisions of and directives issued under Companies Act, 2017 have been followed.

2.2 Basis of consolidation

These consolidated financial statements incorporate the financial statements of the BRRGL and the financial statements of subsidiary. The financial statements of the subsidiary is incorporated on a line-by-line basis and the investment held by the Company is eliminated against the corresponding share capital of subsidiary in the consolidated financial statements.

2.3 Basis of measurement

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

CNC

2.4 Functional and presentation currency

These consolidated financial statements have been presented in Pakistan Rupees, which is the functional and presentation currency of the Modaraba.

2.5 Significant accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period effected.

Judgments made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are

	Note
Amortization of property, plant and equipment - Ijarah	4.1
Amortization of property, plant and equipment - leased	4.1.1
Depreciation on property and equipment - own	4.1.2
Classification and valuation of investments	4.5
Provision for doubtful receivables	4.6
Impairment of investments, debt securities and leased assets	4.8

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards, amendments and interpretations to the published standards that are relevant to the Company and adopted in the current year

There were certain amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 01, 2022. However, these are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and, therefore, have not been disclosed in these financial statements.

3.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

There is a standard and certain other amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

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4 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below.

4.1 Property, plant and equipment under ijarah arrangements

The former Modaraba had adopted Islamic Financial Accounting Standard 2 - Ijarah in the year ended June 30, 2009 for all ijarah contracts commencing on or after July 01, 2008.

The assets subject to ijarah commencing on or after July 01, 2008 are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged on these assets using the straight line method over the ijarah period which is from date of delivery of respective assets to mustajir upto the date of maturity / termination of ijarah agreement. In respect of the addition or deletion during the year, amortisation is charged proportionately to the period of ijarah.

4.1.1 Property, plant and equipment under lease arrangements

Leased fixed assets are stated at cost less accumulated amortisation and impairment loss (if any). Amortisation is charged to income applying the annuity method whereby the cost of an asset less its residual value, is written off over its lease period. In respect of additions and disposals during the year, amortisation is charged proportionately to the period of lease.

Gain or loss on disposal of leased assets is recognised as income or expense as and when incurred.

4.1.2 Property, plant and equipment under own use

Operating fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss account during the period in which they are incurred.

Depreciation is charged to income applying the straight-line method whereby the cost of an asset is written off over its estimated useful life. In respect of additions and disposals during the year, depreciation is charged proportionately to the period of use.

The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the profit and loss account.

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Depreciation method, useful lives and residual values are reassessed at least at each balance sheet date and changes, if any, are recognised prospectively.

4.2 Capital work-in-progress

Capital work-in-progress, if any, is stated at cost (less impairment losses, if any) and represents expenditure on fixed assets in the course of construction and installation and advances for capital expenditure. Transfers are made to relevant operating fixed assets and investment property category as and when the assets are available for intended use.

4.3 Investment properties

Leased investment properties are properties accounted for under IAS 40 'Investment Properties' (held to earn rentals or for capital appreciation). The investment properties of the Company comprises of buildings including capital work-in-progress and is valued using the cost method i.e. at cost less any accumulated depreciation and any impairment losses.

Properties held to earn rentals or for capital appreciation are classified as an investment properties. The investment properties of the Company comprises of buildings including capital work-in-progress and is valued using the cost method i.e. at cost less any accumulated depreciation and any impairment losses.

Depreciation on investment properties is charged on straight line method over their estimated useful life at rates ranging from 2% to 5% per annum. In respect of additions and disposals during the year, depreciation is charged proportionately to the period of use.

4.4 Non current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amounts are expected to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount immediately prior to their classification as held for sale and fair value less cost to sell. Once classified as held for sale, the assets are not subject to depreciation or amortisation. Any gain or loss arising from the sale of these assets are reported in other income.

4.5 Financial assets

The Company classifies its financial assets into following three categories:

- Fair Value through Other Comprehensive Income (FVOCI);
- Fair Value through Profit or Loss (FVTPL); and
- At Amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

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4.5.1 Subsequent measurement

Debt instruments at FVTOCI

These assets are subsequently measured at fair value. Profit / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

Equity instruments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

Financial assets FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss.

Financial assets measured at amortised cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Profit / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. These comprise of ijarah rental receivable, musharaka finances, advances, deposits, prepayments and other receivables and trade debts.

4.6 Provisions for doubtful receivables

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.7 Trade date accounting

All 'regular way' purchases and sales of quoted equity securities are recognised on the trade date i.e. the date that the Company commits to purchase / sell the asset. 'Regular way' purchases or sales of quoted investments require delivery within two working days after the transaction date as per stock exchange regulations.

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4.8 Impairment

4.8.1 Impairment on Financial assets.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. IFRS 9 introduces a forward looking expected credit loss model, rather than the current incurred loss model, when assessing the impairment of financial asset in the scope of IFRS 9. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVTOCI, but not to investment in equity instruments.

Provision of financial assets (i.e Musharaka, Ijarah and Murabaha) is recognized in accordance with the criteria laid down in prudential regulations issued by Securities and Exchange commission of Pakistan (SECP) and is charged to profit and loss account in the period to which it relates.

For the provision of other financial assets, the Company follows expected credit loss model of IFRS 9.

Impairment loss in respect of financial assets classified as fair value through other comprehensive income (other than debt securities) is recognized based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. A significant or prolonged decline in fair value of an equity investment below its cost is also considered an objective evidence of impairment. The determination of what is significant or prolonged requires judgment.

In case of impairment of financial assets at FVOCI, the cumulative loss that has been recognized directly in statement of comprehensive income is taken to the statement of profit or loss.

Other individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All these impairment losses are recognized in the statement of profit or loss.

4.8.2 Impairment on Non-financial assets

The Company assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Where impairment loss for asset subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. Reversal of impairment loss is recognised as income in profit or loss account.

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4.9 Derecognition of financial instruments

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

4.10 Revenue recognition

4.10.1 Ijarah income / operating lease income

Up until June 30, 2008, the Modaraba treated all leases as operating leases and from July 01, 2008, the Modaraba has adopted IFAS 2 - Ijarah for all new disbursements. In accordance with the requirements of IFAS 2 - Ijarah, rental from Ijarah arrangements are recognised in profit and loss account on an accrual basis as and when rentals become due. Unrealised income in respect of non-performing Ijarah finance is held in suspense account, where necessary, in accordance with the requirements of the Prudential Regulations for Modarabas Issued by the SECP.

Leases in which a significant portion of the risk and reward is retained by the Company are classified as an operating lease. Rental income from operating leases is recognised on straight line on an accrual basis.

4.10.2 Murabaha and musharaka transactions

Profit from musharaka transactions is recognised on the basis of pro rata accrual of the profit estimated for the transaction over the period.

Profit from murabaha finance is accounted for on culmination of murabaha transaction. However, the profit on that portion of murabaha finance not due for payment is deferred and recorded as "Deferred Murabaha Income". The same is then recognised on a time proportion basis.

4.10.3 Rental income

Rental income arising from investment properties and lockers is accounted for on accrual basis.

4.10.4 Dividend income

Dividend is recognised as income when the Company's right to receive dividend is established.

4.10.5 Gain and losses on sale of investment

Gains and losses on sale of investments are accounted for when their commitment (trade date) for sale of security is made.

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4.10.6 Income on debt securities

Income is recognised on a time proportion basis under the effective yield method.

4.10.7 Income on balances with banks

Profit on saving accounts with banks is recognised on an accrual basis.

4.10.8 Unrealised income on non-performing assets

Unrealised income is suspended, where necessary, on non-performing assets (including non-performing net investment in Ijarah and murabaha and musharaka finances), in accordance with the requirements of the Prudential Regulations for Mudarabas issued by the SECP. Unrealised suspense income is recognised in profit and loss account on receipt basis.

4.11 Taxation**4.11.1 Current**

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credit and tax rebates realisable, if any.

4.11.2 Deferred

The Company accounts for deferred taxation on all material temporary differences using the liability method arising between the amounts attributed to assets and liabilities for financial reporting purposes and financial statements used for taxation purposes in unconsolidated consolidated financial statements. Deferred tax asset is recognized to the extent of the amount expected to be utilized in foreseeable future.

