

**Un-Audited
Standalone & Consolidated
Condensed Interim Financial Information
For The Half Year Ended
December 31, 2022**

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B.R.R. TOWER



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

Managed by:

B.R.R. Investment (Private) Limited

2022



B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

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B.R.R. Investment (Private) Limited

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B.R.R. Guardian Modaraba

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B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

Managed by:

B.R.R. Investment (Private) Limited

CORPORATE INFORMATION

Modaraba Company	B.R.R. Investment (Private) Limited
Chairman	Syed Ali Raza (Acting Chairman)
Chief Executive	Mr. Ayaz Dawood
Directors	Mr. Ayaz Dawood Syed Ali Raza Mr. Waqas Anwar Qureshi Mr. Muhammad Shahid Murtaza
Audit Committee	Mr. Waqas Anwar Qureshi - Chairman Syed Ali Raza - Member Mr. Muhammad Shahid Murtaza - Member
HR and Remuneration Committee	Syed Ali Raza - Chairman Mr. Waqas Anwar Qureshi - Member Mr. Muhammad Shahid Murtaza - 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
(An Islamic Financial Institution)

DIRECTORS REPORT

Dear Certificate Holders,

The Board of Directors of B.R.R. Investment (Private) Limited, Manager of B.R.R. Guardian Modaraba (BRRGM), take pleasure in presenting the 2nd Quarter Financial statement of the Modaraba for the six months ended December 31, 2022.

OPERATIONS AND PERFORMANCE

Financial highlights	December 31, 2022	December 31, 2021
 Rupees.....	
Rental Income	130,304,676	123,767,889
Total Income	555,051,839	208,286,943
Total Expenses	101,696,125	85,748,739
Profit after Management fee, WWF & Tax	324,277,503	104,607,297
Earning per certificate	3.41	1.10

During the six months period under review the Modaraba has earned net profit of Rs. 324.278 million, as compared with Rs. 104.607 million profit in the same period last year.

Our successful business strategy has led to the elimination of accumulated losses, resulting in recorded accumulated profits of Rs. 398.321 million as of December 31, 2022. Statutory reserves have also increased to Rs. 1,001.323 million, surpassing the paid-up certificate capital of the modaraba.

Operating expenses of the Modaraba have remained within the budget.

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, your Modaraba will become a listed company.

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

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

Director

Chief Executive Officer

February 20, 2023
Karachi.



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

بی آر آر گارجین مزاربہ ڈائریکٹرز کی رپورٹ

معزز سرٹیفکیٹ ہولڈرز،

بی آر آر انویسٹمنٹس (پرائیویٹ) لمیٹڈ ("بی آر آر آئی" یا کمپنی) کے بورڈ آف ڈائریکٹرز، بی آر آر گارجین مزاربہ (بی آر آر جی ایم) کے ناظم کی حیثیت سے دسمبر 2022-31 کو ختم ہونے والی دوسری سہ ماہی اور ششماہی کے مالیاتی گوشوارے پیش کرتے ہوئے بے حد مسرت محسوس کر رہے ہیں۔

آپریشن اور کارکردگی

دسمبر 2021-31	دسمبر 2022، 31	مالیاتی جھلکیاں
		پاکستانی روپے میں
123,767,889	130,304,676	کرایہ سے آمدنی
208,286,943	555,051,839	کل آمدنی
85,748,739	101,696,125	کل اخراجات
104,607,297	324,277,503	منافع بعد از انتظامیہ کی فیس، ڈیپو ڈیلیو ایبل اور ٹیکس
1.10	3.41	نفع فی سرٹیفکیٹ

زیر جائزہ ششماہی کے دوران مزاربہ نے خالص منافع 324.278 ملین روپے کمایا، جبکہ گذشتہ سال کے اسی عرصہ میں 104.607 ملین روپے منافع ہوا تھا۔

یہ بات قابل ذکر ہے کہ ہماری کامیاب کاروباری حکمت عملی نے بالآخر جمع شدہ خسارے کو ختم کر دیا، دسمبر 2022، 31 کو 398.321 ملین روپے کا جمع شدہ منافع درج کر دیا اور اسٹیٹجی ریزی ریزرو اب 1,001.323 ملین روپے ہو گئے جو آپ کے مزاربہ کے ادا شدہ سرٹیفکیٹ کیپٹل سے زائد ہے۔

مزاربہ کے آپریٹنگ اخراجات بجٹ کے اندر رہے ہیں۔

اختتامی کلمات اور اظہار تشکر

14 اپریل 2022 کو عدالت عالیہ سندھ کی منظوری کے لیے BRR گارجین مزاربہ کے BRR گارجین لمیٹڈ "کمپنی" کے ساتھ انضمام کی درخواست جمع کرائی گئی، جو فی الحال عدالت عالیہ میں زیر التواء ہے۔ مذکورہ انضمام کی درخواست منظور ہونے پر، آپ کا مزاربہ ایک لیکڈ کمپنی بن جائے گی۔

ہم کاروباری حالات کو بغور دیکھ رہے ہیں اور ہمارا ہدف اپنے موجودہ کاروبار میں منافع بخش ترقی کے ساتھ اپنے سرٹیفکیٹ ہولڈرز کی قدر میں اضافہ کرنا ہے۔

از طرف بورڈ آف ڈائریکٹرز

بی آر آر انویسٹمنٹس (پرائیویٹ) لمیٹڈ

چیف ایگزیکٹو آفیسر

ڈائریکٹر

فروری 2023، 20

کراچی

INDEPENDENT AUDITOR'S REVIEW REPORT**To The Certificate holders of B.R.R GUARDIAN MODARABA****Report on Review of Condensed Unconsolidated Interim Financial Statements****Introduction**

We have reviewed the accompanying condensed unconsolidated interim balance sheet of **B.R.R Guardian Modaraba** ("the Modaraba"), as at December 31, 2022 and the related condensed unconsolidated interim profit and loss account, condensed unconsolidated interim statement of comprehensive income, condensed unconsolidated interim statement of changes in equity, condensed unconsolidated interim statement of cash flows and notes to the condensed unconsolidated interim financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). The Modaraba Management Company is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements as at and for the half year ended December 31, 2022 is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw our attention to Note 1.2 to the financial information, which describe the amalgamation of the Modaraba with and into B.R.R. Guardian Limited under section 279 to 283 Companies Act, 2017.

Our conclusion is not modified in respect of the matter.

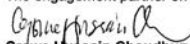
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Other Matters

The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the three months period ended December 31, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2022.

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


Crowe Hussain Chaudhury & Co.
Chartered Accountants

Place: Karachi

Date: February 22, 2023

UDIN: RR202210207M49fcaoFv



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

**CONDENSED UNCONSOLIDATED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2022**

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- Rupees -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	126,836,822	90,326,427
Investment properties	6	879,652,494	900,552,263
Long-term investment	7	55,000,000	55,000,000
Long-term musharaka finances	8	64,797,619	49,314,510
Long-term loans, advances and deposits		5,522,582	5,758,432
		1,131,809,517	1,100,951,632
CURRENT ASSETS			
Short-term investments	9	2,873,713,303	2,118,121,046
Current portion of musharaka finances	8	37,679,926	30,863,874
Loans, advances and prepayments		16,400,784	73,393,605
Accrued profit	10	730,482	717,245
Other receivables	11	31,952,519	18,056,764
Taxation		63,253,025	46,667,319
Cash and bank balances	12	5,076,028	38,465,646
		3,028,806,067	2,326,285,499
TOTAL ASSETS		4,160,615,584	3,427,237,131
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital 140,000,000 (June 30,2022: 140,000,000) Modaraba certificates of Rs. 10/- each		1,400,000,000	1,400,000,000
Issued, subscribed and paid-up certificate capital		949,984,890	949,984,890
Reserves		1,455,079,053	1,130,801,550
Surplus on revaluation of investments		972,593,113	761,517,923
		3,377,657,056	2,842,304,363
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term murabaha, musharaka and finance under mark-up arrangements	13	-	-
Long-term security deposits		69,719,106	67,991,106
Deferred tax liability		256,805,976	77,267,977
TOTAL NON-CURRENT LIABILITIES		326,525,082	145,259,083
CURRENT LIABILITIES			
Current portion of long-term murabaha, musharaka and finance under mark-up arrangements	13	170,000,000	150,000,000
Current portion of security deposits		10,400,383	20,346,249
Creditors, accrued and other liabilities	14	240,412,077	233,696,457
Profit distribution payable		35,620,986	35,630,979
TOTAL CURRENT LIABILITIES		456,433,446	439,673,685
CONTINGENCIES AND COMMITMENTS	15		
TOTAL EQUITY AND LIABILITIES		4,160,615,584	3,427,237,131

