

ANNUAL REPORT

2022



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

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



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

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CONDOLENCES

انالله وانا اليه راجعون

“Surely we belong to Allah and to Him shall we return”
With profound grief, we mourn the passing of our beloved Chairman



RAFIQUE SIDDIQUE DAWOOD

Chairman, First Dawood Group
Pioneer of Islamic Finance in Pakistan
(1942 – 2022)

who peacefully passed away on August 19, 2022.

Please recite Surah Fatiha and/or your favorite prayer for the departed soul.

First Dawood Group and Pakistan have lost a Business genius and visionary. Those of us who have been fortunate enough to know and work with our Chairman have lost an inspiring mentor. Chairman leaves behind a legacy that only he could have build and his spirit will forever be the foundation of First Dawood Group. No words can adequately express our sadness of our Chairman's death or our gratitude to him. We will honor his memory by dedicating ourselves to continuing his vision and integrity.





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中国电建
POWERCHINA

中国电建集团国际工程有限公司
POWERCHINA INTERNATIONAL GROUP LIMITED

Date: August 20, 2022

CONDOLENCES

It is with great sadness that we learn of the passing away of our beloved Mr. Rafique Dawood last night. He was a good friend and partner of us. He devoted himself to the development of China-Pakistan economic cooperation and friendship, and played a key role in the development of the China-Pakistan Economic Corridor projects and the successful completion of HYDROCHINA Dawood Wind Power Project. His passing away is a great loss to us.

Power China International Engineering Co., LTD is deeply saddened by the passing away of Mr. Rafique Dawood. Here, we express our deep condolences to his wife, his son, his daughter, his relatives and friends. Rest in peace, Mr. Rafique Dawood!



Power China International Engineering Co., LTD



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中国电建集团国际工程有限公司
POWERCHINA INTERNATIONAL GROUP LIMITED

吊唁函

惊悉亲爱的大沃先生昨夜逝世，我们的心情非常悲痛。大沃先生是我们的好朋友和好伙伴，生前一直鞠躬尽瘁，致力于发展中巴经济合作和中巴友谊，为大沃风电项目的成功建成发挥了关键作用，与我们结下了深厚的友谊。他的不幸逝世是我们的重大损失。

中国电建集团国际工程公司沉痛哀悼大沃先生的逝世！在此，向大沃先生的夫人、儿女以及亲友们表达我们的沉痛哀悼和哀思，敬请节哀顺变。愿大沃先生安息！

中国电建集团国际工程有限公司

2022年8月20日





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OBITUARY

With profound grief & sorrow, we announce the passing away of Chairman & Founder of BRR Investments (Pvt) Limited (Manager of BRR Guardian Modaraba), Mr. Rafique Dawood.



BRR Guardian Modaraba ('the modaraba') is the pioneer modaraba of Pakistan and it is the oldest islamic financial institution in Pakistan. It was founded in 1983 on the concept of perpetual modaraba. Mr. Dawood joined the Board of directors of the modaraba in 2002 and later became its Chairman in 2005. He remained associated with the modaraba in the capacity of its Chairman until his death on 19th August 2022. He was an institution in himself and has left behind a void which will never be filled. Some of the highlights of his illustrious professional career, which witnessed many ups & down primarily due to unprecedented political & economic conditions in the country are given below.

Mr Dawood was first Pakistani to do an MBA from Harvard Business School. He graduated in 1967. He made migrations four times in his life and remained a stronger supporter to route investments to Pakistan. He never lost his heart even after destiny changing events in the country.

List of Four Migrations:

- From Batava, Gujrat (India) in 1947 on creation of Pakistan.
- From East Pakistan (after 1971).
- To Canada 1977 (after nationalization).
- To Pakistan in 1994 when private sector was permitted to again invest in financial sector in early 1990s.

Unmatched Achievements:

He incorporated many new companies; including an Islamic Bank, a takaful company, an investment Bank, an equity brokerage house, a security vault, a twenty storey tower in financial district of the country, an asset management company, mutual funds, a wind farm in collaboration with Chinese, which was the first CPEC investment in Pakistan etc. Today, the number of professional employees in these companies are in excess of 2,000.

May Allah SWT grant him reward for aforementioned Sadqa-e-Jarria and may his journey to Hereafter be made with easy & comfortable (Aameen).

Board & Management - B.R.R Guardian Modaraba



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LIFETIME ACHIEVEMENT AWARD



**Biz-Today International gave
'Lifetime Achievement Award'
to Group Chairman, Mr. Rafique Dawood
on 29th August 2022.**



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PERFORMANCE AWARD





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CORPORATE INFORMATION

Modaraba Company	B.R.R. Investment (Private) Limited
Chairman	Mr. Rafique Dawood (passed away on August 19, 2022) Syed Ali Raza (Acting Chairman)
Chief Executive	Mr. Ayaz Dawood
Directors	Mr. Rafique Dawood (passed away on August 19, 2022) Mr. Ayaz Dawood Syed Ali Raza Mr. Waqas Anwar Qureshi Mr. Muhammad Shahid Murtaza (subject to approval of Registrar Modaraba/SECP)
Audit Committee	Mr. Waqas Anwar Qureshi - Chairman Mr. Rafique Dawood - Member (passed away on August 19, 2022) Syed Ali Raza - Member Mr. Muhammad Shahid Murtaza - Proposed member
HR and Remuneration Committee	Syed Ali Raza - Chairman Mr. Rafique Dawood - Member (passed away on August 19, 2022) Mr. Waqas Anwar Qureshi - Member Mr. Muhammad Shahid Murtaza - Proposed member
Shariah Advisor	Mufti Muhammad Aqeel
Chief Financial Officer	Syed Tariq Masood
Company Secretary	Mr. Tahir Mehmood
Head of Internal Audit	Abdul Rahman Subhan
Auditors	Horwath Hussain Chaudhury & Co. Chartered Accountants
Legal Advisor	A.Q. Abbasi & Associates Malik & Malik Law Associates Minto & Mirza Nuruddin Saki & Co. Rabbani & Ansari Advocates S & B Durrani Law Associate
Bankers	Al-Baraka Bank(Pakistan) Limited Habib Metropolitan Bank Limited
Web-site	www.firstdawood.com/brr
Registered Office & Head Office	1900-B, Saima Trade Tower, I.I. Chundrigar Road, Karachi-74000 Tel: 92-21-32270181-6 Fax: 92-21-3227-1912
Registrars	F.D. Registrar Services (SMC-Pvt.) Ltd 1705, 17th Floor, Saima Trade Tower "A" I.I. Chundrigar Road, Karachi-74000 Phone # 92-21-35478192-3 # 92-21-32271905-6 Fax # 92-21-32213243
Branch Offices	Office No. 405 4th Floor, ISE Tower Jinnah Avenue, Islamabad
Security Vault	G-187, Block-2, Shahrah-e-Quaideen, PECHS Karachi-754000



B.R.R. Guardian Modaraba
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MISSION

To become a symbol for spreading a variety of Islamic modes of financing, thereby providing ample and profitable investment opportunities to the stake holders who demand Halal profits according to Sharia Laws, optimizing returns to the certificate holders, management and customers.

VISION

To innovate and promote Islamic Financial Products, based on Sharia Principles and to curb interest based financial systems, thereby facilitating establishment of an equitable economic system.

OVERALL CORPORATE STRATEGY

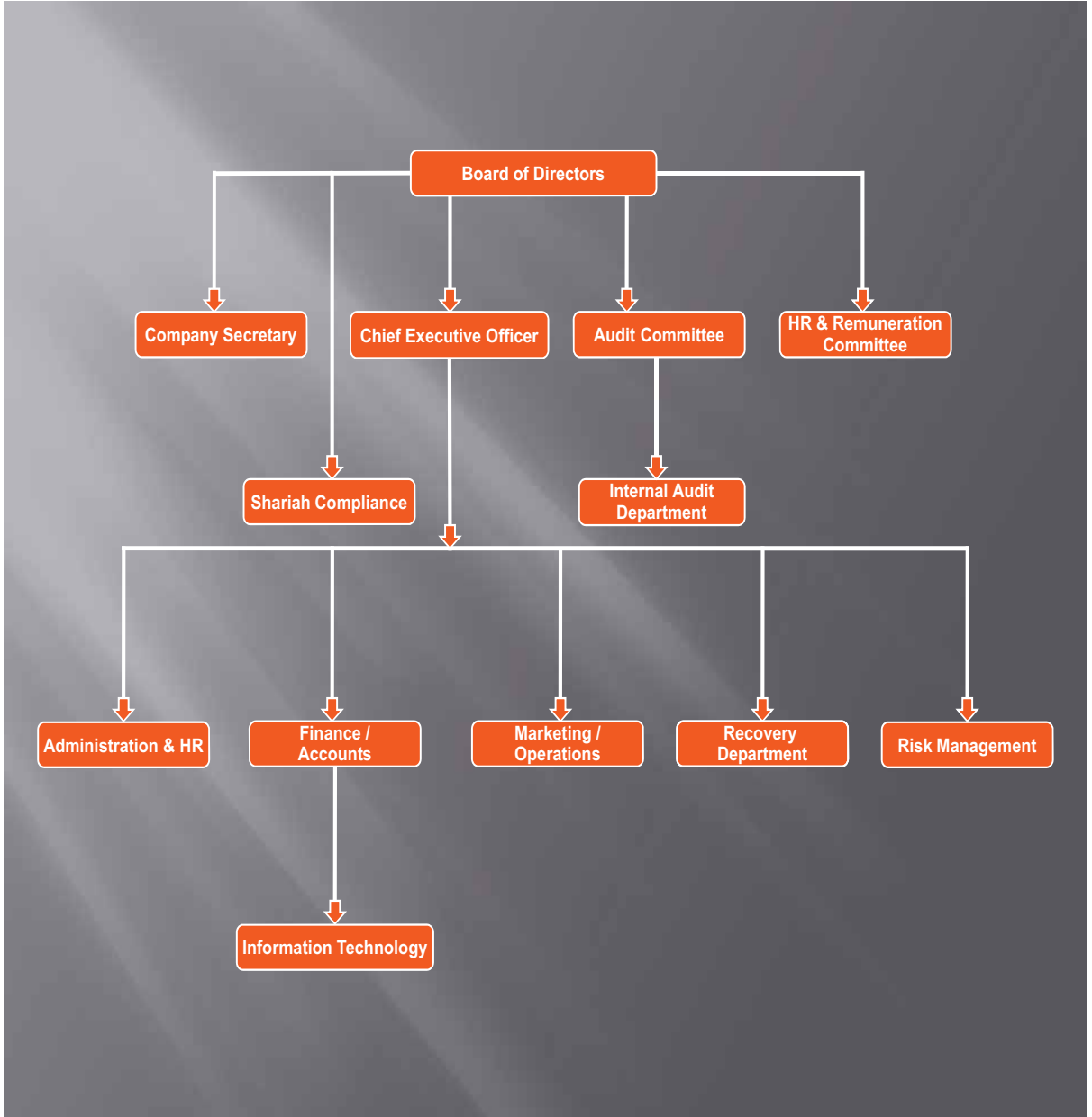
To become a market leader of Islamic Financial Products through:

- (i) maintaining highest standards of integrity and honesty;
- (ii) strict adherence with Sharia principles;
- (iii) making improvement in every department a process through education and professional development with latest innovations through awareness techniques;
- (iv) providing opportunities to employees for career development and rewarding them according to their caliber;
- (v) safeguarding the interests of certificate holders while providing best possible returns;
- (vi) building a long lasting relationship with the customers by suggesting the most suitable Islamic product for their needs at competitive rates;
- (vii) practical and conservative judgment of risks.



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ORGANOGRAM





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NOTICE OF ANNUAL REVIEW MEETING (ARM -XXIII) OF B.R.R.GUARDIAN MODARABA

To determine the names of Certificate holders entitled to attend the ARM the Certificate Transfer Books of the Modaraba will be closed from October 22, 2022 to October 28, 2022(both days inclusive) the Transfers received at the Registrar Office, F.D. Registrar Services (Pvt.) Ltd at 1705, 17th Floor, Saima Trade Towers A, I.I. Chundrigar Road Karachi, (Registrar Office) before the close of business on October 21, 2022 will be treated in time to attend the meeting. Further, the Certificate holders are advised to notify to the Registrar Office of any change in their addresses:

The ARM-XXIII of Certificate holders of BRRGM will be held on Friday October 28, 2022 at 5:00 p.m. at Ground Floor, BRR Tower Hassan Ali Street Off: I.I. Chundrigar Road Karachi

Place Karachi
October 6, 2022
Tahir Mehmood
Company Secretary

By Order of the Board

REQUEST TO CERTIFICATE-HOLDERS

In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) to share registrar at least 48 hours before the meeting.

Placement of Annual Report on Website

In terms of Securities and Exchange Commission of Pakistan's (SECP) S.R.O. 634 (1)/ 2014, the Annual Report for the year ended 30 June 2022 has been placed on Modaraba's website www.firstdawood.com/brr and is readily accessible to the certificate holders.

Notice Under Section 72(2) of the Companies Act, 2017 for Conversion of Physical Certificates of BRRGM into Book Entry Form

Please note that as per requirements of section 72(2) of the Companies Act, 2017, every existing company is required to replace its physical certificates with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e. May 31, 2017.

Accordingly, you are encouraged to convert your physical certificates into electronic form by opening CDC Sub-account with any of the broker or investor account directly with CDC. This will facilitate you in many forms including safe custody and sale of certificates any time, as the trading of physical certificates is not permitted as per existing regulations of the Stock Exchange.



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

With profound grief and sorrow, Mr. Rafique Dawood, Chairman & Member of Board, Audit Committee & HR and Remuneration Committee of BRR Investment (Pvt) Limited, Manager of BRR Guardian Modaraba peacefully passed away on Friday night, August 19, 2022 and this is the first time I am writing this report in his absence, with a heavy heart.

During the year economy recovered from the pandemic and maintained V-Shaped recovery by posting real GDP growth of 5.97 percent in the fiscal year 2022. The higher GDP growth was accompanied by macroeconomic imbalances which have historically plagued our country's economy.

For the year ended 30th June, 2021 Modaraba Sector has performed well. Modaraba Sector booked a profit of Rs. 1,235 million. The total assets of the Modaraba sector stood at Rs. 55,625 million and the total equity was Rs. 26,620 million. The market Capitalization of Modaraba Sector has increased during the year from Rs. 11,766 million to Rs. 22,589 million.

The market share of BRRGM as per the MAP Year Book 2021 of NBFI & Modaraba Association of Pakistan for the financial year ended June 30th, 2021 is presented below:

Particulars	Combined position of modarabas		BRRGM's share	
	2021	2020	2021	2020
Total Equity	26,620	18,743	2,871 (10.79%)	1,731 (9.24%)
Total Assets	55,625	51,585	3,267 (5.87%)	2,113 (4.10%)
Net (Loss) / Profit	1,235	-2,098	278 (22.51%)	149 (-7.10%)

The Board has recently completed its annual self-evaluation for the year ended June 30, 2022 to ensure that the Board's overall performance and efficiency are measured and benchmarked against expectations in the context of objectives set for the Modaraba. Further, I report that the Board members are familiar with the current vision, mission and objectives and have clear understanding of all the concerned stakeholders (including Certificate holders, customers, employees, and community at large) to whom the Modaraba serves. The overall performance of the Board is satisfactory and is based on an evaluation of all the integral-components, which have a direct bearing on the Board's role in achievement of the Modaraba's objectives. The Board has effectively set the tone-at-the-top, by putting in place transparent and robust system of governance. This is reflected by setting up an effective control environment, compliance with best practices of Corporate Governance and by promoting ethical and fair behavior across the Modaraba. Areas where improvements are required are duly considered and action plans have been framed accordingly.

Acting Chairman



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DIRECTORS' REPORT

On behalf of the Board of Directors of B.R.R. Investment (Private) Limited ('BRRRI' or 'the company'), manager of B.R.R. Guardian Modaraba ('BRRGM' or 'the Modaraba'), it gives us great pleasure to present to you the Annual Report and Audited Financial Statements for the year ended June 30, 2022.

MODARABA'S PERFORMANCE:

Summary of the comparative financial performance is given below:

	June 30, 2022	June 30, 2021
Rupees.....	
Rental Income from Investment properties	198,752,395	186,977,188
Rental Income from lockers and custodial services	49,566,172	46,706,404
Profit Before Management Fee & WWF	825,224,108	319,424,936
Management Fee	82,522,411	31,942,494
Sales Tax on Management Fee	10,727,913	4,152,524
Provision for Workers' Welfare Fund	14,639,476	5,666,598
Profit After Management Fee, WWF and taxation	654,423,055	277,663,320
Earning per certificate	6.89	3.07

Your Modaraba was able to achieve record profit and during the fiscal year under review Alhamdulillah, your modaraba has paid off all of its long term liabilities. Furthermore, it is pertinent to mention that our successful business strategy has finally wiped out the accumulated loss balance, recorded accumulated profits of Rs.74.04 million as at June 30, 2022 and statutory reserves now stand at Rs. 1,001.32 million which are in excess of the paid-up certificate capital of your modaraba.

DIVIDEND:

To eliminate accumulated losses and in view of the pending petition for approval in Honorable Sindh High Court for the merger of BRR Guardian Modaraba with and into BRR Guardian Limited, the board of directors have decided not to make any dividend appropriation for this year.

NATURE OF BUSINESS AND MARKET DYNAMICS:

B.R.R. Guardian Modaraba (BRRGM) is the pioneer Modaraba of Pakistan. It was founded in 1983 on the concept of perpetual Modaraba. It is the oldest Islamic Financial Institution in Pakistan.

Our prestigious B.R.R. TOWER, is a 20-storey state of the art building reflects the Islamic architecture through its three arches and wind turbine on the roof is a manifest addition in the financial district of Karachi, i.e. at I. I. Chundrigar Road which is fully Rented.

B.R.R. Guardian Modaraba has also built a state of the art B.R.R. Security Vault which commenced business during

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.

ECONOMIC REVIEW

During the year, the economy recovered from the pandemic and maintained V-Shaped recovery by posting real GDP growth of 5.97 percent in the fiscal year 2022. The higher GDP growth was accompanied by macroeconomic imbalances which have historically plagued our country's economy.

STRATEGY FOR BUSINESS SUSTAINABILITY

As our business strategy, we shall remain focused on following areas in FY 2022 -2023:

- Add quality customer for credit portfolio.
- Renting out of properties to highly rated customers.
- Enhance size of investment in sound, stable and dividend paying Shariah compliant 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 strengthen Shariah governance and compliance culture.
- Further develop operation capacity of human resource through proper training.

RESOURCES, OPPORTUNITIES, BUSINESS RISKS AND MITIGANTS:

Your Modaraba is a pioneer of Islamic financial Institutions in Pakistan and operating successfully for last more than three decades in the country. Modarabas are the trend setters of Islamic modes of financing and creates a distinctive value proposition that meets the needs of its customers and ensure Shariah compliant business and Halal income practices.

COMPLIANCE WITH THE BEST PRACTICE OF THE CODE OF CORPORATE GOVERNANCE:

Your Management Company has implemented provisions of the code of corporate governance relevant for the year ended June 30, 2022. The external auditors review report on the statement of compliance with the code of corporate governance is annexed with this report.

As per the directives of SECP/Pakistan Stock Exchange, the Board of Directors hereby confirm the following code's of good governance and ethical business practices required by relevant clause(s) of the Code:

- The financial statements are prepared by management present fairly Modaraba's state of affairs, the result of its operations, cash flows and changes in equity.
- Your Modaraba has maintained proper books of accounts.



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- Appropriate accounting policies have been consistently applied in the preparation of financial statements on reasonable and prudent judgment.
- Relevant International Accounting Standards and Islamic Financial Accounting Standards, as applicable in Pakistan, provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies & Modaraba Rules, 1981 and directives of the Securities and Exchanges Commission of Pakistan have been followed in the preparation of financial statements.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts over the ability to continue as going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- There are no statutory payments on account of taxes, duties, levies and charges outstanding, except as disclosed in the financial statements.
- There has been no departure from the best practices of transfer pricing.

TRADING / DEALING IN CERTIFICATE OF MODARABA:

During the fiscal year, no trade in the certificate of the Modaraba were carried out by the Directors, Chairman, CFO, Company Secretary and their spouses and minor children except the CEO has purchased =49,500= BRRGM's Certificates.

CODE OF CONDUCT:

The Board of Directors of the Management Company has adopted the required 'Code of Conduct' to which the management company & Modaraba is committed voluntarily maintaining the highest standards of conduct and ethical behavior is a moral right and legal requirement that requires the personal commitment.

The Code of Conduct indicates good business conduct that generally promotes the qualities of honesty, fairness, consideration and enlightened professionalism.

STAFF RETIREMENT BENEFITS:

BRR Guardian Modaraba operates a Provident Fund scheme for all permanent employees. The value of investments as at June 30, 2022 is Rs. 124.736 million (2021: Rs. 156.365 million).

POST BALANCE SHEET EVENTS:

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



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TRANSACTION WITH CONNECTED PERSONS / RELATED PARTIES:

All transactions between BRR Guardian Modaraba (BRRGM) 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 the certificate-holders that on recommendation of Audit Committee M/s Horwath Hussain Chaudhury & Co - Chartered Accountants have been re appointed as auditors for the year ended 2022-23.

KEY OPERATING AND FINANCIAL DATA:

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

RISK MANAGEMENT FRAMEWORK:

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.

Board of Directors Meetings

The status of Board of Directors Meetings is as follows:

Sr. No	Name	Designation	Attendance
1	Mr. Rafique Dawood	Chairman	4 out of 4
2	Mr. Ayaz Dawood	CEO	4 out of 4
3	Mr. Waqas Anwer Qureshi	Director	4 out of 4
4	Syed Ali Raza	Director	4 out of 4

Audit Committee Meetings

The status of Board Audit Committee Meetings is as follows:

Sr. No	Name	Designation	Attendance
1	Mr. Waqas Anwer Qureshi	Chairman	4 out of 4
2	Mr. Rafique Dawood	Member	4 out of 4
3	Syed Ali Raza	Member	4 out of 4

INTERNAL CONTROL AND AUDIT FUNCTION:

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



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1. Review compliance with responsibility for monitoring compliance with Relevant International Accounting Standards, Islamic Financial Accounting Standards, as applicable in Pakistan, provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies & Modaraba Rules, 1981 and compliance of the policies and procedures framed by the Board.
2. Review accounting and internal control system
3. Review the economy, efficiency and effectiveness of operations (Value for Money Audits / VFM Audits)
4. Examining financial and operational information.
5. 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 BRRGM 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 Modaraba 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 BRRGM, 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 BRRGM, we recognize that we have responsibilities not only towards our customers, employees and shareholders, but also the communities in which we operate.



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We believe that a sustainable company must be consistently profitable, but not solely concerned with making a profit. Success for BRRGM 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.

All non-Shariah income and dividend have been purified by the Shariah Advisor of the Modaraba and has been given to charities.

Health, Safety & Environment

At BRRGM, 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.

BRRGM has valid Takaful policies against all possible perils relating to the property. BRRGM 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, 2022 along with disclosure as required under the Code of Corporate Governance is annexed.

DIRECTORS' TRAINING PROGRAM:

All the directors of the board are having more than 17 years of education including Two out of four Directors duly approved PICG and ICMA i.e. 50% and more than 23 years of experience. Further, the directors of the company have been provided with copies of the Code of Corporate Governance, Modaraba Rules, Company's Memorandum and Articles of Association, Modaraba Prospectus and all other relevant rules and regulations and hence are conversant of the relevant laws applicable to the Modaraba, its policies and procedures and provisions of memorandum and article of Associations and of their duties and responsibilities.

CONCLUSION / FUTURE PROSPECT:

On April 14, 2022 the petition for approval of Honorable Sindh High Court for the merger of BRR Guardian Modaraba with and into BRR Guardian Limited "the company" was submitted, which is currently pending in the Honorable Sindh High Court. On the approval of aforesaid merger petition, the company will be treated as a listed company.



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CONDOLENCE:

With profound grief and sorrow, Mr. Rafique Dawood, Chairman & Member of Board, Audit Committee & HR and Remuneration Committee and founder of BRR Investment (Pvt) Limited, Manager of BRR Guardian Modaraba - the first perpetual Islamic financial institution of Pakistan, peacefully passed away on Friday, August 19, 2022. He was a pioneer of Islamic finance in Pakistan and founded First Dawood Group, BRR Capital Modaraba, Dawood Islamic Bank, Dawood Family Takaful Limited and Hydrochina Dawood Power Private Limited

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

Syed Ali Raza
Director

September 14, 2022
Karachi.

Ayaz Dawood
Chief Executive Officer



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ڈائریکٹرز کی رپورٹ

بی. آر. آر. انویسٹمنٹس (پرائیویٹ) لمیٹڈ ("بی آر آر آئی" یا کمپنی)، بورڈ آف ڈائریکٹرز کی طرف سے، بی آر آر گارجین مڈارباہ (بی آر آر جی ایم) کے مینیجر کی حیثیت سے ہم جون 2022،30 کو ختم ہونے والے سال کی سالانہ رپورٹ اور آڈٹ کئے گئے مالیاتی گوشوارے پیش کرتے ہوئے بے حد مسرت محسوس کر رہے ہیں۔

مڈارباہ کی کارکردگی

تفصیلی مالیاتی کارکردگی کا خلاصہ مندرجہ ذیل ہے:

جون 2021،30	جون 2022،30	
پاکستانی روپے میں		
186,977,188	198,752,395	جائیداد میں سرمایہ کاری سے حاصل کرائے کی آمدن
46,706,404	49,566,172	لاکڑ اور تحویلاتی خدمات سے حاصل کرائے کی آمدن
319,424,936	825,224,108	منافع قبل از انتظامیہ کی فیس اور ڈیلیو ڈیلیو ایف
31,942,494	82,522,411	انتظامیہ کی فیس
4,152,524	10,727,913	انتظامیہ فیس پر سبزی ٹیکس
5,666,598	14,639,476	ورکرز ویلفیئر فنڈ کی فراہمی
277,663,320	654,423,055	منافع بعد از انتظامیہ کی فیس، ڈیلیو ڈیلیو ایف اور ٹیکس
3.07	6.89	نفع فی سرمائیکٹ

آپ کا مڈارباہ ریکارڈ منافع حاصل کرنے میں کامیاب رہا اور زیر نظر مالی سال کے دوران الحمد للہ، آپ کے مڈارباہ نے اپنے تمام طویل مدتی قرض ادا کر دیے ہیں۔ مزید برآں، یہ بات قابل ذکر ہے کہ ہماری کامیاب کاروباری حکمت عملی نے بالآخر جمع شدہ خسارے کو ختم کر دیا، 30 جون 2022 تک 74.04 ملین روپے کا جمع شدہ منافع ریکارڈ کیا اور اسٹیچوئری ریزرو اب 1,001.32 ملین روپے ہو گئے ہیں جو آپ کے مڈارباہ کے ادا شدہ سرٹیفکیٹ کپٹل سے زیادہ ہیں۔

ڈیویڈنڈ

جمع شدہ نقصانات کو ختم کرنے اور بی آر آر گارجین مڈارباہ کے بی آر آر گارجین لمیٹڈ کے ساتھ انضمام کے لیے معزز سندھ ہائی کورٹ میں منظوری کے لیے زیر التواء درخواست کے پیش نظر، بورڈ آف ڈائریکٹرز نے اس سال کے لیے ڈیویڈنڈ کی تخصیص نہ کرنے کا فیصلہ کیا ہے۔

کاروبار کی نوعیت اور مارکیٹ ڈائنامکس

بی آر آر گارجین مڈارباہ پاکستان میں مڈارباہ کی داغ بیل ڈالنے والوں میں سے ہے۔ اس کا قیام 1983 میں مستقل مڈارباہ کے تصور پر کیا گیا۔ یہ پاکستان کا سب سے قدیم اسلامی مالیاتی ادارہ ہے۔



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ہمارا عظیم الشان بی. آر. آر. ٹاور جو کہ ایک جدید 20 منزلہ عمارت ہے اپنے تین محرابوں سے اسلامی فن تعمیر کی عکاسی کرتی ہے اور چھت پہ نصب ونڈ ٹربائن کراچی کے مایاتی ضلع آئی. آئی. چندر گپور روڈ پہ ایک نمایاں اضافہ ہے اور مکمل کرائے شدہ ہے۔

بی. آر. آر. گارجین مضاربہ نے ایک جدید بی. آر. آر. سیکورٹی والٹ بھی تعمیر کیا ہے جس نے جولائی 1989 میں کاروبار کی شروعات کی۔ یہ شارع قائدین پہ بنائی گئی قلعہ نما عمارت اپنے اندر اور ارد گرد اعلیٰ سیکورٹی کے ساتھ خوشگوار اور دوستانہ ماحول کا ایک منفرد امتزاج پیش کرتی ہے۔

اقتصادی جائزہ

سال کے دوران، معیشت و بانی مرض سے بحال ہوئی ہے اور مالی سال 2022 میں حقیقی جی ڈی پی کی شرح نمو 5.97 فیصد پیش کر کے V شکل میں بحالی کو برقرار رکھا ہے۔ زیادہ جی ڈی پی نمو ان میکرو اکانمک عدم توازن کے ساتھ ہے جنہوں نے تاریخی طور پر ہماری ملکی معیشت کو متاثر کیا ہے۔

کاروباری استحکام کے لیے حکمت عملی

مالی سال 2022-23 کے لیے ہم درج ذیل شعبوں پر متوجہ رہیں گے:

- کرم فرماؤں / گاہک کی تعداد میں اضافہ۔
- اعلیٰ درجے کے کسٹمرز کو پر اپنی کرائے پر دینا۔
- سکوک اور مشارکہ کی بنیاد پر متعارف کرائے جانے والے ٹی ایف سیز کے ساتھ ساتھ شرعی اصولوں سے مطابقت رکھنے والی سیکورٹی پر انحصار۔
- رسک مینجمنٹ بہتر بنانا، بالخصوص جدید ترین طریقوں کو بروئے کار لاتے ہوئے ڈیٹ مینجمنٹ کے لیے کوشاں رہنا۔
- شرعی اصولوں کے مطابق کام کرتے رہنے کو ترجیح دینا۔
- بہتر اور بروقت تربیت کے ذریعے افرادی قوت سے زیادہ سے زیادہ استفادہ کرنا۔

وسائل، مواقع، کاروباری خطرات اور ان خطرات کی شدت کم کرنے والے اقدامات

آپ کے مضاربہ نے پاکستان میں اسلامی مالیاتی اداروں کی داغ بیل ڈالی اور پچھلی تین دہائیوں سے زیادہ اس ملک میں کامیابی کے ساتھ کام کر رہا ہے۔ مضاربہ کمپنیوں نے ملک میں اسلامی اصولوں کے مطابق بینکاری اور مالیات کی خدمات متعارف کرائی ہیں۔ ان اداروں نے شریعت کے بیان کردہ مالی و کاروباری اصولوں کے مطابق کام کرتے ہوئے مکمل حلال آمدن یقینی بنانے میں اہم کردار ادا کیا ہے۔

کوڈ آف کارپوریٹ گورننس کے ضوابط کی بہترین پریکٹس کے ساتھ تعمیل

آپ کی ناظم کمپنی نے جون 30، 2022 کو ختم ہونے والے سال سے متعلقہ کوڈ آف کارپوریٹ گورننس کے احکامات نافذ کر دئے ہیں۔ کوڈ آف کارپوریٹ گورننس کے مطابق ایکسٹرنل آڈیٹرز کی جائزہ رپورٹ اس دستاویز سے منسلک ہے۔

ایس ای سی پی ورپاکستان اسٹاک ایکسچینج کی ہدایات کی روشنی میں بورڈ آف ڈائریکٹرز تصدیق کرتے ہیں کہ ادارے کے تمام کاروباری افعال میں کوڈ آف گورننس اور اخلاقی حدود کا پورا خیال رکھا گیا ہے۔



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- کمپنی کے مالیاتی حسابات تمام کاروباری معاملات، اقدامات کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کی واضح نشاندہی کرتی ہیں۔
- ادارے نے ہر طرح کا حساب کتاب تمام مروج طریقوں اور اصولوں کے مطابق یعنی درست حالت میں رکھا ہے۔
- مالیاتی حسابات کی تیاری میں اکاؤنٹنگ کے تمام مروج معیارات کا پورا خیال رکھا گیا ہے۔
- تمام مالیاتی حسابات مضاربہ کمپنیز اینڈ مضاربہ (فلو ٹیشن اینڈ کنٹرول) آرڈیننس 1980، مضاربہ کمپنیز اینڈ مضاربہ رولز 1981 اور سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کی روشنی میں انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز اور اسلامک اکاؤنٹنگ اسٹینڈرڈز اپناتے ہوئے تیار کی گئی ہیں۔
- انٹرئل کنٹرول کا انتظام اپنے ڈیزائن کے اعتبار سے مستحکم ہے اور اس کا موثر اطلاق اور نگرانی کی جاتی ہے۔
- بطور ادارہ کمپنی کے کام جاری رکھنے کی صلاحیت پر کوئی شک نہیں۔
- لسٹنگ کے ضوابط میں تصویب شدہ مروج کارپوریٹ گورننس کے رہنما اصولوں سے انحراف نہیں کیا گیا ہے۔
- مالیاتی گوشواروں کے اندراجات کے علاوہ ٹیکسوں، ڈیویڈنڈز، لیویز اور بھتیا جات کی مد میں کوئی رقم واجب الادا نہیں ہے۔
- ٹرانسفر پرائسنگ کے رہنما اصولوں سے انحراف نہیں کیا گیا ہے۔

مضاربہ سرٹیفیکیٹ میں تجارت / لین وین

گزرے ہوئے مالی سال میں مضاربہ کے سرٹیفیکیٹس میں ڈائریکٹرز، چیئرمین، سی ایف او، کمپنی سیکریٹری اور ان کے شریک حیات اور کم عمر بچوں کی جانب سے کوئی ٹریڈنگ نہیں ہوئی، سوائے سی ای او کے جنہوں نے 49,500 بی آر آرجی ایم کے سرٹیفیکیٹس خریدے۔