4.12 Staff provident fund

The Company contributes to an approved group fund scheme covering all its employees who are eligible under the scheme. Equal monthly contributions are made by the Company and the employees to the fund at 10% of the basic salary of the employees.

4.13 Foreign currencies translation

Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange approximating to those prevalent on the balance sheet date. Foreign currency transactions are converted into Pak Rupees at the rate of exchange prevailing on the date of transactions. Exchange gains and losses on translation are recognised in profit and loss account.

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4.14 Financial assets

Financial assets include lease rentals receivable, investments, musharaka and murabaha finances, deposits and other receivables, excluding taxation. Lease rentals receivable, musharaka, murabaha and other receivables are stated at cost as reduced by appropriate allowances for estimated irrecoverable amounts.

4.15 Financial liabilities

Financial liabilities are classified according to the substance of contractual arrangements entered into. These are initially recognised at fair value and subsequently stated at amortised cost. Significant financial liabilities are musharaka, murabaha and finance under mark-up arrangements, deposit on lease contracts and accrued and other liabilities.

4.16 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, balances at banks in current and deposit accounts and stamps in hand, as well as balance held with the State Bank of Pakistan (SBP).

4.17 Offsetting financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the balance sheet, if the Company has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Corresponding income on the assets and charge on the liability is also offset.

4.18 Segment reporting

As per IFRS 8, "Operating Segments", operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision maker. The chief executive officer of the Company management company has been identified as the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. The Company has only one reportable segment.

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4.19 Earnings per share

The Company presents earnings per share (EPS) data for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to shareholders of the Company by weighted average number of certificates outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential shares.

4.20 Related party transactions

All transactions with the related parties are priced on arm's length basis. Prices for those transactions are determined on the basis of admissible valuation methods.

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5 PROPERTY, PLANT AND EQUIPMENT

Note	2023 ----- (Rupees) -----
5.1	72,783,657
5.2	9,800,570
	<u>74,197,561</u>
	<u>156,781,788</u>

5.1. Property, plant and equipment - owned

Particulars	Leasehold land	Building on leasehold land	Office Premises	Lockers	Furniture and fixtures	Vehicles	Office equipment and computers	Total
	(Rupees)							
Year ended June 30, 2023								
Net carrying value basis								
Opening net book value (NBV)	-	-	-	-	-	-	-	-
Transfer from amalgamated entity	885,873	6,482,846	23,702,436	12,268,009	2,993,082	21,472,767	2,874,935	69,900,003
Additions (at cost)	-	-	-	114,000	172,800	14,588,342	1,886,910	16,875,042
Deposits (NBV)	-	-	-	-	-	(114,967)	-	(114,967)
Depreciation charge	(51,557)	(154,512)	(2,028,492)	(1,721,534)	(431,587)	(8,894,885)	(1,483,759)	(13,957,326)
Closing net book value	<u>935,316</u>	<u>6,327,534</u>	<u>21,681,944</u>	<u>10,661,275</u>	<u>2,734,295</u>	<u>27,853,157</u>	<u>2,591,136</u>	<u>72,783,657</u>
Gross carrying value basis								
Cost	1,527,896	26,079,419	46,733,354	35,568,168	5,593,226	52,982,181	21,921,618	193,285,676
Accumulated depreciation	(1,592,574)	(19,751,885)	(22,612,803)	(24,906,893)	(2,818,931)	(25,049,024)	(21,331,502)	(118,053,612)
Accumulated impairment	-	-	(2,438,497)	-	-	-	-	(2,438,497)
Net book value	<u>935,316</u>	<u>6,327,534</u>	<u>21,681,944</u>	<u>10,661,275</u>	<u>2,734,295</u>	<u>27,853,157</u>	<u>2,591,136</u>	<u>72,783,657</u>
Depreciation rate % per annum	2%	2-5%	2-5%	10%/5%	10%	20%	33.33%	

5.1.1 Disposal of property and equipment - during the year - (Owned)

Property and equipment	Cost	Accumulated depreciation	Net book value	Disposal proceeds	Gain / (Loss) on disposal	Mode of disposal	Particulars of purchaser
	Rupees						
Vehicles							
Suzuki Cultus BRT-479	1,147,300	1,147,299	1	114,730	114,729	Company Policy	Chen Zaib
Suzuki Cultus BEW-945	1,060,500	1,060,499	1	105,058	105,049	Company Policy	Anir Ali
Toyota Corolla GLI BKS-475	1,900,700	1,900,699	1	190,075	190,069	Company Policy	Muhammad Ahmad
Lenax 80-0258	1,907,600	1,907,599	1	190,760	190,759	Company Policy	Chen Zaib
Suzuki Mehran BDV-763	668,800	668,799	1	66,880	66,879	Company Policy	Amrood Siddique
Super Power 70CC LEW-17-6133	41,500	41,499	1	4,150	4,149	Company Policy	Muhammad Adam
Uniq-70CC KKG-2587	48,500	48,499	1	4,850	4,849	Company Policy	Fahzan
Uniq-70CC KKG-2580	48,500	48,499	1	4,850	4,849	Company Policy	Sajid Usdin
Uniq-70CC KFR-1851	82,500	5,540	77,000	74,000	(3,000)	Insurance Claim	TPL Insurance
Uniq-70CC KML-5995	52,000	45,066	6,934	13,867	6,933	Company Policy	Muhammad Sohail
Uniq-70CC KDC-6553	58,300	20,178	38,122	35,952	3,830	Company Policy	Khalid Umar
Super Power 70CC KLE-9437	47,700	47,689	1	4,770	4,769	Company Policy	Abdullah Ali
Super Power 70CC KLE-9480	47,700	47,689	1	4,770	4,769	Company Policy	Waseem Muhammad
Uniq Star -US78 ALY-210	45,000	44,999	1	4,500	4,499	Company Policy	Abd Hussain
June 30, 2023	<u>7,156,900</u>	<u>7,042,533</u>	<u>114,367</u>	<u>820,199</u>	<u>706,132</u>		

GRC

2023
Note ----- (Rupees) -----

5.2 Property, plant and equipment - leased / ijarah

Property, plant and equipment - leased	5.2.1 & 5.2	9,069,400
Property, plant and equipment - ijarah	5.2.2	<u>731,170</u>
		<u><u>9,800,570</u></u>

5.2.1 Property, plant and equipment - leased

Particulars	Plant and machinery	Vehicles	Motor boat	Total
	----- (Rupees) -----			

Year ended June 30, 2023

Net carrying value basis

Opening net book value (NBV)	-	-	-	-
Transfer from amalgamated entity	14,281,091	5,064,742	269,416	19,615,249
Additions (at cost)	-	-	-	-
Disposals (NBV)	(9,597,933)	(678,500)	(269,416)	(10,545,849)
Depreciation charge	-	-	-	-
Closing net book value	<u>4,683,158</u>	<u>4,386,242</u>	<u>-</u>	<u>9,069,400</u>

Gross carrying value basis

Cost	46,832,000	76,359,995	-	123,191,995
Accumulated impairment	-	(41,659,585)	-	(41,659,585)
Accumulated depreciation	(42,148,842)	(30,314,168)	-	(72,463,010)
Net book value	<u>4,683,158</u>	<u>4,386,242</u>	<u>-</u>	<u>9,069,400</u>

5.2.2 Property, plant and equipment - ijarah

Particulars	Vehicles --- (Rupees) ---
Year ended June 30, 2023	
Net carrying value basis	
Opening net book value (NBV)	-
Transfer from amalgamated entity	<u>731,170</u>
Closing net book value	<u><u>731,170</u></u>
Gross carrying value basis	
Cost	<u>3,572,000</u>
Accumulated depreciation	<u>(2,840,830)</u>
Net book value	<u><u>731,170</u></u>

GW

5.2.3 These fully depreciated leased assets are related to non-performing lease receivables which are under litigation in various courts and are being persuaded professionally by competent legal counsels. Further, in prior year, the lease receivables related to these assets were also fully provided under Prudential Regulations for Modaraba's by BRRGM.

5.2.4 In view of the large number of disposal of property, plant and equipment given on lease/ijarah, the management of the company is of the opinion that no practical purpose will be served by presenting details of such disposals.