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

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

Director

Director

Chief Executive Officer

Chief Financial Officer



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

**CONDENSED UNCONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022
(UN-AUDITED)**

	Half year ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Note	----- (Rupees) -----			
INCOME				
Rental income	130,304,676	123,767,889	65,253,125	58,295,072
Income on murabaha, musharaka	9,489,169	6,107,037	5,610,374	3,290,070
Ijarah rental income - net	2,523,163	578,554	2,523,163	393,610
Return on investments - net	16 15,389,112	9,017,054	8,631,397	11,155,846
Profit on bank balances	838,197	422,159	263,126	209,870
Reversal of provision for doubtful receivables-net	17 21,195	7,547,054	(78,805)	600,343
Other income	18 806,712	5,381,226	453,203	4,599,522
Liability no longer payable -SWWF	-	-	-	(10,523,541)
Unrealised gain on revaluation of FVTPL investment	395,679,615	55,465,970	272,856,116	(8,237,793)
	555,051,839	208,286,943	355,511,699	59,783,000
EXPENSES				
Administrative expenses	65,945,740	59,869,313	37,219,525	32,953,641
Depreciation on Investment properties	20,899,769	20,930,583	10,449,886	10,460,201
Financial charges	14,850,616	4,948,843	8,495,545	3,228,581
	101,696,125	85,748,739	56,164,956	46,642,423
	453,355,714	122,538,204	299,346,743	13,140,577
Modaraba management company's fee	45,335,571	12,253,820	29,934,674	1,314,057
Sales tax on modaraba management company's fee	5,893,624	1,592,997	3,891,507	170,828
Provision for Sindh Workers' Welfare Fund	8,042,530	2,173,828	5,310,411	2,173,828
Profit before taxation	394,083,989	106,517,559	260,210,151	9,481,864
Taxation	20 69,806,486	1,910,262	40,027,973	981,804
Net profit for the period	324,277,503	104,607,297	220,182,178	8,500,060
Earnings per certificate - basic and diluted	3.41	1.10	2.32	0.09

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

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

Director

Director

Chief Executive Officer

Chief Financial Officer



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

**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022
(UN-AUDITED)**

	Half year ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- (Rupees) -----			
Profit for the period	324,277,503	104,607,297	220,182,178	8,500,060
Other comprehensive income for the period				
Items that will be subsequently reclassified :				
Unrealised gain on revaluation of fair value through OCI investments	211,075,190	415,325,825	124,377,474	45,944,943
Total comprehensive profit for the period	<u>535,352,693</u>	<u>519,933,122</u>	<u>344,559,652</u>	<u>54,445,003</u>

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

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

Director

Director

Chief Executive Officer

Chief Financial Officer



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

**CONDENSED UNCONSOLIDATED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2022
(UN-AUDITED)**

	Half year ended	
	December 31, 2022	December 31, 2021
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	394,083,989	106,517,559
Adjustment of non-cash and other items:		
Depreciation	27,539,295	27,502,269
Amortisation on ijarah assets	-	196,107
Provision against doubtful receivable-net	(21,195)	(7,547,054)
Gain on disposal of property and equipment - owned	(10,848)	(692,558)
Gain on disposal of property, plant and equipment - leased / ijarah	-	-
Ijarah Rental Income	(2,523,163)	(774,661)
Income on murabaha, musharaka	(9,489,169)	(6,107,037)
Financial charges	14,850,616	4,948,843
Unrealised gain on revaluation of FVTPL investment	(395,679,615)	(55,465,970)
Return on investments - net	(15,855,339)	(9,753,321)
	(381,189,418)	(47,693,382)
	12,894,571	58,824,177
Increase / (decrease) in current assets		
Ijarah / lease rentals receivable	2,369,358	783,485
Loans, advances and prepayments	57,228,671	(4,205,979)
Accrued profit	(13,236)	5,822,988
Other receivables	(13,895,755)	63,240,933
	45,689,038	65,641,427
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	(28,248,947)	(11,514,941)
Rent received in advance	34,964,565	(2,189,249)
Customers' security deposit	(8,217,866)	(880,735)
	(1,502,248)	(14,584,925)
Income tax paid	(23,940,657)	(12,635,845)
Net cash generated from operating activities	33,140,704	97,244,834
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property and equipment - owned	(53,173,071)	(4,977,981)
Addition to Investment properties	-	(116,770)
Proceeds from disposal of property and equipment - owned	87,850	1,205,495
Proceeds from disposal of property, plant and equipment - leased / ijarah	9,946,147	1,689,100
Investments purchased - net	(27,707,009)	(62,706,867)
Income received on investments	11,811,362	8,759,363
Musharaka finances	(12,634,992)	10,674,613
Net cash generated used in investing activities	(71,669,713)	(45,473,047)



B.R.R. Guardian Modaraba
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**CONDENSED UNCONSOLIDATED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2022
(UN-AUDITED)**

	Half year ended	
	December 31, 2022	December 31, 2021
	----- Rupees -----	
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit paid to certificate holders	(9,993)	(121,324,526)
Finance under murabaha, musharaka and finance under mark-up arrangements	20,000,000	70,000,000
Long-term loan	-	(13,768,000)
Financial charges paid	(14,850,616)	(4,327,615)
Net cash used in financing activities	5,139,391	(69,420,141)
Net decrease in cash and cash equivalents	(33,389,618)	(17,648,354)
Cash and cash equivalents at the beginning of the period	38,465,646	39,381,695
Cash and cash equivalents at the end of the period	5,076,028	21,733,341

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

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

Director

Director

Chief Executive Officer

Chief Financial Officer



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

**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2022
(UN-AUDITED)**

Description	Issued, subscribed and paid-up certificate	Capital reserves			Accumulated (loss) / profit	Surplus on revaluation of investment	Total
		Profit prior to floatation	Merger reserve	Statutory reserve			
----- (Rupees) -----							
Balance as at July 01, 2021	949,984,890	10,532,683	44,902,567	968,602,075	(444,071,620)	1,341,185,560	2,871,136,155
Profit for the half year ended December 31, 2021	-	-	-	-	104,607,297	-	104,607,297
Other comprehensive income	-	-	-	-	-	415,325,825	415,325,825
Total comprehensive income for the period	-	-	-	-	104,607,297	415,325,825	519,933,122
Transfer of revaluation surplus on disposal of fair value through OCI investments	-	-	-	-	1,679,210	(1,679,210)	-
Profit distribution for the year ended June 30, 2021 @ 1.32	-	-	-	-	(125,398,005)	-	(125,398,005)
Balance as at December 31, 2021	949,984,890	10,532,683	44,902,567	968,602,075	(463,183,118)	1,754,832,175	3,265,671,272
Profit for the half year ended June 30, 2021	-	-	-	-	569,947,343	-	569,947,343
Other comprehensive income	-	-	-	-	-	(993,314,252)	(993,314,252)
Total comprehensive income for the period	-	-	-	-	569,947,343	(993,314,252)	(423,366,909)
Transfer to statutory reserve	-	-	-	32,721,153	(32,721,153)	-	-
Balance as at July 01, 2022	949,984,890	10,532,683	44,902,567	1,001,323,228	74,043,072	761,517,923	2,842,304,363
Profit for the half year ended December 31, 2022	-	-	-	-	324,277,503	-	324,277,503
Other comprehensive income	-	-	-	-	-	211,075,190	211,075,190
Total comprehensive income for the period	-	-	-	-	324,277,503	211,075,190	535,352,693
Transfer of revaluation surplus on disposal of fair value through OCI investments	-	-	-	-	-	-	-
Balance as at December 31, 2022	949,984,890	10,532,683	44,902,567	1,001,323,228	398,320,575	972,593,113	3,377,657,056

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

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

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

Director

Director

Chief Executive Officer

Chief Financial Officer



B.R.R. Guardian Modaraba
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NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (UN-AUDITED)

1. LEGAL STATUS AND NATURE OF THE BUSINESS

- 1.1** B.R.R. Guardian Modaraba (the Modaraba) is a multipurpose, perpetual Modaraba floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Modaraba Companies and Modaraba Rules, 1981 framed there under and is managed by B.R.R. Investment (Private) Limited, having its registered office at 1900-B, Saima Trade Towers, I.I. Chundrigar Road, Karachi.
- 1.2** 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 Modaraba is listed on the Pakistan Stock Exchange Limited. The Modaraba's principal activity is leasing (ijarah) of assets, deployment of funds in musharakas, murabahas and investment in properties, equity and debt securities. The Modaraba also provides custodial and management services in the name of B.R.R. Security Vault.

The Board of Directors in their meeting 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 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 was subject to the approval of the Registrar of Modarabas, the Securities Exchange Commission of Pakistan, the Honorable High Court, the Certificate holders of BRRGM and other relevant authorities as per Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980, and the Companies Act, 2017 and other laws for the time being in force.

The 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 the 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.

- 1.3** The Modaraba has incorporated a wholly owned subsidiary namely BRR Financial Services (Private) Limited (the Company) which was incorporated on November 30, 2015. The subsidiary has not yet commenced operations as at period end. (Please refer note 7)

These represents the stand alone financial statements of the Modaraba.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

The disclosures made in this condensed interim financial information have been limited, based on the requirements of International Accounting Standard 34 - "Interim Financial Reporting". These condensed interim financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Modaraba for the year ended June 30, 2022.