ضابطہ اخلاق

بورڈ آف ڈائریکٹرز نے کاروباری معاملات میں تمام مروج اصولوں اور پریکٹس کا خاص خیال رکھا ہے۔ اس حوالے سے ایک ضابطہ اخلاق اپنایا گیا ہے۔ اس سلسلے میں تمام قانونی تقاضوں کا انفرادی طور پر احساس ذمہ داری کے ساتھ خیال رکھا گیا ہے۔

ضابطہ اخلاق اچھے کاروباری رویے کی نشاندہی کرتا ہے اور ایمان داری، شفافیت اور روشن خیالی پر فوٹیشنل طرز فکر و عمل کا پتہ دیتا ہے۔

فوائد برائے اسٹاک ریٹائرمنٹ

تمام مستقل ملازمین کے لیے پراویڈنٹ فنڈ موجود ہے۔ جون 30، 2022 تک سرمایہ کاری کی قدر 124,736 ملین روپے رہی جو 2021 میں 156,365 ملین روپے تھی۔

واقعات بعد از بیلنس شیٹ

بیلنس شیٹ کے اجراء تک کوئی غیر موافق صورتحال درج نہیں ہوئی جس کی رو سے مالیاتی گوشواروں میں ردوبدل کی ضرورت ہو۔

مشکوک افراد / متعلقہ فریقین سے لین وین

بی آر آرجی ایم اور متعلقہ افراد یا اداروں کے درمیان کاروباری معاملات کسی دباؤ یا غیر ضروری جانب داری کے بغیر انجام پائے ہیں، سوائے ان معاملات یا ٹرانزیکشنز کے جن کا جوڑ بیان کیا گیا ہو۔



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آڈیٹرز

ہم سرٹیفکیٹ ہولڈرز کو مطلع کرتے ہیں کہ آڈٹ کمیٹی کی تجویز پر ہو رو تھ حسین چوہدری اینڈ کمپنی کو برائے سال 2022-23 کے لئے آڈیٹر تعینات کیا جا رہا ہے۔

اہم آپریٹنگ اور مالی اعداد و شمار

گزشتہ چھ سالوں کے اہم آپریٹنگ اور مالی اعداد و شمار آخری صفحے پر تجزیے کے خلاصے کے ساتھ پیش کیے گئے ہیں۔

رسک مینجمنٹ فریم ورک

کسی بھی کاروبار میں خطرات تو ہوتے ہی ہیں۔ بلند شرح سے منافع کمانے کے لیے ہر کاروباری ادارے کو تھوڑے بہت خطرات تو مول لینا ہی پڑتے ہیں۔ ہم سرٹیفکیٹ کی قدر میں اضافہ برقرار رکھنے کے لیے کام کرتے ہیں۔ خطرات بھی مول لیے جاتے ہیں مگر پوری احتیاط کے ساتھ اور اس معاملے میں متعلقہ فریم ورک یا طریق کار کو کسی بھی پہلو کو نظر انداز نہیں کیا جاتا۔

بورڈ آف ڈائریکٹرز کا اجلاس

بورڈ آف ڈائریکٹرز کے اجلاس کی صورت حال درج ذیل ہے:

نمبر	نام	عہدہ	حاضری
1	جناب رفیق داؤد	چیرمین	4 میں سے 4
2	جناب ایاز داؤد	سی ای او	4 میں سے 4
3	جناب وقاص انور قریشی	ڈائریکٹر	4 میں سے 4
4	سید علی رضا	ڈائریکٹر	4 میں سے 4

آڈٹ کمیٹی کا اجلاس

بورڈ کی آڈٹ کمیٹی کے اجلاسوں کی صورت حال درج ذیل ہے:

نمبر	نام	عہدہ	حاضری
1	جناب وقاص انور قریشی	چیرمین	4 میں سے 4
2	جناب رفیق داؤد	ممبر	4 میں سے 4
3	سید علی رضا	ممبر	4 میں سے 4



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انٹرنل کنٹرول اور آڈٹ

بورڈ آف ڈائریکٹرز تمام طے شدہ اور مروج طریقوں کو بروئے کار لا کر موثر اندرونی انتظام اور انضباط یقینی بنانے کا پابند ہے۔ بی آر آرجی ایم کی آڈٹ کمیٹی ان ہاؤس انٹرنل آڈٹ فنکشن یقینی بناتی ہے۔ اس حوالے سے درج ذیل کردار متعین کیے گئے ہیں:

1. مروج انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز، اسلامک فنانشل اکاؤنٹنگ اسٹینڈرڈز، مضاربہ کمپنیز اینڈ مضاربہ (فلوٹیشن اینڈ کنٹرول) آرڈیننس مجریہ 1980، مضاربہ کمپنیز رولز مجریہ 1981 اور بورڈ آف ڈائریکٹرز کے طے کردہ طریق کار اور پالیسیوں پر عمل کرنا۔
2. اکاؤنٹنگ اور انٹرنل کنٹرول سسٹم کا جائزہ لینا۔
3. تمام کاروباری معاملات میں کفایت، بہتر کارکردگی اور اثر پذیری کا جائزہ لینا۔ کارپوریٹ اصطلاح میں اسے ویلیو فار منی آؤٹس کہا جاتا ہے۔
4. فنانشل اور آپریشنل معاملات کا جائزہ۔
5. اہم خطرات کی تشخیص اور نشاندہی۔

انٹرنل آڈٹ فنکشن عمدہ طریقے سے کام کرے تو خطرات کا سامنا کرنے کا موثر نظام وضع کرنے میں غیر معمولی مدد ملتی ہے۔ مختلف سرگرمیوں کو بہتر طریقے سے انجام دینا ممکن ہو جاتا ہے۔ بہتر نتائج حاصل ہوتے ہیں۔ انٹرنل آڈٹ فنکشن معاملات کرنے اور رکھنے کے دیگر طریقوں کی کارکردگی کا بھی جائزہ لیتا ہے۔

انسانی وسائل کا نظم و نسق اور جانشینی کی منصوبہ بندی

ہمارے ادارہ سب کے لیے مساوی مواقع کے اصول کی بنیاد پر ملازمت فراہم کرتا ہے۔ کسی بھی شخص کو ملازمت فراہم کرتے وقت اس کی قابلیت اور کام کرنے کی لگن دیکھی جاتی ہے۔ میرٹ کا پورا خیال رکھا جاتا ہے۔ خدمات مستعار لینے کی پالیسی شفاف اور مروج طریقہ کار کے مطابق ہے۔ اس حوالے سے تمام قانونی اور اخلاقی نکات ہماری ہیومن ریسورس پالیسی میں درج بالترتیب درج ہیں۔

ہمارے ملازمین ہمارے لیے اثاثے کا درجہ رکھتے ہیں۔ ہم انہیں زیادہ سے زیادہ سہولتیں فراہم کرتے ہیں تاکہ وہ اپنی صلاحیتوں کو بہترین طریقے سے بروئے کار لانے کے ساتھ ساتھ نئی صلاحیتیں بھی اپنے اندر پروان چڑھائیں۔ ملازمین کو زیادہ سے زیادہ سہولتیں فراہم کرنے ایک مقصد تو انہیں بہتر کارکردگی کی طرف مائل کرنا ہے اور دوسرا مقصد یہ ہے کہ دوسرے قابل افراد کو بھی ہمارے ادارے کے لیے کام کرنے کی تحریک ملے۔

ہم اپنے ملازمین کی کارکردگی بہتر بنانے اور ان میں مزید صلاحیتیں اور مہارتیں پیدا کرنے کے لیے کیریئر مینجمنٹ کا بھی اہتمام کرتے ہیں۔ مشاہروں پر ہر سال نظر ثانی کی جاتی ہے۔ ہم سی آر ایس پروگرام کے تحت اپنے ملازمین کے لیے اضافی تربیت کا اہتمام بھی کرتے ہیں تاکہ وہ زیادہ اچھی طرح اپنی صلاحیتوں کا اظہار کریں اور ان کے کیریئر میں گہرائی و گیرائی پیدا ہو۔ کیریئر مینجمنٹ پالیسی کے تحت اکاؤنٹنگ اینڈ فنانس پروفیشنلز کو بہتر نتائج کے حصول کے قابل بنانے پر خاص توجہ دی جاتی ہے۔



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

جان نشینی کی منصوبہ بندی

ہم باصلاحیت اور پر عزم نوجوانوں کو ورک فورس کا حصہ بنانے تک محدود نہیں رہتے بلکہ انہیں مستقبل میں قائدانہ کردار ادا کرنے کے قابل بنانے پر بھی توجہ دیتے ہیں۔

بی آر جی ایم کا یقین اس بات پر ہے کہ باصلاحیت افراد کو زیادہ سے زیادہ مواقع دیئے جانے چاہئیں تاکہ وہ اپنی صلاحیتوں کو پروان چڑھائیں اور انہیں بروئے کار لا کر اپنے بہتر امکانات پیدا کریں۔ سیکسٹن پان کارکردگی اور صلاحیت دست دونوں پہلوؤں پر نظر رکھتا ہے۔ ایسی صورت میں کسی بھی وقت کسی باصلاحیت ملازم کو ڈھونڈنے میں دشواری پیش نہیں آتی اور یوں اسے موزوں ذمہ داری دے کر بہتر کارکردگی کے قابل بنایا جاسکتا ہے۔

کاروباری پائیداری

ہمیں اس بات کا پورا احساس ہے کہ ہماری ذمہ داری کسٹمرز، ملازمین اور شیئر ہولڈرز کو مطمئن کرنے تک محدود نہیں بلکہ ہم جس ماحول میں کام کر رہے ہیں اسے بہتر بنانے رکھنا بھی ہماری ذمہ داری ہے۔

ہم اس بات پر یقین ضرور رکھتے ہیں کہ کامیاب کمپنی وہ ہے جو زیادہ منافع کمائے مگر صرف منافع کا حصول ہی سب کچھ نہیں۔ بی آر جی ایم کے لیے کامیابی کا حقیقی مفہوم یہ ہے کہ کسٹمرز کو وہ اشیاء و خدمات ملتی رہیں جن کی انہیں ضرورت ہے اور ساتھ ہی ساتھ معاشرے اور ماحول کو بھی نقصان سے زیادہ سے زیادہ محفوظ رکھا جائے۔ ہم ایک ایسا ماحول پیدا کرنے کے لیے کوشاں رہتے ہیں جو تجارتی نقطہ نظر سے بے حد منافع بخش اور اخلاقی نقطہ نظر سے قابل قبول ہو۔

کارپوریٹ سماجی ذمہ داری

ایک ایسے دور میں کہ جب ماحول اور معاشرے کے لیے مسائل بڑھتے جا رہے ہیں اور اس حوالے سے سوچنے والوں کی تعداد بھی بڑھ رہی ہے، لمبے عرصے سے ماحول میں کاروبار نہیں کیا جاسکتا۔ لوگ خریداری کرتے وقت بہت کچھ سوچتے ہیں۔ وہ اس بات پر بھی غور کرتے ہیں کہ جو چیز وہ خرید رہے ہیں اس کی تیاری میں معاشرے یا ماحول کو نقصان تو نہیں پہنچایا گیا۔ لوگوں کو اپنی اور دوسروں کی ذمہ داریوں کا بھرپور احساس ہے۔ یہی سبب ہے کہ آج کے بیشتر ادارے معاشرے میں خرابیوں کو روکنے اور ماحول کو بہتر حالت میں رکھنے کے حوالے سے اپنا کردار ادا کرنے کی بھی کوشش کر رہے ہیں۔

غیر شرعی ذرائع سے حاصل ہونے والی تمام آمدن کو شریعہ ایڈوائزرز کے مشورے سے پاک کرنے کے بعد عطیہ کر دیا جاتا ہے۔

صحت، حفاظتی تدابیر اور ماحول

ہم اپنے ملازمین کو کام کرنے کا محفوظ ماحول فراہم کرنے کے عہد پر کاربند ہیں۔ اپنی عمل پسند سوچ کے ذریعے ہم اس بات کو یقینی بناتے ہیں کہ تمام ملازمین زیادہ سے زیادہ سہولت اور تحفظ کے ساتھ کام کریں۔ ہم پورے اعتماد کے ساتھ کہہ سکتے ہیں کہ ہمارے تمام دفاتر میں درست الیکٹریک وائرنگ کی گئی ہے، آگ بجھانے کے آلات موجود ہیں اور کسی کے زخمی ہو جانے کی صورت میں ابتدائی طبی امداد کا بھرپور انتظام ہے۔ ماحول کو صاف اور صحت بخش رکھنے کے لیے تمباکو نوشی پر مکمل پابندی عائد ہے۔

بی آر جی ایم نے پراپرٹی سے متعلق کسی بھی ایسی ویسی بات سے نمٹنے کے لیے موزوں نکافل (بیر) لے رکھا ہے۔ تمام ملازمین کو قدرتی اور حادثاتی موت کی صورت میں نکافل میسر ہے۔ ملازمین کے اہل خانہ کو صحت و غیرہ کے معاملے میں نکافل کی سہولت میسر ہے۔

سرٹیفکیٹ ہولڈنگ کی طرز

30 جون، 2022 کو ختم ہونے والے مالی سال کے لیے پیٹرن آف سرٹیفکیٹ ہولڈنگ اور کوڈ آف کارپوریٹ گورننس کے تحت مطلوب ڈسکلوژر اس دستاویز سے منسلک ہے۔

ترقیاتی پروگرام برائے ڈائریکٹرز

بورڈ کے تمام ڈائریکٹرز 17 سال سے زائد تعلیم کے حامل ہیں جن میں سے دو ڈائریکٹرز PICG اور ICMA سے منظور شدہ ہیں جو کہ 50 فیصد بنتا ہے اور 23 سال سے زائد کا تجربہ بھی رکھتے ہیں۔ اس کے علاوہ کمپنی کے ڈائریکٹرز کو کوڈ آف کارپوریٹ گورننس، مضاربہ رولز، کمپنی کے میمورینڈم اور آرٹیکلز آف اسیوشن، مضاربہ پراسیکشن اور دیگر تمام متعلقہ قواعد و ضوابط کی کاپیاں فراہم کی گئی ہیں جس کی وجہ سے وہ مضاربہ سے متعلق تمام قابل اطلاق قوانین، اس کی پالیسیوں اور طریقہ کار اور میمورینڈم اور آرٹیکلز آف اسیوشن کی شقوں اور اپنے فرائض اور ذمہ داریوں کا مکمل علم رکھتے ہیں۔

اختتامی کلمات / مستقبل کی حکمت عملی

14 اپریل 2022 کو بی آر آر گارجین مضاربہ کی بی آر آر گارجین لمیٹڈ 'کمپنی' کے ساتھ انضمام کی درخواست معزز سندھ ہائی کورٹ کی منظوری کے لئے جمع کرائی گئی، جو فی الحال معزز سندھ ہائی کورٹ میں زیر التوا ہے۔ مذکورہ انضمام کی درخواست کی منظوری پر، کمپنی کو ایک لسٹڈ کمپنی سمجھا جائے گا۔

تعزیت

گہرے دکھ اور افسوس کے ساتھ، جناب رفیق داؤد، چیئرمین اور ممبر بورڈ، آڈٹ کمیٹی اور ایچ آر اینڈ ریوژنیشن کمیٹی اور بی آر آر انویسٹمنٹس (پرائیویٹ) لمیٹڈ (بی آر آر گارجین مضاربہ کے نیچر - پاکستان کا پہلا دائمی اسلامی مالیاتی ادارہ) کے بانی، پرسکون طریقے سے، جمعہ 19 اگست 2022 کو انتقال فرما گئے۔ وہ پاکستان میں اسلامی مالیات کے علمبردار تھے اور انہوں نے فرسٹ داؤد گروپ، بی آر آر کسٹیشنل مضاربہ، داؤد اسلامک بینک، داؤد فیملی کفائل لمیٹڈ اور ہائیڈرو چائنا داؤد پاور پرائیویٹ لمیٹڈ کی بنیاد رکھی۔

از طرف بورڈ آف ڈائریکٹرز

بی. آر. آر. انویسٹمنٹس (پرائیویٹ) لمیٹڈ

ایاز داؤد

چیف ایگزیکٹو آفیسر

سید علی رضا

ڈائریکٹر

ستمبر 14، 2022

کراچی



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

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 FOR THE YEAR ENDED JUNE 30, 2022.

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of company BRR Guardian Modaraba
Year ending. June 30, 2022

Despite the fact that the B.R.R Investment (Private) Limited the management company of B.R.R Guardian Modaraba is a private limited company, The Board of Directors of the Modaraba Management Company is responsible for managing the affairs of Modaraba.

The Modaraba Management Company (hereinafter referred to as the Company) has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are four as per the following:

- | | |
|------------|------|
| a. Male: | Four |
| b. Female: | NA |

2. The composition of board is as follows:

- | | |
|---------------------------------|-------------------------|
| a) Independent Directors | Mr. Waqas Anwar Qureshi |
| b) Independent Directors | Mr. Syed Ali Raza |
| c) Other Non-executive Director | Mr. Rafique Dawood |
| d) Executive Directors | Mr. Ayaz Dawood |

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.



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9. Company stands complied with the requirement as having 75% of the directors of the board have acquired prescribed certification including exemption under director training program under sub clause 1(ii) of regulation 19 of the regulations in the following manner:

Mr. Waqas Anwar Qureshi	Certified from ICMA
Mr. Ayaz Dawood	Certified from PICG
Mr. Rafique Dawood	Exempted

Further, the directors of the company have been provided with copies of the Code of Corporate Governance, Modaraba Rules, Company's Memorandum and Articles of Association, Modaraba Prospectus and all other relevant rules and regulations and hence are conversant of the relevant laws applicable to the Modaraba, its policies and procedures and provisions of memorandum and article of Associations and of their duties and responsibilities.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

a) Audit Committee

(Name of members and Chairman)

Mr. Waqas Anwar Qureshi - Chairman

Mr. Rafique Dawood - Member

Syed Ali Raza - Member

b) HR and Remuneration Committee

(Name of members and Chairman)

Syed Ali Raza - Chairman

Mr. Rafique Dawood - Member

Mr. Waqas Anwar Qureshi - Member

c) Nomination Committee (NA)

d) Risk Management Committee (NA)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.



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14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

- a) Audit Committee (quarterly)
- b) HR and Remuneration Committee (yearly)
- c) Nomination Committee (NA)
- d) Risk Management Committee (NA)

15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of the regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied where applicable.

September 14, 2022

On Behalf of the Board of Directors

B.R.R Investment (Private) Limited

Syed Ali Raza

Director

Ayaz Dawood

Chief Executive Officer

**Independent Auditor's Review Report
To the Certificate Holders of B.R.R. Guardian Modaraba**

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

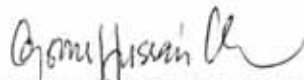
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") prepared by Board of Directors of B.R.R Investment (Private) Limited, the Modaraba Management company of BRR Guardian Modaraba for the year ended June 30, 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of Modaraba Management Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Modaraba's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Modaraba's personnel and review of various documents prepared by the Modaraba Management Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Modaraba Management Company's corporate governance procedures and risks.

The Regulations require the Modaraba Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Modaraba Management Company's compliance for and on behalf of the Modaraba, in all material respects, with the requirements contained in the Regulations as applicable to the Modaraba for the year ended June 30, 2022.



**Crowe Hussain Chaudhury Co.
Chartered Accountants**

Place: Karachi.

Dated: 20 Sep 2022

UDIN Number: CR202210207JOGxq2tQ9

AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed balance sheet of **B.R.R. GUARDIAN MODARABA** ("the Modaraba") as at June 30, 2022 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year then ended 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 our audit.

These financial statements are the Modaraba company's [B.R.R. Investment (Private) Limited] responsibility who is also responsible to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981. Our responsibility is to express an opinion on these statements based on our audit.

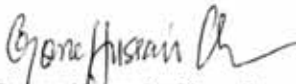
We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by the Modaraba Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of accounts have been kept by the Modaraba Company in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981, and are in agreement with the books of accounts and are further in agreement with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Modaraba's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects, terms and conditions of the Modaraba;

- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981 in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2022 and of the profit or loss, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Modaraba and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Emphasis of Matter

We draw attention to note 1.1 of the financial statements, which describes the Board of Directors' principal approval for the conversion of B.R.R. Guardian Modaraba into a public limited company incorporated under the laws of Pakistan by incorporating a new public limited company. Our opinion is not modified in respect of this matter.



Crowe Hussain Chaudhury & Co.
Chartered Accountants
Engagement Partner:
Imran Shaikh

Place: Karachi

Date: 20 Sep 2022

UDIN Number: AR202210207VOF3d24yn

Shari'ah Advisor's Report

I have conducted the Shari'ah review of **B.R.R. Guardian Modaraba** managed by B.R.R. Investments Pvt. Limited for the year ended 30th June, 2022. In accordance with the requirements of the Shari'ah Compliance and Shari'ah Audit Mechanism (SCSAM) for Modaraba issued by Security and Exchange Commission of Pakistan via circular # 8 of 2012 dated 3rd February, 2012 that except the observation as reported hereunder in my opinion:

1. All agreement(s) entered into by the Modaraba are Shari'ah compliant and the financing agreement(s) have been executed on the formats as approved by the Religious Board and all the related conditions have been met;
2. To the best of my information and according to the explanations given to me, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the Shari'ah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and the Shari'ah Compliance and Shari'ah Audit Mechanism for Modaraba.
3. Charity on dividend income has been calculated and **PKR 106,347/-** has been transferred to charity account.
4. Shari'ah non complaint Scripts of Service Industries Limited **63,580** hold by the Modaraba should be offloaded and during the period all received dividend will be transferred to charity account.

Observations:

Charity should be paid to any recognized charitable organization with an assurance that the charitable funds will not be used in non- Shari'ah activity.

Conclusion:

Based on the above mentioned facts I am of the view that the business operations of BRR Guardian Modaraba are Shari'ah Compliant up to the best of my knowledge.



Mufti Muhammad Aqeel
Shari'ah Advisor
Dated: August 11, 2022



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

BALANCE SHEET AS AT JUNE 30, 2022

	2 0 2 2	2 0 2 1
	----- Rupees -----	
ASSETS		
Non-current assets		
Property, plant and equipment	6 90,326,427	93,366,207
Investment properties	7 900,552,263	942,279,180
Long-term investment	8 55,000,000	55,000,000
Long-term musharaka finances	9 49,314,510	67,308,227
Long-term loans, advances and deposits	10 5,758,432	6,191,123
Total non-current assets	1,100,951,632	1,164,144,737
Current assets		
Short-term investments	11 2,118,121,046	1,910,046,261
Current portion of musharaka finances	9 30,863,874	25,809,072
Ijarah / lease rental receivable	12 -	36,934
Loans, advances and prepayments	13 73,393,605	17,511,532
Accrued profit	14 717,245	455,240
Other receivables	15 18,056,764	89,819,830
Taxation - net	16 46,667,319	19,897,780
Cash and bank balances	17 38,465,646	39,381,695
Total current assets	2,326,285,499	2,102,958,344
TOTAL ASSETS	3,427,237,131	3,267,103,081
EQUITY AND LIABILITIES		
Capital and reserve		
Authorised capital		
140,000,000 (2021: 140,000,000) Modaraba certificates of Rs. 10/- each	1,400,000,000	1,400,000,000
Issued, subscribed and paid-up certificate capital	18 949,984,890	949,984,890
Reserves	19 1,130,801,550	579,965,705
Surplus on revaluation of investments	20 761,517,923	1,341,185,560
	2,842,304,363	2,871,136,155
LIABILITIES		
Non-current liabilities		
Long-term loans	21 -	-
Long-term murabaha, musharaka and finance under mark-up arrangements	22 -	-
Long-term security deposits	23 67,991,106	66,182,475
Deferred tax liability	38 77,267,977	-
Total non-current liabilities	145,259,083	66,182,475
Current liabilities		
Current portion of long-term loans	21 -	27,544,684
Current portion of long-term murabaha, musharaka and finance under mark-up arrangements	22 150,000,000	90,000,000
Current portion of security deposits	23 20,346,249	22,495,349
Creditors, accrued and other liabilities	24 233,696,457	157,649,885
Accrued profit on borrowings	25 -	83,978
Profit distribution payable	26 35,630,979	32,010,555
Total current liabilities	439,673,685	329,784,451
Contingencies and commitments	27 -	-
TOTAL EQUITY AND LIABILITIES	3,427,237,131	3,267,103,081

The annexed notes from 1 to 51 form an integral part of these financial statements.

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

Syed Ali Raza
Director

Waqas Anwar Qureshi
Director

Ayaz Dawood
Chief Executive Officer

Syed Tariq Masood
Chief Financial Officer



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

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- Rupees -----	2021 -----
INCOME			
Rental income	28	248,318,567	233,683,592
Income on musharaka, murabaha		12,968,395	10,054,689
Ijarah rental income - net	29	1,789,747	952,441
Return on investments - net	30	35,478,829	96,466,585
Profit on bank balances		945,082	656,360
Reversal of provision for doubtful receivables	31	6,025,532	2,686,751
Gain on disposal of ijarah assets		-	374,032
Other income	32	9,934,870	7,615,267
Unrealised gain on revaluation of FVTPL investment		702,965,045	164,446,397
		1,018,426,067	516,936,114
EXPENSES			
Administrative expenses	33	137,592,354	149,084,584
Depreciation on investment properties	7.1	41,843,687	41,817,784
Financial charges	34	13,765,918	6,608,810
		193,201,959	197,511,178
		825,224,108	319,424,936
Modaraba Management Company's fee	35	82,522,411	31,942,494
Sales tax on Modaraba Management company's fee		10,727,913	4,152,524
Provision for Sindh Workers' Welfare Fund	36	14,639,476	5,666,598
Profit before taxation		717,334,308	277,663,320
Taxation	37	62,911,253	-
Net profit for the year		654,423,055	277,663,320
Earnings per certificate - basic and diluted	39	6.89	3.07

The annexed notes from 1 to 51 form an integral part of these financial statements.

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

Syed Ali Raza
Director

Waqas Anwar Qureshi
Director

Ayaz Dawood
Chief Executive Officer

Syed Tariq Masood
Chief Financial Officer



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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2022

	2 0 2 2	2 0 2 1
	----- Rupees -----	
Profit for the year	654,423,055	277,663,320
Other comprehensive gain for the year		
Items that will be subsequently reclassified:		
Unrealised (loss) / gain on revaluation of fair value through OCI investments	(557,856,842)	843,312,183
Total comprehensive income for the year	<u>96,566,213</u>	<u>1,120,975,503</u>

The annexed notes from 1 to 51 form an integral part of these financial statements.

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

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Director

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Director

Ayaz Dawood
Chief Executive Officer

Syed Tariq Masood
Chief Financial Officer



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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2 0 2 2 ----- Rupees -----	2 0 2 1
Profit before taxation		717,334,308	277,663,320
Adjustment of non-cash and other items:			
Depreciation on owned assets	6.1 & 7.1	55,000,137	54,807,935
Depreciation on ijarah assets	6.2.2	196,107	1,923,036
Provision against doubtful receivable - net	31	(6,025,532)	(2,686,751)
Gain on disposal of property and equipment - owned		(892,906)	(628,542)
Gain on disposal of property, plant and equipment - leased / ijarah		-	(374,032)
Ijarah rental income		(1,985,854)	(2,875,477)
Profit on murabaha, musharaka		(12,968,395)	(10,054,689)
Financial charges		13,765,918	6,608,810
Unrealised gain on revaluation of FVTPL		(702,965,045)	(164,446,397)
Return on investments - net		(36,517,743)	(98,848,888)
		(692,393,313)	(216,574,995)
		24,940,995	61,088,325
(Increase) / decrease in current assets			
Ijarah / lease rentals receivable		64,428	3,509,688
Loans, advances and prepayments		(55,449,382)	(10,258,399)
Accrued profit		12,706,390	10,857,167
Other receivables		71,763,079	(75,968,079)
		29,084,515	(71,859,623)
Increase / (decrease) in current liabilities			
Creditors, accrued and other liabilities		89,562,673	27,479,403
Rent received in advance		(13,516,101)	4,006,113
Customers' security deposit		(340,469)	3,092,378
		75,706,103	34,577,894
Income tax (paid) / refund - net		(32,306,774)	4,980,659
		97,424,839	28,787,255
Net cash generated from operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to property and equipment - owned	6.1	(12,974,816)	(20,797,990)
Addition to investment properties	7.1	(116,770)	(1,372,000)
Proceeds from the disposal of property and equipment - owned		1,405,845	687,267
Proceeds from disposal of property, plant and equipment - leased / ijarah		2,149,100	5,740,822
Investments (purchased) / disposed - net		(38,009,261)	650,050
Income received on investments		31,454,368	34,470,428
Musharaka finances		20,922,807	(32,780,457)
		4,831,273	(13,401,880)
Net cash generated / (used in) from investing activities			



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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2022

	Note	2 0 2 2 ----- Rupees -----	2 0 2 1 ----- Rupees -----
CASH FLOWS FROM FINANCING ACTIVITIES			
Profit paid to certificate holders		(121,777,581)	(65,178,606)
Right share subscription money received		-	86,362,260
Finance under murabaha, musharaka and finance	22.3	60,000,000	40,000,000
Long-term loans	21.2	(27,544,684)	(62,536,000)
Financial charges paid		(13,849,896)	(7,138,686)
Net cash used in financing activities		(103,172,161)	(8,491,032)
Net (decrease) / increase in cash and cash equivalents		(916,049)	6,894,343
Cash and cash equivalents at the beginning of the year		39,381,695	32,487,352
Cash and cash equivalents at the end of the year	17	38,465,646	39,381,695

The annexed notes from 1 to 51 form an integral part of these financial statements.

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

Syed Ali Raza
Director

Waqas Anwar Qureshi
Director

Ayaz Dawood
Chief Executive Officer

Syed Tariq Masood
Chief Financial Officer



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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2022

Description	Issued, subscribed and paid-up certificate capital	Capital reserves			Revenue reserve	Surplus on revaluation of investment	Total
		Profit prior to floatation	Merger reserve	Statutory reserve *	Accumulated (loss) / profit		
----- (Rupees) -----							
Balance as at July 01, 2020	863,622,630	10,532,683	44,902,567	830,269,870	(505,095,692)	486,928,899	1,731,160,957
Profit for the year ended June 30, 2021	-	-	-	-	277,663,320	-	277,663,320
Other comprehensive income	-	-	-	-	-	843,312,183	843,312,183
Total comprehensive income for the period	-	-	-	-	277,663,320	843,312,183	1,120,975,503
Transfer of revaluation surplus on disposal of fair value through OCI investments	-	-	-	-	(10,944,478)	10,944,478	-
Profit distribution for the year ended June 30, 2020 @ Re. 0.78 per certificate	-	-	-	-	(67,362,565)	-	(67,362,565)
Issue of right certificates	86,362,260	-	-	-	-	-	86,362,260
Transfer to statutory reserve	-	-	-	138,332,205	(138,332,205)	-	-
Balance as at June 30, 2021	949,984,890	10,532,683	44,902,567	968,602,075	(444,071,620)	1,341,185,560	2,871,136,155
Profit for the year ended June 30, 2022	-	-	-	-	654,423,055	-	654,423,055
Other comprehensive income	-	-	-	-	-	(557,856,842)	(557,856,842)
Total comprehensive income for the year	-	-	-	-	654,423,055	(557,856,842)	96,566,213
Transfer of gain on disposal of fair value through OCI investments	-	-	-	-	21,810,795	(21,810,795)	-
Transfer to statutory reserve	-	-	-	32,721,153	(32,721,153)	-	-
Profit distribution for the year ended June 30, 2021 @ Re. 1.32	-	-	-	-	(125,398,005)	-	(125,398,005)
Balance as at June 30, 2022	949,984,890	10,532,683	44,902,567	1,001,323,228	74,043,072	761,517,923	2,842,304,363

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

The annexed notes from 1 to 51 form an integral part of these financial statements.

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

**Syed Ali Raza
Director**

**Waqas Anwar Qureshi
Director**

**Ayaz Dawood
Chief Executive Officer**

**Syed Tariq Masood
Chief Financial Officer**



B.R.R. Guardian Modaraba
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

1. LEGAL STATUS AND NATURE OF THE BUSINESS

- 1.1** B.R.R. Guardian Modaraba (the Modaraba) is a multipurpose, perpetual modaraba floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Modaraba Companies and Modaraba Rules, 1981 framed there under and is managed by B.R.R. Investments (Private) Limited, having its registered office at 1900-B, Saima Trade Towers, I.I. Chundrigar Road, Karachi.

The Modaraba is listed on the Pakistan Stock Exchange Limited. The Modaraba's principal activity is leasing (ijarah) of assets, deployment of funds in musharakas, murabahas and investment in properties, equity and debt securities. The Modaraba also provides custodial and management services in the name of B.R.R. Security Vault.

Pursuant to Finance Act, 2021, tax exemption on Modarabas has been withdrawn, effective from 1 July 2021, due to which the Board of Directors in their meeting held on September 30, 2021 have discussed the plan to restructure the current legal structure of the Modaraba and transfer the existing business of the Modaraba, on a going concern basis, along with all its assets and liabilities, including all contingent liabilities, to separate legal entity.

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

The Registrar of modaraba has issued NOC on proposed merger vide its letter dated March 28, 2022 and on April 14, 2022 the modaraba has submitted petition for approval of Sindh High Court for the aforesaid merger. Further, the certificate holders of modaraba in their meeting held on May 20, 2022 has 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 Modarabas and such changes, modifications as may be required or advised by legal counsel and / or accounting consultants and / or by the High Court.

- 1.2** The Modaraba has 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).

2. IMPACT OF COVID-19

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on 11 March 2020, impacting countries globally including Pakistan. Government of Pakistan has taken certain measures to reduce the spread of the COVID-19 including lockdown of businesses, suspension of flight operations, intercity movements, cancellation of major events etc. The Company is conducting business with some modifications to employee working and cancellation of certain events, among other modifications while following all necessary Standard Operating Procedures (SOPs). The Company will continue to actively monitor the situation and may take further actions that alter its business operations as may be required by federal, provincial or local authorities or that are in the best interests of our employees, customers, partners, suppliers and stockholders. However, the management based on its assessment considered that there would be no significant impact that will adversely affect its businesses, results of operations and financial condition in future period.

3. BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Modaraba Companies and



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Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, Trust Deed and directives issued by the Securities and Exchange Commission of Pakistan (the SECP) ('collectively the applicable Modaraba laws, the Modaraba Regulations') together with approved accounting standards as applicable in Pakistan to Modarabas. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) and Islamic Financial Accounting Standards (IFAS) as notified under the provisions of the Companies Act, 2017 and made applicable to modarabas under 'the Modaraba Regulations'. Wherever the requirements of the applicable Modaraba laws, the Modaraba Regulations differ with the requirement of IFRSs, the requirement of collectively the applicable Modaraba laws, the Modaraba Regulations and IFAS shall prevail.

3.2 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.

3.3 Functional and presentation currency

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

3.4 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	5.1
Amortization of property, plant and equipment - leased	5.1.1
Depreciation on property and equipment - own	5.1.2
Classification and valuation of investments	5.5
Provision for doubtful receivables	5.6
Impairment of investments, debt securities and leased assets	5.8

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

4.1 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (Annual periods beginning on or after)
- IFRS 3 - Revised Conceptual Framework (Amendments)	January 01, 2022
- IFRS 9 - Financial Instruments: Classification and Measurement	January 01, 2022



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Standard or Interpretation	Effective date (Annual periods beginning on or after)
- IAS 16 – Property, Plant and Equipments: proceeds before intended use	January 01, 2022
- IAS 37 - Onerous Contracts: cost of fulfilling a contract	January 01, 2022
- IAS 1 - Classification of Liabilities as Current or Non-current (Amendments)	January 01, 2023
- IAS 1 - Disclosure of Accounting Policies (Amendments)	January 01, 2023
- IAS 8 - Definition of Accounting Estimates (Amendments)	January 01, 2023
- IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)	January 01, 2023

The above standards and amendments are not expected to have any material impact on the Modaraba's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards

- IFRS 1 - First time adoption of IFRS
- IFRS 17 - Insurance Contracts
- IFRS 14 - Regulatory Deferral

IFRS 9 Financial Instruments

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the SECP through its S.R.O. 229 (I)/2020 and is effective for accounting period / year ending on or after June 30, 2020.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 replaces the previous revenue standards: IAS 18 "Revenue", IAS 11 "Construction Contracts", and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Management has undertaken a detailed assessment of the performance obligations associated with revenue streams and is of the view that application of IFRS 15 does not have any material impact on the current and prior year figures as well as the accounting policies applied for the recognition of revenue. Accordingly, no restatement of the information presented for prior year is required.

International Financial Reporting Standards (IFRS) 16 "Leases" has replaced IAS 17 "Leases", the former lease accounting standard, and has become effective from annual accounting periods beginning on or after January 1, 2020.

IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on statement of financial position with only exception of short term and low value leases. Under IFRS 16, a lessee shall recognize an



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asset (the right to use the leased item) based on the initial measurement of lease liability, plus (any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located) along with corresponding financial liability to pay rentals at the present value of future lease payments over the lease term, discounted using (the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.)

IFRS 16, 'Leases' (effective from annual reporting periods beginning on or after January 1, 2020) - IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The recognition criteria for lease is same as define in IAS 17 for lessor.

The Modarba adopted IFRS 16 as on July 1, 2020, The Modaraba has an application of IFRS 16 as a lessor for an operating lease of lockers and properties which are already covered and classified under Investment Properties. Therefore the application of this standard does not result in any change in financial reporting. However para 96 of IFRS 16 requires Modaraba to apply disclosure requirement as given in IAS 40 for the assets subject to operating lease which have been disclosed accordingly.

4.2 Standards, amendments to published standards and interpretations that are effective but not relevant

The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 01, 2020 are considered not to be relevant or to have any significant effect on the Modaraba's financial reporting and operations and are therefore not presented here.

4.3 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Modaraba

There are certain standards, amendments to the IFRS and interpretations that are mandatory for companies having accounting periods beginning on or after April 1, 2021 but are considered not to be relevant or to have any significant effect on the Modaraba's operations and are, therefore, not detailed in these financial statements, except for the following:

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IAS 1 - Presentation of financial statements	April 01, 2021

(a) Classification of liabilities - Amendment to IAS 1

The IASB issued a narrow-scope amendment to IAS 1, 'Presentation of Financial Statements', to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

In particular, the amendment clarifies that:

- liabilities are classified as non-current if the entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendment no longer refers to unconditional rights;
- the assessment determines whether a right exists, but it does not consider whether the entity will exercise the right. So, management's expectations do not affect the classification;



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- the right to defer only exists if the entity complies with any relevant conditions at the reporting date. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date; and
- Settlement is defined as the extinguishment of a liability with cash, other economic resources or an entity's own equity instruments

The management has assessed that the impact of this amendment is not expected to be significant.

(b) Disclosure of accounting policies and definition of accounting estimates - Amendment to IAS 1 and IAS 8

The IASB amended IAS 1, 'Presentation of Financial Statements', to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment also clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information.

The amendment to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The management has assessed that the impact of this amendment is not expected to be significant.

The management anticipates that, except as stated above, adoption of the new standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than presentation and disclosures.

4.4 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 14 - Regulatory Deferral Accounts	January 01, 2018
IFRS 17 - Insurance Contracts	January 01, 2022

The Modaraba expects that above new standards will not have any material impact on the Modaraba's financial statements in the period of application.

5 SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Property, plant and equipment under ijarah arrangements

The Modaraba has 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



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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.

5.1.1 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.

5.1.2 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 Modaraba 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.

5.2 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.

5.3 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 Modaraba 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 Modaraba 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.

5.4 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.

5.5 Financial assets

The Modaraba 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.

5.5.1 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 at 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.

5.6 Provisions for doubtful receivables

Provisions are recognised when the Modaraba 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.

5.7 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 Modaraba 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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5.8 Impairment

5.8.1 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 modaraba 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.

5.8.2 Impairment on Non-financial assets

The Modaraba 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.

5.9 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 modaraba has transferred substantially all risks and rewards of ownership.

5.10 Revenue recognition

5.10.1 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 Modaraba are classified as an operating lease. Rental income from operating leases is recognised on straight line on an accrual basis.

5.10.2 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.



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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.

5.10.3 Rental income

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

5.10.4 Dividend income

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

5.10.5 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.

5.10.6 Income on debt securities

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

5.10.7 Income on balances with banks

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

5.10.8 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 Modarabas issued by the SECP. Unrealised suspense income is recognised in profit and loss account on receipt basis.

5.11 Taxation

5.11.1 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.

5.11.2 Deferred

The Modaraba 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.

5.12 Staff provident fund

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

5.13 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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5.14 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.

5.15 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.

5.16 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).

5.17 Profit distribution and other appropriations of profit

Profit distributions to the certificate holders and other appropriations of profit are recognised in the year in which these are approved. Transfer to statutory reserve and any of the mandatory appropriations as may be required by law are recognised in the year to which these relate.

5.18 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 Modaraba 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 off- set.

5.19 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 modaraba 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 Modaraba 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 Modaraba's other components. The Modaraba has only one reportable segment.

5.20 Earnings per certificate

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

5.21 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.

		2 0 2 2	2 0 2 1
	Note	----- (Rupees) -----	-----
6 PROPERTY, PLANT AND EQUIPMENT			
Property and equipment - owned	6.1	69,980,008	70,674,581
Property, plant and equipment - leased / ijarah	6.2	20,346,419	22,691,626
		<u>90,326,427</u>	<u>93,366,207</u>



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6.1. Property, plant and equipment - owned

Particulars	Leasehold land	Building on leasehold land	Office Premises (Ref: 6.1.1)	Lockers	Furniture and fixtures	Vehicles	Office equipment and computers	Total
	(Rupees)							
Year ended June 30, 2022								
Net carrying value basis								
Opening net book value (NBV)	1,036,431	6,636,563	25,722,928	10,239,534	3,416,029	21,434,853	2,188,243	70,674,581
Additions (at cost)	-	-	-	3,781,000	-	7,774,116	1,419,700	12,974,816
Disposals (NBV)	-	-	-	-	-	(512,937)	(2)	(512,939)
Depreciation charge	(50,558)	(154,517)	(2,020,492)	(1,751,725)	(422,947)	(7,223,265)	(1,532,946)	(13,156,450)
Closing net book value	985,873	6,482,046	23,702,436	12,268,809	2,993,082	21,472,767	2,074,995	69,980,008
Gross carrying value basis								
Cost	2,527,890	26,079,419	46,733,154	35,454,168	5,380,426	45,469,439	21,922,738	183,567,234
Accumulated depreciation	(1,542,017)	(19,597,373)	(20,592,311)	(23,185,359)	(2,387,344)	(23,996,672)	(19,847,743)	(111,148,819)
Accumulated impairment	-	-	(2,438,407)	-	-	-	-	(2,438,407)
Net book value	985,873	6,482,046	23,702,436	12,268,809	2,993,082	21,472,767	2,074,995	69,980,008
Year ended June 30, 2021								
Net carrying value basis								
Opening net book value (NBV)	1,086,989	6,753,649	28,286,604	5,837,002	3,833,601	15,305,086	2,365,720	63,468,651
Additions (at cost)	-	38,000	-	7,196,950	5,000	12,307,860	1,250,180	20,797,990
Disposals (NBV)	-	-	-	-	-	(58,723)	(2)	(58,725)
Transfer to investment property (NBV)	-	-	(543,184)	-	-	-	-	(543,184)
Depreciation charge	(50,558)	(155,086)	(2,020,492)	(2,794,418)	(422,572)	(6,119,370)	(1,427,655)	(12,990,151)
Closing net book value	1,036,431	6,636,563	25,722,928	10,239,534	3,416,029	21,434,853	2,188,243	70,674,581
Gross carrying value basis								
Cost	2,527,890	26,079,419	46,733,154	31,673,168	5,380,426	42,239,273	21,048,920	175,682,250
Accumulated depreciation	(1,491,459)	(19,442,856)	(18,571,819)	(21,433,634)	(1,964,397)	(20,804,420)	(18,860,677)	(102,569,262)
Accumulated impairment	-	-	(2,438,407)	-	-	-	-	(2,438,407)
Net book value	1,036,431	6,636,563	25,722,928	10,239,534	3,416,029	21,434,853	2,188,243	70,674,581
Depreciation rate % per annum	2%	2-5%	2-5%	10%/5%	10%	20%	33.33%	

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

Property and equipment	Cost	Accumulated depreciation	Net book value	Disposal proceeds	Gain on disposal	Mode of disposal	Particulars of purchaser
	(Rupees)						
Vehicles							
Suzuki Cultus 1000cc BEK-385	1,051,950	1,051,949	1	105,195	105,194	Company Policy	Mr. Yousuf Ali
Unique-70cc KNV-5638	57,500	11,500	46,000	51,750	5,750	Company Policy	Mr. Sharafat Subhani
Suzuki Mehran 796cc BPR-763	875,500	408,567	466,933	825,000	358,067	Insurance claim	Jubilee General Insurance
Suzuki Mehran 796cc BFS-708	688,000	687,999	1	68,800	68,799	Company Policy	Mr. Tanveer Ahmed
Unique-70cc KJG-2622	47,500	47,499	1	4,750	4,749	Company Policy	Mr. Tauseef Ahmed
Toyota Corolla GLI 1300 BGJ-239	1,823,500	1,823,499	1	182,350	182,349	Company Policy	Mr. Iqbal Ahmed
Office equipment and computers							
Rifle 223CQ Black Color	381,000	381,000	-	150,000	150,000	Company policy	Third party
UPS & batteries	164,882	164,880	2	18,000	17,998	Company Policy	Mufaddal Carbi-tech Solutions
June 30, 2022	5,089,832	4,576,893	512,939	1,405,845	892,906		
June 30, 2021	5,635,000	5,576,275	58,725	687,267	628,542		



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6.2 Property, plant and equipment - leased/ijarah	Note	2022	2021
		----- (Rupees) -----	
Property, plant and equipment - leased	6.2.1 & 6.2.3	19,615,249	19,615,249
Property, plant and equipment - ijarah	6.2.2	731,170	3,076,377
		<u>20,346,419</u>	<u>22,691,626</u>

6.2.1 Property, plant and equipment - leased

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

Year ended June 30, 2022

Net carrying value basis

Opening net book value (NBV)	14,281,091	5,064,742	269,416	19,615,249
Additions (at cost)	-	-	-	-
Disposals (NBV)	-	-	-	-
Impairment	-	-	-	-
Depreciation charge	-	-	-	-
Closing net book value	<u>14,281,091</u>	<u>5,064,742</u>	<u>269,416</u>	<u>19,615,249</u>

Gross carrying value basis

Cost	160,851,356	89,144,995	2,694,300	252,690,651
Accumulated impairment	(424,719)	(41,659,585)	-	(42,084,304)
Accumulated depreciation	(146,145,546)	(42,420,668)	(2,424,884)	(190,991,098)
Net book value	<u>14,281,091</u>	<u>5,064,742</u>	<u>269,416</u>	<u>19,615,249</u>

Year ended June 30, 2021

Net carrying value basis

Opening net book value (NBV)	14,281,091	5,064,742	269,416	19,615,249
Additions (at cost)	-	-	-	-
Disposals (NBV)	-	-	-	-
Impairment	-	-	-	-
Depreciation charge	-	-	-	-
Closing net book value	<u>14,281,091</u>	<u>5,064,742</u>	<u>269,416</u>	<u>19,615,249</u>

Gross carrying value basis

Cost	160,851,356	89,144,995	2,694,300	252,690,651
Accumulated impairment	(424,719)	(41,659,585)	-	(42,084,304)
Accumulated depreciation	(146,145,546)	(42,420,668)	(2,424,884)	(190,991,098)
Net book value	<u>14,281,091</u>	<u>5,064,742</u>	<u>269,416</u>	<u>19,615,249</u>

Depreciation rate % per annum	<u>11% - 25%</u>	<u>20% - 33%</u>	<u>20%</u>
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6.2.2 Property, plant and equipment - ijarah

Particulars	Vehicles	Total
	----- (Rupees) -----	
Year ended June 30, 2022		
Net carrying value basis		
Opening net book value (NBV)	3,076,377	3,076,377
Additions (at cost)	-	-
Disposals (NBV)	(2,149,100)	(2,149,100)
Depreciation charge	(196,107)	(196,107)
Closing net book value	731,170	731,170
Gross carrying value basis		
Cost	3,572,000	3,572,000
Accumulated depreciation	(2,840,830)	(2,840,830)
Net book value	731,170	731,170
Year ended June 30, 2021		
Net carrying value basis		
Opening net book value (NBV)	10,366,203	10,366,203
Additions (at cost)	-	-
Disposals (NBV)	(5,366,790)	(5,366,790)
Depreciation charge	(1,923,036)	(1,923,036)
Closing net book value	3,076,377	3,076,377
Gross carrying value basis		
Cost	12,533,000	12,533,000
Accumulated depreciation	(9,456,623)	(9,456,623)
Net book value	3,076,377	3,076,377
Depreciation rate % per annum	20% - 33%	

6.2.3 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, the lease receivables related to these assets are also fully provided under Prudential Regulations for Modaraba's.

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

7 INVESTMENT PROPERTIES	Note	2 0 2 2	2 0 2 1
		----- (Rupees) -----	
Investment properties	7.1	891,463,263	933,190,180
Capital work in progress	7.2	9,089,000	9,089,000
		900,552,263	942,279,180



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7.1. Investment properties

Particulars	Leasehold land	Building on leasehold land	Office premises (note 7.1.1)	Total
	----- (Rupees) -----			
Year ended June 30, 2022				
Net carrying value basis				
Opening net book value (NBV)	135,734,108	529,490,420	267,965,652	933,190,180
Additions (at cost)	-	-	116,770	116,770
Depreciation charge	(3,790,222)	(18,378,739)	(19,674,726)	(41,843,687)
Closing net book value	131,943,886	511,111,681	248,407,696	891,463,263
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	(57,567,269)	(164,681,388)	(315,108,075)	(537,356,732)
Net book value	131,943,886	511,111,681	248,407,696	891,463,263
Year ended June 30, 2021				
Net carrying value basis				
Opening net book value (NBV)	139,524,330	546,471,257	287,097,193	973,092,780
Additions (at cost)	-	1,372,000	-	1,372,000
Transfer from owned asset (NBV)	-	-	543,184	543,184
Depreciation charge	(3,790,222)	(18,352,837)	(19,674,725)	(41,817,784)
Closing net book value	135,734,108	529,490,420	267,965,652	933,190,180
Gross carrying value basis				
Cost	189,511,155	675,793,069	567,381,433	1,432,685,657
Accumulated impairment	-	-	(3,982,432)	(3,982,432)
Accumulated depreciation	(53,777,047)	(146,302,649)	(295,433,349)	(495,513,045)
Net book value	135,734,108	529,490,420	267,965,652	933,190,180
Depreciation rate % per annum	2%	2-5%	2-5%	

7.1.1 This includes an office premises costing Rs. 70 million, which was swapped by the Modaraba in March 2012 from First Dawood Investment Bank Limited (FDIBL), an associated undertaking. The said property was earlier acquired by FDIBL from its borrower against the settlement of liabilities who had also defaulted in its obligation with commercial bank. The said commercial bank has obtained a stay order against the property due to which execution of the sale deed and transfer of title in the name of the Modaraba are in abeyance. In prior years, the Modaraba has recorded reversal of impairment in the said property amounting to Rs. 70.328 million as per IAS 36. This property is in own use as well as an investment property.

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

The original title documents and possession of the property rest with the Modaraba. The portion of the said property has been rented out to associated undertakings. As soon as the case in question is decided, FDIBL will be able to execute the sale deed in favour of the Modaraba.

The fair value of investment property as at June 30, 2022 as per valuation report of independent valuer is Rs. 4,049.051 million (June 30, 2021: Rs. 3,003.351 million).



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7.2 Capital work-in-progress	Note	2 0 2 2 ----- (Rupees) -----	2 0 2 1 -----
Advance for office premise -Jofa Tower, Karachi	7.2.1	66,420,000	66,420,000
Less: Provision against advance for office premises		(57,331,000)	(57,331,000)
		<u>9,089,000</u>	<u>9,089,000</u>

7.2.1 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 Modaraba. In March 2012, the Modaraba filed a law suit for specific performance and deposited the balance amount of Rs. 9.089 million with Nazir High Court of Sindh. The law suit is currently pending before Honourable High Court of Sindh at Karachi. During prior years, the Modaraba has made provision against the advance paid for the purchase of three shops amounting to Rs. 57.331 million.

8 LONG-TERM INVESTMENT	2 0 2 2 ----- (Rupees) -----	2 0 2 1 -----
Un-quoted wholly owned subsidiary company - at cost BRR Financial Services (Private) Limited		
5,500,000 shares of Rs. 10 each (June 30, 2021: 5,500,000 shares)	<u>55,000,000</u>	<u>55,000,000</u>

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

Pursuant to approval from SECP, the Modaraba incorporated a wholly owned subsidiary, namely, BRR Financial Services (Private) Limited (the Company) on November 30, 2015. In prior years, the Modaraba has subscribed 5,500,000 ordinary shares of Rs. 10 each in order to comply with minimum paid-up capital requirement under Securities Brokers (Licensing and Operations) Regulations 2016 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 Board of Directors of the Management Company in their meeting held on July 15, 2020, has approved the Scheme of Arrangement for merger by way of amalgamation of wholly owned subsidiary, BRR Financial Services (Private) Limited with and into the Modaraba. Accordingly, one time right of TREC transfer will remain with the Modaraba. However, legal process in respect of merger is currently deferred until the merger of BRRGL with BRRGM is complete.

The net assets of BRR Financial Services (Private) Limited based on latest audited financial statement as at June 30, 2022 amounted to Rs. 43.054 million (June 30,2021 : Rs.67.31 million).

9 LONG-TERM MUSHARAKA FINANCES	Note	2 0 2 2 ----- (Rupees) -----	2 0 2 1 -----
Considered good		82,136,744	93,117,299
Considered doubtful		50,068,375	62,104,534
	9.1 & 9.3	<u>132,205,119</u>	<u>155,221,833</u>
Expected credit loss allowance under IFRS 9		(1,958,360)	-
Provision for doubtful receivables	9.2	<u>(50,068,375)</u>	<u>(62,104,534)</u>
		80,178,384	93,117,299
Current portion of musharaka finances		<u>(30,863,874)</u>	<u>(25,809,072)</u>
		<u>49,314,510</u>	<u>67,308,227</u>



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9.1 The expected profit receivable on these arrangements ranges from 8.21% to 19.33% (June 30, 2021: 8.21% to 18.58%) per annum. The arrangements are secured by way of hypothecation of stock, mortgage of property and equipment and pledge of shares. These finances are receivable on various dates up to June 24, 2039.

9.2 Movement of provision	Note	2 0 2 2	2 0 2 1
		----- (Rupees) -----	
Opening balance		62,104,534	79,948,344
Provision during the year	31	-	913,265
Written off during the year		(4,052,267)	(15,157,059)
Reversal during the year	31	(7,983,892)	(3,600,016)
Closing balance		50,068,375	62,104,534

9.3 Ageing of musharaka finances

Neither past due nor impaired	81,896,809	92,265,587
Past due but not impaired	239,935	755,421
Past due and impaired	50,068,375	62,200,825
	132,205,119	155,221,833

10 LONG TERM LOANS, ADVANCES AND DEPOSITS

Loans - secured - considered good

To employees	10.1	2,006,451	2,426,714
Current portion of loans to employees		(330,071)	(420,262)
		1,676,380	2,006,452
To executives	10.1, 10.2 & 10.3	2,820,801	2,939,088
Current portion of loans to executives		(1,797,779)	(1,791,727)
		1,023,022	1,147,361
Deposits		3,059,030	3,037,310
		5,758,432	6,191,123

10.1 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% (June 30, 2021: 5%) per annum and are secured against the mortgage of properties.

10.2 The maximum amount of loans and advances due from executives at the end of any month during the year was Rs. 2.94 million (June 30, 2021: Rs. 3.05 million).

10.3 The Modaraba has availed the benefit of forced sale value of the collateral amounting to Rs. 1.673 million against a loan to an executive.



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11 SHORT-TERM INVESTMENTS	Note	2 0 2 2 ----- (Rupees) -----	2 0 2 1 -----
Fair value through profit or loss - FVTPL :			
Listed ordinary shares	11.1	1,227,997,459	446,907,106
Mutual fund units	11.2	24,186,265	24,035,256
Preference Shares	11.3	6,049,461	9,111,355
Listed debt securities	11.4	10,799,190	10,752,131
		1,269,032,375	490,805,848
Fair value through other comprehensive income - FVTOCI:			
Listed ordinary shares / modaraba certificates	11.5	806,459,551	1,331,196,074
Mutual fund units	11.6	8,236,524	8,185,098
Unlisted ordinary shares	11.7	49,368,791	94,835,436
Unlisted debt securities	11.8	1,245,953	1,245,953
		865,310,819	1,435,462,561
Provision for diminution in value of investments	11.8.3	(16,222,148)	(16,222,148)
		2,118,121,046	1,910,046,261

11.1 FVTPL: Listed ordinary shares

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

June 30 2 0 2 2	June 30 2 0 2 1	Names of investees	June 30 2 0 2 2 ----- (Rupees) -----	June 30 2 0 2 1 -----
Number of shares				
		Glass & ceramics		
96,515	96,015	Ghani Glass Limited	3,940,716	4,627,923
4,000	-	Tariq Glass Industries Limited	415,240	-
		Textile composite		
39,300	43,800	Nishat Mills Limited	2,904,663	4,086,540
		Cement		
95,817	58,896	D.G. Khan Cement Company Limited	5,988,563	6,945,016
12,912	7,400	Lucky Cement Limited	5,927,124	6,389,456
535,500	468,000	Fauji Cement Company Limited	7,588,035	10,764,000
1,533,168	1,319,668	Power Cement Limited	8,156,454	12,682,009
30,863	67,403	Maple Leaf Cement Factory Limited	844,103	3,166,593
		Power generation & distribution		
3,850,746	330,746	K-Electric Limited	11,706,268	1,382,518



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June 30 2022	June 30 2021	Names of investees	June 30 2022	June 30 2021
Number of shares			----- (Rupees) -----	
		Refinery		
14,016	2,698	Attock Refinery Limited	2,463,732	691,902
62,074	50,950	National Refinery Limited	15,678,030	26,656,531
67,890	-	Cnergyco PK Limited	362,533	-
		Fertilizer		
25,435	15,931	Engro Corporation Limited	6,539,084	4,693,432
		Oil & gas exploration companies		
1,581	2,860	Mari Petroleum Company Limited	2,750,529	4,359,755
184,367	154,060	Pakistan Petroleum Limited	12,446,616	13,377,030
226,059	187,059	Oil & Gas Development Company Limited	17,784,062	17,776,217
27,717	26,317	Shell Pakistan Limited	3,274,209	4,610,738
-	5,000	Pakistan Oilfields Limited	-	1,969,300
		Oil & gas marketing companies		
99,779	57,280	Pakistan State Oil Company Limited	17,146,023	12,845,040
90,991	67,392	Sui Northern Gas Pipelines Limited	3,112,802	3,273,903
223,500	223,500	Sui Southern Gas Company Limited	2,024,910	2,972,550
		Automobile assembler		
205,523	156,710	Sazgar Engineering Work Limited	12,767,089	26,360,189
3,529	4,120	Millat Tractors Limited	3,079,370	4,447,993
		Automobile parts & accessories		
48,431	23,943	Panther Tyres Limited	1,569,164	1,655,180
		Chemical		
8,547	8,447	ICI Pakistan Limited	6,192,729	7,338,754
110,043	101,100	Ittehad Chemicals Limited	3,286,984	3,846,855
116,000	89,500	Sitara Peroxide Limited	1,654,160	2,531,955
57,625	44,300	Pakistan Oxygen Limited	7,289,563	6,866,500
39,625	23,625	Berger Paints Pakistan Limited	2,899,758	2,061,990
4,356	-	Biafo Industries Limited	291,852	-
700	-	Sitara Chemical Industries Limited	217,000	-
		Engineering		
11,500	-	Ittefaq Iron Industries Limited	80,730	-
549,375	473,500	Agha Steel Industries Limited	8,614,200	15,971,155
		Transport		
12,000	5,500	Pakistan National Shipping Corporation Limited	579,120	399,850
599,000	-	Pakistan Intl. Bulk Terminal Limited	3,605,980	-
1,254	-	Universal Network Systems Limited	61,433	-



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June 30 2022	June 30 2021	Names of investees	June 30 2022	June 30 2021
Number of shares			----- (Rupees) -----	
Food & personal care products				
-	36,030	Al-Tahur Limited	-	839,499
59,475	29,250	The Organic Meat Company Limited	1,298,934	1,074,645
7,375	3,800	National Foods Limited	1,067,753	870,276
63,000	25,000	Al-Shaheer Corporation Limited	569,520	498,250
38,350	38,350	Bunny's Limited	818,389	1,581,554
Technology & communication				
151,500	196,500	Pakistan Telecommunication Company Limited	1,054,440	2,326,560
2,848,138	195,180	Systems Limited - (related party)	939,486,801	109,343,740
-	-	Octopus Digital Limited	-	-
13,500	-	Netsol Technologies Limited	1,346,490	-
39,500	-	Supernet Limited	762,745	-
Leather & tanneries				
63,580	63,680	Service Industries Limited	22,427,845	37,420,278
99,767	68,267	Service Global Footwear Limited	4,008,638	3,947,881
Pharmaceuticals				
1,900	-	Abbott Laboratories (Pakistan) Limited	1,243,816	-
26,100	7,200	AGP Limited	2,286,882	844,776
2,986	2,696	Highnoon Laboratories Limited	1,582,192	1,617,600
16,960	18,260	Ferozsons Laboratories Limited	4,560,714	6,442,493
149,542	102,257	The Searle Company Limited	16,303,069	24,809,593
159,465	132,765	GlaxoSmithKline Pakistan Limited	19,921,962	21,995,178
35,700	12,500	GlaxoSmithKline Consumer Healthcare Pakistan Limited	8,508,381	3,126,125
5,150	-	Citi Pharma Limited	168,096	-
Cable & electrical goods				
136,303	71,600	Pak Elektron Limited	2,165,855	2,510,296
249,000	249,000	Waves Singer Pakistan Limited	3,169,770	6,787,740
1,000	-	Pakistan Cables Limited	139,500	-
Modarabas				
79,500	-	Modaraba Al - Mali	532,650	-
Commercial banks				
8,500	60,000	Bank Islami Pakistan Limited	102,340	674,400
8,226	5,500	Meezan Bank Limited	929,373	634,755
Paper & board				
20,300	-	Security Paper Limited	2,353,988	-
93,881	94,381	Roshan Packages Limited	1,395,072	3,108,910
101,000	-	Pak Agro Packaging Limited	1,020,100	-



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June 30 2022	June 30 2021	Names of investees	June 30 2022	June 30 2021
Number of shares			----- (Rupees) -----	
		Woolen		
8,000	8,000	Bannu Woolen Mills Limited	240,000	400,640
		Miscellaneous		
1,598	1,598	United Distributors Pakistan Limited	51,136	80,300
84,669	-	Pakistan Aluminium Beverage Cans Limited	2,669,614	-
952	-	Tri Pack Films Limited	157,080	-
		Vanaspati & Allied Industries		
501	5,390	Unity Foods Limited	10,055	239,963
		Synthetic & Rayon		
2,000	-	Rupali Polyester Limited	76,000	-
		Real estate investment trust		
172,000	89,000	Dolmen City REIT	2,325,440	980,780
			<u>1,227,997,459</u>	<u>446,907,106</u>

11.2 FVTPL: Investment in mutual fund units

June 30 2022	June 30 2021	Names of investees	June 30 2022	June 30 2021
Number of shares			----- (Rupees) -----	
		Open-end mutual funds		
295,981	295,981	786 Smart Fund	24,186,265	24,035,256
			<u>24,186,265</u>	<u>24,035,256</u>

11.3 FVTPL: Investment in preference shares

June 30 2022	June 30 2021	Names of investees	June 30 2022	June 30 2021
Number of shares			----- (Rupees) -----	
		Cement		
756,990	756,990	Power Cement Limited - Preference Shares	5,753,124	8,818,934
		Chemical		
26,109	26,109	Engro Polymer & Chemicals Limited - Preference Shares	296,337	292,421
			<u>6,049,461</u>	<u>9,111,355</u>

11.4 FVTPL: Investment in preference shares

June 30 2022	June 30 2021	Names of investees	June 30 2022	June 30 2021
Number of shares			----- (Rupees) -----	
2,115	2,115	K-Electric	10,799,190	10,752,131
			<u>10,799,190</u>	<u>10,752,131</u>



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11.4.1 Particulars of Sukuks

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

11.5 FVTOCI: Listed ordinary shares / modaraba certificates

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

June 30 2022	June 30 2021	Names of investees	June 30 2022	June 30 2021
Number of shares			----- (Rupees) -----	
		Oil & gas exploration companies		
8,190	8,190	Mari Petroleum Company Limited	14,248,471	12,484,754
		Leather & tanneries		
-	400	Service Industries Limited	-	235,052
		Real estate investment trust		
185,000	310,500	Dolmen City REIT	2,501,200	3,421,710
		Chemical		
11,699	14,199	Sitara Chemical Industries Limited	3,626,690	4,998,048
		Engineering		
54,000	54,000	KSB Pumps Company Limited	7,140,420	11,980,980
		Transport		
1,000	1,000	Pakistan International Container Terminal Limited	163,150	165,040
5,000	5,000	Pakistan National Shipping Corporation Limited	241,300	363,500
		Pharmaceuticals		
33,326	36,776	Abbott Laboratories (Pakistan) Limited	21,816,533	29,139,831
32,165	32,165	GlaxoSmithKline (Pakistan) Limited	4,018,373	5,328,776
		GlaxoSmithKline Consumer Healthcare (Pakistan) Limited	7,365,827	7,729,282
30,906	30,906	Highnoon Laboratories Limited	73,122	82,800
		Technology & communication		
2,213,934	2,213,934	Systems Limited - (related party)	730,288,269	1,240,290,105
		Financial services		
1,935,506	1,935,506	786 Investments Limited (Formerly Dawood Capital Management Limited) - (fully provided) (Note: 11.5.1)	4,722,635	4,722,635
3,339,922	3,339,922	First Dawood Investment Bank Limited - (Related - party) (fully provided) (Note: 11.5.1)	10,253,561	10,253,561
			806,459,551	1,331,196,074



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

11.6 FVTOCI: Investment in mutual fund units

June 30 2022	June 30 2021	Names of investees	June 30 2022	June 30 2021
Number of shares			(Rupees)	
Open-end mutual funds				
100,795	100,795	786 Smart Fund	8,236,524	8,185,098
			<u>8,236,524</u>	<u>8,185,098</u>

11.7 FVTOCI: Investment in unlisted ordinary shares

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

June 30 2022	June 30 2021	Names of investees	June 30 2022	June 30 2021
Number of shares			(Rupees)	
100,000	100,000	Al Baraka Bank (Pakistan)	976,000	948,300
7,200,000	7,200,000	Dawood Family Takaful	47,808,000	46,080,000
34,603	3,034,603	ISE Tower REIT	584,791	47,807,136
			<u>49,368,791</u>	<u>94,835,436</u>

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

Name of investees	Reference note	Break-up value as per latest available audited financial statements (Rupees)	% of holding of the investee's paid-up capital	Auditors
June 30, 2022				
Al Baraka Bank (Pakistan) Limited	(11.7.2)	976,000	0.01%	EY Ford Rhodes, Chartered Accountants
Dawood Family Takaful Limited	(11.7.3)	50,472,000	9.60%	Yousuf Adil, Chartered Accountants
ISE Tower REIT Management Company Limited	(11.7.4)	584,791	0.01%	Yousuf Adil, Chartered Accountants
June 30, 2021				
Al Baraka Bank (Pakistan) Limited	(11.7.2)	948,300	0.01%	EY Ford Rhodes, Chartered Accountants
Dawood Family Takaful Limited	(11.7.3)	47,174,400	9.60%	Yousuf Adil, Chartered Accountants
ISE Tower REIT Management Company Limited	(11.7.4)	47,807,136	0.83%	Yousuf Adil, Chartered Accountants

11.7.2 The break-up value of investment in shares of Al Baraka (Pakistan) Limited (ABPL) is Rs. 0.976 million (as per latest available audited financial statement dated December 31, 2021) whereas the book value of investment in shares of ABPL is Rs. 0.948 million resulting in revaluation surplus of Rs. 0.027 million in prior year.