	Note	2023 ----- (Rupees) -----
6 INVESTMENT PROPERTIES		
Investment properties	6.1	849,731,601
Capital work in progress	6.2	9,089,000
		<u>858,820,601</u>

6.1. Investment properties

Particulars	Leasehold land	Building on leasehold land	Office premises	Total
	----- (Rupees) -----			
Year ended June 30, 2023				
Net carrying value basis				
Opening net book value (NBV)	-	-	-	-
Transfer from amalgamated entity	131,943,886	511,111,681	248,407,696	891,463,263
Additions (at cost)	-	-	-	-
Transfer from owned asset (NBV)	-	-	-	-
Transfer to owned asset (NBV)	-	-	-	-
Disposals (NBV)	-	-	-	-
Depreciation charge	(3,790,221)	(18,266,709)	(19,674,732)	(41,731,662)
Closing net book value	<u>128,153,665</u>	<u>492,844,972</u>	<u>228,732,964</u>	<u>849,731,601</u>
Gross carrying value basis				
Cost	189,511,155	675,793,069	567,498,203	1,432,802,427
Accumulated impairment	-	-	(3,982,432)	(3,982,432)
Accumulated depreciation	(61,357,490)	(182,948,097)	(334,782,807)	(579,088,394)
Net book value	<u>128,153,665</u>	<u>492,844,972</u>	<u>228,732,964</u>	<u>849,731,601</u>
Depreciation rate % per annum	<u>2%</u>	<u>2-5%</u>	<u>2-5%</u>	

6.1.1 The fair value of investment property as at June 30, 2023 as per valuation report of independent valuer is Rs. 4,936.484 million.

	Note	2023 ----- (Rupees) -----
6.2 Capital work-in-progress		
Advance for office premise -Jofa Tower, Karachi	6.2.1	66,420,000
Less: Provision against advance for office premises		(57,331,000)
		<u>9,089,000</u>

CFO

- 6.2.1 This includes Rs. 57,331 million paid for the purchase of three shops of Jofa Tower. Due to 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 company. In March 2012, the BRRGM 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 years, BRRGM has made provision against the advance paid for the purchase of three shops amounting to Rs. 57,331 million.

	Note	2023 ----- (Rupees) -----
7 LONG-TERM MUSHARAKA FINANCES		
Diminishing musharaka finance	7.1 & 7.3	133,442,150
Expected credit loss allowance	7.2	<u>(51,308,780)</u>
		82,133,370
Current portion of musharaka finances		<u>(38,656,663)</u>
		<u>43,476,707</u>
7.1 The expected profit receivable on these arrangements ranges from 10.21% to 26.02% per annum. The arrangements are secured by way of hypothecation of asset, mortgage of property and equipment. These finances are receivable on various dates up to June 24, 2039.		
7.2 Movement in Expected credit loss allowance		
Opening balance		-
Transfer from amalgamated entity		52,026,735
Reversal during the year	29	<u>(717,955)</u>
Closing balance		<u>51,308,780</u>
7.3 Ageing of musharaka finances		
Neither past due nor impaired		83,680,409
Past due and impaired		<u>49,761,741</u>
		<u>133,442,150</u>
8 LONG TERM LOANS, ADVANCES AND DEPOSITS		
Loans - secured - considered good		
To employees	8.1	1,676,376
Current portion of loans to employees		<u>(315,982)</u>
		1,360,394
To executives	8.1, 8.2 & 8.3	<u>1,673,440</u>
Current portion of loans to executives		<u>(1,673,440)</u>
		-
Deposits		<u>3,359,030</u>
		<u>4,719,424</u>

CNC

- 8.1 These represent diminishing musharaka house loans disbursed to employees and executives under the terms of employment. These loans carry profit at the rate of 5% per annum and are secured against the mortgage of properties.
- 8.2 The maximum amount of loans and advances due from executives at the end of any month during the year was Rs. 2.82 million.
- 8.3 The company has availed the benefit of forced sale value of the collateral amounting to Rs. 1.673 million against a loan to an executive.

	Note	2023 ----- (Rupees) -----
9 LOANS, ADVANCES AND PREPAYMENTS		
Loans and advances - secured - considered good:		
- against salary		6,021,791
Loans and advances - unsecured - considered good:		
- current portion of loans to employees	8	315,982
- current portion of loans to executives	8	1,673,440
- against expenses		7,665,105
- against purchases	25.1	44,922,678
Prepayments:		
- takaful		421,099
Provision for doubtful receivables	25.1	(44,922,678)
		<u>16,097,417</u>
10 IJARAH / LEASE RENTAL RECEIVABLE		
Considered good		-
Considered doubtful		9,659,121
Lease rental receivables		9,659,121
Credit loss allowance	10.1	(9,659,121)
		<u>-</u>
10.1 Movement in Expected credit allowance		
Opening		-
Transfer from amalgamated entity		10,074,021
Charge for the year	29	-
Reversals during the year	29	(414,900)
Written off during the year		-
Closing balance		<u>9,659,121</u>
11 ACCRUED PROFIT		
Accrued profit on:		
Debt securities		858,399
Musharaka finances		681,492
		<u>1,539,891</u>

Exe

	2023
Note	----- (Rupees) -----
12 OTHER RECEIVABLES	
Rent receivable - unsecured, considered good	3,964,423
Takaful premium receivable	942,644
Other receivable	<u>15,595,508</u>
	<u>20,502,575</u>
Others	12.1 <u>33,810,401</u>
Provision for doubtful debts	<u>(33,810,401)</u>
	<u>20,502,575</u>

- 12.1** 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. In prior year, BRRGM has filed a criminal complaint against the borrower and its owner against misappropriation of pledged stock.

A suit was also filed on September 29, 2012 by BRRGM before the Modaraba Tribunal / Banking Court-II for the recovery of outstanding dues from borrower. The Tribunal passed a judgment order in favour of BRRGM 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 BRRGM 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 BRRGM. The Modaraba has also filed a reply to the application filed by the borrower which is currently pending consideration.

In prior year, complete provision has been made against outstanding balance. The management is confident that the said lawsuit and criminal case will be decided in favour of the company.

	2023
Note	----- (Rupees) -----
13 TAXATION - NET	
Opening balance	-
Transfer from amalgamated entity	46,667,319
Income tax paid during the year	<u>50,321,275</u>
	<u>96,988,594</u>
Provision for the year	(24,099,500)
Prior year adjustment	<u>(2,739,771)</u>
	<u>70,149,323</u>

MAC

2023

Note

---- (Rupees) ----

14 SHORT-TERM INVESTMENTS

Fair value through profit or loss - FVTPL:

Listed ordinary shares	14.1	1,411,450,570
Mutual fund units	14.2	41,628,838
Preference Shares	14.3	5,604,668
Listed debt securities	14.4	40,448,560
Deliverable future contracts		4,032,046
		<u>1,503,164,682</u>

Fair value through other comprehensive income - FVTOCI:

Listed ordinary shares / modaraba certificates	14.5	973,356,380
Unlisted ordinary shares	14.6	51,779,168
		<u>1,025,135,548</u>
Provision for diminution in value of investments	14.7	(10,253,561)
		<u>2,518,046,670</u>

14.1 FVTPL: Listed ordinary shares

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

June 30 2023	Names of investees	June 30 2023
Number of shares		--- (Rupees) ---
4,450	Abbot Laboratories (Pakistan) Limited	1,646,500
562,875	Agha Steel Industries Limited	5,471,145
26,100	AGP Limited	1,474,128
15,250	Agriautos Industries Ltd	946,263
60,352	Al-Shaheer Corporation Limited	436,345
2,000	Archroma Pakistan Ltd	940,000
3,000	Atlas Battery Limited	613,170
20,000	At-Tahur Limited	329,200
13,371	Attock Petroleum Limited	4,014,643
21,842	Attock Refinery Limited	3,748,742
11,647	Avanceon Limited	512,934
2,500	Bank Islami Pakistan Limited	44,400
8,000	Bannu Woollen Mills Limited	179,040
39,625	Berger Paints Pakistan Limited	1,941,229
5,400	Bestway Cement Ltd	783,000
15,856	Biafo Industries Limited	1,046,496
2,000	Bolan Casting Limited	66,000
38,350	Bunny's Limited	636,610
15,000	Cib Pharma Ltd.	320,100
562,890	Energyico PK Limited	1,598,608
128,653	D.G. Khan Cement Company Limited	6,599,899