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

2.2 Basis of measurement

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of this condensed interim financial information are same as those applied in the preparation of annual financial statements for the year ended June 30, 2022.

3.1 Standards and amendments to published approved accounting standards which are effective during the half year ended December 31, 2022.

Following is a new standard and amendment to approved accounting standards which are mandatory for the Company's annual accounting period which began on July 1, 2022.

Standard or Interpretation	IASB effective date
IFRS 9 - Financial Instruments	July 1, 2018
IFRS 15 - Revenue from Contracts with Customers	July 1, 2018

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

4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Modaraba's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2022.

5 PROPERTY, PLANT AND EQUIPMENT	Note	(Un-audited)	(Audited)
		December 31, 2022	June 30, 2022
		----- Rupees -----	
Property and equipment - owned	5.1	64,621,813	69,980,008
Property, plant and equipment - leased / ijarah	5.2	10,400,268	20,346,419
		75,022,081	90,326,427
Capital work in progress		51,814,741	-
		126,836,822	90,326,427



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5.1 Property and equipment - owned

Following additions and disposals were made during the period :

	Additions / Transfer		Disposals / Transfer	
	(Un-audited) December 31, 2022	(Audited) June 30, 2022	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	----- (Rupees) -----			
Furnitures and fixtures	172,800	-	-	-
Lockers	-	3,781,000	-	-
Vehicles	665,530	7,774,116	221,000	4,543,950
Office equipment and appliances	520,000	1,419,700	-	545,882
	1,358,330	12,974,816	221,000	5,089,832

5.2 Property, plant and equipment - ijarah / leased

Following disposals were made during the period :

	Additions		Disposal / Write Off	
	(Un-audited) December 31, 2022	(Audited) June 30, 2022	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	----- (Rupees) -----			
Vehicles	-	-	12,785,000	-
Office equipment and appliances	-	-	106,819,356	-
Motorboat	-	-	2,694,300	-
	-	-	122,298,656	-

6 INVESTMENT PROPERTIES

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
		----- Rupees -----	
Investment properties	6.1	870,563,494	891,463,263
Capital work-in-progress	6.2	9,089,000	9,089,000
		879,652,494	900,552,263

6.1 Following addition / disposals were made during the period :

	Additions / Transfer		Disposals / Transfer	
	(Un-audited) December 31, 2022	(Audited) June 30, 2022	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	----- (Rupees) -----			
Office premises	-	116,770	-	-
	-	116,770	-	-



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

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

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

		(Un-audited)	(Audited)
		December 31,	June 30,
		2022	2022
		-----	-----
		(Rupees)	-----
6.2 Capital work-in-progress			
Advance for office premises - Jofa Tower, Karachi	6.2.1	66,420,000	66,420,000
Provision against advance for office premises		(57,331,000)	(57,331,000)
		<u>9,089,000</u>	<u>9,089,000</u>

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

7 LONG-TERM INVESTMENT

In un-quoted wholly owned subsidiary company - at cost
BRR Financial Services (Private) Limited

5,500,000 shares of Rs. 10 each (June 30, 2022: 5,500,000 shares)	<u>55,000,000</u>	<u>55,000,000</u>
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7.1 In prior year, in accordance with the requirement of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the Act), the Modaraba has received TREC against surrender of Stock Exchange Membership Card.

Pursuant to approval from SECP the Modaraba has incorporated a wholly owned subsidiary, namely, BRR Financial Services (Private) Limited (the Company) on November 30, 2015. In prior year, the Modaraba has subscribed 5,500,000 ordinary shares of Rs. 10 each in order to comply with minimum paid-up capital requirement under Securities Brokers (Licensing and Operations) Regulations 2016. In prior year, PSX vide letter dated June 25, 2019 transferred TREC from Modaraba to BRR Financial Services (Private) Limited and thereby granted a TREC to BRR Financial Services (Private) Limited.

The Board of Directors of the Management Company in their meeting held on July 15, 2020, has approved the Scheme of Arrangement for merger by way of amalgamation of wholly owned subsidiary, BRR Financial Services (Private) Limited with and into the Modaraba. 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).



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8	LONG-TERM MUSHARAKA FINANCES	(Un-audited)	(Audited)
		December 31, 2022	June 30, 2022
		----- (Rupees) -----	
	Considered good	104,589,710	82,136,744
	Considered doubtful	49,893,375	50,068,375
	Expected credit loss allowance under IFRS 9	(2,112,165)	(1,958,360)
	Provision for doubtful receivables	(49,893,375)	(50,068,375)
		102,477,545	80,178,384
	Current portion of musharaka finances	(37,679,926)	(30,863,874)
		64,797,619	49,314,510

8.1 The expected profit receivable on these arrangements ranges from 8.98% to 23.50% (June 30, 2022: 8.21% to 19.33%) 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 October 05, 2027.

8.2 Movement in provision for doubtful receivables

	Opening balance	50,068,375	62,104,534
	Provision during the period	-	-
	Written off during the period	-	(4,052,267)
	Reversal during the period	(175,000)	(7,983,892)
	Closing balance	49,893,375	50,068,375

9 SHORT-TERM INVESTMENTS

Fair value through profit or loss - FVTPL:

	Listed ordinary shares	9.1	1,644,682,638	1,227,997,459
	Mutual fund units	9.2	26,013,415	24,186,265
	Preference Shares	9.3	5,018,656	6,049,461
	Listed debt securities	9.4	20,748,271	10,799,190
			1,696,462,980	1,269,032,375

Fair value through other comprehensive income - FVTOCI:

	Listed ordinary shares / modaraba	9.5	1,133,998,975	806,459,551
	Mutual fund units	9.6	8,858,752	8,236,524
	Unlisted ordinary shares	9.7	49,368,791	49,368,791
	Unlisted debt securities	9.8	1,245,953	1,245,953
			1,193,472,471	865,310,819

Provision for diminution in value of investments

	(16,222,148)	(16,222,148)
	2,873,713,303	2,118,121,046



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9.1 FVTPL: Listed ordinary shares

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

December 31, 2022	June 30, 2022	Names of investees	December 31, 2022	June 30, 2022
Number of shares / units			----- (Rupees) -----	
Glass & ceramics				
96,515	96,515	Ghani Glass Limited	3,648,267	3,940,716
11,220	4,000	Tariq Glass Industries Limited	730,646	415,240
Textile composite				
48,383	39,300	Nishat Mills Limited	2,660,581	2,904,663
Cement				
116,817	95,817	D.G. Khan Cement Company Limited	6,032,430	5,988,563
10,659	12,912	Lucky Cement Limited	4,760,096	5,927,124
669,562	535,500	Fauji Cement Company Limited	8,048,135	7,588,035
1,533,168	1,533,168	Power Cement Limited	7,083,236	8,156,454
43,745	30,863	Maple Leaf Cement Factory Limited	987,325	844,103
Power generation & distribution				
3,932,246	3,850,746	K-Electric Limited	10,617,064	11,706,268
Refinery				
19,516	14,016	Attock Refinery Limited	2,801,717	2,463,732
61,574	62,074	National Refinery Limited	10,840,103	15,678,030
562,890	67,890	Cnergyico PK Limited	2,077,064	362,533
Fertilizer				
26,922	25,435	Engro Corporation Limited	7,053,833	6,539,084
Oil & gas exploration companies				
1,581	1,581	Mari Petroleum Company Limited	2,445,744	2,750,529
183,638	184,367	Pakistan Petroleum Limited	12,513,093	12,446,616
229,708	226,059	Oil & Gas Development Company Limited	18,298,539	17,784,062
13,371	-	Attock Petroleum Limited	3,873,712	-
43,517	27,717	Shell Pakistan Limited	4,675,466	3,274,209
Oil & gas marketing companies				
108,279	99,779	Pakistan State Oil Company Limited	15,591,093	17,146,023
58,236	90,991	Sui Northern Gas Pipelines Limited	2,186,762	3,112,802
223,500	223,500	Sui Southern Gas Company Limited	2,060,670	2,024,910
Automobile assembler				
205,523	205,523	Sazgar Engineering Work Limited	10,033,633	12,767,089
4,236	3,529	Millat Tractors Limited	2,054,926	3,079,370