11.7.3 The break-up value of investment in shares of Dawood Family Takaful (DFTL) is Rs. 50.472 million (as per latest audited



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accounts dated December 31, 2021) where as the cost of investment in shares of DFTL is Rs. 72 million. Upto June 30, 2017, management has recorded total impairment of Rs. 19.872 million based on embedded value of investment as at June 30, 2016 amounting to Rs. 52.128 million (Rs. 8.27 per share). During the year, the management has estimated the fair value of this investment based on information of available market transaction at Rs.6.64 per share (June 30, 2021 : Rs.6.40 per share) and has recorded revaluation gain of Rs.1.72 million.

11.7.4 The breakup value of the investment in shares of ISE Tower REIT Management Company Limited amounted to Rs. 0.584 million (as per un-audited financial statement as at March 31, 2022) whereas the book value of investment in shares is Rs. 0.311 million resulting in revaluation surplus of Rs. 0.273 million.

11.8 FVTOCI: Investment in unlisted debt securities

June 30 2022	June 30 2021	Names of investees	June 30 2022	June 30 2021
Number of shares			(Rupees)	
1,267	1,267	Eden Housing Limited - (Fully provided)	1,245,953	1,245,953
			<u>1,245,953</u>	<u>1,245,953</u>

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

11.8.2 Particulars of Sukuk

Names of the investee	Repayment frequency	Rate per annum	Maturity date	Secured / unsecured
Eden Housing Limited	Quarterly	3 months KIBOR + 2.5%	June 29, 2014	Secured

11.8.3 Provision for diminution in value of investments

Note	2022 ----- (Rupees) -----	2021
Opening balance	16,222,148	16,222,148
Charge for the year	-	-
Closing balance	<u>16,222,148</u>	<u>16,222,148</u>

12 IJARAH / LEASE RENTAL RECEIVABLE

	2022 ----- (Rupees) -----	2021
Considered good	-	36,934
Considered doubtful	10,074,021	57,172,431
Lease rental receivables	10,074,021	57,209,365
Provision for doubtful receivables	12.1 (10,074,021)	(57,172,431)
	<u>-</u>	<u>36,934</u>

12.1 Provision for doubtful receivables

Opening		57,172,431	57,172,431
Charge for the year	31	14,055	-
Reversals during the year	31	(14,055)	-
Written off during the year		(47,098,410)	-
Closing balance		<u>10,074,021</u>	<u>57,172,431</u>



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13 LOANS, ADVANCES AND PREPAYMENTS	Note	2 0 2 2 ----- (Rupees) -----	2 0 2 1 -----
Loans and advances - secured - considered good:			
- against salary		2,641,480	1,129,834
Loans and advances - unsecured - considered good:			
- current portion of loans to employees	10	330,071	420,262
- current portion of loans to executives	10	1,797,779	1,791,727
- against investment		40,000,000	9,700,000
- against expenses		28,160,155	3,501,911
- against purchases	27.1	44,922,678	44,922,678
- against musharaka		49,250	-
Prepayments:			
- fees and subscription		-	-
- takaful		414,870	967,798
Provision for doubtful receivables	27.1	(44,922,678)	(44,922,678)
		73,393,605	17,511,532
14 ACCRUED PROFIT			
Accrued profit on:			
Debt securities		281,534	149,388
Musharaka finances		435,711	305,852
		717,245	455,240
15 OTHER RECEIVABLES			
Rent receivable - unsecured, considered good		6,770,311	7,002,491
Takaful premium receivable		968,469	1,814,792
Other receivable		9,858,139	18,456,088
Receivable for settlement of future sale contracts		459,845	62,546,459
		18,056,764	89,819,830
Receivable from ex-employees - unsecured, considered doubtful	15.1	51,274,920	51,274,920
Provision for doubtful receivables		(51,274,920)	(51,274,920)
		-	-
Others	15.2	33,810,401	33,810,401
Provision for doubtful debts		(33,810,401)	(33,810,401)
		18,056,764	89,819,830

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

15.2 This represents finance facility which was partly secured against pledge of stock of jute while some of the stock was misappropriated from the factory premises of the borrower. In prior year, the Modaraba 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 the Modaraba before the Modaraba Tribunal / Banking Court-II for the recovery of outstanding dues from borrower. The Tribunal passed a judgment order in favour of the Modaraba and directed the defendant (borrower) to pay all outstanding dues along with cost of the suit, however the recovery of the decretal amount is uncertain due to the misappropriation of pledged stock by the borrower. Therefore, in prior year the Modaraba has filed the execution petition for the recovery of decretal amount by attaching the other auctionable assets of the



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borrower including piece and parcel of land / building of factory situated at 40-More, Lahore Road, Jaranwala and one vehicle. The borrower filed an application in Honorable Lahore High Court against the judgment and pleaded to suspend the judgment and decree in favour of Modaraba. The Modaraba has also filed a reply to the application filed by the borrower which is currently pending consideration.

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

16 TAXATION - NET	Note	2 0 2 2	2 0 2 1
		----- (Rupees) -----	
Advance tax		52,204,542	19,897,780
Provision for taxation		(5,537,223)	-
		<u>46,667,319</u>	<u>19,897,780</u>
17 CASH AND BANK BALANCES			
Cash in hand		143,883	212,859
Cash with State Bank of Pakistan - current account		4,438	4,438
Cash with banks in:			
Savings accounts	17.1	38,128,418	39,037,234
Current accounts		188,907	127,164
		<u>38,465,646</u>	<u>39,381,695</u>

17.1 These carry profit at rates ranging from 4.00% to 13.50% (June 30, 2021: 2.75% to 5.50%) per annum. Saving accounts includes balances placed under arrangements permissible under shariah amounting to Rs. 21.323 million (2021: 39.04 million).

18 ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

2 0 2 2	2 0 2 1		2 0 2 2	2 0 2 1
(Number of certificates)			----- (Rupees) -----	
39,359,741	39,359,741	Certificates issued as fully paid in cash	393,597,410	393,597,410
8,833,724	8,833,724	Certificates issued as fully paid bonus certificates	88,337,240	88,337,240
29,852,790	29,852,790	Certificates issued to certificate holders of Guardian Modaraba under the Scheme of Amalgamation	298,527,900	298,527,900
8,316,008	8,316,008	Certificates issued to certificate holders of BRR Guardian Modaraba under the Scheme of Amalgamation with CSM	83,160,080	83,160,080
8,636,226	8,636,226	Issuance of Right Certificates	86,362,260	86,362,260
<u>94,998,489</u>	<u>94,998,489</u>		<u>949,984,890</u>	<u>949,984,890</u>

18.1 The Management Company held 18,103,961 (19.06%) certificates of Rs. 10 each as at June 30, 2022 (June 30, 2021: 17,720,461 (18.65%) certificates).



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18.2 Mr. Ayaz Dawood (CEO) held 11,671,394 (12.29%) certificates of Rs.10 each as at June 30, 2022 (June 30, 2021: 11,621,894 (12.23%) certificates).

19 RESERVES	Note	2 0 2 2 ----- (Rupees) -----	2 0 2 1 -----
Capital reserve			
Profit prior to floatation		10,532,683	10,532,683
Statutory reserve		1,001,323,228	968,602,075
Merger reserve		44,902,567	44,902,567
Revenue reserve			
Accumulated gain / (loss)		74,043,072	(444,071,620)
		<u>1,130,801,550</u>	<u>579,965,705</u>

Modaraba regulations issued by SECP requires creation of reserve fund to which shall be credited:

- a) an amount not less than 20% and not more than 50% of its after tax profits till such time the reserve fund equals the amount of paid up capital; and
- b) thereafter a sum not less than 5% of its after tax profits

The Modaraba has credited 5% of its after tax profits to this reserve for the year.

20 SURPLUS ON REVALUATION OF INVESTMENTS	Note	2 0 2 2 ----- (Rupees) -----	2 0 2 1 -----
Listed ordinary shares		765,279,022	1,307,141,643
Unlisted shares / debt securities		(3,761,099)	34,043,917
		<u>761,517,923</u>	<u>1,341,185,560</u>

21 LONG-TERM LOANS

National Bank of Pakistan	21.1	-	27,544,684
Current portion of long term loans		-	(27,544,684)
		<u>-</u>	<u>-</u>

21.1 The loan had been restructured on June 12, 2017 with the outstanding balance of Rs. 137.689 million at zero percent interest payable over next five years in equal quarterly installments commencing from July 01, 2017. The said loan has been fully paid during the year ended June 30, 2022. The loan was secured by way of registered mortgage of property situated at ground, mezzanine, first and second level, Business and Finance Centre, bearing plot No. 7/3, Seri Quarters, I. I. Chundrigar Road, Karachi.

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

	Note	2 0 2 2 ----- (Rupees) -----	2 0 2 1 -----
Opening balance		27,544,684	90,080,684
Received during the year		-	5,000,000
Payment during the year		(27,544,684)	(67,536,000)
Current portion of loan		-	(27,544,684)
Closing balance		<u>-</u>	<u>-</u>



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22 LONG-TERM MURABAHA, MUSHARAKA AND FINANCE UNDER MARK-UP ARRANGEMENTS	Note	2 0 2 2 ----- (Rupees) -----	2 0 2 1 -----
Musharaka arrangement - Dawood Family Takaful Limited	22.1	-	35,000,000
Musharaka arrangement - First Dawood Investment Bank Limited	22.2	150,000,000	55,000,000
Current portion of musharaka arrangements		(150,000,000)	(90,000,000)
		<u>-</u>	<u>-</u>

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

During the period, the Modaraba has recorded profit on various musharaka arrangements with DFTL amounting to Rs.2.079 million (June 30, 2021: 2.114 million) and made profit payment amounting to Rs.2.163 million (June 30, 2021: 2.030 million).

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

During the period, the Modaraba has recorded profit on these musharaka arrangements amounting to Rs.11.604 million (June 30, 2021: 4.367 million) and made profit payment amounting to Rs.11.604 million (June 30, 2021: 4.982 million).

22.3 Following are the changes in the long term murabaha, musharaka and finance under markup arrangements (i.e for which cash flows have been classified as financing activities in the statement of cash flows).

	Note	2 0 2 2 ----- (Rupees) -----	2 0 2 1 -----
Opening balance of current portion		90,000,000	50,000,000
Received during the year		272,000,000	200,000,000
Payment during the year		(212,000,000)	(160,000,000)
Current portion of loan		(150,000,000)	(90,000,000)
Closing balance		<u>-</u>	<u>-</u>

23 LONG TERM SECURITY DEPOSITS

Lease / Ijarah	20,346,249	22,495,349
Investment properties	45,133,041	45,813,975
Lockers	22,858,065	20,368,500
	88,337,355	88,677,824
Current portion of security deposits	(20,346,249)	(22,495,349)
	<u>67,991,106</u>	<u>66,182,475</u>

24 CREDITORS, ACCRUED AND OTHER LIABILITIES

Modaraba Management fee payable	35	82,522,411	31,942,494
Sales tax on Modaraba management fee payable	35	10,727,913	4,152,524
Provision for Sindh Workers' Welfare Fund Accrued liabilities	36	25,163,017	10,523,541
Accrued liabilities		14,337,988	13,324,186
Rentals received in advance:			
Lockers		45,376,668	41,752,061
Investment Properties		18,187,253	31,994,821
Ijarah			140
Musharaka		-	3,333,000
Charity payable	24.1	106,348	90,948
Advance against sale of land	24.2	12,156,301	2,100,000
Others		25,118,558	18,436,170
		<u>233,696,457</u>	<u>157,649,885</u>



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		2 0 2 2	2 0 2 1
	Note	----- (Rupees) -----	-----
Opening balance		90,948	30,967
Accrued during the year		243,313	896,271
Payment	24.1.1	(227,913)	(836,290)
Closing balance		<u>106,348</u>	<u>90,948</u>

24.1.1 This amount includes charity paid to Dawood Global Foundation amounting to Rs. 0.228 million (June 30, 2021: 0.215 million). Chief Executive and the Chairman of the Board of the Mobaraba are members of the Management Committee of Dawood Global Foundation.

24.2 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.

		2 0 2 2	2 0 2 1
	Note	----- (Rupees) -----	-----
Finance under musharaka arrangements		<u>-</u>	<u>83,978</u>
26 PROFIT DISTRIBUTION PAYABLE			
Unclaimed profit payable to certificate holders	26.1	<u>35,630,979</u>	<u>32,010,555</u>

26.1 In accordance with the provisions of Section 244 of the Companies Act, 2017, where a dividend has been declared by a company but has not been paid or claimed, within a time period specified under Section 244, to any shareholder entitled to the payment of the dividend, the company shall, within fifteen days from the date of expiry of the said period, transfer the total amount of dividend which remains unpaid or unclaimed to a separate profit bearing account to be called the unpaid dividend account opened by the company for this purpose in any scheduled bank.

The deposits in the unpaid dividend account shall only be used for payment of dividend.

Within period of ninety days of such transfer to the separate account, the modaraba shall place particulars of such unpaid dividend on its website in accordance with the provision of the act.

The modaraba shall make payment to the certificate holder within a period of thirty days from the date of submission of a claim with the modaraba. No claimant shall be entitled to any amount except his unclaimed dividend amount.

The amount of profit generated from the account maintained by the modaraba under this section shall be used by the modaraba for its corporate social responsibility initiatives and specified purposes.

27 CONTINGENCIES AND COMMITMENTS

27.1 The Modaraba had received a legal notice from Innovative Investment Bank Limited (formerly: Crescent Standard Investment Bank Limited) which was addressed to previous Management Company (Financial Link Limited) of the Modaraba, wherein they had asked Modaraba to settle an outstanding balance of short-term borrowing amounting to Rs. 171.143 million (June 30, 2021: 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 : 13)

27.2 A commercial bank has lodged a claim of Rs. 1.090 million on account of excess mark-up paid to the Modaraba during previous years which is not accepted by the Modaraba. The Modaraba has also lodged a claim before the banking tribunal against the said commercial bank for short payment of mark-up to the Modaraba to the extent of Rs. 2.498 million (June 30, 2021: 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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		2 0 2 2	2 0 2 1
	Note	----- (Rupees) -----	-----
28 RENTAL INCOME			
Investment properties	28.1	198,752,395	186,977,188
Lockers and custodial services		49,566,172	46,706,404
		<u>248,318,567</u>	<u>233,683,592</u>
28.1	This includes rental income amounting to Rs.7.882 million (June 30, 2021: Rs.5.758 million) from management company, associated companies and other related parties.		
29 IJARAH RENTAL INCOME - NET			
Ijarah rental income		1,985,854	2,875,477
Less: Depreciation on Ijarah assets	6.2.2	(196,107)	(1,923,036)
		<u>1,789,747</u>	<u>952,441</u>
30 RETURN ON INVESTMENTS - NET			
Dividend income	30.1	30,258,259	33,615,083
Profit on debt securities		1,196,109	855,345
Gain on settlement of DFC's		(323,005)	1,894,000
Gain on sale of investments		5,386,380	62,484,460
		<u>36,517,743</u>	<u>98,848,888</u>
Less: Commission and brokerage expense		(1,038,914)	(2,382,303)
		<u>35,478,829</u>	<u>96,466,585</u>
30.1 Dividend income			
B.R.R Financial Services (Private) Limited		-	14,970,225
786 Smart Funds		3,269,113	1,690,225
Abbot Laboratories Limited		1,433,835	1,490,679
AGP Limited		65,067	-
Agriauto Industries Limited		-	12,139
Archroma Pakistan Limited		-	60,000
Berger Paints Pakistan Limited		156,114	29,526
Bestway Cement Limited		-	16,151
Citi Pharama Limited		17,250	-
D.G. Khan Cement Company		64,009	-
Dawood Hercules Corporation Limited		-	12,020
Dolmen City REIT		534,125	439,755
Engro Chemical Pakistan Limited		6,897	7,812
Engro Corporation Limited		415,198	490,901
Engro Polymer Chemical Pakistan Limited		27,094	-
Ferozsons Laboratories Limited		185,880	65,167
Ghani Glass Limited		337,802	181,980
GlaxoSmithKline (Pakistan) Limited		1,308,807	1,063,254
Glaxosmithkline Consumer Healthcare (Private) Limited		-	216,704
Highnoon Laborites Limited		64,343	49,306
ICI Pakistan Limited		337,650	236,016
ISE Tower REIT Management Company Limited		1,820,762	1,001,419
Ittehad Chemicals Limited		111,776	235,300
Kohinoor Textile Mills Limited		-	15,216
KSB Pumps Limited		40,048	26,997
Mari Petroleum Company Limited		1,460,772	753,435



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	2 0 2 2	2 0 2 1
Note	----- (Rupees) -----	
Meezan Bank Limited	66,520	108,700
Millat Tractors Limited	546,271	370,178
Modaraba Al Mali	17,575	-
National Foods Limited	27,497	31,971
National Refinery Limited	506,444	-
Nishat Mills Limited	171,766	77,941
Oil & Gas Development Company Limited	1,239,463	612,251
Organic Meat Limited	-	41,500
Pakistan Aluminium Beverage	127,003	-
Pakistan Cables Ltd	2,487	-
Pakistan International Container Limited	38,626	28,179
Pakistan National Shipping Corporation	30,522	18,142
Pakistan Oilfields Limited	243,055	-
Pakistan Petroleum Limited	633,474	349,538
Pakistan State Oil Limited	909,221	95,644
Panther Tyres Limited	79,886	-
Roshan Packages Limited	-	105,921
Security Papers Limited	8,633	55,850
Service Global Footwear Limited	199,534	-
Service Industries Limited	475,553	502,350
Sitara Chemical Industries Limited	99,393	158,990
Sui Northern Gas Pipelines Limited	358,503	57,802
Systems Limited	12,592,791	7,735,396
The Searle Company Limited	215,125	200,503
Tri-Pack Films Limited	12,375	-
	30,258,259	33,615,083

31 REVERSAL OF PROVISION FOR DOUBTFUL RECEIVABLES

Reversal during the year

Lease rentals / Ijarah	12.1	14,055	-
Musharaka	9.2	7,983,892	3,600,016
		7,997,947	3,600,016

Less: Charged during the year

Lease rentals / Ijarah	12.1	(14,055)	-
Expected Credit Loss - IFRS 9		(1,958,360)	-
Musharaka	9.2	-	(913,265)
		(1,972,415)	(913,265)
		6,025,532	2,686,751

32 OTHER INCOME

Gain on disposal of property and equipment - owned	892,906	628,542
Miscellaneous and other termination charges	3,978,964	6,986,725
Recovery in respect of Bad debts written off previously	5,063,000	-
	9,934,870	7,615,267



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33 ADMINISTRATIVE EXPENSES	Note	2 0 2 2	2 0 2 1
		(Rupees)	
Salaries and other benefits		56,968,387	52,373,311
Medical		2,224,097	2,068,195
Provident fund contributions	33.2	3,464,713	3,175,430
Bonus		4,903,187	4,987,430
Vehicle running		12,627,979	9,652,633
Leave encashment		252,692	239,333
Employee old age contribution		438,100	472,680
Traveling and conveyance		44,938	37,350
Entertainment		126,704	150,439
Office expense		2,408,949	2,109,466
Electricity, water and gas		12,744,859	10,788,452
Telephone and fax		466,438	503,586
Postage and courier		465,680	609,005
Stationery and printing		1,399,779	1,746,650
Computer expenses		516,780	490,241
Fees and subscriptions		5,991,840	4,235,416
Charity and donation		42,995	3,099,755
Commission expense		50,000	7,081,001
Takaful		4,798,091	4,646,383
Repairs and maintenance		5,788,832	11,117,293
Rent, rates and taxes		2,029,209	4,613,391
Security expenses		1,424,364	1,646,033
Legal and professional charges		980,883	4,706,820
Auditor's remuneration	33.1	1,531,500	1,240,850
Depreciation on owned assets	6.1	13,156,450	12,990,151
Others		2,744,908	4,303,290
		137,592,354	149,084,584
33.1 Auditor's remuneration			
Audit fee		715,000	715,000
Limited review, special reports, certification and sundry advisory		667,500	428,100
Out of pocket expenses		149,000	97,750
		1,531,500	1,240,850
33.2 Disclosures relating to provident fund			
Size of the fund		210,666,785	208,863,513
Fair value of investments		124,736,045	156,364,741
Break-up of investments			
Government securities		43,000,000	43,000,000
Term finance certificates		-	18,885,792
Commercial paper		5,979,309	-
Investment in sukuk		6,127,200	6,596,076
Listed securities		46,171,294	61,910,009
Mutual funds		23,458,242	25,972,868



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Break-up of investments	% age of size of the fund	
Government securities	34.47%	27.50%
Term finance certificates	0.00%	12.08%
Commercial paper	4.79%	0.00%
Investment in sukuk	4.91%	4.22%
Listed securities	37.02%	39.59%
Mutual Funds	18.81%	16.61%

33.2.1 The figures for 2022 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.

34 FINANCIAL CHARGES	Note	2 0 2 2	2 0 2 1
		----- (Rupees) -----	
Profit on:			
Finance under musharaka arrangement		13,683,491	6,481,999
Bank charges and commission		82,427	126,811
		<u>13,765,918</u>	<u>6,608,810</u>

35 MODARABA MANAGEMENT COMPANY'S FEE

In accordance with the Modaraba Companies and Modaraba Rules, 1981, a management fee at the rate of 10% of annual profits is payable to the Management Company. Accordingly, the modaraba has recognised a liability of Rs. 82.522 million for the year (June 30, 2021 : Rs. 31.942 million). Furthermore during the period, an amount of Rs.10.727 million was charged on account of sales tax on management fee (June 30, 2021 : Rs.4.152 million) levied through Sindh Sales Tax on Services Act, 2011.

36 PROVISION FOR SINDH WORKERS' WELFARE FUND

The Finance Act, 2008 made certain changes to the Workers' Welfare Fund Ordinance, 1971. As a result of these amendments, Workers' Welfare Fund (WWF) is payable at the rate of 2% of the profit before taxation as per the financial statements or taxable income as per the return of income, whichever is higher. The Sindh Assembly, on June 04, 2015, passed The Sindh Workers Welfare Fund Act, 2014 (the SWWF Act). As per Section 5(1) of the WWF Act, contributions are payable with effect from the date of closing of account on or after June 30, 2013, that corresponds to Modaraba's accounting year ended on June 30, 2014. During the year, the management has made a provision of Rs. 14.639 million (June 30, 2021: 5.666 million) in respect of this liability. Moreover, liability in respect of WWF under the repealed WWF Ordinance and the SWWF Act as at June 30, 2022 has been recorded and disclosed in the financial statement amounting to Rs. 25.163 million.

37 TAXATION	Note	2 0 2 2	2 0 2 1
		----- (Rupees) -----	
Current tax		5,537,223	-
Deferred tax		57,374,030	-
		<u>62,911,253</u>	<u>-</u>

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



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

The Assistant Commissioner of Inland revenue has amended the assessment under section 122(5) of the Income Tax Ordinance, 2011 for the Tax Year 2014 by creating demand of Rs. 472,103. The Modaraba had filed appeal before the Commissioner Inland Revenue (Appeals-I) and the decision has been made in 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. The Modaraba has filed an appeal before the Commissioner Appeals against the said demand which is pending adjudication. The Commissioner Appeals has remanded back the order setting aside the demand by Deputy Commissioner (IR). Appeal effect order under section 122 / section 125 is still pending.

No provision have been made in these regards against the above demand by the authority as the management is confident that the decision will be made in the favour of the Modaraba.

38 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 2	2 0 2 1
Taxable temporary differences	Note	(Rupees) -----
Property, plant and equipment		11,898,172
Short term investment - FVTPL		102,970,354
Short term investment - FVOCI		19,893,947
		<u>134,762,473</u>
Deductible temporary differences		
Provision against musharaka		(15,087,753)
Provision for doubtful receivable		(13,027,577)
Provision for diminution in value of investments		(4,704,423)
Provision-other receivables		(24,674,743)
		<u>(57,494,496)</u>
	38.1	<u><u>77,267,977</u></u>

38.1 Classification of deferred tax liability

Other comprehensive income	19,893,947
Profit and loss account	57,374,030
	<u><u>77,267,977</u></u>



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39 EARNINGS PER CERTIFICATE - BASIC AND DILUTED

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

	2 0 2 2	2 0 2 1
	----- (Rupees) -----	-----
Profit for the year	<u>654,423,055</u>	<u>277,663,320</u>
	----	----
	Number of certificates	Number of certificates
Weighted average number of certificates outstanding	<u>94,998,489</u>	<u>90,569,655</u>
	----- (Rupees) -----	-----
Earnings per certificate - Basic and diluted	<u>6.89</u>	<u>3.07</u>

There were no convertible dilutive potential ordinary certificates outstanding as on June 30, 2022 and June 30, 2021 which have dilutive effect on earnings per certificate.

40 REMUNERATION OF EXECUTIVES

	2 0 2 2	2 0 2 1
	----- (Rupees) -----	-----
Remuneration	22,145,200	20,717,900
Medical expenses	360,000	359,825
Retirement benefits	1,363,312	1,280,760
	<u>23,868,512</u>	<u>22,358,485</u>
	-----	-----
Number of officers / executives at the end of the period	<u>6</u>	<u>6</u>

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

41 FUTURE MINIMUM LEASE RENTALS RECEIVABLES

Future minimum lease rentals receivable on the basis of lease agreements executed up to June 30, 2022 are as follows:

	2 0 2 2	2 0 2 1
	----- (Rupees) -----	-----
Receivable - not later than one year	-	165,765
Receivable - later than one year and not later than five year	-	-
	<u>-</u>	<u>165,765</u>

42 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Modaraba's objective in managing risk is the creation and protection of certificate holders' value. Risk is inherent in the Modaraba'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, Modaraba's constitutive documents and the regulations and directives of the SECP. The Modaraba's activities expose it to a variety of financial risks: market risk



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(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 Modaraba's risk management framework.

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

The Modaraba 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.

42.1 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.

42.2 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, 2022 the Modaraba'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, 2022 approximately 5.12% (June 30, 2021: 6.19%) of the Modaraba's financial assets are subject to floating profit rates. The management of the Modaraba estimates that an increase of 100 basis points in the market profit rate, with all other factors remaining constant, would increase the Modaraba's income by Rs. 1.195 million (June 30, 2021: Rs. 1.334 million) and a decrease of 100 basis points would result in a decrease in the Modaraba's income by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

42.3 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 Modaraba does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

42.4 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. 2,072.929 million (June 30, 2021: Rs. 1,819.434 million). Management of the Modaraba 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 Modaraba's net assets by Rs. 103.646 million (June 30, 2021: Rs. 90.972 million). However, in practice, the actual results may differ from the sensitivity analysis.



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42.5 Segment by class of business for investment in equity securities

Sector	June 30, 2022		June 30, 2021	
	Rupees	%	Rupees	%
Automobile assembler	15,846,459	0.76%	30,808,182	1.69%
Automobile parts & accessories	1,569,164	0.08%	1,655,180	0.09%
Commercial Banks	1,031,713	0.05%	1,309,155	0.07%
Cable & electrical goods	5,475,125	0.26%	9,298,036	0.51%
Cement	34,257,403	1.65%	48,766,008	2.68%
Chemical	25,755,073	1.24%	27,936,522	1.54%
Engineering	15,835,350	0.76%	27,952,135	1.54%
Financial services	14,976,196	0.72%	14,976,196	0.82%
Food & personal care products	10,303,735	0.50%	9,797,619	0.54%
Glass & ceramics	4,355,956	0.21%	4,627,923	0.25%
Leather & tanneries	26,436,483	1.28%	41,603,211	2.29%
Miscellaneous	2,877,830	0.14%	80,300	0.00%
Modarabas	532,650	0.03%	-	0.00%
Oil & gas exploration companies	47,229,678	2.28%	-	0.00%
Oil & gas marketing companies	25,557,944	1.23%	73,669,288	4.05%
Open-end mutual funds	32,422,789	1.56%	32,220,354	1.77%
Paper & board	4,769,160	0.23%	3,108,910	0.17%
Pharmaceuticals	87,848,967	4.24%	101,116,454	5.56%
Power generation & distribution	11,706,268	0.56%	1,382,518	0.08%
Real estate investment trust	4,826,640	0.23%	4,402,490	0.24%
Refinery	18,504,295	0.89%	27,348,433	1.50%
Synthetic and rayon	76,000	0.00%	-	0.00%
Technology & communication	1,672,938,735	80.70%	1,351,960,405	74.31%
Textile composite	2,904,663	0.14%	4,086,540	0.22%
Transport	4,650,983	0.22%	928,390	0.05%
Woollen	240,000	0.01%	400,640	0.02%
	2,072,929,260	100%	1,819,434,889	100%

42.6 Liquidity risk

Liquidity risk is defined as the risk that the Modaraba will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Modaraba could be required to pay its liabilities earlier than expected. The Modaraba'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 Modaraba's reputation.

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

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 -----						
Musharaka, murabaha and finance under mark-up arrangements	6 month / 1 month Kibor + 100 bps	150,000,000	-	-	-	150,000,000
Creditors, accrued and other liabilities	-	-	233,696,457	-	-	233,696,457
Profit distribution payable	-	35,630,979	-	-	-	35,630,979
Total		185,630,979	233,696,457	-	-	419,327,436



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June 30, 2021	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	-	13,768,000	13,776,684	-	-	27,544,684
Musharaka, murabaha and finance under mark-up arrangements	6 month / 1 month Kibor + 100 bps	90,000,000	-	-	-	90,000,000
Creditors, accrued and other liabilities	-	-	157,649,885	-	-	157,649,885
Accrued profit on borrowing	-	83,978	-	-	-	83,978
Profit distribution payable	-	32,010,555	-	-	-	32,010,555
Total		135,862,533	171,426,569	-	-	307,289,102

42.7 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Modaraba by failing to discharge its obligation. The Modaraba'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 Modaraba'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:

	2 0 2 2 ----- (Rupees) -----	2 0 2 1 ----- (Rupees) -----
Musharaka finance	82,136,744	93,117,299
Short-term investments	2,118,121,046	1,910,046,261
Lease rentals receivables	-	36,934
Loans, advances and other receivables	79,152,037	23,702,655
Accrued profit	717,245	455,240
Bank balances	38,321,763	39,168,836
	2,318,448,835	2,066,527,225

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 Modaraba's total credit exposure.

The Modaraba'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 Modaraba's concentration of credit risk by industrial distribution:

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

Sector	June 30, 2022		June 30, 2021	
	Rupees	%	Rupees	%
Oil and gas	1,109,640	5.45%	1,109,640	4.89%
Transport	4,986,087	24.51%	4,986,087	21.97%
Food and confectioneries	600,000	2.95%	600,000	2.64%
Engineering and metals	78,500	0.39%	78,500	0.35%
Power generation & Energy	-	0.00%	460,000	2.03%
Miscellaneous	13,572,192	66.71%	15,457,223	68.12%
	20,346,419	100%	22,691,450	100%



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42.7.2 Segment by class of business for musharaka and murabaha finances

Sector	June 30, 2022		June 30, 2021	
	Rupees	%	Rupees	%
Textile industry	-	0.00%	9,458,686	6.09%
Oil and lubricants	4,616,089	3.46%	7,237,183	4.66%
Chemical and pharmaceutical	13,569,225	10.17%	9,475,692	6.10%
Engineering	52,772,201	39.54%	56,713,234	36.54%
Auto and transportation	362,134	0.27%	966,481	0.62%
Hospitality business	9,471,425	7.10%	9,471,425	6.10%
Miscellaneous	52,674,989	39.47%	61,899,132	39.88%
	133,466,063	100%	155,221,833	100%

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

Particulars	June 30, 2022		June 30, 2021	
	Rupees	%	Rupees	%
Power generation & distribution	10,799,190	90%	10,752,131	90%
Miscellaneous	1,245,953	10%	1,245,953	10%
	12,045,143	100%	11,998,084	100%

42.8 Financial instruments by category

Financial assets

Amortised cost:

Long-term deposits	3,059,030	3,037,310
Musharaka finance	80,178,384	93,117,299
Ijarah / lease rental receivable	-	36,934
Loans and advances	75,678,137	19,697,547
Accrued profit	717,245	455,240
Other receivables	18,056,764	89,819,830
Cash and bank balances	38,465,646	39,381,695

FVTOCI:

Short-term investments	849,088,671	1,419,240,413
------------------------	-------------	---------------

FVTPL:

Short-term investments	1,269,032,375	490,805,848
	2,334,276,252	2,155,592,116

Financial liabilities

Amortised cost:

Long term loan	-	27,544,684
Murabaha, musharaka and finance under mark-up arrangements	150,000,000	90,000,000
Creditors, accrued and other liabilities	233,696,457	157,649,885
Accrued profit on borrowings	-	83,978
Profit distribution payable	35,630,979	32,010,555
	419,327,436	307,289,102

43 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 Modaraba 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.



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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 Modaraba's financial assets and financial liabilities as at June 30;

	June 30, 2022		June 30, 2021	
	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	3,037,310	3,037,310
Musharaka finance	80,178,384	80,178,384	93,117,299	93,117,299
Ijarah / lease rental receivable	-	-	36,934	36,934
Loans and advances	76,093,007	76,093,007	20,665,345	20,665,345
Accrued profit	717,245	717,245	455,240	455,240
Other receivables	18,056,764	18,056,764	89,819,830	89,819,830
Cash and bank balances	38,465,646	38,465,646	39,381,695	39,381,695
Fair value through OCI				
Short-term investments	814,696,075	814,696,075	1,339,381,172	1,339,381,172
Fair value through profit and loss				
Short-term investments	1,258,233,185	1,258,233,185	480,053,717	480,053,717
Financial liabilities				
Financial liabilities at amortised cost				
Murabaha, musharaka and finance under mark-up arrangements	150,000,000	150,000,000	90,000,000	90,000,000
Creditors, accrued and other liabilities	233,696,457	233,696,457	157,649,885	157,649,885
Accrued profit on borrowings	-	-	83,978	83,978
Profit distribution payable	35,630,979	35,630,979	32,010,555	32,010,555

43.1 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).