ASU

June 30 2023	Names of investees	June 30 2023
Number of shares		--- (Rupees) ---
172,000	Dolmen City Reit	2,352,960
23,490	Engro Corporation Limited	6,104,816
4,410	Engro Polymer and Chemicals Limited	186,323
656,562	Fauji Cement Company Limited	7,721,169
23,792	Ferozsons Laboratories Limited	3,255,935
213,500	First Prudential Modarba	266,875
28,274	Frieslandcampins Engro Foods Limited	1,669,014
104,470	Ghani Glass Limited	2,663,986
125,956	Ghani Global Holdings Limited	1,243,186
160,565	GlaxoSmithKline (Pakistan) Limited	12,101,784
37,300	Haleon Pakistan Limited	5,227,222
13,277	Highnoon Laboratories Limited	4,463,329
50,650	Image Pakistan Limited	489,279
10,000	Interloop Limited	352,600
22,000	Ittefaq Iron Industries Limited	100,540
111,543	Ittehad Chemical Limited	4,349,062
4,274,746	K-Electric Limited	7,352,563
25,500	Kohinoor Textile Mills Limited	1,298,205
8,800	KSB Pumps Co Ltd	792,792
9,659	Lucky Cement Limited	5,042,867
13,208	Lucky Core Industries	7,979,481
64,641	Maple Leaf Cement Factory Limited	1,831,280
7,941	Mari Petroleum Company Limited	12,027,756
13,555	Meezan Bank Limited	1,170,745
164	Millat Tractors Limited	64,011
85,000	Modaraba Al - Mall	298,350
24,675	National Foods Limited	2,428,020
63,073	National Refinery Limited	9,460,950
15,394	NetSol Technologies Limited	1,151,933
83,884	Nishat Mills Limited	4,762,095
186,798	Oil and Gas Development Company Limited	14,570,244
101,000	Pak Agro Packaging Limited(GEM)	700,940
238,303	Pak Elektron Limited	2,156,642
81,669	Pakistan Aluminium Beverage Cans Limited	3,693,072
1,950	Pakistan Cables Limited	161,694
699,500	Pakistan International Bulk Terminal Limited	2,874,945
13,000	Pakistan National Shipping Corporation Limited	1,722,890
58,228	Pakistan Oxygen Limited	5,490,900
131,036	Pakistan Petroleum Limited	7,749,469
40,056	Pakistan Refinery Limited	543,159
109,279	Pakistan State Oil Company Limited	12,131,062
151,500	Pakistan Telecommunication Company Limited	910,515
71,931	Panther Tyres Ltd.	1,450,129
1,533,168	Power Cement Limited	6,285,989
93,881	Roshan Packages Limited	834,602
50	Sanofi-Aventis Pakistan Limited	34,575
222,523	Sazgar Engineering Works Limited	11,315,295
26,800	Security Paper Limited	2,492,400
104,767	Service GlobalFootwear Limited	2,920,904

CNC

June 30 2023	Names of investees	June 30 2023
Number of shares		--- (Rupees) ---
63,580	Service Industries Limited	16,688,478
85,500	Shabblir Tiles and Ceramics Limited	711,360
43,617	Shell Pakistan Limited	5,044,306
2,400	Sitara Chemical Industries Limited	541,392
218,500	Sitara Peroxide Limited	2,702,845
26,596	Sui Northern Gas Pipelines Limited	1,047,085
223,500	Sui Southern Gas Company Limited	1,919,865
43,450	Supernet Limited	651,316
2,848,138	Systems Limited	1,148,739,500
22,220	Tariq Glass Industries Limited	1,513,182
10,500	The Hub Power Co. Ltd	730,590
95,786	The Organic Meat Company Limited	1,990,433
197,552	The Searle Company Limited	7,570,193
952	Tri-Pack Films Limited	113,621
1,598	United Distributors Pakistan Limited	47,237
1,000	Unity Foods Ltd	15,630
1,254	Universal Network Systems Limited(GEM)	77,121
40,200	Waves Home Appliances Limited	178,086
255,500	Waves Singer Pakistan Limited	1,571,325
		<u>1,411,450,570</u>

14.2 FVTPL: Investment in mutual fund units

June 30 2023	Names of investees	June 30 2023
Number of units		--- (Rupees) ---
	Open-end mutual funds	
505,895	786 Smart Fund	41,628,838
		<u>41,628,838</u>

14.3 FVTPL: Investment in preference shares

June 30 2023	Names of investees	June 30 2023
Number of shares		--- (Rupees) ---
756,990	Power Cement Limited - Preference Shares	5,291,360
26,109	Engro Polymer & Chemicals Limited -Preference Shares	313,308
		<u>5,604,668</u>

CNC

14.4 FVTPL: Investment in debt securities

June 30 2023	Sukuk	June 30 2023
Number of sukuku		--- (Rupees) ---
10	Berger Paint Pakistan Limited	10,000,000
10	Abhi (Private) Limited	10,000,000
200	K-Electric Limited	20,448,560
		<u>40,448,560</u>

14.4.1 Particulars of Sukuku

Names of the investee	Repayment frequency	Profit rate per annum	Maturity date	Secured / unsecured
Berger Paint Pakistan Limited	Quarterly	3 months KIBOR + 1.5%	26-Sep-26	Secured
Abhi (Private) Limited	Quarterly	6 months KIBOR + 2.6%	10-Nov-23	Secured
K-Electric Limited	Quarterly	3 months KIBOR + 1.70%	23-Nov-29	Secured

14.5 FVTOCI: Listed ordinary shares / modaraba certificates

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

June 30 2023	Names of investees	June 30 2023
Number of shares		--- (Rupees) ---
33,326	Abbot Laboratories (Pakistan) Limited	12,330,620
1,747	Avanceon Limited	76,938
7,925	Berger Paints Pakistan Limited	388,246
80	Colgate Palmolive (Pakistan) Limited	89,826
185,000	Dolmen City Reit	2,530,800
18,816	Ghani Glass Limited	479,808
32,165	GlaxoSmithKline (Pakistan) Limited	2,424,276
30,906	Haleon Pakistan Limited	4,331,167
758	Highnoon Laboratories Limited	254,817
7,597	Image Pakistan Limited	73,387
5,000	Interloop Limited	176,300
53,700	K.S.B. Pumps Co. Limited	4,837,833
8,190	Mari Petroleum Company Limited	12,404,902
2,332	Millat Tractors Limited	910,203
409	Pakistan Cables Limited	33,914
1,000	Pakistan International Container Terminal Limited	57,050
5,000	Pakistan National Shipping Corporation Limited	662,650

CMU

June 30 2023	Names of investees	June 30 2023
Number of shares		--- (Rupees) ---
14,557	Pakistan Oxygen Limited	1,372,725
268,435	Sazgar Engineering Works Limited	13,649,920
11,699	Sitara Chemical Industries Limited	2,639,060
2,213,934	Systems Limited	892,946,000
	Financial services	
1,935,506	786 Investments Limited	10,432,377
	First Dawood Investment Bank Limited -(Related party) (fully provided) (Note: 14.5.1)	10,253,561
3,339,922		
		973,356,380

14.5.1 This represents sponsor shares of the related party. In prior year, full amount of provision has also been recognised against this investment.

14.6 FVTOCI: Investment in unlisted ordinary shares

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

June 30 2023	Names of investees	June 30 2023
Number of shares		--- (Rupees) ---
100,000	Al Baraka Bank (Pakistan)	1,063,000
7,200,000	Dawood Family Takaful	50,112,000
34,603	ISE Tower REIT	604,168
		51,779,168

14.6.1 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, 2023

Al Baraka Bank (Pakistan) Limited	(14.6.2)	976,400	0.01%	EY Ford Rhodes, Chartered Accountants
Dawood Family Takaful Limited	(14.6.3)	52,155,973	9.60%	Yousuf Adil, Chartered Accountants
ISE Tower REIT Management Company Limited	(14.6.4)	584,791	0.01%	Yousuf Adil, Chartered Accountants

CYC

- 14.6.2** The break-up value of investment in shares of Al Baraka (Pakistan) Limited (ABPL) is Rs. 1.063 million (as per latest available audited financial statement dated December 31, 2022) whereas the book value of investment in shares of ABPL is Rs. 0.976 million resulting in revaluation surplus of Rs. 0.087 million during the year.
- 14.6.3** The break-up value of investment in shares of Dawood Family Takaful (DFTL) is Rs. 52.255 million (as per latest audited accounts dated December 31, 2022). During the year, the management has estimated the fair value of this investment based on information of available market transaction at Rs.6.96 per share and has recorded revaluation gain of Rs.2.30 million.
- 14.6.4** The breakup value of the investment in shares of ISE Tower REIT Management Company Limited amounted to Rs. 0.604 million (as per un-audited financial statement as at March 31, 2023) whereas the book value of investment in shares is Rs. 0.584 million resulting in revaluation surplus of Rs. 0.02 million.