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December 31, 2022	June 30, 2022	Names of investees	December 31, 2022	June 30, 2022
Number of shares / units			----- (Rupees) -----	
Automobile parts & accessories				
71,931	48,431	Panther Tyres Limited	1,490,410	1,569,164
Chemical				
8,547	8,547	ICI Pakistan Limited	5,491,789	6,192,729
110,543	110,043	Ittehad Chemicals Limited	3,039,933	3,286,984
116,500	116,000	Sitara Peroxide Limited	1,910,600	1,654,160
58,225	57,625	Pakistan Oxygen Limited	8,136,944	7,289,563
-	-	Archroma Pakistan Limited	-	-
39,625	39,625	Berger Paints Pakistan Limited	2,614,061	2,899,758
10,045	-	Engro Polymer & Chemical Limited	425,104	-
10,856	4,356	Biafo Industries Limited	636,922	291,852
700	700	Sitara Chemical Industries Limited	145,369	217,000
125,956	-	Ghani Global Holdings Limited	1,417,005	-
Engineering				
16,500	11,500	Ittefaq Iron Industries Limited	91,575	80,730
542,875	549,375	Agha Steel Industries Limited	7,545,963	8,614,200
2,000	-	Bolan Castings Limited	76,380	-
Transport				
12,500	12,000	Pakistan National Shipping Corporation Limited	1,271,875	579,120
714,000	599,000	Pakistan Intl. Bulk Terminal Limited	3,384,360	3,605,980
1,254	1,254	Universal Network Systems Limited	84,131	61,433
Food & personal care products				
-	-	Al-Tahir Limited	-	-
54,786	59,475	The Organic Meat Company Limited	1,131,879	1,298,934
9,375	7,375	National Foods Limited	931,781	1,067,753
60,352	63,000	Al-Shaheer Corporation Limited	615,590	569,520
38,350	38,350	Bunny's Limited	565,663	818,389
19,308	-	Frieslandcampina Engro Pakistan Limited	1,268,536	-
500	-	ZIL Limited	92,500	-
Technology & communication				
151,500	151,500	Pakistan Telecommunication Systems Limited	924,150	1,054,440
2,848,138	2,848,138	Octopus Digital Limited	1,378,299,422	939,486,801
-	-	Netsol Technologies Ltd	-	-
10,630	13,500	Supernet Limited	912,479	1,346,490
43,450	39,500	Avanceon Limited	666,958	762,745
3,000	-		198,090	-
Leather & tanneries				
63,580	63,580	Service Industries Limited	21,602,577	22,427,845
99,767	99,767	Service Global Footwear Limited	3,306,278	4,008,638



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December 31, 2022	June 30, 2022	Names of investees	December 31, 2022	June 30, 2022
Number of shares / units			----- (Rupees) -----	
Pharmaceuticals				
		Abbott Laboratories (Pakistan) Limited	1,343,599	1,243,816
2,900	1,900			
26,100	26,100	AGP Limited	1,696,239	2,286,882
2,186	2,986	Highnoon Laboratories Limited	1,180,768	1,582,192
20,352	16,960	Ferozsons Laboratories Limited	2,799,418	4,560,714
190,052	149,542	The Searle Company Limited	11,188,361	16,303,069
159,965	159,465	GlaxoSmithKline Pakistan Limited	14,040,128	19,921,962
		GlaxoSmithKline Consumer Healthcare	5,785,670	8,508,381
35,300	35,700			
12,500	5,150	Citi Pharma Limited	301,875	168,096
50	-	Sanofi-Aventis Pakistan Limited	47,900	-
Cable & electrical goods				
209,303	136,303	Pak Elektron Limited	2,710,474	2,165,855
255,500	249,000	Waves Singer Pakistan Limited	2,204,965	3,169,770
1,150	1,000	Pakistan Cables Limited	123,844	139,500
40,200	-	Waves Home Appliances Limited	266,928	-
Modarabas				
79,500	79,500	Modaraba Al - Mali	397,500	532,650
Commercial banks				
-	8,500	Bank Islami Pakistan Limited	-	102,340
8,048	8,226	Meezan Bank Limited	801,098	929,373
Paper & board				
20,300	20,300	Security Paper Limited	1,899,065	2,353,988
93,881	93,881	Roshan Packages Limited	1,027,058	1,395,072
101,000	101,000	Pak Agro Packaging Limited	777,700	1,020,100
Woolen				
8,000	8,000	Bannu Woolen Mills Limited	178,080	240,000
Miscellaneous				
1,598	1,598	United Distributors Pakistan	61,076	51,136
81,169	84,669	Pakistan Aluminium Beverage Cans	3,151,792	2,669,614
952	952	Tri Pack Films	119,381	157,080
Vanaspati & Allied Industries				
27,726	501	Unity Foods Limited	391,491	10,055
Synthetic & Rayon				
-	2,000	Rupali Polyester Limited	-	76,000
52,150	-	Image Pakistan Limited	489,689	-
Real estate investment trust				
172,000	172,000	Dolmen City REIT	2,346,080	2,325,440
			1,644,682,638	1,227,997,459



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9.2 FVTPL: Investment in mutual fund units

December 31, 2022	June 30, 2022	Names of investees	December 31, 2022	June 30, 2022
Number of shares / units			----- (Rupees) -----	
Open-end mutual funds				
295,981	295,981	786 Smart Fund	26,013,415	24,186,265
			26,013,415	24,186,265

9.3 FVTPL: Investment in preference shares

Cement				
		Power Cement Limited - Preference Shares		
756,990	756,990		4,693,338	5,753,124
Chemical				
		Engro Polymer & Chemicals Limited -		
26,109	26,109		325,318	296,337
			5,018,656	6,049,461

9.4 FVTPL: Investment in debt securities

December 31, 2022	June 30, 2022	Sukuk	December 31, 2022	June 30, 2022
Number of units			----- (Rupees) -----	
2,115	2,115	K-Electric	10,748,271	10,799,190
2,000	-	Berger Paint Pakistan	10,000,000	-
			20,748,271	10,799,190

9.4.1 Particulars of Sukuk

Names of the investee	Repayment frequency	Profit rate per annum	Maturity date	Secured / unsecured
K-Electric	Quarterly	3 months KIBOR + 1.70%	December 27, 2026	Secured
Berger Paint Pakistan	Quarterly	3 months KIBOR + 1.50%	September 26, 2026	Secured

9.5 FVTOCI: Listed ordinary shares / modaraba certificates

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

December 31, 2022	June 30, 2022	Names of investees	December 31, 2022	June 30, 2022
Number of shares / units			----- (Rupees) -----	
Oil & gas exploration companies				
8,190	8,190	Mari Petroleum Company Limited	12,669,602	14,248,471
Real estate investment trust				
185,000	185,000	Dolmen City REIT	2,523,400	2,501,200
Chemical				
11,699	11,699	Sitara Chemical Industries Limited	2,429,531	3,626,690



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December 31, 2022	June 30, 2022	Names of investees	December 31, 2022	June 30, 2022
Number of shares / units			----- (Rupees) -----	
54,000	54,000	Engineering		
		KSB Pumps Company Limited	5,939,460	7,140,420
		Transport		
1,000	1,000	Pakistan International Container Limited	159,530	163,150
5,000	5,000	Pakistan National Shipping Corporation Limited	508,750	241,300
		Pharmaceuticals		
33,326	33,326	Abbott Laboratories Pakistan Limited	15,440,269	21,816,533
32,165	32,165	GlaxoSmithKline Pakistan Limited	2,823,122	4,018,373
30,906	30,906	GlaxoSmithKline Consumer Healthcare Ltd.	5,065,493	7,365,827
138	138	Highnoon Laboratories Limited	74,541	73,122
		Technology & communication		
2,213,934	2,213,934	Systems Limited	1,071,389,081	730,288,269
		Financial services		
		786 Investments Limited (Formerly Dawood Capital Management Limited) - (fully provided)		
1,935,506	1,935,506	(Note: 9.5.1)	4,722,635	4,722,635
		First Dawood Investment Bank Limited -(Related party) (fully provided)		
3,339,922	3,339,922	(Note: 9.5.1)	10,253,561	10,253,561
			1,133,998,975	806,459,551

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

9.6 FVTOCI: Investment in mutual fund units

December 31, 2022	June 30, 2022	Names of investees	December 31, 2022	June 30, 2022
Number of shares / units			----- (Rupees) -----	
		Open-end mutual funds		
100,795	100,795	786 Smart Fund	8,858,752	8,236,524
			8,858,752	8,236,524

9.7 FVTOCI: Investment in unlisted ordinary shares

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

December 31, 2022	June 30, 2022	Names of investees	December 31, 2022	June 30, 2022
Number of shares / units			----- (Rupees) -----	
100,000	100,000	Al Baraka Bank (Pakistan) Limited - (note 9.7.2)	976,000	976,000



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December 31, 2022	June 30, 2022	Names of investees	December 31, 2022	June 30, 2022
Number of shares / units			----- (Rupees) -----	
7,200,000	7,200,000	Dawood Family Takaful Limited - (note 9.7.3)	47,808,000	47,808,000
34,603	34,603	ISE Tower REIT Management Company Limited - (note 9.7.4)	584,791	584,791
			49,368,791	49,368,791

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

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

June 30, 2022

Al Baraka Bank (Pakistan) Limited	(9.7.2)	976,000	0.01%	EY Ford Rhodes, Chartered Accountants
Dawood Family Takaful Limited	(9.7.3)	50,472,000	9.60%	Yousuf Adil, Chartered Accountants
ISE Tower REIT Management Company Limited	(9.7.4)	584,791	0.01%	Yousuf Adil, Chartered Accountants

June 30, 2021

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

9.7.2 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.

9.7.3 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 prior year, the management has estimated the fair value of this investment based on information of available market transaction at Rs.6.64 (June 30, 2021 : Rs.6.40 per share) and has recorded revaluation gain of Rs.1.72 million in prior.