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

	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Investments at FVTPL				
Listed ordinary shares	1,227,997,459	-	-	1,227,997,459
Mutual fund units	24,186,265	-	-	24,186,265
Preference Shares	6,049,461	-	-	6,049,461
Listed debt securities	10,799,190	-	-	10,799,190
Derivative financial instruments	-	-	-	-
Investments at FVOCI				
Listed ordinary shares / modaraba certificates	806,459,551	-	-	806,459,551
Mutual fund units	8,236,524	-	-	8,236,524
Unlisted ordinary shares	-	-	49,368,791	49,368,791
Unlisted debt securities	-	-	1,245,953	1,245,953
	<u>2,083,728,450</u>	<u>-</u>	<u>50,614,744</u>	<u>2,134,343,194</u>

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

	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Investments at FVTPL				
Listed ordinary shares	446,907,106	-	-	446,907,106
Mutual fund units	24,035,256	-	-	24,035,256
Preference Shares	9,111,355	-	-	9,111,355
Listed debt securities	10,752,131	-	-	10,752,131
Investments at FVOCI				
Listed ordinary shares / modaraba certificates	1,331,196,074	-	-	1,331,196,074
Mutual fund units	8,185,098	-	-	8,185,098
Unlisted ordinary shares	-	-	94,835,436	94,835,436
Unlisted debt securities	-	-	1,245,953	1,245,953
	<u>1,830,187,020</u>	<u>-</u>	<u>96,081,389</u>	<u>1,926,268,409</u>

Valuation techniques

For Level 2 debt securities held at FVTOCI, the Modaraba values the investments using rates prescribed by MUFAP. For Level 3 debt securities held at FVTOCI, the Modaraba 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.



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The following table presents the movement in level 3 instruments.

	2 0 2 2	2 0 2 1
	----- (Rupees) -----	-----
Opening balance	96,081,389	97,026,028
Redemption / sales during the year	(27,000,000)	-
Unrealized loss during the year	(18,466,645)	(944,639)
Impairment during the year	-	-
Closing balance	50,614,744	96,081,389

44 CAPITAL RISK MANAGEMENT

The Modaraba'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 Modaraba may adjust the amount of profit distributed to certificate-holders, issue new certificates or sell assets to reduce debt.

The Modaraba'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 Modaraba 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 Modaraba at year end is as follows:

	2 0 2 2	2 0 2 1
	----- (Rupees) -----	-----
Debts	150,000,000	117,544,684
Cash and bank balances	(38,465,646)	(39,381,695)
Net debt	111,534,354	78,162,989
Equity	2,842,304,364	2,871,136,155
Net debt to equity ratio	0.04	0.03

45 RELATED PARTY TRANSACTIONS

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

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

Transactions during the year	Nature of transactions	2 0 2 2	2 0 2 1
		----- (Rupees) -----	-----
Relationship with the Modaraba			
Management Company			
BRR Investment (Private) Limited	Management fee accrued	82,522,411	31,942,495
BRR Investment (Private) Limited	Management fee paid	31,942,494	17,152,959
BRR Investment (Private) Limited	Rent received	120,000	120,000
BRR Investment (Private) Limited	Advance received	-	4,000,000
BRR Investment (Private) Limited	Advance repaid	-	4,000,000
BRR Investment (Private) Limited	Reimbursement of expense	5,085	502
Subsidiary Company			
BRR Financial Services (Private) Limited	Loan received	-	5,000,000
BRR Financial Services (Private) Limited	Loan repaid	-	40,000,000
BRR Financial Services (Private) Limited	Profit paid	-	473,972
BRR Financial Services (Private) Limited	Profit returned	-	6,152,046
BRR Financial Services (Private) Limited	Dividend received	-	14,970,225



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Transactions during the year	Nature of transactions	2 0 2 2	2 0 2 1
		----- (Rupees) -----	-----
Associated companies / other related parties			
BRR Guardian Limited	Reimbursement of expense	9,205	-
Dawood Family Takaful Limited	Rental Received against	1,397,421	9,010,860
Dawood Family Takaful Limited	Group Life Takaful	438,254	352,426
Dawood Family Takaful Limited	Musharaka finance received-net	117,000,000	195,000,000
Dawood Family Takaful Limited	Musharaka finance repaid	152,000,000	160,000,000
Dawood Family Takaful Limited	Profit accrued on Musharaka finance	2,078,833	2,114,080
Dawood Family Takaful Limited	Profit paid on musharaka finance	2,162,811	2,030,102
First Dawood Investment Bank Limited	Rent received against property	120,000	120,000
First Dawood Investment Bank Limited	Share of common expenses - net	273,619	71,919
First Dawood Investment Bank Limited	Musharaka finance received - net	155,000,000	5,000,000
First Dawood Investment Bank Limited	Musharaka finance repaid	60,000,000	-
First Dawood Investment Bank Limited	Profit accrued on Musharaka finance	11,604,658	4,367,919
First Dawood Investment Bank Limited	Profit paid on musharaka	11,604,658	4,981,774
First Dawood Employees Provident Fund	Transfer to provident fund	3,464,713	3,175,430
Hydrochina Dawood Power (Private) Limited	Rent received against property	117,890	7,404,599
Dawood Global Foundation	Charity paid	228,699	215,321

Year end balances	Nature of balances		
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Relationship with the Modaraba

Management Company

BRR Investment (Private) Limited	Management fee payable	82,522,411	31,942,495
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Associated companies / other related parties

First Dawood Investment Bank Limited	Musharaka finance	150,000,000	55,000,000
First Dawood Investment Bank Limited	Profit payable	-	-
Dawood Family Takaful Limited	Musharaka finance	-	35,000,000
Dawood Family Takaful Limited	Profit payable	-	83,978
Dawood Family Takaful Limited	Advance rental	-	3,355,332
Dawood Family Takaful Limited	Rent receivable	2,889,375	-
Hydrochina Dawood Power (Private) Limited		107,173	3,707,170

Group shared services

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

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

The internal reporting provided to the Chief Executive Officer for the Modaraba'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.



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

47 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in their meeting held on September 14, 2022 have approved nil profit distribution (2021: at the rate of 13.2% i.e. Re. 1.32 per certificate) for the year ended June 30, 2022.

48 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 14 September, 2022 by the Board of Directors of B.R.R. Investment (Private) Limited.

49 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.

50 NUMBER OF EMPLOYEES

The number of employees as at year end was 61 (June 30, 2021: 62) and average number of employees during the year was 61 (June 30, 2021: 62).

51 GENERAL

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

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

Syed Ali Raza
Director

Waqas Anwar Qureshi
Director

Ayaz Dawood
Chief Executive Officer

Syed Tariq Masood
Chief Financial Officer

Consolidated Financial Statements
For The Year Ended
June 30, 2022



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DIRECTORS' REPORT

On behalf of the Board of Directors of B.R.R. Investment (Private) Limited ('BRRRI' or 'the company'), manager of B.R.R. Guardian Modaraba ('BRRGM' or 'the Modaraba'), it gives us great pleasure to present to you the Annual Report and Audited Financial Statements for the year ended June 30, 2022.

MODARABA'S PERFORMANCE:

Summary of the comparative financial performance is given below:

	June 30, 2022	June 30, 2021
Rupees.....	
Rental Income from Investment properties	198,752,395	186,977,188
Rental Income from lockers and custodial services	49,566,172	46,706,404
Profit Before Management Fee & WWF	818,880,821	304,663,356
Management Fee	82,522,411	31,942,494
Sales Tax on Management Fee	10,727,913	4,152,524
Provision for Workers' Welfare Fund	14,639,476	5,666,598
Profit After Management Fee, WWF and taxation	648,044,865	262,809,787
Earning per certificate	6.82	2.90

Your Modaraba was able to achieve record profit and during the fiscal year under review Alhamdulillah, your modaraba has paid off all of its long term liabilities. Furthermore, it is pertinent to mention that our successful business strategy has finally wiped out the accumulated loss balance, recorded accumulated profits of Rs.67.78 million as at June 30, 2022 and statutory reserves now stand at Rs. 1,001.32 million which are in excess of the paid-up certificate capital of your modaraba.

DIVIDEND:

To eliminate accumulated losses and in view of the pending petition for approval in Honorable Sindh High Court for the merger of BRR Guardian Modaraba with and into BRR Guardian Limited, the board of directors have decided not to make any dividend appropriation for this year.

NATURE OF BUSINESS AND MARKET DYNAMICS:

B.R.R. Guardian Modaraba (BRRGM) is the pioneer Modaraba of Pakistan. It was founded in 1983 on the concept of perpetual Modaraba. It is the oldest Islamic Financial Institution in Pakistan.

Our prestigious B.R.R. TOWER, is a 20-storey state of the art building reflects the Islamic architecture through its three arches and wind turbine on the roof is a manifest addition in the financial district of Karachi, i.e. at I. I. Chundrigar Road which is fully Rented.

B.R.R. Guardian Modaraba has also built a state of the art B.R.R. Security Vault which commenced business during 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.



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ECONOMIC REVIEW

During the year, the economy recovered from the pandemic and maintained V-Shaped recovery by posting real GDP growth of 5.97 percent in the fiscal year 2022. The higher GDP growth was accompanied by macroeconomic imbalances which have historically plagued our country's economy.

STRATEGY FOR BUSINESS SUSTAINABILITY

As our business strategy, we shall remain focused on following areas in FY 2022 -2023:

- Add quality customer for credit portfolio.
- Renting out of properties to highly rated customers.
- Enhance size of investment in sound, stable and dividend paying Shariah compliant 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 strengthen Shariah governance and compliance culture.
- Further develop operation capacity of human resource through proper training.

RESOURCES, OPPORTUNITIES, BUSINESS RISKS AND MITIGANTS:

Your Modaraba is a pioneer of Islamic financial Institutions in Pakistan and operating successfully for last more than three decades in the country. Modarabas are the trend setters of Islamic modes of financing and creates a distinctive value proposition that meets the needs of its customers and ensure Shariah compliant business and Halal income practices.

COMPLIANCE WITH THE BEST PRACTICE OF THE CODE OF CORPORATE GOVERNANCE:

Your Management Company has implemented provisions of the code of corporate governance relevant for the year ended June 30, 2022. The external auditors review report on the statement of compliance with the code of corporate governance is annexed with this report.

As per the directives of SECP/Pakistan Stock Exchange, the Board of Directors hereby confirm the following code's of good governance and ethical business practices required by relevant clause(s) of the Code:

- The financial statements are prepared by management present fairly Modaraba's state of affairs, the result of its operations, cash flows and changes in equity.
- Your Modaraba has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements on reasonable and prudent judgment.
- Relevant International Accounting Standards and Islamic Financial Accounting Standards, as applicable in Pakistan, provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies & Modaraba Rules, 1981 and directives of the Securities and Exchanges Commission of Pakistan have been followed in the preparation of financial statements.



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- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts over the ability to continue as going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- There are no statutory payments on account of taxes, duties, levies and charges outstanding, except as disclosed in the financial statements.
- There has been no departure from the best practices of transfer pricing.

TRADING / DEALING IN CERTIFICATE OF MODARABA:

During the fiscal year, no trade in the certificate of the Modaraba were carried out by the Directors, Chairman, CFO, Company Secretary and their spouses and minor children except the CEO has purchased =49,500= BRRGM's Certificates.

CODE OF CONDUCT:

The Board of Directors of the Management Company has adopted the required 'Code of Conduct' to which the management company & Modaraba is committed voluntarily maintaining the highest standards of conduct and ethical behavior is a moral right and legal requirement that requires the personal commitment.

The Code of Conduct indicates good business conduct that generally promotes the qualities of honesty, fairness, consideration and enlightened professionalism.

STAFF RETIREMENT BENEFITS:

BRR Guardian Modaraba operates a Provident Fund scheme for all permanent employees. The value of investments as at June 30, 2022 is Rs. 124.736 million (2021: Rs. 156.365 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 Modaraba (BRRGM) 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 the certificate-holders that on recommendation of Audit Committee M/s Horwath Hussain Chaudhury & Co - Chartered Accountants have been re appointed as auditors for the year ended 2022-23.

KEY OPERATING AND FINANCIAL DATA:

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



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RISK MANAGEMENT FRAMEWORK:

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.

Board of Directors Meetings

The status of Board of Directors Meetings is as follows:

Sr. No	Name	Designation	Attendance
1	Mr. Rafique Dawood	Chairman	4 out of 4
2	Mr. Ayaz Dawood	CEO	4 out of 4
3	Mr. Waqas Anwer Qureshi	Director	4 out of 4
4	Syed Ali Raza	Director	4 out of 4

Audit Committee Meetings

The status of Board Audit Committee Meetings is as follows:

Sr. No	Name	Designation	Attendance
1	Mr. Waqas Anwer Qureshi	Chairman	4 out of 4
2	Mr. Rafique Dawood	Member	4 out of 4
3	Syed Ali Raza	Member	4 out of 4

INTERNAL CONTROL AND AUDIT FUNCTION:

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

1. Review compliance with responsibility for monitoring compliance with Relevant International Accounting Standards, Islamic Financial Accounting Standards, as applicable in Pakistan, provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies & Modaraba Rules, 1981 and compliance of the policies and procedures framed by the Board.
2. Review accounting and internal control system
3. Review the economy, efficiency and effectiveness of operations (Value for Money Audits / VFM Audits)
4. Examining financial and operational information.
5. 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 BRRGM 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.



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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 Modaraba 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 BRRGM, 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 BRRGM, 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 BRRGM 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.

All non-Shariah income and dividend have been purified by the Shariah Advisor of the Modaraba and has been given to charities.

Health, Safety & Environment

At BRRGM, 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.

BRRGM has valid Takaful policies against all possible perils relating to the property. BRRGM 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, 2022 along with disclosure as required under the Code of Corporate Governance is annexed.



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DIRECTORS' TRAINING PROGRAM:

All the directors of the board are having more than 17 years of education including Two out of four Directors duly approved PICG and ICMA i.e. 50% and more than 23 years of experience. Further, the directors of the company have been provided with copies of the Code of Corporate Governance, Modaraba Rules, Company's Memorandum and Articles of Association, Modaraba Prospectus and all other relevant rules and regulations and hence are conversant of the relevant laws applicable to the Modaraba, its policies and procedures and provisions of memorandum and article of Associations and of their duties and responsibilities.

CONCLUSION / FUTURE PROSPECT:

On April 14, 2022 the petition for approval of Honorable Sindh High Court for the merger of BRR Guardian Modaraba with and into BRR Guardian Limited "the company" was submitted, which is currently pending in the Honorable Sindh High Court. On the approval of aforesaid merger petition, the company will be treated as a listed company.

CONDOLENCE:

With profound grief and sorrow, Mr. Rafique Dawood, Chairman & Member of Board, Audit Committee & HR and Remuneration Committee and founder of BRR Investment (Pvt) Limited, Manager of BRR Guardian Modaraba - the first perpetual Islamic financial institution of Pakistan, peacefully passed away on Friday, August 19, 2022. He was a pioneer of Islamic finance in Pakistan and founded First Dawood Group, BRR Capital Modaraba, Dawood Islamic Bank, Dawood Family Takaful Limited and Hydrochina Dawood Power Private Limited.

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

Syed Ali Raza
Director

Ayaz Dawood
Chief Executive Officer

September 14, 2022
Karachi.



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ڈائریکٹرز کی رپورٹ

بی. آر. آر. انویسٹمنٹ (پرائیویٹ) لمیٹڈ ("بی آر آر آئی" یا کمپنی)، بورڈ آف ڈائریکٹرز کی طرف سے، بی آر آر گارجین مضاربہ (بی آر آر جی ایم) کے مینیجر کی حیثیت سے ہم جون 30، 2022 کو ختم ہونے والے سال کی سالانہ رپورٹ اور آڈٹ کئے گئے مالیاتی گوشوارے پیش کرتے ہوئے بے حد مسرت محسوس کر رہے ہیں۔

مضاربہ کی کارکردگی

تقابلی مالیاتی کارکردگی کا خلاصہ مندرجہ ذیل ہے:

جون 30، 2021	جون 30، 2022	
پاکستانی روپے میں		
186,977,188	198,752,395	حائیداد میں سرمایہ کاری سے حاصل کرائے کی آمدن
46,706,404	49,566,172	لاکڑ اور تحویلاتی خدمات سے حاصل کرائے کی آمدن
304,663,356	818,880,821	منافع قبل از انتظامیہ کی فیس اور ڈیلیوڈیلیو ایف
31,942,494	82,522,411	انتظامیہ کی فیس
4,152,524	10,727,913	انتظامیہ فیس یر سلز ٹیکس
5,666,598	14,639,476	ورکرز ویلفیئر فنڈ کی فراہمی
262,809,787	648,044,865	منافع بعد از انتظامیہ کی فیس، ڈیلیوڈیلیو ایف اور ٹیکس
2.90	6.82	نفع فی سرٹیفکیٹ

آپ کا مضاربہ ریکارڈ منافع حاصل کرنے میں کامیاب رہا اور زیر نظر مالی سال کے دوران الحمد للہ، آپ کے مضاربہ نے اپنے تمام طویل مدتی قرض ادا کر دیے ہیں۔ مزید برآں، یہ بات قابل ذکر ہے کہ ہماری کامیاب کاروباری حکمت عملی نے بالآخر جمع شدہ خسارے کو ختم کر دیا، 30 جون 2022 تک 67.78 ملین روپے کا جمع شدہ منافع ریکارڈ کیا اور اسٹیچوٹری ریزرو اب 1,001.32 ملین روپے ہو گئے ہیں جو آپ کے مضاربہ کے ادا شدہ سرٹیفکیٹ کیپٹل سے زیادہ ہیں۔

ڈیویڈنڈ

جمع شدہ نقصانات کو ختم کرنے اور بی آر آر گارجین مضاربہ کے بی آر آر گارجین لمیٹڈ کے ساتھ انضمام کے لیے معزز سندھ ہائی کورٹ میں منظوری کے لیے زیر التواء درخواست کے پیش نظر، بورڈ آف ڈائریکٹرز نے اس سال کے لیے ڈیویڈنڈ کی تخصیص نہ کرنے کا فیصلہ کیا ہے۔

کاروبار کی نوعیت اور مارکیٹ ڈائنامکس

بی آر آر گارجین مضاربہ پاکستان میں مضاربہ کی داغ بیل ڈالنے والوں میں سے ہے۔ اس کا قیام 1983 میں مستقل مضاربہ کے تصور پر کیا گیا۔ یہ پاکستان کا سب سے قدیم اسلامی مالیاتی ادارہ ہے۔



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ہمارا عظیم الشان بی. آر. آر. ناؤر جو کہ ایک جدید 20 منزلہ عمارت ہے اپنے تین محرابوں سے اسلامی فن تعمیر کی عکاسی کرتی ہے اور چھت پہ نصب ونڈ ٹرابن کرچی کے مالیتی ضلع آئی. آئی. چندریگر روڈ پہ ایک نمایاں اضافہ ہے اور مکمل کرائے شدہ ہے۔

بی. آر. آر. گارجین مضاربہ نے ایک جدید بی. آر. آر. سیکورٹی والٹ بھی تعمیر کیا ہے جس نے جولائی 1989 میں کاروبار کی شروعات کی۔ یہ شارع قائدین پہ بنائی گئی قلعہ نما عمارت اپنے اندر اور ارد گرد اعلیٰ سیکورٹی کے ساتھ خوشگوار اور دوستانہ ماحول کا ایک منفرد امتزاج پیش کرتی ہے۔

اقتصادی جائزہ

سال کے دوران، معیشت و بانی مرض سے بحال ہوئی ہے اور مالی سال 2022 میں حقیقی جی ڈی پی کی شرح نمو 5.97 فیصد پیش کر کے V شکل میں بحالی کو برقرار رکھا ہے۔ زیادہ جی ڈی پی نمو ان میکرو اکانمک عدم توازن کے ساتھ ہے جنہوں نے تاریخی طور پر ہماری ملکی معیشت کو متاثر کیا ہے۔

کاروباری استحکام کے لیے حکمت عملی

مالی سال 2022-23 کے لیے ہم درج ذیل شعبوں پر متوجہ رہیں گے:

- کرم فرماؤں / گاہک کی تعداد میں اضافہ۔
- اعلیٰ درجے کے کسٹمرز کو پراپرٹی کرائے پر دینا۔
- سکوک اور مشارکہ کی بنیاد پر متعارف کرائے جانے والے ٹی ایف سیز کے ساتھ ساتھ شرعی اصولوں سے مطابقت رکھنے والی سیکورٹی پرائیویٹس۔
- رسک مینجمنٹ بہتر بنانا، بالخصوص جدید ترین طریقوں کو بروئے کار لاتے ہوئے ڈیٹ مینجمنٹ کے لیے کوشاں رہنا۔
- شرعی اصولوں کے مطابق کام کرتے رہنے کو ترجیح دینا۔
- بہتر اور بروقت تربیت کے ذریعے افرادی قوت سے زیادہ سے زیادہ استفادہ کرنا۔

وسائل، مواقع، کاروباری خطرات اور ان خطرات کی شدت کم کرنے والے اقدامات

آپ کے مضاربہ نے پاکستان میں اسلامی مالیاتی اداروں کی داغ بیل ڈالی اور پچھلی تین دہائیوں سے زیادہ اس ملک میں کامیابی کے ساتھ کام کر رہا ہے۔ مضاربہ کمپنیوں نے ملک میں اسلامی اصولوں کے مطابق بینکاری اور مالیات کی خدمات متعارف کرائی ہیں۔ ان اداروں نے شریعت کے بیان کردہ مالی و کاروباری اصولوں کے مطابق کام کرتے ہوئے مکمل حلال آمدنی یقینی بنانے میں اہم کردار ادا کیا ہے۔

کوڈ آف کارپوریٹ گورننس کے ضوابط کی بہترین پریکٹس کے ساتھ تعمیل

آپ کی ناظم کمپنی نے جون 30، 2022 کو ختم ہونے والے سال سے متعلقہ کوڈ آف کارپوریٹ گورننس کے احکامات نافذ کرنے ہیں۔ کوڈ آف کارپوریٹ گورننس کے مطابق ایکسٹرنل آڈیٹرز کی جائزہ رپورٹ اس دستاویز سے منسلک ہے۔

ایس ای سی پی ورپاکستان اسٹاک ایکسچینج کی ہدایات کی روشنی میں بورڈ آف ڈائریکٹرز تصدیق کرتے ہیں کہ ادارے کے تمام کاروباری افعال میں کوڈ آف گورننس اور اخلاقی حدود کا پورا خیال رکھا گیا ہے۔



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- کمپنی کے مالیاتی حسابات تمام کاروباری معاملات، اقدامات کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کی واضح نشاندہی کرتی ہیں۔
- ادارے نے ہر طرح کا حساب کتاب تمام مروج طریقوں اور اصولوں کے مطابق یعنی درست حالت میں رکھا ہے۔
- مالیاتی حسابات کی تیاری میں اکاؤنٹنگ کے تمام مروج معیارات کا پورا خیال رکھا گیا ہے۔
- تمام مالیاتی حسابات مضاربہ کمپنیز اینڈ مضاربہ (فلوٹیشن اینڈ کنٹرول) آرڈیننس 1980، مضاربہ کمپنیز اینڈ مضاربہ رولز 1981 اور سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کی روشنی میں انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز اور اسلامک اکاؤنٹنگ اسٹینڈرڈز اپناتے ہوئے تیار کی گئی ہیں۔
- انٹرنل کنٹرول کا نظام اپنے ڈیزائن کے اعتبار سے مستحکم ہے اور اس کا موثر اطلاق اور نگرانی کی جاتی ہے۔
- بطور ادارہ کمپنی کے کام جاری رکھنے کی صلاحیت پر کوئی شک نہیں۔
- لسٹنگ کے ضوابط میں تفصیلاً درج کارپوریٹ گورننس کے رہنماء اصولوں سے انحراف نہیں کیا گیا ہے۔
- مالیاتی گوشواروں کے اندراجات کے علاوہ ٹیکسوں، ڈیویڈنڈس، لیویز اور بقایا جات کی مد میں کوئی رقم واجب الادا نہیں ہے۔
- ٹرانسفر پرائسنگ کے رہنماء اصولوں سے انحراف نہیں کیا گیا ہے۔

مضاربہ سرٹیفیکیٹ میں تجارت / لین دین

گزرے ہوئے مالی سال میں مضاربہ کے سرٹیفیکیٹس میں ڈائریکٹرز، چیئرمین، سی ایف او، کمپنی سیکریٹری اور ان کے شریک حیات اور کم عمر بچوں کی جانب سے کوئی ٹریڈنگ نہیں ہوئی، سوائے سی ای او کے جنہوں نے 49,500 بی آر آر جی ایم کے سرٹیفیکیٹس خریدے۔

ضابطہ اخلاق

بورڈ آف ڈائریکٹرز نے کاروباری معاملات میں تمام مروج اصولوں اور پریکٹس کا خاص خیال رکھا ہے۔ اس حوالے سے ایک ضابطہ اخلاق اپنایا گیا ہے۔ اس سلسلے میں تمام قانونی تقاضوں کا انفرادی طور پر احساس ذمہ داری کے ساتھ خیال رکھا گیا ہے۔

ضابطہ اخلاق اچھے کاروباری رویے کی نشاندہی کرتا ہے اور ایمان داری، شفافیت اور روشن خیالی پر فیشنل طرز فکر و عمل کا پتہ دیتا ہے۔

فوائد برائے اسٹاک ریسٹریٹمنٹ

تمام مستقل ملازمین کے لیے پراویڈنٹ فنڈ موجود ہے۔ جون 30، 2022 تک سرمایہ کاری کی قدر 124.736 ملین روپے رہی جو 2021 میں 156.365 ملین روپے تھی۔

واقعات بعد از بیلنس شیٹ

بیلنس شیٹ کے اجراء تک کوئی غیر موافق صورتحال درپیش نہیں ہوئی جس کی رو سے مالیاتی گوشواروں میں ردوبدل کی ضرورت ہو۔

منسلک افراد / متعلقہ فریقین سے لین دین

بی آر آر جی ایم اور متعلقہ افراد یا اداروں کے درمیان کاروباری معاملات کسی دباؤ یا غیر ضروری جانب داری کے بغیر انجام پائے ہیں، سوائے ان معاملات یا ٹرانزیکشنز کے جن کا جو از بیان کیا گیا ہو۔



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

آڈیٹرز

ہم سرٹیفکیٹ ہولڈرز کو مطلع کرتے ہیں کہ آڈٹ کمیٹی کی تجویز پر ہو رو تھ حسین چوہدری اینڈ کمپنی کو برائے سال 2022-23 کے لئے آڈیٹر تعینات کیا جا رہا ہے۔

اہم آپریٹنگ اور مالی اعداد و شمار

گزشتہ چھ سالوں کے اہم آپریٹنگ اور مالی اعداد و شمار آخری صفحے پر تجزیے کے خلاصے کے ساتھ پیش کیے گئے ہیں۔

رسک مینجمنٹ فریم ورک

کسی بھی کاروبار میں خطرات تو ہوتے ہی ہیں۔ بلند شرح سے منافع کمانے کے لیے ہر کاروباری ادارے کو تھوڑے بہت خطرات تو مول لینا ہی پڑتے ہیں۔ ہم سرٹیفکیٹ کی قدر میں اضافہ برقرار رکھنے کے لیے کام کرتے ہیں۔ خطرات بھی مول لیے جاتے ہیں مگر پوری احتیاط کے ساتھ اور اس معاملے میں متعلقہ فریم ورک یا طریق کار کو کسی بھی پہلو کو نظر انداز نہیں کیا جاتا۔

بورڈ آف ڈائریکٹرز کا اجلاس

بورڈ آف ڈائریکٹرز کے اجلاس کی صورت حال درج ذیل ہے:

نمبر	نام	عہدہ	حاضری
1	جناب رفیق داؤد	چیرمین	4 میں سے 4
2	جناب ایاز داؤد	سی ای او	4 میں سے 4
3	جناب وقاص انور قریشی	ڈائریکٹر	4 میں سے 4
4	سید علی رضا	ڈائریکٹر	4 میں سے 4

آڈٹ کمیٹی کا اجلاس

بورڈ کی آڈٹ کمیٹی کے اجلاسوں کی صورت حال درج ذیل ہے:

نمبر	نام	عہدہ	حاضری
1	جناب وقاص انور قریشی	چیرمین	4 میں سے 4
2	جناب رفیق داؤد	ممبر	4 میں سے 4
3	سید علی رضا	ممبر	4 میں سے 4



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انٹرنل کنٹرول اور آڈٹ

بورڈ آف ڈائریکٹرز تمام طے شدہ اور مروج طریقوں کو بروئے کار لا کر موثر اندرونی انتظام اور انضباط یقینی بنانے کا پابند ہے۔ بی آر جی ایم کی آڈٹ کمیٹی ان ہاؤس انٹرنل آڈٹ فنکشن یقینی بناتی ہے۔ اس حوالے سے درج ذیل کردار متعین کیے گئے ہیں:

1. مروج انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز، اسلامک فنانشل اکاؤنٹنگ اسٹینڈرڈز، مضاربہ کمپنیز اینڈ مضاربہ (فلوٹیشن اینڈ کنٹرول) آرڈیننس مجریہ 1980، مضاربہ کمپنیز رولز مجریہ 1981 اور بورڈ آف ڈائریکٹرز کے طے کردہ طریق کار اور پالیسیوں پر عمل کرنا۔
2. اکاؤنٹنگ اور انٹرنل کنٹرول سسٹم کا جائزہ لینا۔
3. تمام کاروباری معاملات میں کفایت، بہتر کارکردگی اور اثر پذیری کا جائزہ لینا۔ کارپوریٹ اصطلاح میں اسے ویلیو فار منی آڈٹس کہا جاتا ہے۔
4. فنانشل اور آپریشنل معاملات کا جائزہ۔
5. اہم خطرات کی تشخیص اور نشاندہی۔

انٹرنل آڈٹ فنکشن عمدہ طریقے سے کام کرے تو خطرات کا سامنا کرنے کا موثر نظام وضع کرنے میں غیر معمولی مدد ملتی ہے۔ مختلف سرگرمیوں کو بہتر طریقے سے انجام دینا ممکن ہو جاتا ہے۔ بہتر نتائج حاصل ہوتے ہیں۔ انٹرنل آڈٹ فنکشن معاملات کرنے اور رکھنے کے دیگر طریقوں کی کارکردگی کا بھی جائزہ لیتا ہے۔

انسانی وسائل کا نظم و نسق اور جانشینی کی منصوبہ بندی

ہمارا ادارہ سب کے لیے مساوی مواقع کے اصول کی بنیاد پر ملازمت فراہم کرتا ہے۔ کسی بھی شخص کو ملازمت فراہم کرتے وقت اس کی قابلیت اور کام کرنے کی لگن دیکھی جاتی ہے۔ میرٹ کا پورا خیال رکھا جاتا ہے۔ خدمات مستعار لینے کی پالیسی شفاف اور مروج طریقہ کار کے مطابق ہے۔ اس حوالے سے تمام قانونی اور اخلاقی نکات ہماری ہیومن ریسورس پالیسی میں درج بالتصریح درج ہیں۔

ہمارے ملازمین ہمارے لیے اثاثے کا درجہ رکھتے ہیں۔ ہم انہیں زیادہ سے زیادہ سہولتیں فراہم کرتے ہیں تاکہ وہ اپنی صلاحیتوں کو بہترین طریقے سے بروئے کار لانے کے ساتھ ساتھ نئی صلاحیتیں بھی اپنے اندر پروان چڑھائیں۔ ملازمین کو زیادہ سے زیادہ سہولتیں فراہم کرنے ایک مقصد تو انہیں بہتر کارکردگی کی طرف مائل کرنا ہے اور دوسرا مقصد یہ ہے کہ دوسرے قابل افراد کو بھی ہمارے ادارے کے لیے کام کرنے کی تحریک ملے۔

ہم اپنے ملازمین کی کارکردگی بہتر بنانے اور ان میں مزید صلاحیتیں اور مہارتیں پیدا کرنے کے لیے کیریئر مینجمنٹ کا بھی اہتمام کرتے ہیں۔ مشاہروں پر ہر سال نظر ثانی کی جاتی ہے۔ ہم سی آر ایس پروگرام کے تحت اپنے ملازمین کے لیے اضافی تربیت کا اہتمام بھی کرتے ہیں تاکہ وہ زیادہ اچھی طرح اپنی صلاحیتوں کا اظہار کریں اور ان کے کیریئر میں گہرائی و گیرائی پیدا ہو۔ کیریئر مینجمنٹ پالیسی کے تحت اکاؤنٹنگ اینڈ فنانس پرو فیشنلز کو بہتر نتائج کے حصول کے قابل بنانے پر خاص توجہ دی جاتی ہے۔



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جانشینی کی منصوبہ بندی

ہم باصلاحیت اور پر عزم نوجوانوں کو ورک فورس کا حصہ بنانے تک محدود نہیں رہتے بلکہ انہیں مستقبل میں قائدانہ کردار ادا کرنے کے قابل بنانے پر بھی توجہ دیتے ہیں۔

بی آر جی ایم کا یقین اس بات پر ہے کہ باصلاحیت افراد کو زیادہ سے زیادہ مواقع دیئے جانے چاہئیں تاکہ وہ اپنی صلاحیتوں کو پروان چڑھائیں اور انہیں بروئے کار لا کر اپنے بہتر امکانات پیدا کریں۔ سکسٹھ پلان کارکردگی اور صلاحیت و سکت دونوں پہلوؤں پر نظر رکھتا ہے۔ ایسی صورت میں کسی بھی وقت کسی باصلاحیت ملازم کو ڈھونڈنے میں دشواری پیش نہیں آتی اور یوں اسے موزوں ذمہ داری دے کر بہتر کارکردگی کے قابل بنایا جاسکتا ہے۔

کاروباری پائیداری

ہمیں اس بات کا پورا احساس ہے کہ ہماری ذمہ داری کسٹمرز، ملازمین اور شیئر ہولڈرز کو مطمئن کرنے تک محدود نہیں بلکہ ہم جس ماحول میں کام کر رہے ہیں اُسے بہتر بنانے رکھنا بھی ہماری ذمہ داری ہے۔