14.7 Provision for diminution in value of investments

2023
----- (Rupees) -----

Opening balance	-
Transfer from amalgamated entity	16,222,148
Charge / Reversal for the year	(4,722,634)
Write off	(1,245,953)
Closing balance	<u>10,253,561</u>

CVC

	Note	2023 ----- (Rupees) -----
15 CASH AND BANK BALANCES		
Cash in hand		248,637
Cash with State Bank of Pakistan - current account		24,438
Cash with banks in:		
Savings accounts	15.1	19,385,922
Current accounts		<u>138,368</u>
		<u>19,797,365</u>

15.1 These carry profit at rates ranging from 6.00% to 18.50% per annum.

16 ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

Ordinary shares of Rs. 10 each

2023 (Number of shares)		2023 ----- (Rupees) -----
10,000	Shares issued as fully paid in cash	100,000
94,998,489	Shares issued to certificate holders of BRR Guardian Modaraba under the Scheme of Amalgamation (Refer : Note 1.1)	949,984,890
<u>95,008,489</u>		<u>950,084,890</u>

16.1 BRR Investments (Private) Limited held 18,998,461 (19.99%) shares/certificates of Rs. 10 each as at June 30, 2023.

16.2 Mr. Ayaz Dawood (CEO) held 12,071,574 (12.70%) shares/certificates of Rs.10 each as at June 30, 2023.

	Note	2023 ----- (Rupees) -----
17 RESERVES		
Capital reserve		
Merger Reserve		1,130,801,550
Revenue reserve		
Accumulated gain / (loss)		<u>152,735,220</u>
		<u>1,283,536,770</u>

CAU

	2023
Note	----- (Rupees) -----
18 SURPLUS ON REVALUATION OF INVESTMENTS - NET	
Listed ordinary shares	927,184,432
Unlisted shares / debt securities	<u>(3,350,722)</u>
	925,833,710
less: Deferred tax - OCI	<u>(114,078,087)</u>
	<u>811,755,623</u>

19 LONG-TERM MURABAHA, MUSHARAKA AND FINANCE UNDER MARK-UP ARRANGEMENTS

Musharaka arrangement - First Dawood Investment Bank Limited	19.1	110,000,000
Current portion of musharaka arrangements		<u>(110,000,000)</u>
		<u>-</u>

- 19.1** The company 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.25.168 million and made profit payment amounting to Rs. 23.103 million.

- 19.2** Following are the changes in the long term musharaka (i.e for which cash flows have been classified as financing activities in the statement of cash flows)

	2023
	----- (Rupees) -----
Opening balance	-
Transfer from amalgamated entity	150,000,000
Received during the year	113,000,000
Payment during the year	<u>(153,000,000)</u>
Current portion of loan	<u>(110,000,000)</u>
Closing balance	<u>-</u>

20 LONG TERM SECURITY DEPOSITS

	2023
Note	----- (Rupees) -----
Lease / Ijarah	9,800,383
Investment properties	44,662,474
Lockers	25,947,065
	80,409,922
Current portion of security deposits	<u>(9,800,383)</u>
	<u>70,609,539</u>

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21 DEFERRED TAXATION

Deferred tax is recognised in respect of all temporary differences arising from carrying value of assets and liabilities in financial statements and their tax base.

	2 0 2 3 ----- (Rupees) -----
Taxable temporary differences	
Property, plant and equipment & investment properties	12,333,228
Short term investment - FVTPL	152,873,978
Short term investment - FVOCI	<u>114,078,087</u>
	<u>279,285,293</u>
Deductible temporary differences	
Provision against musharaka	(14,879,546)
Provision for doubtful receivable	(13,027,577)
Provision for diminution in value of investments	(2,973,533)
Provision-other receivables	<u>(9,805,016)</u>
	<u>(40,685,672)</u>
	<u><u>238,599,622</u></u>

21.1 Classification of deferred tax liability

Other comprehensive income	113,520,114
Profit and loss account	<u>125,079,508</u>
	<u><u>238,599,622</u></u>

21.1 During the year, the company has recognized deferred tax liability amounting to Rs. 159.04 million. Deferred tax liability transferred from amalgamated entity amounted to Rs.77.27 million.

21.2 Deferred tax asset as at June 30, 2023 amounting to Rupees 192.07 million has not been recognized in these financial statements due to uncertainty in availability of sufficient future taxable profits as these temporary differences are not likely to reverse in the foreseeable future.

	2 0 2 3 ----- (Rupees) -----	Note
22 CREDITORS, ACCRUED AND OTHER LIABILITIES		
Rentals received in advance:		
Lockers	54,941,370	
Investment Properties	45,348,544	
Modaraba Management fee payable	37,480,510	
Sales tax on Modaraba management fee payable	4,872,466	
Provision for Sindh Workers' Welfare Fund	25,163,017	
Accrued liabilities	18,387,600	
Advance against sale of land	12,156,301	22.1
Others	33,206,618	
	<u>236,556,426</u>	

22.1 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.

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2 0 2 3

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

23 ACCRUED PROFIT ON BORROWINGS

Finance under musharaka arrangements

2,064,673**24 UNCLAIMED DIVIDEND**

Unclaimed dividend payable to shareholders

35,580,499**25 CONTINGENCIES AND COMMITMENTS**

- 25.1** BRRGM 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 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 (Refer Note : 11)
- 25.2** A commercial bank has lodged a claim of Rs. 1.090 million on account of excess mark-up paid to BRRGM during previous years which is not accepted by the Modaraba. BRRGM 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. 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.

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	Note	2023 ---- (Rupees) ----
26 RENTAL INCOME		
Investment properties	26.1	217,375,964
Lockers and custodial services		63,301,250
Other charges from tenants		17,463,050
		<u>298,140,264</u>
26.1	This includes rental income amounting to Rs.13.05 million from associated companies and other related parties.	
27 ADMINISTRATIVE EXPENSES		
Salaries and other benefits		68,104,424
Medical		2,187,273
Provident fund contributions	27.1	4,112,651
Bonus		7,163,681
Vehicle running		22,146,686
Leave encashment		260,877
Employee old age contribution		605,750
Traveling and conveyance		1,648,005
Entertainment		344,568
Office expense		2,986,057
Electricity, water and gas		5,286,584
Telephone and fax		494,583
Postage and courier		373,431
Stationery and printing		1,338,939
Computer expenses		590,725
Fees and subscriptions		7,658,263
Takaful		5,403,417
Repairs and maintenance		5,957,148
Rent, rates and taxes		3,162,845
Security expenses		2,202,405
Legal and professional charges		1,256,830
Auditor's remuneration	27.2	1,248,400
Others		4,542,548
Modaraba management company fee excluding sales tax		37,480,510
		<u>186,556,600</u>

CNC

2023
---- (Rupees) ----

27.1 Disclosures relating to provident fund

Size of the fund	238,683,283
Fair value of investments	150,760,354

Break-up of investments

Government securities	47,610,189
Term finance certificates	18,856,338
Investment in sukuk	12,134,568
Listed securities	46,572,204
Mutual funds	25,587,055

% age of size of the fund

Break-up of investments

Government securities	31.58%
Term finance certificates	12.51%
Investment in sukuk	8.05%
Listed securities	30.89%
Mutual Funds	16.97%

The figures for 2023 are based on the unaudited financial statements of the provident fund. Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

2023
---- (Rupees) ----

27.2 Auditor's remuneration

Audit fee	790,000
Limited review, special reports, certification and sundry advisory	325,500
Out of pocket expenses	132,900
	<u>1,248,400</u>

28 DEPRECIATION

Depreciation on owned assets	5.1	13,957,326
Depreciation on investment properties	6.1	41,731,662
		<u>55,688,988</u>