9.7.4 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 in prior year.

9.8 FVTOCI: Investment in unlisted debt securities

December 31, 2022	June 30, 2022	Sukuks	December 31, 2022	June 30, 2022
Number of shares / units			----- (Rupees) -----	
1,267	1,267	Eden Housing Limited - (Fully provided)	1,245,953	1,245,953
			1,245,953	1,245,953



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

9.8.2 Particulars of Sukuk

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

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
10 ACCRUED PROFIT	Note	----- (Rupees) -----	
Accrued profit on:			
Debt securities		302,758	281,534
Musharaka finances		427,724	435,711
		730,482	717,245

11 OTHER RECEIVABLES

Rent receivable - unsecured, considered good		11,983,787	6,770,311
Takaful premium receivable		1,341,863	968,469
Other receivable		15,928,871	9,858,139
Receivable for Settlement of future sale contracts		2,697,998	459,845
		31,952,519	18,056,764
Receivable from ex-employees - -unsecured, considered doubtful			
Provision for doubtful receivables	11.1	-	51,274,920
		-	(51,274,920)
Others		-	-
Provision for doubtful debts	11.2	33,810,401	33,810,401
		(33,810,401)	(33,810,401)
		-	-
		31,952,519	18,056,764

11.1 This represents balance receivable from certain ex-employees and other parties in respect of embezzlement of funds. The Special Court (Offences in respect of Banks) Lahore through its judgement dated October 08, 2021 convicted the accused persons for Regirous Imprisonment of five years along with fine of Rs.40.765 million, declaring it as criminal case. In case the aforesaid amount is not deposited by the accused person then he shall undergo additional six months simple imprisonment. Taking into consideration the above, the management is of the view that the accused person shall prefer additional six month simple imprisonment instead of paying the heavy fine amount. Therefore, the chances of recovery are now remote and accordingly the whole amount receivable has now been written off.

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

A suit was also been filed on September 29, 2012 by the Modaraba before the Modaraba Tribunal / Banking Court-II for the recovery of outstanding dues from borrower. The Tribunal passed a judgment order in favour of the Modaraba and directed the defendant (borrower) to pay all outstanding dues along with cost of the suit,



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however the recovery of the decretal amount is uncertain due to the misappropriation of pledged stock by the borrower. Therefore, in prior year the Modaraba has filed the execution petition for the recovery of decretal amount by attaching the other auctionable assets of the borrower including piece and parcel of land / building of factory situated at 40-More, Lahore Road, Jaranwala and one vehicle. The borrower filed an application in Honorable Lahore High Court against the judgment and pleaded to suspend the judgment and decree in favour of Modaraba. The Modaraba has also filed a reply to the application filed by the borrower which is currently pending consideration.

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

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	----- (Rupees) -----	
12 CASH AND BANK BALANCES		
Cash in hand	194,311	143,883
Cash with State Bank of Pakistan - current account	14,438	4,438
Cash with banks in:		
Savings accounts	12.1 4,685,265	38,128,418
Current accounts	182,014	188,907
	5,076,028	38,465,646
12.1 These carry profit at rates ranging from 6.00% to 14.50% (June 30, 2022: 4% to 13.50%) per annum. Saving accounts includes balances placed under arrangements permissible under shariah amounting to Rs. 4.685 million.		
13 LONG-TERM MURABAHA, MUSHARAKA AND FINANCE UNDER MARK-UP ARRANGEMENTS		
Musharaka arrangement - Dawood Family Takaful Limited	13.1 -	-
Musharaka arrangement -First Dawood Investment Bank Ltd	13.2 170,000,000	150,000,000
Current portion of musharaka arrangements	(170,000,000)	(150,000,000)
	-	-
13.1 The Modaraba has entered into various musharaka agreements (Musharaka) with Dawood Family Takaful Limited (DFTL) on monthly profit sharing basis carrying profit at 6M Kibor plus 100 basis points.		
During the period, the Modaraba has recorded profit on various musharaka arrangements with DFTL amounting to Rs.2.210 million and made profit payment amounting to Rs.2.210 million.		
13.2 The Modaraba has entered into various musharaka agreement (Musharaka) with First Dawood Investment Limited on monthly profit sharing basis carrying profit at 6M Kibor plus 100 basis points.		
During the period, the Modaraba has recorded profit on these musharaka arrangements amounting to Rs.12.608 million and made profit payment amounting to Rs.12.608 million.		
14 CREDITORS, ACCRUED AND OTHER LIABILITIES		
Modaraba management fee payable	45,335,571	82,522,411
Sales tax on Modaraba management fee payable	5,893,624	10,727,913
Provision for Sindh Workers' Welfare Fund	33,205,547	25,163,017
Accrued liabilities	5,974,299	14,337,988
Rentals received in advance		
Lockers	60,294,481	45,376,668
Properties	38,234,005	18,187,253
Charity payable	117,204	106,348
Advance against sale of land and building	15.1 12,156,301	12,156,301
Others	39,201,045	25,118,558
	240,412,077	233,696,457



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

15 CONTINGENCIES AND COMMITMENTS

15.1 The Modaraba had received a legal notice from Innovative Investment Bank Limited (formerly: Crescent Standard Investment Bank Limited) which was addressed to previous Management Company (Financial Link Limited) of the Modaraba, wherein they had asked Modaraba to settle an outstanding balance of short-term borrowing amounting to Rs. 171.143 million (June 30, 2020: Rs. 171.143 million) along with the mark-up thereon on or before February 10, 2007. The management and the legal advisor of the Modaraba is confident that the matter will be decided in the favour of the Modaraba and, accordingly, no liability in respect of the above has been recognised in the financial statements. Further, the management has fully provided net amount of Rs. 44.9 million receivable from Innovative Investment Bank.

15.2 A commercial bank has lodged a claim of Rs. 1.090 million on account of excess mark-up paid to the Modaraba during previous years which is not accepted by the Modaraba. The Modaraba has also lodged a claim before the banking tribunal against the said commercial bank for short payment of mark-up to the Modaraba to the extent of Rs. 2.498 million (June 30, 2020: Rs. 2.498 million). The proceedings under both cases are pending to date. As a matter of abundant caution, full provision in respect of the said claim of commercial bank had been made by the Modaraba in 2015. During the prior year, bank balances have been written off against provision amounting to Rs. 1.090 million.

		(Un-audited) December 31, 2022	(Un-audited) December 31, 2021
	Note	----- (Rupees) -----	
16 RETURN ON INVESTMENTS - NET			
Dividend income		7,917,259	8,175,909
Profit on debt securities		3,894,103	583,454
Gain/(Loss) on settlement of Deliverable Future Contracts		(73,800)	(344,740)
Gain on sale of investments		<u>4,117,778</u>	<u>1,338,698</u>
		15,855,340	9,753,321
Brokerage & Commission		<u>(466,228)</u>	<u>(736,267)</u>
		<u>15,389,112</u>	<u>9,017,054</u>
17 REVERSAL OF PROVISION FOR DOUBTFUL RECEIVABLES			
Ijarah / Lease rentals		-	-
Musharakata	8.2	<u>175,000</u>	7,561,109
		175,000	7,561,109
Less: Charged during the year			
Ijarah / Lease rentals		-	14,055
Expected Credit Loss - IFRS 9		<u>153,805</u>	-
		<u>(153,805)</u>	<u>(14,055)</u>
		<u>21,195</u>	<u>7,547,054</u>
18 OTHER INCOME			
Gain on disposal of property and equipment - owned		10,848	692,558
Miscellaneous and other termination charges		795,864	742,662
Recovery in respect of Bad debts written off previously		-	3,946,006
		<u>806,712</u>	<u>5,381,226</u>

19 FAIR VALUE HIERARCHY

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

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

As at December 31, 2022, the Modaraba held the following financial instruments measured at fair value:

	December 31, 2022			Total
	Level 1	Level 2	Level 3	
	----- (Rupees) -----			
Investments at FVTPL				
Listed ordinary shares	1,644,682,638	-	-	1,644,682,638
Mutual fund units	26,013,415	-	-	26,013,415
Preference Shares	5,018,656	-	-	5,018,656
listed debt securities	20,748,271	-	-	20,748,271
Investments at FVTOCI				
Listed ordinary shares	1,133,998,975	-	-	1,133,998,975
Mutual fund units	8,858,752	-	-	8,858,752
Unlisted ordinary shares	-	-	49,368,791	49,368,791
Unlisted debt securities	-	-	1,245,953	1,245,953
	2,839,320,707	-	50,614,744	2,889,935,451

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

	June 30, 2022			Total
	Level 1	Level 2	Level 3	
	----- (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
Investments at FVTOCI				
Listed ordinary shares	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
	2,083,728,450	-	50,614,744	2,134,343,194

Valuation techniques

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

Transfers during the period

During the half year ended December 31, 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

	(Un-audited) December 31, 2022	(Un-audited) December 31, 2021
	----- (Rupees) -----	
20 TAXATION		
Current tax	4,615,179	1,910,262
Prior year tax	2,739,771	-
Deferred tax	62,451,536	-
	<u>69,806,486</u>	<u>1,910,262</u>