ہم اس بات پر یقین ضرور رکھتے ہیں کہ کامیاب کمپنی وہ ہے جو زیادہ منافع کمائے مگر صرف منافع کا حصول ہی سب کچھ نہیں۔ بی آر جی ایم کے لیے کامیابی کا حقیقی مفہوم یہ ہے کہ کسٹمرز کو وہ اشیاء و خدمات ملتی رہیں جن کی انہیں ضرورت ہے اور ساتھ ہی ساتھ معاشرے اور ماحول کو بھی نقصان سے زیادہ سے زیادہ محفوظ رکھا جائے۔ ہم ایک ایسا ماحول پیدا کرنے کے لیے کوشاں رہتے ہیں جو تجارتی نقطہ نظر سے بے حد منافع بخش اور اخلاقی نقطہ نظر سے قابل قبول ہو۔

کارپوریٹ سماجی ذمہ داری

ایسے دور میں کہ جب ماحول اور معاشرے کے لیے مسائل بڑھتے جا رہے ہیں اور اس حوالے سے سوچنے والوں کی تعداد بھی بڑھ رہی ہے، جیسے ماحول میں کاروبار نہیں کیا جاسکتا۔ لوگ خریداری کرتے وقت بہت کچھ سوچتے ہیں۔ وہ اس بات پر بھی غور کرتے ہیں کہ جو چیز وہ خرید رہے ہیں اُس کی تیاری میں معاشرے یا ماحول کو نقصان تو نہیں پہنچایا گیا۔ لوگوں کو اپنی اور دوسروں کی ذمہ داریوں کا بھرپور احساس ہے۔ یہی سبب ہے کہ آج کے بیشتر ادارے معاشرے میں خرابیوں کو روکنے اور ماحول کو بہتر حالت میں رکھنے کے حوالے سے اپنا کردار ادا کرنے کی بھی کوشش کر رہے ہیں۔

غیر شرعی ذرائع سے حاصل ہونے والی تمام آمدن کو شریعہ ایڈوائزرز کے مشورے سے پاک کرنے کے بعد عطیہ کر دیا جاتا ہے۔

صحت، حفاظتی تدابیر اور ماحول

ہم اپنے ملازمین کو کام کرنے کا محفوظ ماحول فراہم کرنے کے عہد پر کاربند ہیں۔ اپنی عمل پسند سوچ کے ذریعے ہم اس بات کو یقینی بناتے ہیں کہ تمام ملازمین زیادہ سے زیادہ سہولت اور تحفظ کے ساتھ کام کریں۔ ہم پورے اعتماد کے ساتھ کہہ سکتے ہیں کہ ہمارے تمام دفاتر میں درست الیکٹریک وائرنگ کی گئی ہے، آگ بجھانے کے آلات موجود ہیں اور کسی کے زخمی ہو جانے کی صورت میں ابتدائی طبی امداد کا بھرپور انتظام ہے۔ ماحول کو صاف اور صحت بخش رکھنے کے لیے تمباکو نوشی پر مکمل پابندی عائد ہے۔

بی آر جی ایم نے پراپرٹی سے متعلق کسی بھی ایسی ویسی بات سے نمٹنے کے لیے موزوں تکافل (بیمہ) لے رکھا ہے۔ تمام ملازمین کو قدرتی اور حادثاتی موت کی صورت میں تکافل میسر ہے۔ ملازمین کے اہل خانہ کو صحت وغیرہ کے معاملے میں تکافل کی سہولت میسر ہے۔



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سرٹیفکیٹ ہولڈنگ کی طرز

30 جون، 2022 کو ختم ہونے والے مالی سال کے لیے پیٹرن آف سرٹیفکیٹ ہولڈنگ اور کوڈ آف کارپوریٹ گورننس کے تحت مطلوب ڈسکلوژر اس دستاویز سے منسلک ہے۔

ترہیتی پروگرام برائے ڈائریکٹرز

بورڈ کے تمام ڈائریکٹرز 17 سال سے زائد تعلیم کے حامل ہیں جن میں سے دو ڈائریکٹرز PICG اور ICMA سے منظور شدہ ہیں جو کہ 50 فیصد بنتا ہے اور 23 سال سے زائد کا تجربہ بھی رکھتے ہیں۔ اس کے علاوہ کمپنی کے ڈائریکٹرز کو کوڈ آف کارپوریٹ گورننس، مضاربہ رولز، کمپنی کے میمورینڈم اور آرٹیکلز آف اسیوشن، مضاربہ پراسیکشنس اور دیگر تمام متعلقہ قواعد و ضوابط کی کاپیاں فراہم کی گئی ہیں جس کی وجہ سے وہ مضاربہ سے متعلق تمام قابل اطلاق قوانین، اس کی پالیسیوں اور طریقہ کار اور میمورینڈم اور آرٹیکلز آف اسیوشن کی شقوق اور اپنے فرائض اور ذمہ داریوں کا مکمل علم رکھتے ہیں۔

اختتامی کلمات / مستقبل کی حکمت عملی

14 اپریل 2022 کو بی آر آر گارجین مضاربہ کی بی آر آر گارجین لمیٹڈ کمپنی کے ساتھ انضمام کی درخواست معزز سندھ ہائی کورٹ کی منظوری کے لئے جمع کرائی گئی، جو فی الحال معزز سندھ ہائی کورٹ میں زیر التواء ہے۔ مذکورہ انضمام کی درخواست کی منظوری پر، کمپنی کو ایک لسٹڈ کمپنی سمجھا جائے گا۔

تعزیت

گہرے دکھ اور افسوس کے ساتھ، جناب رفیق داؤد، چیئرمین اور ممبر بورڈ، آڈٹ کمیٹی اور ایچ آر اینڈ ریمونریشن کمیٹی اور بی آر آر انویسٹمنٹ (پرائیویٹ) لمیٹڈ (بی آر آر گارجین مضاربہ کے نیچر - پاکستان کا پہلا دائمی اسلامی مالیاتی ادارہ) کے بانی، پرسکون طریقے سے، جمعہ 19 اگست 2022 کو انتقال فرما گئے۔ وہ پاکستان میں اسلامی مالیات کے علمبردار تھے اور انہوں نے فرسٹ داؤد گروپ، بی آر آر کسٹمیٹل مضاربہ، داؤد اسلامک بینک، داؤد فیملی کفائل لمیٹڈ اور ہائیڈرو چائنڈاؤڈ پاور پرائیویٹ لمیٹڈ کی بنیاد رکھی۔

از طرف بورڈ آف ڈائریکٹرز

بی. آر. آر. انویسٹمنٹ (پرائیویٹ) لمیٹڈ

ایاز داؤد

چیف ایگزیکٹو آفیسر

سید علی رضا

ڈائریکٹر

ستمبر 14، 2022

کراچی

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of **B.R.R. GUARDIAN MODARABA** ("the holding company") and its subsidiary company as at June 30, 2022 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinion on the financial statements of **B.R.R. GUARDIAN MODARABA** except for **BRR Financial Services (Private) Limited** which were audited by another firm of chartered accountants whose reports have been furnished to us and our opinion is so far as it relates to the amount included for such companies is based solely on the report of such other auditor. These financial statements are the responsibility of the holding company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with the International Standard on Auditing and accordingly included such test of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of the **B.R.R. GUARDIAN MODARABA** and its subsidiary company as at June 30, 2022 and the results of their operations for the year then ended.

Emphasis of Matter

We draw attention to note 1.1 of the financial statements, which describes the Board of Directors' principal approval for the conversion of B.R.R. Guardian Modaraba into a public limited company incorporated under the laws of Pakistan by incorporating a new public limited company. Our opinion is not modified in respect of this matter.

**Crowe Hussain Chaudhury & Co****Chartered Accountants****Engagement Partner:****Imran Shaikh.****Place:** Karachi**Date:** 20 Sep 2022**UDIN Number:** AR202210207Fkwx86g0v

Shari'ah Advisor's Report

BRRFS.SAR/N.7/2022

I have conducted the Shari'ah review of **B.R.R. Financial Services (Private) Limited** wholly owned **subsidiary B.R.R. Guardian Modaraba** for the year ended 30th June, 2022. In accordance with the requirements of the Shari'ah Compliance and Shari'ah Audit Mechanism for Modaraba. That except the observation as reported hereunder in my opinion:

1. All agreement(s) entered into by the Modaraba are Shari'ah compliant and the financing agreement(s) have been executed on the formats as approved by the Religious Board and all the related conditions have been met;
2. To the best of my information and according to the explanations given to me, the business transactions undertaken by the BRRFS and all other matters incidental thereto are in conformity with the Shari'ah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and the Shari'ah Compliance and Shari'ah Audit Mechanism for Modaraba.
3. Charity on dividend income has been calculated and **PKR 14,659/-** has been transferred to charity account. And during the period all received dividend will be transferred to charity account.

Observations:

Charity should be paid to any recognized charitable organization with an assurance that the charitable funds will not be used in non- Shari'ah activity.

Conclusion:

Based on the above mentioned facts I am of the view that the business operations of **B.R.R. Financial Services (Private) Limited subsidiary of B.R.R. Guardian Modaraba** are Shari'ah Compliant up to the best of my knowledge.



Mufti Muhammad Aqeel
Shari'ah Advisor
Date: August 11, 2022



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

CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2022

	Note	2 0 2 2 ----- Rupees -----	2 0 2 1 -----
ASSETS			
Non-current assets			
Property, plant and equipment	6	90,326,427	93,366,207
Investment properties	7	900,552,263	942,279,180
Long-term musharaka finances	8	49,314,510	67,308,227
Long-term loans, advances and deposits	9	6,058,432	6,491,123
Total non-current assets		1,046,251,632	1,109,444,737
Current assets			
Short-term investments	10	2,158,823,792	1,975,990,073
Current portion of musharaka finances	8	30,863,874	25,809,072
Ijarah / lease rental receivable	11	-	36,934
Loans, advances and prepayments	12	73,393,605	17,511,532
Accrued profit	13	717,245	455,240
Other receivables	14	18,056,765	90,775,932
Taxation - net	15	46,845,710	19,548,103
Cash and bank balances	16	40,548,176	40,048,179
Total current assets		2,369,249,167	2,170,175,065
TOTAL ASSETS		3,415,500,799	3,279,619,802
EQUITY AND LIABILITIES			
Capital and reserve			
Authorised capital 140,000,000 (2021: 140,000,000) Modaraba certificates of Rs. 10/- each		1,400,000,000	1,400,000,000
Issued, subscribed and paid-up certificate capital	17	949,984,890	949,984,890
Reserves	18	1,124,540,052	580,082,397
Surplus on revaluation of investments		755,833,430	1,353,384,630
		2,830,358,372	2,883,451,917
Liabilities			
Non-current liabilities			
Long-term loans	20	-	-
Long-term murabaha, musharaka and finance under mark-up arrangements	21	-	-
Long-term security deposits	22	67,991,106	66,182,475
Deferred tax liability	37	77,267,977	-
Total non-current liabilities		145,259,083	66,182,475
Current liabilities			
Current portion of long-term loans	20	-	27,544,684
Current portion of long-term murabaha, musharaka and finance under mark-up arrangements	21	150,000,000	90,000,000
Current portion of security deposits	22	20,346,249	22,495,349
Creditors, accrued and other liabilities	23	233,906,116	157,850,844
Accrued profit on borrowings	24	-	83,978
Profit distribution payable	25	35,630,979	32,010,555
Total current liabilities		439,883,344	329,985,410
Contingencies and commitments	26		
TOTAL EQUITY AND LIABILITIES		3,415,500,799	3,279,619,802

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

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

**Syed Ali Raza
Director**

**Waqas Anwar Qureshi
Director**

**Ayaz Dawood
Chief Executive Officer**

**Syed Tariq Masood
Chief Financial Officer**



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

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2022

	Note	2 0 2 2 ----- Rupees -----	2 0 2 1 ----- Rupees -----
INCOME			
Rental income	27	248,318,567	233,683,592
Income on musharaka, murabaha		12,968,395	10,054,689
Ijarah rental income - net	28	1,789,747	952,441
Return on investments - net	29	36,887,213	77,469,151
Profit on bank balances		993,021	712,707
Reversal of provision for doubtful receivables	30	6,025,532	2,686,751
Gain on disposal of ijarah assets		-	374,032
Other income	31	9,934,870	1,937,193
Unrealised gain on revaluation of FVTPL investment		695,395,104	175,924,661
		1,012,312,449	503,795,217
EXPENSES			
Administrative expenses	32	137,821,723	150,704,767
Depreciation on investment properties	7.1	41,843,687	41,817,784
Financial charges	33	13,766,218	6,609,310
		193,431,628	199,131,861
Modaraba Management Company's fee	34	82,522,411	31,942,494
Sales tax on Modaraba Management company's fee		10,727,913	4,152,524
Provision for Sindh Workers' Welfare Fund	35	14,639,476	5,666,598
Profit before taxation		710,991,021	262,901,740
Taxation	36	62,946,156	91,953
Net profit for the year		648,044,865	262,809,787
Earnings per certificate - basic and diluted	38	6.82	2.90

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

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

Syed Ali Raza
Director

Waqas Anwar Qureshi
Director

Ayaz Dawood
Chief Executive Officer

Syed Tariq Masood
Chief Financial Officer



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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2022

	2 0 2 2	2 0 2 1
	----- Rupees -----	-----
Profit for the year	648,044,865	262,809,787
Other comprehensive gain for the year		
Items that will be subsequently reclassified:		
Unrealised gain on revaluation of fair value through OCI investments.	(575,740,405)	855,511,253
Total comprehensive income for the year	<u>72,304,460</u>	<u>1,118,321,040</u>

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

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

Syed Ali Raza
Director

Waqas Anwar Qureshi
Director

Ayaz Dawood
Chief Executive Officer

Syed Tariq Masood
Chief Financial Officer



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2022

	Note	2 0 2 2 ----- Rupees -----	2 0 2 1
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		710,991,021	262,901,740
Adjustment of non-cash and other items:			
Depreciation on owned assets	6.1 & 7.1	55,000,137	54,807,935
Depreciation on ijarah assets	6.2.2	196,107	1,923,036
Provision against doubtful receivable - net	30	(6,025,532)	(2,686,751)
Gain on disposal of property and equipment - owned		(892,906)	(628,542)
Gain on disposal of property, plant and equipment - leased / ijarah		-	(374,032)
Ijarah rental income		(1,985,854)	(2,875,477)
Profit on murabaha, musharaka		(12,968,395)	(10,054,689)
Financial charges		13,766,218	6,609,310
Unrealised gain on revaluation of FVTPL		(695,395,104)	(175,924,661)
Return on investments - net		(37,931,413)	(79,996,715)
		(686,236,742)	(209,200,586)
		24,754,279	53,701,154
(Increase) / decrease in current assets			
Ijarah / lease rentals receivable		64,428	3,509,688
Loans, advances and prepayments		(55,449,382)	(10,258,399)
Accrued profit		12,706,390	10,857,167
Other receivables		72,719,180	(76,305,932)
		30,040,616	(72,197,476)
Increase / (decrease) in current liabilities			
Creditors, accrued and other liabilities		89,571,373	27,298,589
Rent received in advance		(13,516,101)	4,006,113
Customers' security deposit		(340,469)	3,092,378
		75,714,803	34,397,080
Income tax (paid) / refund - net		(32,869,744)	4,175,720
		97,639,953	20,076,478
Net cash generated from operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to property and equipment - owned	6.1	(12,974,816)	(20,797,990)
Addition to investment properties	7.1	(116,770)	(1,372,000)
Proceeds from disposal of property, plant and equipment - leased / ijarah		1,405,845	687,268
Proceeds from disposal of property, plant and equipment - leased / ijarah		2,149,100	5,740,822
Investments purchased - net		(38,146,126)	(19,694,424)
Income received on investments		32,792,465	20,149,962
Musharaka finances		20,922,807	(32,780,457)
		6,032,505	(48,066,819)
Net cash generated from / (used in) investing activities			



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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2022

	Note	2 0 2 2	2 0 2 1
		----- Rupees -----	-----
CASH FLOWS FROM FINANCING ACTIVITIES			
Profit paid to certificate holders		(121,777,581)	(65,178,606)
Right share subscription money received		-	86,362,260
Finance under murabaha, musharaka and finance	21.3	60,000,000	40,000,000
Long-term loans	20.2	(27,544,684)	(27,536,000)
Financial charges paid		(13,850,196)	(7,139,186)
Net cash used in financing activities		(103,172,461)	26,508,468
Net increase / (decrease) in cash and cash equivalents		499,997	(1,481,873)
Cash and cash equivalents at the beginning of the year		40,048,179	41,530,052
Cash and cash equivalents at the end of the year	16	40,548,176	40,048,179

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

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

Syed Ali Raza
Director

Waqas Anwar Qureshi
Director

Ayaz Dawood
Chief Executive Officer

Syed Tariq Masood
Chief Financial Officer



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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2022

Description	Issued, subscribed and paid-up certificate capital	Capital reserves			Revenue reserve	Surplus on revaluation of investment	Total
		Profit prior to floatation	Merger reserve	Statutory reserve	Accumulated (loss) / Profit		
----- (Rupees) -----							
Balance as at July 01, 2020	863,622,630	10,532,683	44,902,567	830,269,870	(490,125,467)	486,928,899	1,746,131,182
Profit for the year ended June 30, 2021	-	-	-	-	262,809,787	-	262,809,787
Other comprehensive income	-	-	-	-	-	855,511,253	855,511,253
Total comprehensive income for the period	-	-	-	-	262,809,787	855,511,253	1,118,321,040
Transfer of revaluation surplus on disposal of fair value through OCI investments	-	-	-	-	(10,944,478)	10,944,478	-
Profit distribution for the year ended June 30, 2020 @ Re 0.78 per certificate	-	-	-	-	(67,362,565)	-	(67,362,565)
Issue of right certificates	86,362,260	-	-	-	-	-	86,362,260
Transfer to statutory reserve	-	-	-	138,332,205	(138,332,205)	-	-
Balance as at June 30, 2021	949,984,890	10,532,683	44,902,567	968,602,075	(443,954,928)	1,353,384,630	2,883,451,917
Profit for the year ended June 30, 2022	-	-	-	-	648,044,865	-	648,044,865
Other comprehensive income	-	-	-	-	-	(575,740,405)	(575,740,405)
Total comprehensive income for the year	-	-	-	-	648,044,865	(575,740,405)	72,304,460
Transfer of gain on disposal of fair value through OCI investments	-	-	-	-	21,810,795	(21,810,795)	-
Transfer to statutory reserve	-	-	-	32,721,153	(32,721,153)	-	-
Profit distribution for the year ended June 30, 2021 @ 1.32	-	-	-	-	(125,398,005)	-	(125,398,005)
Balance as at June 30, 2022	949,984,890	10,532,683	44,902,567	1,001,323,228	67,781,574	755,833,430	2,830,358,372

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

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

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

**Syed Ali Raza
Director**

**Waqas Anwar Qureshi
Director**

**Ayaz Dawood
Chief Executive Officer**

**Syed Tariq Masood
Chief Financial Officer**



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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

1. LEGAL STATUS AND NATURE OF THE BUSINESS

These consolidated financial statements consist of the following group companies:

1.1 Holding Company

B.R.R. Guardian Modaraba (the Modaraba) is a multipurpose, perpetual modaraba floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Modaraba Companies and Modaraba Rules, 1981 framed there under and is managed by B.R.R. Investments (Private) Limited, having its registered office at 1900-B, Saima Trade Towers, I.I. Chundrigar Road, Karachi.

The Modaraba is listed on the Pakistan Stock Exchange Limited. The Modaraba's principal activity is leasing (ijarah) of assets, deployment of funds in musharakas, murabahas and investment in properties, equity and debt securities. The Modaraba also provides custodial and management services in the name of B.R.R. Security Vault.

Pursuant to Finance Act, 2021, tax exemption on Modarabas has been withdrawn, effective from 1 July 2021, due to which the Board of Directors in their meeting held on September 30, 2021 have discussed the plan to restructure the current legal structure of the Modaraba and transfer the existing business of the Modaraba, on a going concern basis, along with all its assets and liabilities, including all contingent liabilities, to separate legal entity.

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

The Registrar of modaraba has issued NOC on proposed merger vide its letter dated March 28, 2022 and on April 14, 2022 the modaraba has submitted petition for approval of Sindh High Court for the aforesaid merger. Further, the certificate holders of modaraba in their meeting held on May 20, 2022 has 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 Modarabas and such changes, modifications as may be required or advised by legal counsel and / or accounting consultants and / or by the High Court.

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.

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

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



B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

2 IMPACT OF COVID 19

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on 11 March 2020, impacting countries globally including Pakistan. Government of Pakistan has taken certain measures to reduce the spread of the COVID-19 including lockdown of businesses, suspension of flight operations, intercity movements, cancellation of major events etc. The Company is conducting business with some modifications to employee working and cancellation of certain events, among other modifications while following all necessary Standard Operating Procedures (SOPs). The Company will continue to actively monitor the situation and may take further actions that alter its business operations as may be required by federal, provincial or local authorities or that are in the best interests of our employees, customers, partners, suppliers and stockholders. However, the management based on its assessment considered that there would be no significant impact that will adversely affect its businesses, results of operations and financial condition in future period.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, Trust Deed and directives issued by the Securities and Exchange Commission of Pakistan (the SECP) ('collectively the applicable Modaraba laws, the Modaraba Regulations') together with approved accounting standards as applicable in Pakistan to Modarabas. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) and Islamic Financial Accounting Standards (IFAS) as notified under the provisions of the Companies Act, 2017 and made applicable to modarabas under 'the Modaraba Regulations'. Wherever the requirements of the applicable Modaraba laws, the Modaraba Regulations differ with the requirement of IFRSs, the requirement of collectively the applicable Modaraba laws, the Modaraba Regulations and IFAS shall prevail.

3.2 Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Modaraba 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 Modaraba is eliminated against the corresponding share capital of subsidiary in the consolidated financial statements.

3.3 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.

3.4 Functional and presentation currency

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

3.5 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 as follows:

	Note
Amortization of property, plant and equipment - Ijarah	5.1
Amortization of property, plant and equipment - leased	5.1.1
Depreciation on property and equipment - own	5.1.2
Classification and valuation of investments	5.5
Provision for doubtful receivables	5.6
Impairment of investments, debt securities and leased assets	5.8



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

4.1 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Following are the new standards and amendment to approved accounting standards which are mandatory for the Modaraba's annual accounting period which began on July 1, 2020.

Standard or Interpretation	Effective Date "(Annual periods beginning on or after)"
- IFRS 3 - Revised Conceptual Framework (Amendments)	January 01, 2022
- IFRS 9 - Financial Instruments: Classification and Measurement	January 01, 2022
- IAS 16 – Property, Plant and Equipments: proceeds before intended use	January 01, 2022
- IAS 37 - Onerous Contracts: cost of fulfilling a contract	January 01, 2022
- IAS 1 - Classification of Liabilities as Current or Non-current (Amendments)	January 01, 2023
- IAS 1 - Disclosure of Accounting Policies (Amendments)	January 01, 2023
- IAS 8 - Definition of Accounting Estimates (Amendments)	January 01, 2023
- IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)	January 01, 2023

The above standards and amendments are not expected to have any material impact on the Modaraba's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards

- IFRS 1 - First time adoption of IFRS
- IFRS 17 - Insurance Contracts
- IFRS 14 - Regulatory Deferral

IFRS 9 Financial Instruments

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the SECP through its S.R.O. 229 (I)/2020 and is effective for accounting period / year ending on or after June 30, 2020.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 replaces the previous revenue standards: IAS 18 "Revenue", IAS 11 "Construction Contracts", and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Management has undertaken a detailed assessment of the performance obligations associated with revenue streams and is of the view that application of IFRS 15 does not have any material impact on the current and prior year figures as well as the accounting policies applied for the recognition of revenue. Accordingly, no restatement of the information presented for prior year is required.



B.R.R. Guardian Modaraba
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International Financial Reporting Standards (IFRS) 16 "Leases" has replaced IAS 17 "Leases", the former lease accounting standard, and has become effective from annual accounting periods beginning on or after January 1, 2020.

IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on statement of financial position with only exception of short term and low value leases. Under IFRS 16, a lessee shall recognize an asset (the right to use the leased item) based on the initial measurement of lease liability, plus (any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located) along with corresponding financial liability to pay rentals at the present value of future lease payments over the lease term, discounted using (the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.)

IFRS 16, 'Leases' (effective from annual reporting periods beginning on or after January 1, 2020) - IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The recognition criteria for lease is same as define in IAS 17 for lessor.

The Modaraba adopted IFRS 16 as on July 1, 2020, The Modaraba has an application of IFRS 16 as a lessor for an operating lease of lockers and properties which are already covered and classified under Investment Properties. Therefore the application of this standard does not result in any change in financial reporting. However para 96 of IFRS 16 requires Modaraba to apply disclosure requirement as given in IAS 40 for the assets subject to operating lease which have been disclosed accordingly.

4.2 Standards, amendments to published standards and interpretations that are effective but not relevant

The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 01, 2020 are considered not to be relevant or to have any significant effect on the Modaraba's financial reporting and operations and are therefore not presented here.

4.3 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Modaraba

There are certain standards, amendments to the IFRS and interpretations that are mandatory for companies having accounting periods beginning on or after April 1, 2021 but are considered not to be relevant or to have any significant effect on the Modaraba's operations and are, therefore, not detailed in these financial statements, except for the following:

Standard or Interpretation	Effective Date "(Annual periods beginning on or after)"
-----------------------------------	--

IAS 1 - Presentation of financial statements	April 01, 2021
--	----------------

(a) Classification of liabilities - Amendment to IAS 1

The IASB issued a narrow-scope amendment to IAS 1, 'Presentation of Financial Statements', to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

In particular, the amendment clarifies that:

- liabilities are classified as non-current if the entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendment no longer refers to unconditional rights;



B.R.R. Guardian Modaraba
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- the assessment determines whether a right exists, but it does not consider whether the entity will exercise the right. So, management's expectations do not affect the classification;
- the right to defer only exists if the entity complies with any relevant conditions at the reporting date. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date; and
- Settlement is defined as the extinguishment of a liability with cash, other economic resources or an entity's own equity instruments

The management has assessed that the impact of this amendment is not expected to be significant.

(b) Disclosure of accounting policies and definition of accounting estimates - Amendment to IAS 1 and IAS 8

The IASB amended IAS 1, 'Presentation of Financial Statements', to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment also clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information.

The amendment to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The management has assessed that the impact of this amendment is not expected to be significant.

The management anticipates that, except as stated above, adoption of the new standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than presentation and disclosures.

4.4 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	Effective Date "(Annual periods beginning on or after)"
IFRS 14 - Regulatory Deferral Accounts	January 01, 2018
IFRS 17 - Insurance Contracts	January 01, 2022

The Modaraba expects that above new standards will not have any material impact on the Modaraba's financial statements in the period of application.

5 SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Property, plant and equipment under ijarah arrangements

The Modaraba has 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.



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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.

5.1.1 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.

5.1.2 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 Modaraba 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.

5.2 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.

5.3 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 Modaraba 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 Modaraba 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.



5.4 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.

5.5 Financial assets

The Modaraba 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.

5.5.1 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.

5.6 Provisions for doubtful receivables

Provisions are recognised when the Modaraba 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.

5.7 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 Modaraba 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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5.8 Impairment

5.8.1 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 modaraba 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.

5.8.2 Impairment on Non-financial assets

The Modaraba 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.

5.9 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 modaraba has transferred substantially all risks and rewards of ownership.

5.10 Revenue recognition

5.10.1 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 Modaraba are classified as an operating lease. Rental income from operating leases is recognised on straight line on an accrual basis.



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5.10.2 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.

5.10.3 Rental income

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

5.10.4 Dividend income

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

5.10.5 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.

5.10.6 Income on debt securities

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

5.10.7 Income on balances with banks

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

5.10.8 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 Modarabas issued by the SECP. Unrealised suspense income is recognised in profit and loss account on receipt basis.

5.11 Taxation

5.11.1 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.

5.11.2 Deferred

The Modaraba 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 consolidated 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.

5.12 Staff provident fund

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



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5.13 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.

5.14 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.

5.15 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.

5.16 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).

5.17 Profit distribution and other appropriations of profit

Profit distributions to the certificate holders and other appropriations of profit are recognised in the year in which these are approved. Transfer to statutory reserve and any of the mandatory appropriations as may be required by law are recognised in the year to which these relate.

5.18 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 Modaraba 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.

5.19 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 modaraba 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 Modaraba 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 Modaraba's other components. The Modaraba has only one reportable segment.

5.20 Earnings per certificate

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

5.21 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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Note ----- **(Rupees)** -----

6 PROPERTY, PLANT AND EQUIPMENT

Property and equipment - owned	6.1	69,980,008	70,674,581
Property, plant and equipment- leased / ijarah	6.2	20,346,419	22,691,626
		<u>90,326,427</u>	<u>93,366,207</u>

6.1 Property, plant and equipment - owned

Particulars	Leasehold land	Building on leasehold land	Office Premises (Ref: 6.1.1)	Lockers	Furniture and fixtures	Vehicles	Office equipment and computers	Total
	----- (Rupees) -----							

Year ended June 30, 2022

Net carrying value basis

Opening net book value (NBV)	1,036,431	6,636,563	25,722,928	10,239,534	3,416,029	21,434,853	2,188,243	70,674,581
Additions (at cost)	-	-	-	3,781,000	-	7,774,116	1,419,700	12,974,816
Disposals (NBV)	-	-	-	-	-	(512,937)	(2)	(512,939)
Depreciation charge	(50,558)	(154,517)	(2,020,492)	(1,751,725)	(422,947)	(7,223,265)	(1,532,946)	(13,156,450)
Closing net book value	985,873	6,482,046	23,702,436	12,268,809	2,993,082	21,472,767	2,074,995	69,980,008

Gross carrying value basis

Cost	2,527,890	26,079,419	46,733,154	35,454,168	5,380,426	45,469,439	21,922,738	183,567,234
Accumulated depreciation	(1,542,017)	(19,597,373)	(20,592,311)	(23,185,359)	(2,387,344)	(23,996,672)	(19,847,743)	(111,148,819)
Accumulated impairment	-	-	(2,438,407)	-	-	-	-	(2,438,407)
Net book value	985,873	6,482,046	23,702,436	12,268,809	2,993,082	21,472,767	2,074,995	69,980,008

Year ended June 30, 2021

Net carrying value basis

Opening net book value (NBV)	1,086,989	6,753,649	28,286,604	5,837,002	3,833,601	15,305,086	2,365,720	63,468,651
Additions (at cost)	-	38,000	-	7,196,950	5,000	12,307,860	1,250,180	20,797,990
Transfer from investment property (NBV)	-	-	-	-	-	-	-	-
Disposals (NBV)	-	-	-	-	-	(58,723)	(2)	(58,725)
Transfer to investment property (NBV)	-	-	(543,184)	-	-	-	-	(543,184)
Depreciation charge	(50,558)	(155,086)	(2,020,492)	(2,794,418)	(422,572)	(6,119,370)	(1,427,655)	(12,990,151)
Closing net book value	1,036,431	6,636,563	25,722,928	10,239,534	3,416,029	21,434,853	2,188,243	70,674,581

Gross carrying value basis

Cost	2,527,890	26,079,419	46,733,154	31,673,168	5,380,426	42,239,273	21,048,920	175,682,250
Accumulated depreciation	(1,491,459)	(19,442,856)	(18,571,819)	(21,433,634)	(1,964,397)	(20,804,420)	(18,860,677)	(102,569,262)
Accumulated impairment	-	-	(2,438,407)	-	-	-	-	(2,438,407)
Net book value	1,036,431	6,636,563	25,722,928	10,239,534	3,416,029	21,434,853	2,188,243	70,674,581

Depreciation rate % per annum

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

Property and equipment	Cost	Accumulated depreciation	Net book value	Disposal proceeds	Gain on disposal	Mode of disposal	Particulars of purchaser
Vehicles							
Suzuki Cultus 1000cc BEK-385	1,051,950	1,051,949	1	105,195	105,194	Company policy	Mr. Yousuf Ali
Unique-70cc KNV-5638	57,500	11,500	46,000	51,750	5,750	Company policy	Mr. Sharafat Subhani
Suzuki Mehran 796cc BPR-763	875,500	408,567	466,933	825,000	358,067	Insurance claim	Jubilee General Insurance
Suzuki Mehran 796cc BFS-708	688,000	687,999	1	68,800	68,799	Company policy	Mr. Tanveer Ahmed
Unique-70cc KJG-2622	47,500	47,499	1	4,750	4,749	Company policy	Mr. Tauseef Ahmed
Toyota Corolla GLI 1300 BGJ-239	1,823,500	1,823,499	1	182,350	182,349	Company policy	Mr. Iqbal Ahmed
Office equipment and computers							
Rifle 223CQ Black Color	381,000	381,000	-	150,000	150,000	Company policy	Third party
UPS & batteries	164,882	164,880	2	18,000	17,998	Company policy	Mufaddal Carbi-tech Solutions
June 30, 2022	5,089,832	4,576,893	512,939	1,405,845	892,906		
June 30, 2021	5,635,000	5,576,275	58,725	687,267	628,542		

6.2 Property, plant and equipment - leased / ijarah	Note	2022	2021
		----- (Rupees) -----	
Property, plant and equipment - leased	6.2.1 & 6.2.3	19,615,249	19,615,249
Property, plant and equipment - ijarah	6.2.2	731,170	3,076,377
		20,346,419	22,691,626

6.2.1 Property, plant and equipment - leased

Particulars	Plant and machinery	Vehicles	Motor boat	Total
	----- (Rupees) -----			
Year ended June 30, 2022				
Net carrying value basis				
Opening net book value (NBV)	14,281,091	5,064,742	269,416	19,615,249
Additions (at cost)	-	-	-	-
Disposals (NBV)	-	-	-	-
Impairment	-	-	-	-
Depreciation charge	-	-	-	-
Closing net book value	14,281,091	5,064,742	269,416	19,615,249
Gross carrying value basis				
Cost	160,851,356	89,144,995	2,694,300	252,690,651
Accumulated impairment	(424,719)	(41,659,585)	-	(42,084,304)
Accumulated depreciation	(146,145,546)	(42,420,668)	(2,424,884)	(190,991,098)
Net book value	14,281,091	5,064,742	269,416	19,615,249



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Particulars	Plant and machinery	Vehicles	Motor boat	Total
	----- (Rupees) -----			
Year ended June 30, 2021				
Net carrying value basis				
Opening net book value (NBV)	14,281,091	5,064,742	269,416	19,615,249
Additions (at cost)	-	-	-	-
Disposals (NBV)	-	-	-	-
Impairment	-	-	-	-
Depreciation charge	-	-	-	-
Closing net book value	<u>14,281,091</u>	<u>5,064,742</u>	<u>269,416</u>	<u>19,615,249</u>
Gross carrying value basis				
Cost	160,851,356	89,144,995	2,694,300	252,690,651
Accumulated impairment	(424,719)	(41,659,585)	-	(42,084,304)
Accumulated depreciation	(146,145,546)	(42,420,668)	(2,424,884)	(190,991,098)
Net book value	<u>14,281,091</u>	<u>5,064,742</u>	<u>269,416</u>	<u>19,615,249</u>
Depreciation rate % per annum	<u>11% - 25%</u>	<u>20% - 33%</u>	<u>20%</u>	

6.2.2 Property, plant and equipment - ijarah

Particulars	Vehicles	Total
	----- (Rupees) -----	
Year ended June 30, 2022		
Net carrying value basis		
Opening net book value (NBV)	3,076,377	3,076,377
Additions (at cost)	-	-
Disposals (NBV)	(2,149,100)	(2,149,100)
Depreciation charge	(196,107)	(196,107)
Closing net book value	<u>731,170</u>	<u>731,170</u>
Gross carrying value basis		
Cost	3,572,000	3,572,000
Accumulated depreciation	(2,840,830)	(2,840,830)
Net book value	<u>731,170</u>	<u>731,170</u>
Year ended June 30, 2021		
Net carrying value basis		
Opening net book value (NBV)	10,366,203	10,366,203
Additions (at cost)	-	-
Disposals (NBV)	(5,366,790)	(5,366,790)
Depreciation charge	(1,923,036)	(1,923,036)
Closing net book value	<u>3,076,377</u>	<u>3,076,377</u>
Gross carrying value basis		
Cost	12,533,000	12,533,000
Accumulated depreciation	(9,456,623)	(9,456,623)
Net book value	<u>3,076,377</u>	<u>3,076,377</u>
Depreciation rate % per annum	<u>20% - 33%</u>	



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6.2.3 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, the lease receivables related to these assets are also fully provided under Prudential Regulations for Modaraba's.