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	Note	2023 ---- (Rupees) ----
29 EXPECTED CREDIT LOSS ALLOWANCE		
Reversal during the year		
Lease rentals / Ijarah	10.1	414,900
Musharaka	7.2	717,955
		<u>1,132,855</u>
30 OTHER INCOME		
Income on musharaka, murabaha		18,934,149
Ijarah/Lease rental income - net		9,081,180
Miscellaneous and other		
termination		1,709,494
Gain on disposal of property and equipment - owned		706,132
Gain on disposal of Ijara assets		-
		-
		<u>30,430,955</u>
31 INVESTMENT INCOME - NET		
Dividend income	31.1	46,428,658
Gain on sale of investments		12,254,233
Profit on debt securities		5,915,767
Gain/Loss on settlement of DFC's		(1,540,560)
Profit on bank balances		1,316,080
Reversal of provision for dimunition	14.7	4,722,634
Impairment of Long term investment		(11,945,991)
Unrealised gain on revaluation of FVTPL investment		<u>122,454,095</u>
Less: Commission and brokerage expense		179,604,916
		<u>(814,200)</u>
		<u>173,790,716</u>

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31.1 Dividend income

2023
---- (Rupees) ----

786 Smart Fund	7,958,813
Abbott Laboratories	567,911
Agp Limited	52,200
Archroma Pakistan Ltd	40,000
Attock Petroleum Limited	525,944
Attock Refinery Limited	164,402
BankIslami Pakistan Limited	77,000
Berger Paints Pak. Ltd.	157,530
Bestway Cement Ltd	102,600
Biafo Industries Limited	48,619
Colgate Palmolive (Pak)	3,200
D.G. Khan Cement Company Limited	115,183
Dolmen City Reit	614,040
Engro Corporation Limited	1,590,493
Engro Polymer & Chemical	103,655
Ferozsons Laboratories Limited	89,957
Ghani Glass Limited	101,005
Highnoon Laboratories Ltd	236,532
Hub Power Company Ltd	252,000
ICI Pakistan Ltd	338,627
Interloop Ltd	30,000
ISE Towers Reit Management	22,492
Ittehad Chemicals Limited	325,999
Meezan Bank Limited	122,779
Millat Tractors Limited	112,425
National Foods Ltd	41,715
National Refinery Ltd	923,531
Nishat Mills Limited	211,048
Oil & Gas Development Co Ltd	1,679,099
Pakistan Cables Ltd	6,480
Pakistan International Container	12,428
Pakistan National Shipping	221,837
Pakistan Petroleum Limited	220,995
Pakistan State Oil Co. Ltd.	1,076,992
Panther Tyres Ltd	66,823
Security Papers Limited	260,770
Service Global Footwear Ltd	345,089
Service Industries Limited	317,900
Shell Pakistan Limited	147,581
Sitara Chemical Industries Ltd	112,792
Sui Northern Gas Pipelines Ltd	254,572
Systems Ltd.	25,310,360
Tri-Pack Films Limited	4,760
Tariq Glass Industries Limited	16,344
Mari Petroleum Company Limited	1,444,136
	<u>46,428,658</u>

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	2023
Note	---- (Rupees) ----
32 FINANCE COST	
Profit on:	
Finance under musharaka arrangement	27,378,783
Bank charges and commission	43,494
	<u>27,422,277</u>
33 TAXATION	
Prior year	3,030,477
Current tax	24,099,500
Deferred tax	67,147,504
	<u>94,277,481</u>

33.1 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. BRRGM 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.

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. BRRGM had filed appeal before the Commissioner Inland Revenue (Appeals-I) and the decision has been 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. There has been no further correspondence regarding the order.

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, 2020 has amended the assessment for the Tax Year 2012 thereby creating a demand of Rs. 5,908,802. BRRGM 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 the company.

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2023
---- (Rupees) ----

34 EARNINGS PER SHARE - BASIC AND DILUTED

The earnings per certificate as required under IAS 33 "Earnings per share" is given below:

Profit for the year	144,549,444
	--Number of shares--
Weighted average number of shares outstanding	95,008,489
	---- (Rupees) ----
Earnings per certificate - Basic and diluted	1.52

There were no convertible dilutive potential ordinary shares outstanding as on June 30, 2023 which have dilutive effect on earnings per share.

35 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS & EXECUTIVES

	Chief Executive & Executive	Non Executive Directors	Executives	Total
	2023	2023	2023	2023
	Rupees	Rupees	Rupees	Rupees
Remuneration	9,620,000	-	21,114,500	30,734,500
Meeting fee	-	1,200,000	-	1,200,000
Bonus	1,950,000	-	1,797,000	3,747,000
Medical expenses	120,935	-	384,000	504,935
Retirement benefits	641,331	-	1,407,635	2,048,966
Travelling expense	1,350,000	-	-	1,350,000
Other benefits	216,661	-	-	216,661
	13,898,927	1,200,000	24,703,135	39,802,062
Number of persons	3	7	7	17

The officers and executives are also provided with the free use of vehicles owned and maintained by the company.

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36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's objective in managing risk is the creation and protection of certificate holders' value. Risk is inherent in the company's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed, based on limits established by the Management Company, company's constitutive documents and the regulations and directives of the SECP. The company's activities expose it to a variety of financial risks: market risk (including profit rate risk, equity price risk and fair value risk), credit risk and liquidity risk. The Board of Directors of the Management Company has an overall responsibility for the establishment and oversight of the company's risk management framework.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

The company primarily invests in ijarah assets, musharaka, diversified portfolio of listed securities, sukuk certificates and term finance certificates. Such investments are subject to varying degrees of risk, which emanate from various factors that include but are not limited to market risk, credit risk and liquidity risk.

36.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and equity prices.

36.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates. As of June 30, 2023 the company's exposure to the risk of changes in market interest rates relates primarily to bank balances in saving accounts, musharaka and murabaha agreements and debt securities. The bank balances in saving accounts are subject to profit rates as declared by the respective banks on yearly basis while, the musharaka and murabaha agreements and debt securities are subject to floating profit rates. As at June 30, 2023 approximately 5.47% (June 30, 2022: 94.01%) of the company's financial assets are subject to floating profit rates. The management of the company estimates that an increase of 100 basis points in the market profit rate, with all other factors remaining constant, would increase the company's income by Rs. 1.430 million (June 30, 2022: Rs. 659) and a decrease of 100 basis points would result in a decrease in the company's income by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

36.3 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

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36.4 Equity price risk

Equity price risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the company in which the investment is made, change in business circumstances of the company, its business sector, industry and / or the economy in general.

At the balance sheet date, the exposure to listed equity securities is Rs. 2,390.411 million. Management of the company estimates that 5% increase or decrease in the overall equity prices in the market with all other factors remaining constant would result in increase or decrease of company's net assets by Rs. 119.520 million. However, in practice, the actual results may differ from the sensitivity analysis.

36.5 Segment by class of business for investment in equity securities

Sector	June 30, 2023	
	Rupees	%
Automobile Assembler	25,939,429	1.09%
Automobile Parts And Accessories	3,009,562	0.13%
Cable And Electrical Goods	3,923,575	0.16%
Cement	33,555,564	1.40%
Chemical	31,224,079	1.31%
Commercial Banks	1,215,145	0.05%
Engineering	11,268,310	0.47%
Fertilizer	6,104,816	0.26%
Financial Services	20,685,938	0.87%
Food And Personal Care Products	7,505,252	0.31%
Glass And Ceramics	5,368,336	0.22%
Leather And Tanneries	19,609,382	0.82%
Miscellaneous	3,853,930	0.16%
Modarabas	565,225	0.02%
Oil And Gas Exploration Companies	46,752,371	1.96%
Oil And Gas Marketing Companies	24,156,961	1.01%
Paper And Board	4,027,942	0.17%
Pharmaceuticals	55,434,646	2.32%
Power Generation And Distribution	8,083,153	0.34%
Real Estate Investment Trust	4,883,760	0.20%
Refinery	15,351,459	0.64%
Synthetic And Rayon	562,666	0.02%
Technology And Communication	2,044,989,136	85.55%
Textile Composite	6,589,200	0.28%
Textile Weaving	178,086	0.01%
Transport	5,394,656	0.23%
Woollen	179,040	0.01%
	2,390,411,619	100%

36.6 Liquidity risk

Liquidity risk is defined as the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressful conditions, without incurring unacceptable losses or risking damage to the company's reputation.