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

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

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

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

21 RELATED PARTY TRANSACTIONS

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

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

The details of related party transactions and balances as at 31 December, 2022 are as follows:



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Relationship with the Modaraba	Nature of transactions	(Un-audited)	(Un-audited)
		December 31, 2022 ----- (Rupees) -----	December 31, 2021 -----
Transactions during the period			
Management Company			
BRR Investment (Private) Limited	Management fee accrued	45,335,571	12,253,820
BRR Investment (Private) Limited	Management fee paid	82,522,411	31,942,494
BRR Investment (Private) Limited	Rent received	60,000	60,000
BRR Investment (Private) Limited	Reimbursement of expense	2,450	5,085
Associated companies / other related parties			
Dawood Family Takaful Limited	Rental Received against property	6,710,439	1,397,421
Dawood Family Takaful Limited	Musharaka finance received-net	93,000,000	97,000,000
Dawood Family Takaful Limited	Group Life Takaful	207,089	201,040
Dawood Family Takaful Limited	Musharaka finance repaid	93,000,000	82,000,000
Dawood Family Takaful Limited	Profit paid on musharaka finance	2,210,371	468,472
First Dawood Investment Bank Limited	Rent received against property	60,000	60,000
First Dawood Investment Bank Limited	Share of common expenses - net	235,050	112,798
First Dawood Investment Bank Limited	Musharaka finance received-net	20,000,000	115,000,000
First Dawood Investment Bank Limited	Musharaka finance repaid	-	60,000,000
First Dawood Investment Bank Limited	Profit paid on musharaka finance	11,016,389	3,782,407
First Dawood Employees Provident Fund	Transfer to provident fund	1,831,863	1,713,953
Hydrochina Dawood Power (Pvt) Limited	Rent received against property	3,600,000	-
Dawood Global Foundation	Charity paid	106,347	100,810
		(Un-audited)	(Audited)
		December 31,	June 30,
		2022	2022
		----- (Rupees) -----	-----
Relationship with the Modaraba			
Period end balances			
Management Company			
BRR Investment (Private) Limited	Management fee payable	45,335,571	82,522,411
Associated companies / other related parties			
First Dawood Investment Bank Limited	Musharaka finance payable	170,000,000	150,000,000
Dawood Family Takaful Limited	Rental receivable	-	2,889,375
Hydrochina Dawood Power (Private) Limited	Rental received in advance	1,842,871	107,173

22 SUBSEQUENT EVENTS

The Modaraba has evaluated all events that occur after the balance sheet date through the date when the financial statements were issued to determine if they must be reported. The management of the company determined that there were no reportable subsequent events to be disclosed.



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23 AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 20, 2023 by the Board of Directors of B.R.R. Investment (Private) Limited.

24 GENERAL

24.1 This condensed interim financial information is presented in Pak Rupees, which is the Modaraba's functional and presentation currency.

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

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

Director

Director

Chief Executive Officer

Chief Financial Officer

Un-Audited
Consolidated Condensed Interim
Financial Information
For The Half Year Ended
December 31, 2022



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

DIRECTORS' REPORT TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Dear Certificate Holders,

The Board of Directors of B.R.R. Investment (Private) Limited, Manager of B.R.R. Guardian Modaraba (BRRGM), take pleasure in presenting the 2nd Quarter Consolidated Financial statement of the Modaraba for the six months ended December 31, 2022.

OPERATIONS AND PERFORMANCE

Financial highlights	December 31, 2022	December 31, 2021
 Rupees.....	
Rental Income	130,304,676	123,767,889
Total Income	553,649,266	204,800,008
Total Expenses	101,725,002	85,781,447
Profit after Management fee, WWF	322,846,053	101,087,654
Earning per certificate	3.40	1.06

During the six months period under review the Modaraba has earned net profit of Rs. 322.846 million, as compared with Rs. 101.088 million profit in the same period last year.

Our successful business strategy has led to the elimination of accumulated losses, resulting in recorded accumulated profits of Rs. 390.628 million as of December 31, 2022. Statutory reserves have also increased to Rs. 1,001.323 million, surpassing the paid-up certificate capital of the modaraba.

Operating expenses of the Modaraba have remained within the budget.

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, your Modaraba will become a listed company.

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

On Behalf of the Board of Directors

B.R.R. Investment (Private) Limited

Director

February 20, 2023
Karachi

Chief Executive Officer



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

بی۔آر۔آر۔ گارجین مضاربہ

ڈائریکٹرز کی رپورٹ برائے مجموعی مالیاتی گوشوارے

معزز سرٹیفکیٹ ہولڈرز،

بی۔آر۔آر۔ انویسٹمنٹ (پرائیویٹ) لمیٹڈ ("بی آ آر آئی" یا کہتی) کے بورڈ آف ڈائریکٹرز، بی آ آر گارجین مضاربہ (بی آ آر جی ایم) کے ناظم کی حیثیت سے دسمبر 2022، 31 کو ختم ہونے والی دوسری سہ ماہی اور ششماہی کے مجموعی مالیاتی گوشوارے پیش کرتے ہوئے بے حد مسرت محسوس کر رہے ہیں۔

آپریشن اور کارکردگی

دسمبر 2021:31	دسمبر 2022، 31	مالیاتی جھلکیاں
پاکستانی روپے میں		
123,767,889	130,304,676	کرایہ سے آمدنی
204,800,008	553,649,266	کل آمدنی
85,781,447	101,725,002	کل اخراجات
101,087,654	322,846,053	منافع بعد از انتظامیہ کی فیس، ڈبلیو ڈبلیو ایف اور ٹیکس
1.06	3.40	نفع فی سرٹیفکیٹ

زیر جائزہ ششماہی کے دوران مضاربہ نے خالص منافع 322.846 ملین روپے کمایا، جبکہ گذشتہ سال کے اسی عرصہ میں 101.088 ملین روپے منافع ہوا تھا۔

یہ بات قابل ذکر ہے کہ ہماری کامیاب کاروباری حکمت عملی نے بالآخر جمع شدہ خسارے کو ختم کر دیا، دسمبر 2022، 31 کو 390.628 ملین روپے کا جمع شدہ منافع درج کر دیا اور ایئر پیچھڑی ریزرو اب 1,001.323 ملین روپے ہو گئے جو آپ کے مضاربہ کے ادا شدہ سرٹیفکیٹ کیپٹل سے زائد ہے۔

مضاربہ کے آپریٹنگ اخراجات بجٹ کے اندر رہے ہیں۔

اختتامی کلمات اور اظہار تشکر

14 اپریل 2022 کو عدالت عالیہ سندھ کی منظوری کے لیے BRR گارڈین مضاربہ کے BRR گارڈین لمیٹڈ "کہتی" کے ساتھ انضمام کی درخواست جمع کرائی گئی، جو فی الحال عدالت عالیہ میں زیر التوا ہے۔ مذکورہ انضمام کی درخواست منظور ہونے پر، آپ کا مضاربہ ایک سلف کہتی بن جائے گی۔

ہم کاروباری حالات کو بخوبی سمجھ رہے ہیں اور ہمارا ہدف اپنے موجودہ کاروبار میں منافع بخش ترقی کے ساتھ اپنے سرٹیفکیٹ ہولڈرز کی قدر میں اضافہ کرنا ہے۔

از طرف بورڈ آف ڈائریکٹرز

بی۔آر۔آر۔ انویسٹمنٹ (پرائیویٹ) لمیٹڈ

چیف ایگزیکٹو آفیسر

ڈائریکٹر

فروری 2023:20

کراچی



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

**CONSOLIDATED CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2022**

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- Rupees -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	126,836,822	90,326,427
Investment properties	6	879,652,494	900,552,263
Long-term musharaka finances	7	64,797,619	49,314,510
Long-term loans, advances and deposits		<u>5,822,582</u>	<u>6,058,432</u>
		<u>1,077,109,517</u>	<u>1,046,251,632</u>
CURRENT ASSETS			
Short-term investments	8	<u>2,910,851,954</u>	2,158,823,792
Current portion of musharaka finances	7	37,679,926	30,863,874
Loans, advances and prepayments		16,400,784	73,393,605
Accrued profit	9	730,482	717,245
Other receivables	10	31,952,519	18,056,765
Taxation		63,485,413	46,845,710
Cash and bank balances	11	<u>5,457,362</u>	<u>40,548,176</u>
		<u>3,066,558,440</u>	<u>2,369,249,167</u>
		<u>4,143,667,957</u>	<u>3,415,500,799</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
140,000,000 (June 30,2022: 140,000,000)			
Modaraba certificates of Rs. 10/- each		<u>1,400,000,000</u>	<u>1,400,000,000</u>
Issued, subscribed and paid-up certificate capital		<u>949,984,890</u>	<u>949,984,890</u>
Reserves		<u>1,447,386,105</u>	<u>1,124,540,052</u>
Surplus on revaluation of investments		<u>963,338,434</u>	<u>755,833,430</u>
		<u>3,360,709,429</u>	<u>2,830,358,372</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term murabaha, musharaka and finance under mark-up arrangements	12	-	-
Long-term security deposits		<u>69,719,106</u>	<u>67,991,106</u>
Deferred tax liability		<u>256,805,976</u>	<u>77,267,977</u>
		<u>326,525,082</u>	<u>145,259,083</u>
TOTAL NON-CURRENT LIABILITIES			
CURRENT LIABILITIES			
Current portion of long-term murabaha, musharaka and finance under mark-up arrangements	12	<u>170,000,000</u>	150,000,000
Current portion of security deposits		<u>10,400,383</u>	20,346,249
Creditors, accrued and other liabilities	13	<u>240,412,077</u>	233,906,116
Profit distribution payable		<u>35,620,986</u>	<u>35,630,979</u>
		<u>456,433,446</u>	<u>439,883,344</u>
TOTAL CURRENT LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	14		
TOTAL EQUITY AND LIABILITIES		<u>4,143,667,957</u>	<u>3,415,500,799</u>