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

	Note	2 0 2 2 ----- (Rupees) -----	2 0 2 1 ----- (Rupees) -----
7. INVESTMENT PROPERTIES			
Investment properties	7.1	891,463,263	933,190,180
Capital work- in-progress	7.2	9,089,000	9,089,000
		<u>900,552,263</u>	<u>942,279,180</u>

7.1. Investment properties

Particulars	Leasehold land	Building on leasehold land	Office premises (note 6.1.1)	Total
	----- (Rupees) -----			

Year ended June 30, 2022

Net carrying value basis

Opening net book value (NBV)	135,734,108	529,490,420	267,965,652	933,190,180
Additions (at cost)	-	-	116,770	116,770
Transfer from owned asset (NBV)	-	-	-	-
Depreciation charge	(3,790,222)	(18,378,739)	(19,674,726)	(41,843,687)
Closing net book value	<u>131,943,886</u>	<u>511,111,681</u>	<u>248,407,696</u>	<u>891,463,263</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	(57,567,269)	(164,681,388)	(315,108,075)	(537,356,732)
Net book value	<u>131,943,886</u>	<u>511,111,681</u>	<u>248,407,696</u>	<u>891,463,263</u>

Particulars	Leasehold land	Building on leasehold land	Office premises (note 6.1.1)	Total
	----- (Rupees) -----			

Year ended June 30, 2021

Net carrying value basis

Opening net book value (NBV)	139,524,330	546,471,257	287,097,193	973,092,780
Additions (at cost)	-	1,372,000	-	1,372,000
Transfer from owned asset (NBV)	-	-	543,184	543,184
Transfer to owned asset (NBV)	-	-	-	-
Disposals (NBV)	-	-	-	-
Reversal of impairment	-	-	-	-
Depreciation charge	(3,790,222)	(18,352,837)	(19,674,725)	(41,817,784)
Closing net book value	<u>135,734,108</u>	<u>529,490,420</u>	<u>267,965,652</u>	<u>933,190,180</u>

Gross carrying value basis

Cost	189,511,155	675,793,069	567,381,433	1,432,685,657
Accumulated impairment	-	-	(3,982,432)	(3,982,432)
Accumulated depreciation	(53,777,047)	(146,302,649)	(295,433,349)	(495,513,045)
Net book value	<u>135,734,108</u>	<u>529,490,420</u>	<u>267,965,652</u>	<u>933,190,180</u>

Depreciation rate % per annum	<u>2%</u>	<u>2-5%</u>	<u>2-5%</u>
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7.1.1 This includes an office premises costing Rs. 70 million, which was swapped by Modaraba in March 2012 from First Dawood Investment Bank Limited (FDIBL), an associated undertaking. The said property was earlier acquired by FDIBL from its borrower against the settlement of liabilities who had also defaulted in its obligation with commercial bank. The said commercial bank has obtained a stay order against the property due to which execution of the sale deed and transfer of title in the name of Modaraba are in abeyance. In prior years, the Modaraba has recorded reversal of impairment in the said property amounting to Rs. 70.328 million as per IAS 36. This property is in own use as well as an investment property.

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

The original title documents and possession of the property rest with the Modaraba. The portion of the said property has been rented out to associated undertakings. As soon as the case in question is decided, FDIBL will be able to execute the sale deed in favour of the Modaraba.

The fair value of investment property as at June 30, 2021 as per valuation report of independent valuer is Rs. 4,049.051 million (June 30, 2021: Rs. 3,003.351 million).

7.2 Capital work-in-progress	Note	2 0 2 2 ----- (Rupees) -----	2 0 2 1 -----
Advance for office premise -Jofa Tower, Karachi	7.2.1	66,420,000	66,420,000
Less: Provision against advance for office premises		(57,331,000)	(57,331,000)
		<u>9,089,000</u>	<u>9,089,000</u>

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

8 LONG-TERM MUSHARAKA FINANCES	Note	2 0 2 2 ----- (Rupees) -----	2 0 2 1 -----
Considered good		82,136,744	93,117,299
Considered doubtful		50,068,375	62,104,534
	8.1 & 8.3	<u>132,205,119</u>	<u>155,221,833</u>
Expected credit loss allowance under IFRS 9		(1,958,360)	-
Provision for doubtful receivables	8.2	(50,068,375)	(62,104,534)
		80,178,384	93,117,299
Current portion of musharaka finances		(30,863,874)	(25,809,072)
		<u>49,314,510</u>	<u>67,308,227</u>



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8.1 The expected profit receivable on these arrangements ranges from 8.21% to 19.33% (June 30, 2021: 8.21% to 18.58%) per annum. The arrangements are secured by way of hypothecation of stock, mortgage of property and equipment and pledge of shares. These finances are receivable on various dates up to August 28, 2027.

	2 0 2 2	2 0 2 1
Note	----- (Rupees) -----	-----
8.2 Movement of provision		
Opening balance	62,104,534	79,948,344
Provision during the year	30 -	913,265
Written off during the year	(4,052,267)	(15,157,059)
Reversal during the year	30 (7,983,892)	(3,600,016)
Closing balance	<u>50,068,375</u>	<u>62,104,534</u>

8.3 Ageing of musharaka finances

Neither past due nor impaired	81,896,809	92,265,587
Past due but not impaired	239,935	755,421
Past due and impaired	50,068,375	62,200,825
	<u>132,205,119</u>	<u>155,221,833</u>

9 LONG TERM LOANS, ADVANCES AND DEPOSITS

Loans - secured - considered good		
To employees	9.1 2,006,451	2,426,714
Current portion of loans to employees	(330,071)	(420,262)
	1,676,380	2,006,452
To executives	9.1, 9.2 & 9.3 2,820,801	2,939,088
Current portion of loans to executives	(1,797,779)	(1,791,727)
	1,023,022	1,147,361
Deposits	3,359,030	3,037,310
Advance against musharaka	-	-
	<u>6,058,432</u>	<u>6,191,123</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% (June 30, 2021: 5%) per annum and are secured against the mortgage of properties.

9.2 The maximum amount of loans and advances due from executives at the end of any month during the year was Rs. 2.94 million (June 30, 2021: Rs. 3.052 million).

9.3 The Modaraba has availed the benefit of forced sale value of the collateral amounting to Rs. 1.673 million against a loan to an executive.



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		2 0 2 2	2 0 2 1
	Note	----- (Rupees) -----	
10 SHORT-TERM INVESTMENTS			
Fair value through profit or loss - FVTPL:			
Listed ordinary shares	10.1	1,249,366,880	475,858,631
Mutual fund units	10.2	26,844,408	26,468,798
Preference Shares	10.3	6,049,461	9,111,355
Listed debt securities	10.4	10,799,190	10,752,131
		1,293,059,939	522,190,915
Fair value through other comprehensive income - FVTOCI:			
Listed ordinary shares / modaraba certificates	10.5	823,134,733	1,365,754,819
Mutual fund units	10.6	8,236,524	8,185,098
Unlisted ordinary shares	10.7	49,368,791	94,835,436
Unlisted debt securities	10.8	1,245,953	1,245,953
		881,986,001	1,470,021,306
Provision for diminution in value of investments	10.8.3	(16,222,148)	(16,222,148)
		2,158,823,792	1,975,990,073

10.1 FVTPL: Listed ordinary shares

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

June 30 2 0 2 2	June 30 2 0 2 1	Names of investees	June 30 2 0 2 2	June 30 2 0 2 1
Number of shares / units			----- (Rupees) -----	
		Glass & ceramics		
101,005	100,505	Ghani Glass Limited	4,124,034	4,844,341
4,000	-	Tariq Glass Industries Limited	415,240	-
		Textile composite		
44,300	48,800	Nishat Mills Limited	3,274,213	4,553,040
25,500	25,500	Kohinoor Textile Mills Limited	1,275,000	1,917,600
		Cement		
95,817	58,896	D.G. Khan Cement Company Limited	5,988,563	6,945,016
12,912	7,400	Lucky Cement Limited	5,927,124	6,389,456
535,500	468,000	Fauji Cement Company Limited	7,588,035	10,764,000
1,533,168	1,319,668	Power Cement Limited	8,156,454	12,682,009
30,863	67,403	Maple Leaf Cement Factory Limited	844,103	3,166,593
5,400	5,400	Bestway Cement Ltd	685,692	872,208



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June 30 2022	June 30 2021	Names of investees	June 30 2022	June 30 2021
Number of shares / units			(Rupees)	
		Power generation & distribution		
4,133,246	613,246	K-Electric Limited	12,565,068	2,563,368
10,500	10,500	The Hub Power Company Limited	715,785	836,535
		Refinery		
14,016	2,698	Attock Refinery Limited	2,463,732	691,902
62,074	50,950	National Refinery Limited	15,678,030	26,656,531
67,890	-	Cnergyico PK Limited	362,533	-
		Fertilizer		
25,435	15,931	Engro Corporation Limited	6,539,084	4,693,432
		Oil & gas exploration companies		
1,581	2,860	Mari Petroleum Company Limited	2,750,529	4,359,755
184,367	154,060	Pakistan Petroleum Limited	12,446,616	13,377,030
226,059	187,059	Oil & Gas Development Company Limited	17,784,062	17,776,217
31,317	29,917	Shell Pakistan Limited	3,699,477	5,241,458
-	5,000	Pakistan Oilfields Limited	-	1,969,300
		Oil & gas marketing companies		
99,779	57,280	Pakistan State Oil Company Limited	17,146,023	12,845,040
90,991	67,392	Sui Northern Gas Pipelines Limited	3,112,802	3,273,903
223,500	223,500	Sui Southern Gas Company Limited	2,024,910	2,972,550
		Automobile assembler		
210,023	161,210	Sazgar Engineering Work Limited	13,046,629	27,117,134
3,529	4,120	Millat Tractors Limited	3,079,370	4,447,993
		Automobile parts & accessories		
48,431	23,943	Panther Tyres Limited	1,569,164	1,655,180
12,200	12,200	Agriautos Industries Ltd	1,634,800	3,347,558



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June 30 2022	June 30 2021	Names of investees	June 30 2022	June 30 2021
Number of shares / units			----- (Rupees) -----	
		Chemical		
13,547	13,447	ICI Pakistan Limited	9,815,479	11,682,754
110,043	101,100	Ittehad Chemicals Limited	3,286,984	3,846,855
216,000	189,500	Sitara Peroxide Limited	3,080,160	5,360,955
57,625	44,300	Pakistan Oxygen Limited	7,289,563	6,866,500
2,000	2,000	Archroma Pakistan Limited	1,098,000	1,145,000
39,625	23,625	Berger Paints Pakistan Limited	2,899,758	2,061,990
4,356	-	Biafo Industries Limited	291,852	-
2,400	1,700	Sitara Chemical Industries Limited	744,000	598,400
		Engineering		
17,000	5,500	Ittefaq Iron Industries Limited	119,340	104,225
549,375	473,500	Agha Steel Industries Limited	8,614,200	15,971,155
8,800	8,800	KSB Pumps Co Ltd	1,163,624	1,952,456
		Transport		
12,000	5,500	Pakistan National Shipping Corporation Limited	579,120	399,850
599,000	-	Pakistan Intl. Bulk Terminal Limited	3,605,980	-
1,254	-	Universal Network Systems Limited	61,433	-
		Food & personal care products		
-	36,030	Al-Tahur Limited	-	839,499
59,475	29,250	The Organic Meat	1,298,934	1,074,645
7,375	3,800	National Foods Limited	1,067,753	870,276
63,000	25,000	Al-Shaheer Corporation	569,520	498,250
38,350	38,350	Bunny's Limited	818,389	1,581,554
		Technology & communication		
151,500	196,500	Pakistan Telecommunication Company Limited	1,054,440	2,326,560
2,848,138	195,180	Systems Limited	939,486,801	109,343,740
13,500	-	Netsol Technologies Ltd	1,346,490	-
39,500	-	Supernet Limited	762,745	-
		Leather & tanneries		
63,580	63,680	Service Industries Limited	22,427,845	37,420,278
99,767	68,267	Service Global Footwear Limited	4,008,638	3,947,881



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June 30 2022	June 30 2021	Names of investees	June 30 2022	June 30 2021
Number of shares / units			----- (Rupees) -----	
		Pharmaceuticals		
3,450	1,550	Abbott Laboratories (Pakistan) Limited	2,258,508	1,228,159
26,100	7,200	AGP Limited	2,286,882	844,776
11,335	10,286	Highnoon Laboratories Limited	6,006,076	6,171,600
18,160	19,460	Ferozsons Laboratories Limited	4,883,406	6,865,877
149,542	102,257	The Searle Company Limited	16,303,069	24,809,593
159,465	132,765	GlaxoSmithKline Pakistan Limited	19,921,962	21,995,178
37,700	14,500	GlaxoSmithKline Consumer Healthcare Pakistan Limited	8,985,041	3,626,305
5,150	-	Citi Pharma Limited	168,096	-
		Cable & electrical goods		
137,803	72,600	Pak Elektron Limited	2,189,690	2,545,356
249,000	249,000	Waves Singer Pakistan Limited	3,169,770	6,787,740
1,000	-	Pakistan Cables Limited	139,500	-
79,500	-	Modarabas Modaraba Al - Mali	532,650	-
		Commercial banks		
11,000	62,500	Bank Islami Pakistan Limited	132,440	702,500
8,226	5,500	Meezan Bank Limited	929,373	634,755
26,800	6,500	Paper & board Security Paper Limited	3,107,728	939,705
93,881	94,381	Roshan Packages Limited	1,395,072	3,108,910
101,000	-	Pak Agro Packaging Limited	1,020,100	-
8,000	8,000	Woollen Bannu Woollen Mills Limited	240,000	400,640
1,598	1,598	Miscellaneous United Distributors Pakistan	51,136	80,300
84,669	-	Pakistan Aluminium Beverage Cans	2,669,614	-
952	-	Tri Pack Films	157,080	-



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June 30 2022	June 30 2021	Names of investees	June 30 2022	June 30 2021
Number of shares / units			----- (Rupees) -----	
		Vanaspati & Allied Industries		
1,501	6,390	Unity Foods Limited	30,127	284,485
		Synthetic & Rayon		
2,000	-	Rupali Polyester Limited	76,000	-
		Real estate investment trust		
172,000	89,000	Dolmen City REIT	2,325,440	980,780
			<u>1,249,366,880</u>	<u>475,858,631</u>

10.2 FVTPL: Investment in mutual fund units

JUNE 30 2022	JUNE 30 2021	Names of investees	JUNE 30 2022	JUNE 30 2021
Number of shares / units			----- (Rupees) -----	
		Open-end mutual funds		
328,519	325,949	786 Smart Fund	26,844,408	26,468,798
			<u>26,844,408</u>	<u>26,468,798</u>

10.3 FVTPL: Investment in preference shares

JUNE 30 2022	JUNE 30 2021	Names of investees	JUNE 30 2022	JUNE 30 2021
Number of shares / units			----- (Rupees) -----	
		Cement		
756,990	756,990	Power Cement Limited - Preference Shares	5,753,124	8,818,934
		Chemical		
26,109	26,109	Engro Polymer & Chemicals Limited - Preference Shares	296,337	292,421
			<u>6,049,461</u>	<u>9,111,355</u>

10.4 FVTPL: Investment in debt securities

JUNE 30 2022	JUNE 30 2021	Sukuk	JUNE 30 2022	JUNE 30 2021
(Number of Sukuks)			----- (Rupees) -----	
2,115	2,115	K-Electric	10,799,190	10,752,131
			<u>10,799,190</u>	<u>10,752,131</u>



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10.4.1 Particulars of Sukuk

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

10.5 FVTOCI: Listed ordinary shares / modaraba certificates

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

JUNE 30 2022	JUNE 30 2021	Names of investees	JUNE 30 2022	JUNE 30 2021
Number of shares / units			----- (Rupees) -----	
Oil & gas exploration companies				
8,190	8,190	Mari Petroleum Company Limited	14,248,471	12,484,754
Leather & tanneries				
-	400	Service Industries Limited	-	235,052
Real estate investment trust				
185,000	310,500	Dolmen City REIT	2,501,200	3,421,710
Chemical				
11,699	14,199	Sitara Chemical Industries Limited	3,626,690	4,998,048
Engineering				
54,000	54,000	KSB Pumps Company Limited	7,140,420	11,980,980
Transport				
1,000	1,000	Pakistan International Container Terminal Limited	163,150	165,040
5,000	5,000	Pakistan National Shipping Corporation Limited	241,300	363,500
Pharmaceuticals				
33,326	36,776	Abbott Laboratories (Pakistan) Limited	21,816,533	29,139,831
32,165	32,165	GlaxoSmithKline (Pakistan) Limited	4,018,373	5,328,776
30,906	30,906	Consumer Healthcare (Pakistan) Limited	7,365,827	7,729,282
138	138	Highnoon Laboratories Limited	73,122	82,800



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JUNE 30 2022	JUNE 30 2021	Names of investees	JUNE 30 2022	JUNE 30 2021
Number of shares / units			----- (Rupees) -----	
268,435	205,450	Automobile assembler Sazgar Engineering Work Limited	16,675,182	34,558,745
2,213,934	2,213,934	Technology & communication Systems Limited - (related party)	730,288,269	1,240,290,105
1,935,506	1,935,506	Financial services 786 Investments Limited (Formerly Dawood Capital Management Limited) - (fully provided) (Note: 10.5.1)	4,722,635	4,722,635
3,339,922	3,339,922	First Dawood Investment Bank Limited -(Related party) (fully provided) (Note: 10.5.1)	10,253,561	10,253,561
			823,134,733	1,365,754,819

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

10.6 FVTOCI: Investment in mutual fund units

JUNE 30 2022	JUNE 30 2021	Names of investee(s)	JUNE 30 2022	JUNE 30 2021
Number of units			----- (Rupees) -----	
100,795	100,795	Open-end mutual funds 786 Smart Fund	8,236,524	8,185,098
			8,236,524	8,185,098



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10.7 FVTOCI: Investment in unlisted ordinary shares

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

JUNE 30 2 0 2 2	JUNE 30 2 0 2 1	Names of investees	JUNE 30 2 0 2 2	JUNE 30 2 0 2 1
Number of shares			----- (Rupees) -----	
100,000	100,000	Al Baraka Bank (Pakistan) Limited - (note 10.7.2)	976,000	948,300
7,200,000	7,200,000	Dawood Family Takaful Limited - (note 10.7.3)	47,808,000	46,080,000
34,603	3,034,603	ISE Tower REIT Management Company Limited - (note 10.7.4)	584,791	47,807,136
			49,368,791	94,835,436

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

Name of investees	Reference note	Break-up value as per latest available audited consolidated financial statements (Rupees)	% of holding of the investee's paid-up capital	Auditors
June 30, 2022				
Al Baraka Bank (Pakistan) Limited	(10.7.2)	976,000	0.01%	EY Ford Rhodes, Chartered Accountants
Dawood Family Takaful Limited	(10.7.3)	50,472,000	9.60%	Yousuf Adil, Chartered Accountants
ISE Tower REIT Management Company Limited	(10.7.4)	584,791	0.01%	Yousuf Adil, Chartered Accountants
June 30, 2021				
Al Baraka Bank (Pakistan) Limited	(10.7.2)	948,300	0.01%	EY Ford Rhodes, Chartered Accountants
Dawood Family Takaful Limited	(10.7.3)	47,174,400	9.60%	Yousuf Adil, Chartered Accountants
ISE Tower REIT Management Company Limited	(10.7.4)	47,807,136	0.83%	Yousuf Adil, Chartered Accountants

10.7.2 The break-up value of investment in shares of Al Baraka (Pakistan) Limited (ABPL) is Rs. 0.976 million (as per latest available audited financial statement dated December 31, 2021) whereas the book value of investment in shares of ABPL is Rs. 0.948 million resulting in revaluation surplus of Rs. 0.027 million in prior year.

10.7.3 The break-up value of investment in shares of Dawood Family Takaful (DFTL) is Rs. 50.472 million (as per latest audited accounts dated December 31, 2021) where as the cost of investment in shares of DFTL is Rs. 72 million. Upto June 30, 2017, management has recorded total impairment of Rs. 19.872 million based on embedded value of investment as at June 30, 2016 amounting to Rs. 52.128 million (Rs. 8.27 per share). During the year, the management has estimated the fair value of this investment based on information of available market transaction at Rs.6.64 per share (June 30, 2021 : Rs.6.40 per share) and has recorded revaluation gain of Rs.1.72 million.

10.7.4 The breakup value of the investment in shares of ISE Tower REIT Management Company Limited amounted to Rs. 0.584 million (as per un-audited financial statement as at March 31, 2022) whereas the book value of investment in shares is Rs. 0.311 million resulting in revaluation surplus of Rs. 0.273 million.



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10.8 FVTOCI: Investment in unlisted debt securities

JUNE 30 2 0 2 2	JUNE 30 2 0 2 1	Sukuks	JUNE 30 2 0 2 2	JUNE 30 2 0 2 1
Number of shares			----- (Rupees) -----	
1,267	1,267	Eden Housing Limited - (Fully provided)	1,245,953	1,245,953
			1,245,953	1,245,953

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

10.8.2 Particulars of Sukuk

Names of the investees	Repayment frequency	Rate per annum	Maturity date	Secured / Unsecured
Eden Housing Limited	Quarterly	3 months KIBOR + 2.5%	June 29, 2014	Secured

10.8.3 Provision for diminution in value of investments

	2 0 2 2	2 0 2 1
	----- (Rupees) -----	-----
Opening balance	16,222,148	16,222,148
Charge for the year	-	-
Closing balance	16,222,148	16,222,148

11 IJARAH / LEASE RENTAL RECEIVABLE

Considered good	-	36,934
Considered doubtful	10,074,021	57,172,431
Lease rental receivables	10,074,021	57,209,365
Provision for doubtful receivables	(10,074,021)	(57,172,431)
	-	36,934

11.1 Provision for doubtful receivables

Opening		57,172,431	57,172,431
Charge for the year	30	14,055	-
Reversals during the year	30	(14,055)	-
Written off during the year		(47,098,410)	-
Closing balance		10,074,021	57,172,431



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		2 0 2 2	2 0 2 1
		----- (Rupees) -----	
12	LOANS, ADVANCES AND PREPAYMENTS		
	Loans and advances - secured - considered good:		
	- against salary	2,641,480	1,129,834
	Loans and advances - unsecured - considered good:		
	- current portion of loans to employees	9 330,071	420,262
	- current portion of loans to executives	9 1,797,779	1,791,727
	- against investment	40,000,000	9,700,000
	- against expenses	28,160,155	3,501,911
	- against purchases	26.1 44,922,678	44,922,678
	- against musharaka	49,250	-
	Prepayments:		
	- fees and subscription	-	-
	- takaful	414,870	967,798
	Provision for doubtful receivables	26.1 (44,922,678)	(44,922,678)
		73,393,605	17,511,532
13	ACCRUED PROFIT		
	Accrued profit on:		
	Debt securities	281,534	149,388
	Musharaka finances	435,711	305,852
		717,245	455,240
14	OTHER RECEIVABLES		
	Rent receivable - unsecured, considered good	6,770,311	7,002,491
	Takaful premium receivable	968,469	1,814,792
	Other receivable	9,858,140	19,412,190
	Receivable for Settlement of future sale contracts	459,845	62,546,459
		18,056,765	90,775,932
	Receivable from ex-employees - unsecured, considered doubtful	14.1 51,274,920	51,274,920
	Provision for doubtful receivables	(51,274,920)	(51,274,920)
		-	-
	Others	14.2 33,810,401	33,810,401
	Provision for doubtful debts	(33,810,401)	(33,810,401)
		18,056,765	90,775,932

14.1 This represents balance receivable from certain ex-employees and other parties in respect of embezzlement of funds. The matter is pending before the Special Court, Lahore. As a matter of prudence, full provision in respect of these receivables have been made in these consolidated financial statements.

14.2 This represents finance facility which was partly secured against pledge of stock of jute while some of the stock was misappropriated from the factory premises of the borrower. In prior year, the Modaraba 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 the Modaraba before the Modaraba Tribunal / Banking Court-II for the recovery of outstanding dues from borrower. The Tribunal passed a judgment order in favour of the Modaraba and directed the defendant (borrower) to pay all outstanding dues along with cost of the suit, however the recovery of the decretal amount is uncertain due to the misappropriation of pledged stock by the borrower. Therefore, in prior year the Modaraba has filed the execution petition for the recovery of decretal amount by attaching the other auctionable assets of the borrower including piece and parcel of land / building of factory situated at 40-More, Lahore Road, Jaranwala and one vehicle. The borrower filed an application in Honorable Lahore High Court against the judgment and pleaded



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to suspend the judgment and decree in favour of Modaraba. The Modaraba has also filed a reply to the application filed by the borrower which is currently pending consideration.

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

15	TAXATION - net	Note	2022	2021
			----- (Rupees) -----	
	Advance tax		52,595,079	19,640,056
	Provision for taxation		(5,749,369)	(91,953)
			<u>46,845,710</u>	<u>19,548,103</u>
16	CASH AND BANK BALANCES			
	Cash in hand		153,548	222,859
	Cash with State Bank of Pakistan - current account		4,438	4,438
	Cash with banks in:			
	Savings accounts	16.1	40,201,283	39,693,718
	Current accounts		188,907	127,164
			<u>40,548,176</u>	<u>40,048,179</u>

16.1 These carry profit at rates ranging from 4.00% to 13.50% (June 30, 2021: 2.75% to 5.50%) per annum. Saving accounts includes balances placed under arrangements permissible under shariah amounting to Rs. 21.323 million. (June 30, 2021: Rs. 39.693 million)

17 ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

Modaraba certificates of Rs. 10 each

	2022	2021		2022	2021
	(Number of certificates)			----- (Rupees) -----	
	39,359,741	39,359,741	Certificates issued as fully paid in cash	393,597,410	393,597,410
	8,833,724	8,833,724	Certificates issued as fully paid bonus certificates	88,337,240	88,337,240
	29,852,790	29,852,790	Certificates issued to certificate holders of Guardian Modaraba under the Scheme of Amalgamation	298,527,900	298,527,900
	8,316,008	8,316,008	Certificates issued to certificate holders of BRR Guardian Modaraba under the Scheme of Amalgamation with CSM	83,160,080	83,160,080
	8,636,226	8,636,226	Issuance of Right Certificates	86,362,260	86,362,260
	<u>94,998,489</u>	<u>94,998,489</u>		<u>949,984,890</u>	<u>949,984,890</u>



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- 17.1** The Management Company held 18,103,961 (19.06%) certificates of Rs. 10 each as at June 30, 2021 (June 30, 2021: 17,720,461 (18.65%) certificates).
- 17.2** Mr. Ayaz Dawood (CEO) held 11,671,394 (12.29%) certificates of Rs.10 each as at June 30, 2021 (June 30, 2021: 11,621,894 (12.23%) certificates).

18 RESERVES	Note	2 0 2 2	2 0 2 1
		----- (Rupees) -----	
Capital reserve			
Profit prior to floatation		10,532,683	10,532,683
Statutory reserve		1,001,004,318	968,602,075
Merger reserve		44,902,567	44,902,567
Revenue reserve			
Accumulated loss		68,100,484	(443,954,928)
		<u>1,124,540,052</u>	<u>580,082,397</u>

Modaraba regulations issued by SECP requires creation of reserve fund to which shall be credited:

- a) an amount not less than 20% and not more than 50% of its after tax profits till such time the reserve fund equals the amount of paid up capital; and
- b) thereafter a sum not less than 5% of its after tax profits.

The Modaraba has credited 5% of its after tax profits to this reserve for the year.

19 SURPLUS ON REVALUATION OF INVESTMENTS	Note	2 0 2 2	2 0 2 1
		----- (Rupees) -----	
Listed ordinary shares		759,594,529	1,319,340,713
Unlisted shares / debt securities		(3,761,099)	34,043,917
		<u>755,833,430</u>	<u>1,353,384,630</u>
20 LONG-TERM LOANS			
National Bank of Pakistan	20.1	-	27,544,684
Current portion of long term loans		-	(27,544,684)
		<u>-</u>	<u>-</u>

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

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

	2 0 2 2	2 0 2 1
	----- (Rupees) -----	
Opening balance	27,544,684	55,080,684
Received during the year	-	-
Payment during the year	(27,544,684)	(27,536,000)
Current portion of loan	-	(27,544,684)
Closing balance	<u>-</u>	<u>-</u>



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

		2 0 2 2	2 0 2 1
		----- (Rupees) -----	-----
Musharaka arrangement - Dawood Family Takaful	21.1	-	35,000,000
Musharaka arrangement - First Dawood Investment Bank Limited	21.2	150,000,000	55,000,000
Current portion of musharaka arrangements		(150,000,000)	(90,000,000)
		-----	-----
		-	-

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

During the period, the Modaraba has recorded profit on various musharaka arrangements with DFTL amounting to Rs.2.079 million (June 30, 2021: 2.114 million) and made profit payment amounting to Rs.2.163 million (June 30, 2021: 2.030 million).

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

During the period, the Modaraba has recorded profit on these musharaka arrangements amounting to Rs.11.604 million (June 30, 2021: 4.367 million) and made profit payment amounting to Rs.11.604 million (June 30, 2021: 4.982 million).

21.3 Following are the changes in the long term murabaha, musharaka and finance under markup arrangements (i.e for which cash flows have been classified as financing activities in the statement of cash flows).

	Note	2 0 2 2	2 0 2 1
		----- (Rupees) -----	-----
Opening balance		90,000,000	50,000,000
Received during the year		272,000,000	200,000,000
Payment during the year		(212,000,000)	(160,000,000)
Current portion of loan		(150,000,000)	(90,000,000)
Closing balance		-	-

22 LONG TERM SECURITY DEPOSITS

Lease / Ijarah	20,346,249	22,495,349
Investment properties	45,133,041	45,813,975
Lockers	22,858,065	20,368,500
	88,337,355	88,677,824
Current portion of security deposits	(20,346,249)	(22,495,349)
	67,991,106	66,182,475

23 CREDITORS, ACCRUED AND OTHER LIABILITIES

Modaraba Management fee payable	34	82,522,411	31,942,494
Sales tax on Modaraba management fee payable	34	10,727,913	4,152,524
Provision for Sindh Workers' Welfare Fund	35	25,163,017	10,523,541
Accrued liabilities		14,412,988	13,399,186
Rentals received in advance:			
Lockers		45,376,668	41,752,061
Investment Properties		18,187,253	31,994,821
Ijarah		-	140
Musharaka		-	3,333,000
Charity payable	23.1	121,007	96,907
Advance against sale of land	23.2	12,156,301	2,100,000
Others		25,238,558	18,556,170
		233,906,116	157,850,844



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	2022	2021
23.1 Charity payable	----- (Rupees) -----	-----
Opening balance	96,907	30,967
Accrued during the year	257,973	902,230
Payment	23.1.1 (233,873)	(836,290)
Closing balance	<u>121,007</u>	<u>96,907</u>

23.1.1 This amount includes charity paid to Dawood Global Foundation amounting to Rs. 0.235 million (June 30, 2021: 0.215 million). Chief Executive and the Chairman of the Board of the Mobaraba are members of the Management Committee of Dawood Global Foundation.

23.2 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.