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The table below summarizes the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

June 30, 2023	Profit rate	Six months or less	Six to Twelve months	One to five years	Over five years	Total contractual cash flows
----- Rupees -----						
Musharaka, murabaha and finance under mark-up arrangements	6 month Kibor + 100 bps	110,000,000	-	-	-	110,000,000
Creditors, accrued and other liabilities	-	-	236,556,426	-	-	236,556,426
Accrued profit on borrowing	-	2,064,673	-	-	-	2,064,673
Profit distribution payable	-	35,580,499	-	-	-	35,580,499
Total		147,645,172	236,556,426	-	-	384,201,598

36.7 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the company by failing to discharge its obligation. The company's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines, offering document and regulatory requirements. The table below analyses the company's maximum exposure to credit risk. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements at reporting date:

	2023 ---(Rupees)---
Musharaka finance	-
Short-term investments	2,518,046,670
Lease rentals receivables	-
Loans, advances and other receivables	20,816,841
Accrued profit	1,539,891
Bank balances	19,548,728
	2,559,952,130

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the company's total credit exposure.

The company's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. The table below analyses the company's concentration of credit risk by industrial distribution:

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36.7.1 Segment by class of business for property, plant and equipment - ijara/leased

Sector	June 30, 2023	
	Rupees	%
Transport	4,386,012	44.75%
Miscellaneous	5,414,558	55.25%
	<u>9,800,570</u>	<u>100%</u>

36.7.2 Segment by class of business for musharaka and murabaha finances

Sector	June 30, 2023	
	Rupees	%
Oil and lubricants	4,074,277	3.05%
Chemical and pharmaceutical	12,809,494	9.60%
Engineering	36,424,861	27.30%
Auto and transportation	78,966	0.06%
Hospitality business	9,471,425	7.10%
Miscellaneous	70,583,127	52.89%
	<u>133,442,150</u>	<u>100%</u>

36.7.3 Segment by class of business for investment in debt securities - TFC's / Sukuk

Particulars	June 30, 2023	
	Rupees	%
Chemical	10,000,000	25%
Financial Sector	10,000,000	25%
Power generation & distribution	20,448,560	51%
<i>etc</i>	<u>40,448,560</u>	<u>100%</u>

2023

---(Rupees)---

36.8 Financial instruments by category**Financial assets****Amortised cost:**

Long-term deposits	3,359,030
Musharaka finance	82,133,370
Loans and advances	17,036,712
Accrued profit	1,539,891
Other receivables	20,502,575
Cash and bank balances	19,797,365

FVTOCI:

Short-term investments	1,014,881,987
------------------------	---------------

FVTPL:

Short-term investments	1,503,164,682
	<u>2,662,415,612</u>

Financial liabilities**Amortised cost:**

Murabaha, musharaka and finance under mark-up arrangements	110,000,000
Creditors, accrued and other liabilities	236,556,426
Accrued profit on borrowings	2,064,673
Profit distribution payable	35,580,499
	<u>384,201,598</u>

37 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value as the items are short term in nature.

The carrying values of all financial assets and liabilities reflected in the financial statements are approximate to their fair values. Fair value is determined on the basis of the objective evidence at each required date. The following table compares the carrying amounts and fair values of the company's financial assets and financial liabilities as at June 30;

6/30

	June 30, 2023	
	Carrying amount	Fair value
Financial assets		
Loans and receivables at amortised cost		
Long-term deposits	3,359,030	3,359,030
Musharaka finance	82,133,370	82,133,370
Ijarah / lease rental receivable	-	-
Loans and advances	17,457,811	17,457,811
Accrued profit	1,539,891	1,539,891
Other receivables	20,502,575	20,502,575
Cash and bank balances	19,797,365	19,797,365
Fair value through OCI		
Short-term investments	1,014,881,987	1,014,881,987
Fair value through profit and loss		
Short-term investments	1,503,164,682	1,503,164,682
Financial liabilities		
Financial liabilities at amortised cost		
Murabaha, musharaka and finance under mark-up arrangements	110,000,000	110,000,000
Creditors, accrued and other liabilities	236,556,426	236,556,426
Accrued profit on borrowings	2,064,673	2,064,673
Profit distribution payable	35,580,499	35,580,499

37.1 Fair value hierarchy

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement.

Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

etc

As at June 30, 2023 the company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Investments at FVTPL				
Listed ordinary shares	1,411,450,570	-	-	1,411,450,570
Mutual fund units	41,628,838	-	-	41,628,838
Preference Shares	5,604,668	-	-	5,604,668
Listed debt securities	40,448,560	-	-	40,448,560
Deliverable future contracts	4,032,046	-	-	4,032,046
Investments at FVOCI				
Listed ordinary shares	973,356,380	-	-	973,356,380
Unlisted ordinary shares	-	-	51,779,168	51,779,168
Unlisted debt securities	-	-	-	-
	<u>2,476,521,062</u>	<u>-</u>	<u>51,779,168</u>	<u>2,528,300,230</u>

Valuation techniques

For Level 2 debt securities held at FVTOCI, the company values the investments using rates prescribed by MUFAP. For Level 3 debt securities held at FVTOCI, the company values the investment at breakup value or embedded value of investee which approximates the fair value of the investment.

Transfers during the year

During the period, there were no transfers into or out of Level 3 fair value measurements.

The following table presents the movement in level 3 instruments.

	2023 ---(Rupees)---
Opening balance	-
Transfer from amalgamated entity	50,614,744
Redemption / sales during the year	-
Unrealized gain during the year	2,410,377
Impairment during the year	-
Closing balance	<u>53,025,121</u>

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38 CAPITAL RISK MANAGEMENT

The company's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for certificate-holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of profit distributed to certificate-holders, issue new certificates or sell assets to reduce debt.

The company's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total Diminishing Musharaka Term Finance Certificates and borrowings less cash and bank balances.

The gearing ratio of the company at year end is as follows:

	2023
	---(Rupees)---
Debts	110,000,000
Cash and bank balances	(19,797,365)
Net debt	90,202,635
Equity	3,045,377,283
Net debt to equity ratio	0.03

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39 RELATED PARTY TRANSACTIONS

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

The details of related party transactions and balances are as follows:

Transactions during the year	Nature of transactions	2023
Relationship with the company		-- (Rupees) --
Associated companies / other related parties		
BRR Investment (Private) Limited	Management fee accrued	37,480,510
BRR Investment (Private) Limited	Management fee paid	82,522,411
BRR Investment (Private) Limited	Rent received	90,000
BRR Investment (Private) Limited	Reimbursement of expense-net	1,209,878
Dawood Family Takaful Limited	Rental Received against property	10,531,503
Dawood Family Takaful Limited	Group Life Takaful	821,655
Dawood Family Takaful Limited	Musharaka finance received	93,000,000
Dawood Family Takaful Limited	Musharaka finance repaid	93,000,000
Dawood Family Takaful Limited	Profit accrued on Musharaka	2,210,371
Dawood Family Takaful Limited	Profit paid on musharaka	2,210,371
First Dawood Investment Bank Limited	Rent received against property	120,000
First Dawood Investment Bank Limited	Share of common expenses - net	487,456
First Dawood Investment Bank Limited	Musharaka finance received	20,000,000
First Dawood Investment Bank Limited	Musharaka finance repaid	60,000,000
First Dawood Investment Bank Limited	Profit accrued on Musharaka	25,168,413
First Dawood Investment Bank Limited	Profit paid on musharaka	23,103,739
First Dawood Employees Provident Fund	Transfer to provident fund	4,112,651
Hydrochina Dawood Power (Private) Limited	Rent received against property	3,729,678
Dawood Global Foundation	Charity paid	219,451

GTC

Year end balances	Nature of balances	2023 -- (Rupees) --
Relationship with the company		
Associated companies / other related parties		
BRR Investment (Private) Limited	Management fee payable	37,480,510
First Dawood Investment Bank Limited	Musharaka finance	110,000,000
First Dawood Investment Bank Limited	Profit payable	2,064,673
Hydrochina Dawood Power (Private) Limited	Advance rental	108,064

Group shared services

The company has entered into arrangements with associated undertakings to share various administrative, human resource and related costs on agreed terms.