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

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

Director

Director

Chief Executive Officer

Chief Financial Officer



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

**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022
(UN-AUDITED)**

	Half year ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Note	----- (Rupees) -----			
INCOME				
Rental income	130,304,676	123,767,889	65,253,125	58,295,072
Income on murabaha, musharaka	9,489,169	6,107,037	5,610,374	3,290,070
Ijarah rental income - net	2,523,163	578,554	2,523,163	393,610
Return on investments - net	15 15,813,175	9,461,573	9,027,747	11,569,365
Profit on bank balances	859,935	433,382	267,886	215,833
Reversal of provision for doubtful receivables-net	16 21,195	7,547,054	(78,805)	600,343
Other income	17 806,712	5,381,226	453,203	4,599,522
Liability no longer payable -SWWF	-	-	-	(10,523,541)
Unrealised gain on revaluation of FVTPL investment	393,831,241	51,523,293	271,594,365	(9,881,867)
	553,649,266	204,800,008	354,651,058	58,558,407
EXPENSES				
Administrative expenses	65,974,317	59,901,721	37,223,002	32,956,763
Depreciation on Investment properties	20,899,769	20,930,583	10,449,886	10,460,201
Financial charges	14,850,916	4,949,143	8,495,845	3,228,581
	101,725,002	85,781,447	56,168,733	46,645,545
	451,924,263	119,018,561	298,482,325	11,912,862
Modaraba management company's fee	45,335,570	12,253,820	29,934,674	1,314,057
Sales tax on modaraba management company's fee	5,893,624	1,592,997	3,891,507	170,828
Provision for Sindh Workers' Welfare Fund	8,042,530	2,173,828	5,310,411	2,173,828
Profit before taxation	392,652,539	102,997,916	259,345,733	8,254,149
Taxation	19 69,806,486	1,910,262	40,027,973	981,804
Net profit for the period	322,846,053	101,087,654	219,317,760	7,272,345
Earnings per certificate - basic and diluted	3.40	1.06	2.31	0.08

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

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

Director

Director

Chief Executive Officer

Chief Financial Officer



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

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022
(UN-AUDITED)**

	Half year ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- (Rupees) -----			
Profit for the period	322,846,053	101,087,654	219,317,760	7,272,345
Other comprehensive income for the period				
Items that will be subsequently reclassified :				
Unrealised gain on revaluation of fair value through OCI investments	207,505,004	406,891,174	121,497,166	45,058,526
Total comprehensive profit for the period	530,351,057	507,978,828	340,814,926	52,330,871

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

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

Director

Director

Chief Executive Officer

Chief Financial Officer



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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2022
(UN-AUDITED)

	Half year ended	
	December 31, 2022	December 31, 2021
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	392,652,539	102,997,916
Adjustment of non-cash and other items:		
Depreciation	27,539,295	27,502,269
Amortisation on ijarah assets	-	196,107
Provision against doubtful receivable-net	(21,195)	(7,547,054)
Gain on disposal of property and equipment - owned	(10,848)	(692,558)
Ijarah Rental Income	(2,523,163)	(774,661)
Income on murabaha, musharaka	(9,489,169)	(6,107,037)
Financial charges	14,850,916	4,949,143
Unrealised (gain) on revaluation of FVTPL investment	(393,831,241)	(51,523,293)
Return on investments - net	(16,279,402)	(10,197,846)
	(379,764,807)	(44,194,930)
	12,887,732	58,802,986
Increase / (decrease) in current assets		
Ijarah / lease rentals receivable	2,369,358	783,485
Loans, advances and prepayments	57,228,670	(4,205,979)
Accrued profit	(13,236)	5,822,988
Other receivables	(13,895,755)	64,014,336
	45,689,037	66,414,830
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	(28,458,606)	(11,715,900)
Rent received in advance	34,964,565	(2,189,249)
Customers' security deposit	(8,217,866)	(880,735)
	(1,711,907)	(14,785,884)
Income tax paid	(23,994,655)	(12,808,077)
Net cash generated from operating activities	32,870,207	97,623,855
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property and equipment - owned	(53,173,071)	(4,977,981)
Addition to Investment properties	-	(116,770)
Proceeds from disposal of property and equipment - owned	87,850	1,205,495
Proceeds from disposal of property, plant and equipment - leased / ijarah	9,946,147	1,689,100
Investments disposed / (purchased) - net	(29,557,008)	(62,706,466)
Income received on investments	12,230,962	9,203,488
Musharaka finances	(12,634,992)	10,674,613
Net cash used in investing activities	(73,100,112)	(45,028,521)



B.R.R. Guardian Modaraba
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**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2022
(UN-AUDITED)**

	Half year ended	
	December 31, 2022	December 31, 2021
	----- Rupees -----	
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit paid to certificate holders	(9,993)	(121,324,526)
Finance under murabaha, musharaka and finance under mark-up arrangements	20,000,000	70,000,000
Long-term loan	-	(13,768,000)
Financial charges paid	(14,850,916)	(4,327,915)
Net cash used in financing activities	5,139,091	(69,420,441)
Net decrease in cash and cash equivalents	(35,090,814)	(16,825,107)
Cash and cash equivalents at the beginning of the period	40,548,176	40,048,179
Cash and cash equivalents at the end of the period	5,457,362	23,223,072

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

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

Director

Director

Chief Executive Officer

Chief Financial Officer



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

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2022
(UN-AUDITED)**

Description	Issued, subscribed and paid-up certificate capital	Capital reserves			Accumulated (loss) / Profit	Surplus on revaluation of investment	Total
		Profit prior to floatation	Merger reserve	Statutory reserve			
----- (Rupees) -----							
Balance as at July 01, 2021	949,984,890	10,532,683	44,902,567	968,602,075	(443,954,928)	1,353,384,630	2,883,451,917
Profit for the half year ended December 31, 2021	-	-	-	-	101,087,654	-	101,087,654
Other comprehensive income	-	-	-	-	-	406,891,174	406,891,174
Total comprehensive income for the period	-	-	-	-	101,087,654	406,891,174	507,978,828
Transfer of revaluation surplus on disposal of fair value through OCI investments	-	-	-	-	1,679,210	(1,679,210)	-
Profit distribution for the year ended June 30, 2021 @ 1.32	-	-	-	-	(125,398,005)	-	(125,398,005)
Balance as at December 31, 2021	949,984,890	10,532,683	44,902,567	968,602,075	(466,586,069)	1,758,596,594	3,266,032,740
Profit for the half year ended June 30, 2022	-	-	-	-	567,088,796	-	567,088,796
Other comprehensive income	-	-	-	-	-	(1,002,763,164)	(1,002,763,164)
Total comprehensive income for the period	-	-	-	-	567,088,796	(1,002,763,164)	(435,674,368)
Transfer to statutory reserve	-	-	-	32,721,153	(32,721,153)	-	-
Balance as at July 01, 2022	949,984,890	10,532,683	44,902,567	1,001,323,228	67,781,574	755,833,430	2,830,358,372
Profit for the half year ended December 31, 2022	-	-	-	-	322,846,053	-	322,846,053
Other comprehensive income	-	-	-	-	-	207,505,004	207,505,004
Total comprehensive income for the period	-	-	-	-	322,846,053	207,505,004	530,351,057
Transfer of revaluation surplus on disposal of fair value through OCI investments	-	-	-	-	-	-	-
Balance as at December 31, 2022	949,984,890	10,532,683	44,902,567	1,001,323,228	390,627,627	963,338,434	3,360,709,429

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

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

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

Director

Director

Chief Executive Officer

Chief Financial Officer



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NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (UN-AUDITED)

1. LEGAL STATUS AND NATURE OF THE BUSINESS

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

1.1 Holding Company

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

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

The Board of Directors in their meeting 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 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 was 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 the 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.

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

1.2 Subsidiary Company

The group comprises of the following subsidiary company.