	2022	2021
24 ACCRUED PROFIT ON BORROWINGS	----- (Rupees) -----	-----
Finance under musharaka arrangements	-	83,978
	<u>-</u>	<u>83,978</u>

25 PROFIT DISTRIBUTION PAYABLE

Unclaimed profit payable to certificate holders	25.1 35,630,979	<u>32,010,555</u>
---	------------------------	-------------------

25.1 In accordance with the provisions of Section 244 of the Companies Act, 2017.

Where a dividend has been declared by a company but has not been paid or claimed, within a time period specified under Section 244, to any shareholder entitled to the payment of the dividend, the company shall, within fifteen days from the date of expiry of the said period, transfer the total amount of dividend which remains unpaid or unclaimed to a separate profit bearing account to be called the unpaid dividend account opened by the company for this purpose in any scheduled bank.

The deposits in the unpaid dividend account shall only be used for payment of dividend.

Within period of ninety days of such transfer to the separate account, the modarba shall place particulars of such unpaid dividend on its website in accordance with the provision of the act.

The modaraba shall make payment to the certificate holder within a period of thirty days from the date of submission of a claim with the modaraba. No claimant shall be entitled to any amount except his unclaimed dividend amount.

The amount of profit generated from the account maintained by the modarba under this section shall be used by the modaraba for its corporate social responsibility initiatives and specified purposes.

26 CONTINGENCIES AND COMMITMENTS

26.1 The Modaraba had received a legal notice from Innovative Investment Bank Limited (formerly: Crescent Standard Investment Bank Limited) which was addressed to previous Management Company (Financial Link Limited) of the Modaraba, wherein they had asked Modaraba to settle an outstanding balance of short-term borrowing amounting to Rs. 171.143 million (June 30, 2021: Rs. 171.143 million) along with the mark-up thereon on or before February 10, 2007.



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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 consolidated financial statements. Further the management has fully provided net amount of Rs 44.9 million receivable from Innovative Investment bank (Refer Note : 12)

26.2 A commercial bank has lodged a claim of Rs. 1.090 million on account of excess mark-up paid to the Modaraba during previous years which is not accepted by the Modaraba. The Modaraba has also lodged a claim before the banking tribunal against the said commercial bank for short payment of mark-up to the Modaraba to the extent of Rs. 2.498 million (June 30, 2021: 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.

		2 0 2 2	2 0 2 1
	Note	----- (Rupees) -----	-----
27 RENTAL INCOME			
Investment properties	27.1	198,752,395	186,977,188
Lockers and custodial services		49,566,172	46,706,404
		<u>248,318,567</u>	<u>233,683,592</u>
27.1	This includes rental income amounting to Rs.7.882 million (June 30, 2021: Rs.5.758 million) from management company, associated companies and other related parties.		
28 IJARAH RENTAL INCOME - NET			
Ijarah rental income		1,985,854	2,875,477
Less: Amortization on Ijarah assets	6.2.2	(196,107)	(1,923,036)
		<u>1,789,747</u>	<u>952,441</u>
29 RETURN ON INVESTMENTS - NET			
Dividend income	29.1	31,596,356	19,294,617
Profit on debt securities		1,196,109	855,345
Gain on settlement of DFC's		(323,005)	1,894,000
Gain on sale of investments		5,461,953	57,952,753
		37,931,413	79,996,715
Less: Commission and brokerage expense		(1,044,200)	(2,527,564)
		<u>36,887,213</u>	<u>77,469,151</u>
29.1 Dividend income			
786 Smart Funds		3,516,024	1,812,429
Abbot Laboratories Limited		1,495,079	1,529,429
AGP Limited		65,067	-
Agriauto Industries Limited		252,339	73,139
Archroma Pakistan Limited		50,000	60,000
Berger Paints Pakistan Limited		156,114	29,526
Bestway Cement Limited		84,500	53,951
Citi Pharama Limited		17,250	-
D.G. Khan Cement Company		64,009	-
Dawood Hercules Corporation Limited		-	12,020
Dolmen City REIT		534,125	439,755
Engro Chemical Pakistan Limited		6,897	7,812
Engro Corporation Limited		415,198	490,901
Engro Polymer Chemical Pakistan Limited		27,094	-
Ferozsons Laboratories Limited		197,777	69,167
Ghani Glass Limited		353,517	205,585
GlaxoSmithKline (Pakistan) Limited		1,308,807	1,063,254
Glaxosmithkline Consumer Healthcare (Private)		-	226,704
Hub Power Company Limited		114,990	73,500



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	2 0 2 2	2 0 2 1
Note	----- (Rupees) -----	
Highnoon Laborites Limited	214,777	152,806
ICI Pakistan Limited	537,450	336,016
ISE Tower REIT Management Company Limited	1,820,762	1,001,419
Ittehad Chemicals Limited	111,776	235,300
Kohinoor Textile Mills Limited	50,204	66,216
KSB Pumps Limited	47,517	31,397
Mari Petroleum Company Limited	1,460,772	753,435
Meezan Bank Limited	66,520	108,700
Millat Tractors Limited	546,271	370,178
Modaraba Al Mali	17,575	-
National Foods Limited	27,497	31,971
National Refinery Limited	506,444	-
Nishat Mills Limited	191,184	97,941
Oil & Gas Development Company Limited	1,239,463	612,251
Organic Meat Limited	-	41,500
Pakistan Aluminium Beverage	127,003	-
Pakistan Cables Ltd	2,487	-
Pakistan International Container Limited	38,626	28,179
Pakistan National Shipping Corporation	30,522	18,142
Pakistan Oilfields Limited	243,055	-
Pakistan Petroleum Limited	633,474	349,538
Pakistan State Oil Limited	909,221	95,644
Panther Tyres Limited	79,886	-
Roshan Packages Limited	-	105,921
Security Papers Limited	64,811	55,850
Service Global Footwear Limited	199,534	-
Service Industries Limited	475,553	502,350
Sitara Chemical Industries Limited	116,393	158,990
Sui Northern Gas Pipelines Limited	358,503	57,802
Systems Limited	12,592,791	7,735,396
The Searle Company Limited	215,125	200,503
Tri-Pack Films Limited	12,373	-
	31,596,356	19,294,617

30 REVERSAL OF PROVISION FOR DOUBTFUL RECEIVABLES

Reversal during the year

Lease rentals / Ijarah
Musharaka

11.1	14,055	-
8.2	7,983,892	3,600,016
	7,997,947	3,600,016

Less: Charged during the year

Lease rentals / Ijarah
Expected Credit Loss - IFRS 9
Musharaka

11.1	(14,055)	-
	(1,958,360)	-
8.2	-	(913,265)
	(1,972,415)	(913,265)
	6,025,532	2,686,751



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		2 0 2 2	2 0 2 1
	Note	----- (Rupees) -----	-----
31 OTHER INCOME			
Gain on disposal of property and equipment - owned		892,906	628,542
Miscellaneous and other termination charges		3,978,964	1,308,651
Recovery in respect of Bad debts		5,063,000	-
Others		-	-
		<u>9,934,870</u>	<u>1,937,193</u>
32 ADMINISTRATIVE EXPENSES			
Salaries and other benefits		56,968,387	52,373,311
Medical		2,224,097	2,068,195
Provident fund contributions	32.2	3,464,713	3,175,430
Bonus		4,903,187	4,987,430
Vehicle running		12,627,979	9,652,633
Leave encashment		252,692	239,333
Employee old age contribution		438,100	472,680
Traveling and conveyance		48,438	40,850
Entertainment		126,704	150,439
Office expense		2,408,949	2,109,466
Electricity, water and gas		12,744,859	10,788,452
Telephone and fax		466,438	503,586
Postage and courier		465,680	609,005
Stationery and printing		1,399,779	1,746,650
Computer expenses		516,780	490,241
Fees and subscriptions		6,124,955	4,668,091
Charity and donation		49,741	4,147,833
Commission expense		50,000	7,081,001
Takaful		4,798,091	4,646,383
Repairs and maintenance		5,788,832	11,117,293
Rent, rates and taxes		2,035,248	4,616,191
Security expenses		1,424,364	1,646,033
Legal and professional charges		980,883	4,706,820
Auditor's remuneration	32.1	1,609,500	1,320,850
Depreciation on owned assets	6.1	13,156,450	12,990,151
Others		2,746,877	4,356,420
		<u>137,821,723</u>	<u>150,704,767</u>
32.1 Auditor's remuneration			
Audit fee		790,000	790,000
Limited review, special reports, certification and sundry advisory		667,500	428,100
Out of pocket expenses		152,000	102,750
		<u>1,609,500</u>	<u>1,320,850</u>



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	2 0 2 2	2 0 2 1
	----- (Rupees) -----	
32.2 Disclosures relating to provident fund		
Size of the fund	210,666,785	208,863,513
Fair value of investments	124,736,045	156,364,741
Break-up of investments		
Government securities	43,000,000	43,000,000
Term finance certificates	-	18,885,792
Commercial paper	5,979,309	-
Investment in sukuk	6,127,200	6,596,076
Listed securities	46,171,294	61,910,009
Mutual funds	23,458,242	25,972,868
	% age of size of the fund	
Break-up of investments		
Government securities	34.47%	27.50%
Term finance certificates	0.00%	12.08%
Commercial paper	4.79%	0.00%
Investment in sukuk	4.91%	4.22%
Listed securities	37.02%	39.59%
Mutual Funds	18.81%	16.61%

32.2.1 The figures for 2022 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.

	2 0 2 2	2 0 2 1
	----- (Rupees) -----	
33 FINANCIAL CHARGES		
Profit on:		
Finance under musharaka arrangement	13,683,491	6,481,999
Bank charges and commission	82,727	127,311
	13,766,218	6,609,310

34 MODARABA MANAGEMENT COMPANY'S FEE

In accordance with the Modaraba Companies and Modaraba Rules, 1981, a management fee at the rate of 10% of annual profits is payable to the Management Company. Accordingly, the modaraba has recognised a liability of Rs. 82.522 million for the year (June 30, 2021 : Rs. 31.942 million). Furthermore during the period, an amount of Rs.10.727 million was charged on account of sales tax on management fee (June 30, 2021 : Rs.4.152 million) levied through Sindh Sales Tax on Services Act, 2011.

35 PROVISION FOR SINDH WORKERS' WELFARE FUND

The Finance Act, 2008 made certain changes to the Workers' Welfare Fund Ordinance, 1971. As a result of these amendments, Workers' Welfare Fund (WWF) is payable at the rate of 2% of the profit before taxation as per the consolidated financial statements or taxable income as per the return of income, whichever is higher. The Sindh Assembly, on June 04, 2015, passed The Sindh Workers Welfare Fund Act, 2014 (the SWWF Act). As per Section 5(1) of the WWF Act, contributions are payable with effect from the date of closing of account on or after JUNE 30, 2013, that corresponds to Modaraba's accounting year ended on June 30, 2014. During the period, the management has made a provision of Rs. 14.639 million (June 30, 2021: 5.666 million) in respect of this liability. Moreover, liability in respect of WWF under the repealed WWF Ordinance and the SWWF Act up to June 30, 2021 has been recorded and disclosed in the financial statement amounting to Rs. 25.163 million.



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	2 0 2 2	2 0 2 1
36 TAXATION	Note ----- (Rupees) -----	-----
Prior year tax	(177,243)	-
Current tax	5,749,369	-
Deferred tax	37 57,374,030	-
	62,946,156	-

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

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

The Assistant Commissioner of Inland revenue has amended the assessment under section 122(5) of the Income Tax Ordinance, 2011 for the Tax Year 2014 by creating demand of Rs. 472,103. The Modaraba had filed appeal before the Commissioner Inland Revenue (Appeals-I) and the decision has been made in 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. The Modaraba has filed an appeal before the Commissioner Appeals against the said demand which is pending adjudication. The Commissioner Appeals has remanded back the order setting aside the demand by Deputy Commissioner (IR). Appeal effect order under section 122 / section 125 is still pending.

No provision have been made in these regards against the above demand by the authority as the management is confident that the decision will be made in the favour of the modaraba.

37 DEFERRED TAX

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 2	2 0 2 1
	----- (Rupees) -----	-----
Taxable temporary differences		
Accelerated tax depreciation	11,898,172	-
Short term investment - FVTPL	102,970,354	-
Short term investment - FVOCI	19,893,947	-
	134,762,473	-
Deductible temporary differences		
Provision against musharaka	(15,087,753)	-
Provision for doubtful receivable	(13,027,577)	-
Provision for diminution in value of investments	(4,704,423)	-
Provision-other receivables	(24,674,743)	-
	(57,494,496)	-
	77,267,977	-



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	2 0 2 2	2 0 2 1
	----- (Rupees) -----	
37.1 Classificaiton of deferred tax liability		
Other comprehensive income	19,893,947	-
Profit and loss account	57,374,030	-
	77,267,977	-

38 EARNINGS PER CERTIFICATE - BASIC AND DILUTED

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

	2 0 2 2	2 0 2 1
	----- (Rupees) -----	
Profit for the year	648,044,865	262,809,787
	---- Number of certificates ----	
Weighted average number of certificates outstanding	94,998,489	90,569,655
Earnings per certificate - Basic and diluted	6.82	2.90

There were no convertible dilutive potential ordinary certificates outstanding as on June 30, 2022 and June 30, 2021 which have dilutive effect on earnings per certificate.

	2 0 2 2	2 0 2 1
	----- (Rupees) -----	
39 REMUNERATION OF EXECUTIVES		
Remuneration	22,145,200	20,717,900
Medical expenses	360,000	359,825
Retirement benefits	1,363,312	1,280,760
	23,868,512	22,358,485
Number of officers / executives at the end of the period	6	6

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

40 FUTURE MINIMUM LEASE RENTALS RECEIVABLES

Future minimum lease rentals receivable on the basis of lease agreements executed up to June 30, 2022 are as follows:

Receivable - not later than one year	-	165,765
Receivable - later than one year and not later than five year	-	-
	-	165,765

41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Modaraba's objective in managing risk is the creation and protection of certificate holders' value. Risk is inherent in the Modaraba'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, Modaraba's constitutive documents and the regulations and directives of the SECP. The Modaraba'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 over sight of the Modaraba's risk management framework.



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

The Modaraba 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.

41.1 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.

41.2 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, 2022 the Modaraba'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, 2022 approximately 5.12% (June 30, 2021: 6.03%) of the Modaraba's financial assets are subject to floating profit rates. The management of the Modaraba estimates that an increase of 100 basis points in the market profit rate, with all other factors remaining constant, would increase the Modaraba's income by Rs. 1.216 million (June 30, 2021: Rs. 1.340 million) and a decrease of 100 basis points would result in a decrease in the Modaraba's income by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

41.3 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 Modaraba does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

41.4 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. 2097.410 million (June 30, 2021: Rs. 1,882.945 million). Management of the Modaraba 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 Modaraba's net assets by Rs. 105.682 million (June 30, 2021: Rs. 94.268 million). However, in practice, the actual results may differ from the sensitivity analysis.

41.5 Segment by class of business for investment in equity securities

Sector	June 30, 2022		June 30, 2021	
	Rupees	%	Rupees	%
Automobile assembler	32,801,181	1.55%	66,123,872	3.51%
Automobile parts & accessories	3,203,964	0.15%	5,002,738	0.27%
Commercial Banks	1,061,813	0.05%	1,337,255	0.07%
Cable & electrical goods	5,498,960	0.26%	9,333,096	0.50%
Cement	34,943,095	1.65%	49,638,216	2.63%
Chemical	32,428,823	1.53%	36,852,922	1.95%
Engineering	17,037,584	0.81%	30,008,816	1.59%
Financial services	14,976,196	0.71%	14,976,195	0.79%
Food & personal care products	10,323,805	0.49%	9,842,139	0.52%
Glass & ceramics	4,539,283	0.21%	4,844,341	0.26%
Leather & tanneries	26,436,483	1.25%	41,603,211	2.21%
Miscellaneous	2,877,832	0.14%	80,300	0.00%
Modarabas	532,650	0.03%	-	0.00%
Oil & gas exploration companies	47,229,678	2.23%	-	0.00%
Oil & gas marketing companies	25,983,212	1.23%	74,300,008	3.94%



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Sector	June 30, 2022		June 30, 2021	
	Rupees	%	Rupees	%
Open-end mutual funds	35,080,933	1.66%	34,653,900	1.84%
Paper & board	5,522,900	0.26%	4,048,615	0.21%
Pharmaceuticals	94,086,896	4.45%	107,822,176	5.72%
Power generation & distribution	13,280,853	0.63%	3,399,903	0.18%
Real estate investment trust	4,826,640	0.23%	4,402,490	0.23%
Refinery	18,504,295	0.88%	27,348,433	1.45%
Synthetic and rayon	76,000	0.00%	-	0.00%
Technology & communication	1,672,938,735	79.15%	1,351,960,405	71.71%
Textile composite	4,549,213	0.22%	6,470,640	0.34%
Transport	4,650,983	0.22%	928,390	0.05%
Woollen	240,000	0.01%	400,640	0.02%
	2,113,632,006	100%	1,885,378,701	100%

41.6 Liquidity risk

Liquidity risk is defined as the risk that the Modaraba will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Modaraba could be required to pay its liabilities earlier than expected. The Modaraba'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 Modaraba's reputation.

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

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	-	-	-	-	-	-
Musharaka, murabaha and finance under mark-up arrangements	6 month / 1 month Kibor + 100 bps	150,000,000	-	-	-	150,000,000
Creditors, accrued and other liabilities	-	-	233,906,116	-	-	233,906,116
Accrued profit on borrowing	-	-	-	-	-	-
Profit distribution payable	-	35,630,979	-	-	-	35,630,979
Total		185,630,979	233,906,116	-	-	419,537,095

JUNE 30, 2021	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	-	13,768,000	13,776,684	-	-	27,544,684
Musharaka, murabaha and finance under mark-up arrangements	6 month / 1 month Kibor + 100 bps	90,000,000	-	-	-	90,000,000
Creditors, accrued and other liabilities	-	-	157,850,844	-	-	157,850,844
Accrued profit on borrowing	-	83,978	-	-	-	83,978
Profit distribution payable	-	32,010,555	-	-	-	32,010,555
Total		135,862,533	171,627,528	-	-	307,490,061



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41.7 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Modaraba by failing to discharge its obligation. The Modaraba'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 Modaraba'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:

	2 0 2 2	2 0 2 1
	----- (Rupees) -----	
Musharaka finance	82,136,744	93,117,299
Short-term investments	2,158,823,792	1,975,990,073
Lease rentals receivables	-	36,934
Loans, advances and other receivables	79,452,037	24,002,655
Accrued profit	717,245	455,240
Bank balances	40,394,628	39,825,320
	<u>2,361,524,446</u>	<u>2,133,427,521</u>

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 Modaraba's total credit exposure.

The Modaraba'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 Modaraba's concentration of credit risk by industrial distribution:

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

Sector	JUNE 30 2022		JUNE 30 2021	
	Rupees	%	Rupees	%
Oil and gas	1,109,640	5.45%	1,109,640	4.89%
Transport	4,986,087	24.51%	4,986,087	21.97%
Food and confectioneries	600,000	2.95%	600,000	2.64%
Engineering and metals	78,500	0.39%	78,500	0.35%
Power generation & Energy	-	0.00%	460,000	2.03%
Miscellaneous	13,572,192	66.71%	15,457,223	68.12%
	<u>20,346,419</u>	<u>100%</u>	<u>22,691,450</u>	<u>100%</u>

41.7.2 Segment by class of business for musharaka and murabaha finances

Sector	JUNE 30 2022		JUNE 30 2021	
	Rupees	%	Rupees	%
Textile industry	-	0.00%	9,458,686	6.09%
Oil and lubricants	4,616,089	3.46%	7,237,183	4.66%
Chemical and pharmaceutical	13,569,225	10.17%	9,475,692	6.10%
Engineering	52,772,201	39.54%	56,713,234	36.54%
Auto and transportation	362,134	0.27%	966,481	0.62%
Hospitality business	9,471,425	7.10%	9,471,425	6.10%
Miscellaneous	52,674,989	39.47%	61,899,132	39.88%
	<u>133,466,063</u>	<u>100%</u>	<u>155,221,833</u>	<u>100%</u>



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

Particulars	JUNE 30 2022		JUNE 30 2021	
	Rupees	%	Rupees	%
Power generation & distribution	10,799,190	90%	10,752,131	90%
Miscellaneous	1,245,953	10%	1,245,953	10%
	12,045,143	10%	11,998,084	10%

41.8 Financial instruments by category

2 0 2 2 **2 0 2 1**
----- (Rupees) -----

Financial assets

Amortised cost:

Long-term deposits	3,359,030	3,337,310
Musharaka finance	80,178,384	93,117,299
Ijarah / lease rental receivable	-	36,934
Loans and advances	75,678,137	19,697,547
Accrued profit	717,245	455,240
Other receivables	18,056,765	90,775,932
Cash and bank balances	40,548,176	40,048,179

FVTOCI:

Short-term investments	865,763,853	1,453,799,158
------------------------	--------------------	---------------

FVTPL:

Short-term investments	1,293,059,939	522,190,915
	2,377,361,529	2,223,458,514

Financial liabilities

Amortised cost:

Long term loan	-	27,544,684
Murabaha, musharaka and finance under mark-up arrangements	150,000,000	90,000,000
Creditors, accrued and other liabilities	233,906,116	157,850,844
Accrued profit on borrowings	-	83,978
Profit distribution payable	35,630,979	32,010,555
	419,537,095	307,490,061

42 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 Modaraba 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 consolidated 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 Modaraba's financial assets and financial liabilities as at June 30, 2022.



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	JUNE 30, 2022		JUNE 30, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans and receivables at amortised cost				
Long-term deposits	3,359,030	3,359,030	3,337,310	3,037,310
Musharaka finance	80,178,384	80,178,384	93,117,299	93,117,299
Ijarah / lease rental receivable	-	-	36,934	36,934
Loans and advances	76,093,007	76,093,007	20,665,345	20,665,345
Accrued profit	717,245	717,245	455,240	455,240
Other receivables	18,056,765	18,056,765	90,775,932	90,775,932
Cash and bank balances	40,548,176	40,548,176	40,048,179	40,048,179
Fair value through OCI				
Short-term investments	831,371,257	831,371,257	1,373,939,917	1,373,939,917
Fair value through profit and loss				
Short-term investments	1,282,260,749	1,282,260,749	511,438,784	511,438,784
Financial liabilities				
Financial liabilities at amortised cost				
Murabaha, musharaka and finance under mark-up arrangements	150,000,000	150,000,000	90,000,000	90,000,000
Creditors, accrued and other liabilities	233,906,116	233,906,116	157,850,844	157,850,844
Accrued profit on borrowings	-	-	83,978	83,978
Profit distribution payable	35,630,979	35,630,979	32,010,555	32,010,555

42.1 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).

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

	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Investments at FVTPL				
Listed ordinary shares	1,249,366,880	-	-	1,249,366,880
Mutual fund units	26,844,408	-	-	26,844,408
Preference Shares	6,049,461	-	-	6,049,461
Listed debt securities	10,799,190	-	-	10,799,190
Investments at FVOCI				
Listed ordinary shares / modaraba certificates	823,134,733	-	-	823,134,733
Mutual fund units	8,236,524	-	-	8,236,524
Unlisted ordinary shares	-	-	49,368,791	49,368,791
Unlisted debt securities	-	-	1,245,953	1,245,953
	2,124,431,196	-	50,614,744	2,175,045,940



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

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

Valuation techniques

For Level 2 debt securities held at FVTOCI, the Modaraba values the investments using rates prescribed by MUFAP. For Level 3 debt securities held at FVTOCI, the Modaraba 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.

	2022	2021
	----- (Rupees) -----	
Opening balance	96,081,389	97,026,028
Redemption / sales during the year	(27,000,000)	-
Unrealized gain / (loss) during the year	(18,466,645)	(944,639)
Impairment during the year	-	-
Closing balance	<u>50,614,744</u>	<u>96,081,389</u>

43 CAPITAL RISK MANAGEMENT

The Modaraba'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 Modaraba may adjust the amount of profit distributed to certificate-holders, issue new certificates or sell assets to reduce debt.

The Modaraba'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 Modaraba 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.



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

	2 0 2 2	2 0 2 1
	----- (Rupees) -----	
Debts	150,000,000	117,544,684
Cash and bank balances	(40,548,176)	(40,048,179)
Net debt	109,451,824	77,496,505
Equity	2,830,358,372	2,883,451,917
Net debt to equity ratio	0.04	0.03

44 RELATED PARTY TRANSACTIONS

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

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

Relationship with the Modaraba	Nature of transactions	2 0 2 2	2 0 2 1
		----- (Rupees) -----	
Transactions during the period			
Management Company			
BRR Investment (Private) Limited	Management fee accrued	82,522,411	31,942,494
BRR Investment (Private) Limited	Management fee paid	31,942,494	17,152,959
BRR Investment (Private) Limited	Rent received	120,000	120,000
BRR Investment (Private) Limited	Advance received	-	4,000,000
BRR Investment (Private) Limited	Advance repaid	-	4,000,000
BRR Investment (Private) Limited	Reimbursement of expense	5,085	502

Associated companies / other related parties

BRR Guardian Limited	Reimbursement of expense	9,205	-
Dawood Family Takaful Limited	Rental Received against property	1,397,421	9,010,860
Dawood Family Takaful Limited	Group Life Takaful	438,254	352,426
Dawood Family Takaful Limited	Musharaka finance received - net	117,000,000	195,000,000
Dawood Family Takaful Limited	Musharaka finance repaid	152,000,000	160,000,000
Dawood Family Takaful Limited	Profit paid on Musharaka finance	2,078,833	2,114,080
Dawood Family Takaful Limited	Profit paid on Musharaka finance	2,162,811	2,030,102
First Dawood Investment Bank Limited	Rent received against property	120,000	120,000
First Dawood Investment Bank Limited	Share of common expenses - net	273,619	71,919
First Dawood Investment Bank Limited	Musharaka finance received - net	155,000,000	5,000,000
First Dawood Investment Bank Limited	Musharaka finance repaid	60,000,000	-
First Dawood Investment Bank Limited	Profit paid on Musharaka finance	11,604,658	4,367,919
First Dawood Investment Bank Limited	Profit paid on Musharaka finance	11,604,658	4,981,774
First Dawood Employees Provident Fund	Transfer to provident fund	3,464,713	3,175,430
Hydrochina Dawood Power (Private) Limited	Rent received against property	117,890	7,404,599
Dawood Global Foundation	Charity paid	228,699	215,321



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Year end balances	Nature of balances	2 0 2 2	2 0 2 1
Relationship with the Modaraba		----- (Rupees) -----	-----
Management Company			
BRR Investment (Private) Limited	Management fee payable	82,522,411	31,942,495
Associated companies / other related parties			
First Dawood Investment Bank Limited	Musharaka finance	150,000,000	55,000,000
First Dawood Investment Bank Limited	Profit payable	-	-
Dawood Family Takaful Limited	Musharaka finance	-	35,000,000
Dawood Family Takaful Limited	Profit payable	-	83,978
Dawood Family Takaful Limited	Advance rental	-	3,355,332
Dawood Family Takaful Limited	Rent receivable	2,889,375	-
Hydrochina Dawood Power (Private)	Advance rental	107,173	3,707,170
Group shared services			

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

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

The internal reporting provided to the Chief Executive Officer for the Modaraba'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 Modaraba is domiciled in Pakistan. All of the Modaraba's income is from investments in entities incorporated in Pakistan.

46 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in their meeting held on September 14, 2022 have approved nil profit distribution (2021: at the rate of 13.2% i.e. Re. 1.32 per certificate) for the year ended June 30, 2022.

47 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on September 14, 2022 by the Board of Directors of B.R.R. Investment (Private) Limited.

48 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.



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49 NUMBER OF EMPLOYEES

The number of employees as at year end was 61 (June 30, 2021: 62) and average number of employees during the year was 61 (June 30, 2021: 62).

50 GENERAL

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

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

**Syed Ali Raza
Director**

**Waqas Anwar Qureshi
Director**

**Ayaz Dawood
Chief Executive Officer**

**Syed Tariq Masood
Chief Financial Officer**



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B.R.R. GUARDIAN MODARBA
PATTERN OF CERTIFICATE HOLDING - FORM "34"
CERTIFICATE HOLDERS STATISTICS AS AT JUNE 30, 2022

Number of Certificate Holders	From	Certificate Holding	To	Certificate Held
1697	1	-	100	76,662
2362	101	-	500	576,441
2402	501	-	1000	1,625,579
777	1001	-	5000	1,784,029
143	5001	-	10000	1,088,302
57	10001	-	15000	719,350
30	15001	-	20000	541,289
20	20001	-	25000	464,482
21	25001	-	30000	602,000
9	30001	-	35000	289,292
5	35001	-	40000	189,015
1	40001	-	45000	43,500
8	45001	-	50000	385,590
4	50001	-	55000	213,793
5	55001	-	60000	291,397
2	60001	-	65000	128,503
9	65001	-	70000	613,771
2	70001	-	75000	148,160
2	75001	-	80000	155,500
2	80001	-	85000	166,130
1	85001	-	90000	89,760
1	90001	-	95000	93,500
4	95001	-	100000	398,000
2	105001	-	110000	220,000
3	110001	-	115000	338,184
2	115001	-	120000	236,983
1	120001	-	125000	123,114
4	145001	-	150000	589,003
1	155001	-	160000	157,172
1	160001	-	165000	160,500
1	170001	-	175000	175,000
1	180001	-	185000	183,100
1	190001	-	195000	194,000
1	200001	-	205000	200,222
1	235001	-	240000	235,950
1	240001	-	245000	242,000
1	265001	-	270000	268,583
1	300001	-	305000	305,000



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Number of Certificate Holders	From	Certificate Holding	To	Certificate Held
1	335001	-	340000	335,116
1	345001	-	350000	345,800
1	365001	-	370000	367,941
1	395001	-	400000	400,000
1	410001	-	415000	410,300
1	425001	-	430000	425,904
1	435001	-	440000	440,000
2	440001	-	445000	886,474
1	490001	-	495000	493,529
1	520001	-	525000	520,300
1	535001	-	540000	539,550
1	595001	-	600000	598,193
1	600001	-	605000	602,100
1	615001	-	620000	619,650
1	620001	-	625000	623,000
1	660001	-	665000	663,826
1	690001	-	695000	693,333
1	785001	-	790000	786,526
2	840001	-	845000	1,685,327
1	920001	-	925000	925,000
1	930001	-	935000	932,735
1	995001	-	1000000	1,000,000
1	1040001	-	1045000	1,041,500
1	1615001	-	1620000	1,615,423
1	1970001	-	1975000	1,971,350
1	2120001	-	2125000	2,123,157
1	2155001	-	2160000	2,156,141
1	2275001	-	2280000	2,276,563
1	2400001	-	2405000	2,400,140
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	8845001	-	8850000	8,845,350
1	11710001	-	11715000	11,712,133
7627				94,998,489



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

ADDITIONAL INFORMATION AS ON JUNE 30, 2022

S. No.	Categories of Certificate holders	Number	Certificates Held	% Age
1	Associated Companies	3	29,224,265	30.77
	B.R.R. Investment (Pvt.) Ltd.		18,103,961	19.06
	Equity International (Pvt) Ltd.		1,974,235	2.08
	Dawood Family Takaful Limited		9,146,069	9.63
2	NIT / ICP	2	2,809,484	2.96
	CDC - Trustee National Investmet (Unit) Trust		2,780,086	2.93
	Investment Corporation of Pakistan		29,398	0.03
3	Directors, CEO their Spouse & Minor Children	2	12,071,574	12.71
	Rafique Dawood		400,180	0.42
	Ayaz Dawood		11,671,394	12.29
4	Banks, DFIs, NBFIs, Insurance Companies, Modarabas Joint Stock Companies, Mutual Funds and others	49	20,040,409	21.09
5	General Public	7,571	30,852,757	32.47
	Total	7,627	94,998,489	100.00

Certificate holders holding Ten percent or more Certificates

Paid up Capital	94,998,489	
B.R.R. Investment (Pvt.) Ltd.	18,103,961	19.06
Ayaz Dawood	11,671,394	12.29



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

SIX YEARS' FINANCIAL SUMMARY

2022	2021	2020	2019	2018	2017
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Key Financial Figures

	(Rs. In million)					
Profit & Loss Account						
Operating income	1,008.30	507.40	347.12	244.41	254.01	313.62
Other income	9.93	7.62	2.91	8.60	11.65	148.43
Amortization on ijarah assets	0.20	1.92	7.09	25.40	39.68	22.22
Financial charges	13.77	6.61	10.47	26.42	11.84	24.78
Administrative expenses	137.59	149.08	126.99	116.45	139.45	155.60
Provision/(Reversal) for doubtful debts/receivables	(6.03)	(2.69)	(23.28)	(51.90)	(38.18)	16.55
Unrealized loss / (gain) on revaluation of held-for-trading investment	(702.97)	(164.45)	(28.13)	79.60	60.85	(43.43)
Net Profit	717.33	277.66	149.10	44.84	64.92	169.67
Dividend	-	125.40	67.36	20.73	29.36	78.05

Balance Sheet

Paid-up Capital	949.98	949.98	863.62	863.62	863.62	780.46
Reserves	1,892.32	1,921.15	867.54	510.12	528.28	483.98
Certificate Holders Equity	2,842.30	2,871.14	1,731.16	1,373.75	1,391.90	1,264.44
Borrowings	150.00	117.54	140.08	212.19	350.60	408.35
Lease portfolio	20.35	22.69	29.98	44.77	79.79	50.73
Morabaha & Musharaka Portfolio	80.18	93.12	57.65	59.36	48.57	19.80

Performance Indicators

Earnings / (Loss) per certificate (Rs.)	6.89	3.07	1.73	0.52	0.75	2.17
Profit paid per certificate (Rs.)	-	1.32	0.78	0.24	0.34	1.000
Profit paid per certificate (%)	0.00%	13.20%	7.80%	2.40%	3.40%	10.00%
Profit payout (after statutory reserves) (%)	0.00%	90.00%	90.00%	90.00%	90.00%	90.02%
Break-up value per certificate (Rs.)	29.92	30.22	20.05	15.91	16.12	16.20
Market value per certificate (Rs.)	10.49	13.23	8.69	8.12	8.74	9.43
Price Earnings ratio	1.52	4.31	5.02	15.62	11.65	4.35
Income/Expense ratio	5.27	2.62	2.00	1.29	1.39	1.73
Financial Charges/Total Expenses (%)	7.13%	3.35%	6.11%	15.01%	6.20%	9.29%



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