40 SEGMENT REPORTING

As per IFRS 8, operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Chief Executive Officer of the Management Company has been identified as the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

The Chief Operating Officer is responsible for the company's entire product portfolio and considers the business to have single operating segment. The company's asset allocation decisions are based on a single integrated investment strategy and the company's performance is evaluated on an overall basis.

The internal reporting provided to the Chief Executive Officer for the company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

The company is domiciled in Pakistan. All of the company's income is from investments in entities incorporated in Pakistan.

41 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

Subsequent to the balance sheet date, BRR Guardian Limited has listed on Pakistan Stock Exchange on August 04, 2023 and is now a listed public company. Accordingly, various legal, regulatory and disclosure requirements as applicable on a listed company shall become applicable on BRRGL prospectively from this date.

The Board of Directors of BRR Guardian Limited in their meeting held on October 05, 2023 has recommended final cash dividend at the rate of 5% i.e Rs.0.5 per share amounting to Rs.47.504 million for the year ended June 30, 2023 subject to the approval of the shareholders in the forthcoming annual general meeting. These financial statements do not reflect this distribution.

MC

42 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 05 OCT 2023 by the Board of Directors of BRR Guardian Limited.

43 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation. However, no significant reclassification has been made during the year.

44 NUMBER OF EMPLOYEES

The number of employees as at year end was 64 and average number of employees during the year was 52.

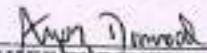
45 GENERAL

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

CNC



DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

B.R.R. GUARDIAN MODARBA
PATTERN OF CERTIFICATE HOLDING - FORM "34"
SHAREHOLDERS STATISTICS AS AT JUNE 30, 2023

Number of Certificate Holders	Certificate Holding			Certificate Held
	From	-	To	
1704	1	-	100	76,548
2347	101	-	500	569,230
2359	501	-	1000	1,594,408
755	1001	-	5000	1,728,537
137	5001	-	10000	1,055,182
50	10001	-	15000	621,024
30	15001	-	20000	539,571
17	20001	-	25000	394,482
18	25001	-	30000	517,386
15	30001	-	35000	491,144
3	35001	-	40000	114,015
2	40001	-	45000	86,950
5	45001	-	50000	238,027
2	50001	-	55000	108,913
4	55001	-	60000	235,397
1	60001	-	65000	64,003
5	65001	-	70000	340,271
1	70001	-	75000	73,160
2	75001	-	80000	155,500
3	80001	-	85000	247,130
1	85001	-	90000	89,760
1	90001	-	95000	93,500
3	95001	-	100000	298,000
1	105001	-	110000	110,000
1	110001	-	115000	114,434
2	115001	-	120000	236,983
1	120001	-	125000	123,114
2	145001	-	150000	296,003
1	155001	-	160000	157,172
1	160001	-	165000	160,500
2	170001	-	175000	348,500
2	190001	-	195000	384,100
1	230001	-	235000	233,583
1	235001	-	240000	235,950
1	240001	-	245000	242,000
1	265001	-	270000	267,500
1	300001	-	305000	305,000

1	335001	-	340000	335,116
1	365001	-	370000	367,941
1	410001	-	415000	410,300
1	425001	-	430000	425,904
1	435001	-	440000	440,000
1	440001	-	445000	442,573
1	490001	-	495000	493,529
1	535001	-	540000	539,550
1	540001	-	545000	544,400
1	595001	-	600000	598,193
1	600001	-	605000	603,100
1	660001	-	665000	663,826
1	665001	-	670000	669,500
1	785001	-	790000	786,526
2	840001	-	845000	1,685,327
1	920001	-	925000	925,000
1	995001	-	1000000	1,000,000
1	1040001	-	1045000	1,041,500
1	1080001	-	1085000	1,082,650
1	1110001	-	1115000	1,114,735
1	1210001	-	1215000	1,213,633
1	1970001	-	1975000	1,971,350
1	2145001	-	2150000	2,147,157
1	2155001	-	2160000	2,156,141
1	2275001	-	2280000	2,276,563
1	2450001	-	2455000	2,454,520
1	2505001	-	2510000	2,509,923
1	2735001	-	2740000	2,737,400
1	2780001	-	2785000	2,780,086
1	2795001	-	2800000	2,796,091
1	3130001	-	3135000	3,134,122
1	3270001	-	3275000	3,274,547
1	4775001	-	4780000	4,776,405
1	5310001	-	5315000	5,310,943
1	7435001	-	7440000	7,439,678
1	9190001	-	9195000	9,191,150
1	11710001	-	11715000	11,712,133

7521

94,998,489

B.R.R. Guardian Modarba

Additional Information as on June 30, 2023

S. No.	Categories Certificate holders	Certificates Held	% Age
1	Associated Companies	30,300,765	31.896
	B.R.R. Investment (Pvt.) Ltd.	18,998,461	19.999
	Equity International (Pvt) Ltd.	2,156,235	2.270
	Dawood Family Takaful Limited	9,146,069	9.628
2	NIT / ICP	2,814,473	2.963
	CDC - Trustee National Investmet (Unit) Trust	2,780,086	2.926
	Investment Corporation of Pakistan	34,387	0.036
3	Directors, CEO their Spouse & Minor Children	12,071,574	12.707
	Ayaz Dawood	12,071,574	12.707
4	Banks, DFIs, NBFIs, Insurance Companies, Modarabas Joint Stock Companies, Mutual Funds and others	20,631,845	21.718
5	General Public	29,179,832	30.716
	Total	94,998,489	100.000

Certificate holders holding Ten percent or more Certificates

Paid up Capital	94,998,489	
B.R.R. Investment (Pvt.) Ltd.	18,998,461	19.999
Ayaz Dawood	12,071,574	12.707

B.R.R. GUARDIAN LIMITED
PATTERN OF CERTIFICATE HOLDING - FORM "34"
SHAREHOLDERS STATISTICS AS AT JUNE 30, 2023

Number of Share Holders	From	Shares Holding	To	Shares Held
7		1	-	100
1		9500	-	10000
8				10,000

Additional Information as on June 30, 2023

S. No.	Categories Shareholders	Number of Shareholders	Shares Held	% Age
1	Associated Companies	1	9,992	99.92
	B.R.R. Investment (Pvt.) Ltd.		9,992	
3	Directors, CEO their Spouse & Minor Children	7	8	0.080
	Ayaz Dawood		2	
	Hamida Dawood		1	
	Tahir Mehmood		1	
	Waqas Anwar Qureshi		1	
	Amer Maqbool		1	
	Junaid Sakhi		1	
	Ghazanfar Ul Islam		1	
	Total	8	10,000	100.00

Certificate holders holding Ten percent or more Certificates

Paid up Capital	10,000
B.R.R. Investment (Pvt.) Ltd.	9,992 99.92

B.R.R. Guardian Limited
Financial Summary
Key Financial Figures

2023	2022
(Rs. In million)	

Statement of Profit and Loss

Rental income	298.14	-
Operating profit	57.25	-
Investment income	181.52	-
Other income	30.43	-
Depreciation	(55.69)	-
Financial costs	(27.42)	-
Administrative and operating expenses	(186.33)	(0.06)
Expected credit loss allowance-net	1.13	-
Unrealized loss / (gain) on revaluation of FVTPL investments	126.86	-
Profit before tax	241.78	-
Taxation	(94.07)	-
Profit after tax	147.72	-
Dividend	47.50	-

Statement Of Financial Position

Paid-up Capital	950.08	0.10
Reserves	1,286.70	(0.06)
Surplus on revaluation of investments-FVTOCI investments	814.78	-
Shareholder's Equity	3,051.57	0.04
Borrowings	110.00	-
Investment properties	858.82	-

Performance Indicators

Earnings / (Loss) per share (Rs.)	1.55	(0.57)
Profit paid per share (Rs.)	0.50	-
Profit paid per share (%)	5%	-
Break-up value per share (Rs.)	32.12	4.26
Market value per share (Rs.) *	11.50	-
Price Earnings ratio	7.07	-
Income/Expense ratio	1.41	-
Financial Cost /Total Expenses (%)	0.08	-

Note: * BRR Guardian Limited was listed on Pakistan Stock Exchange subsequent to the year ended June 30, 2023. Therefore, the market value per certificate of BRRGM as on June 30, 2023 has been used in this financial summary for calculation purpose.