BRR Financial Services (Private) Limited (the Company) was incorporated in Pakistan on November 30, 2015 as a private limited company under the repealed Companies Ordinance, 1984. The principal business activity of the Company is to render brokerage service in capital and money market and to render other consultancy services etc. The registered office of the Company is at 18th Floor, BRR Tower, Hassan Ali Street, Off I.I Chundrigar Road, Karachi.

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

The Board of Directors of the Management Company of the modaraba in their meeting held on July 15, 2021, 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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed consolidated interim financial information of the Modaraba for the six months period ended December 31, 2022 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas.

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

The disclosures made in this condensed consolidated interim financial information have been limited, based on the requirements of International Accounting Standard 34 - "Interim Financial Reporting". These condensed consolidated interim financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Modaraba for the year ended June 30, 2022.

This condensed consolidated interim financial information is un-audited. However, limited scope review has been performed by the statutory auditors, except for the figures of the condensed consolidated interim profit and loss account and condensed consolidated interim statement of comprehensive income for the quarters ended December 31, 2022 and December 31, 2021, in accordance with the requirement of clause 27 of the Listed Companies (Code of Corporate Governance) Regulations, 2017 and are being submitted to the Certificate holders as required by Rule 10 of Modaraba Companies and Modaraba Rules, 1981.

This consolidated condensed interim financial information is un-audited.

2.2 Basis of measurement

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of this condensed consolidated interim financial information are same as those applied in the preparation of annual financial statements for the year ended June 30, 2022.

3.1 Standards and amendments to published approved accounting standards which are effective during the half year ended December 31, 2022.

Following is a new standard and amendment to approved accounting standards which are mandatory for the Company's annual accounting period which began on July 1, 2022.

Standard or Interpretation	IASB effective date
IFRS 9 - Financial Instruments	July 1, 2018
IFRS 15 - Revenue from Contracts with Customers	July 1, 2018



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

4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Modaraba's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2022.

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
Note	----- Rupees -----	

5 PROPERTY, PLANT AND EQUIPMENT

Property and equipment - owned	5.1	64,621,813	69,980,008
Property, plant and equipment - leased / ijarah	5.2	10,400,268	20,346,419
		75,022,081	90,326,427
Capital work in progress		51,814,741	-
		126,836,822	90,326,427

5.1 Property and equipment - owned

Following additions and disposals were made during the period :

	Additions / Transfer		Disposals / Transfer	
	(Un-audited) December 31, 2022	(Audited) June 30, 2022	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	----- (Rupees) -----			
Furnitures and fixtures	174,800	-	-	-
Lockers	-	3,781,000	-	-
Vehicles	665,530	7,774,116	221,000	4,543,950
Office equipment and appliances	520,000	1,419,700	-	545,882
	1,358,330	12,974,816	221,000	5,089,832

5.2 Property, plant and equipment - ijarah / leased

Following disposals were made during the period :

	Additions		Disposal / Write Off	
	(Un-audited) December 31, 2022	(Audited) June 30, 2022	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	----- (Rupees) -----			
Vehicles	-	-	12,785,000	-
Office equipment and appliances	-	-	106,819,356	-
Motorboat	-	-	2,694,300	-
	-	-	122,298,656	-



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

(Un-audited) (Audited)
December 31, June 30,
2022 2022
Note ----- Rupees -----

6 INVESTMENT PROPERTIES

Investment properties	6.1	870,563,494	891,463,263
Capital work-in-progress	6.2	<u>9,089,000</u>	<u>9,089,000</u>
		<u>879,652,494</u>	<u>900,552,263</u>

6.1 Following addition / disposals were made during the period :

	Additions / Transfer		Disposals / Transfer	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	December 31, 2022	June 30, 2022	December 31, 2022	June 30, 2022
	----- (Rupees) -----			
Office premises	-	116,770	-	-
	-	116,770	-	-

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

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

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

		(Un-audited)	(Audited)
		December 31,	June 30,
		2022	2022
	Note	----- (Rupees) -----	
Advance for office premises - Jofa Tower, Karachi	6.2.1	66,420,000	66,420,000
Provision against advance for office premises		<u>(57,331,000)</u>	<u>(57,331,000)</u>
		<u>9,089,000</u>	<u>9,089,000</u>

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

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- (Rupees) -----	
7 LONG-TERM MUSHARAKA FINANCES			
Considered good		104,589,710	82,136,744
Considered doubtful	7.2	49,893,375	50,068,375
	7.1	154,483,085	132,205,119
Expected credit loss allowance under IFRS 9		(2,112,165)	(1,958,360)
Provision for doubtful receivables	7.2	(49,893,375)	(50,068,375)
		102,477,545	80,178,384
Current portion of musharaka finances		(37,679,926)	(30,863,874)
		64,797,619	49,314,510
7.1 The expected profit receivable on these arrangements ranges from 8.98% to 23.50% (June 30, 2022: 8.21% to 19.33%) 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 October 05, 2027.			
7.2 Movement in provision for doubtful receivables			
Opening balance		50,068,375	62,104,534
Provision during the period		-	-
Written off during the period		-	(4,052,267)
Reversal during the period	16	(175,000)	(7,983,892)
Closing balance		49,893,375	50,068,375
8 SHORT-TERM INVESTMENTS			
Fair value through profit or loss - FVTPL:			
Listed ordinary shares	8.1	1,663,868,537	1,249,366,880
Mutual fund units	8.2	30,861,170	26,844,408
Preference Shares	8.3	5,018,656	6,049,461
Listed debt securities	8.4	20,748,271	10,799,190
		1,720,496,634	1,293,059,939
Fair value through other comprehensive income - FVTOCI:			
Listed ordinary shares / modaraba	8.5	1,147,103,972	823,134,733
Mutual fund units	8.6	8,858,752	8,236,524
Unlisted ordinary shares	8.7	49,368,791	49,368,791
Unlisted debt securities	8.8	1,245,953	1,245,953
		1,206,577,468	881,986,001
Provision for diminution in value of investments		(16,222,148)	(16,222,148)
		2,910,851,954	2,158,823,792



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8.1 FVTPL: Listed ordinary shares

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

December 31, 2022	June 30, 2022	Names of investees	December 31, 2022	June 30, 2022
Number of shares / units			----- (Rupees) -----	
Glass & ceramics				
101,005	101,005	Ghani Glass Limited	3,817,989	4,124,034
11,220	4,000	Tariq Glass Industries Limited	730,646	415,240
Textile composite				
53,383	44,300	Nishat Mills Limited	2,935,531	3,274,213
25,500	25,500	Kohinoor Textile Mills Limited	1,204,875	1,275,000
Cement				
116,817	95,817	D.G. Khan Cement Company Limited	6,032,430	5,988,563
10,659	12,912	Lucky Cement Limited	4,760,096	5,927,124
669,562	535,500	Fauji Cement Company Limited	8,048,135	7,588,035
1,533,168	1,533,168	Power Cement Limited	7,083,236	8,156,454
43,745	30,863	Maple Leaf Cement Factory Limited	987,325	844,103
5,400	5,400	Bestway Cement Limited	691,254	685,692
Power generation & distribution				
4,214,746	4,133,246	K-Electric Limited	11,379,814	12,565,068
10,500	10,500	The Hub Power Company	662,340	715,785
Refinery				
19,516	14,016	Attock Refinery Limited	2,801,717	2,463,732
61,574	62,074	National Refinery Limited	10,840,103	15,678,030
562,890	67,890	Cnergyico PK Limited	2,077,064	362,533
Fertilizer				
26,922	25,435	Engro Corporation Limited	7,053,833	6,539,084
Oil & gas exploration companies				
1,581	1,581	Mari Petroleum Company Limited	2,445,744	2,750,529
183,638	184,367	Pakistan Petroleum Limited	12,513,093	12,446,616
229,708	226,059	Oil & Gas Development Company Limited	18,298,539	17,784,062
13,371	-	Attock Petroleum Limited	3,873,712	-
47,117	31,317	Shell Pakistan Limited	5,062,250	3,699,477
		Pakistan Oilfields Limited		
Oil & gas marketing companies				
108,279	99,779	Pakistan State Oil Company Limited	15,591,093	17,146,023
58,236	90,991	Sui Northern Gas Pipelines Limited	2,186,762	3,112,802
223,500	223,500	Sui Southern Gas Company Limited	2,060,670	2,024,910
Automobile assembler				
210,023	210,023	Sazgar Engineering Work Limited	10,253,323	13,046,629
4,236	3,529	Millat Tractors Limited	2,054,926	3,079,370
15,250	12,200	Agriauto Industries	1,308,603	1,634,800



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December 31, 2022	June 30, 2022	Names of investees	December 31, 2022	June 30, 2022
Number of shares / units			----- (Rupees) -----	
Automobile parts & accessories				
71,931	48,431	Panther Tyres Limited	1,490,410	1,569,164
Chemical				
13,547	13,547	ICI Pakistan Limited	8,704,489	9,815,479
110,543	110,043	Ittehad Chemicals Limited	3,039,933	3,286,984
216,500	216,000	Sitara Peroxide Limited	3,550,600	3,080,160
58,225	57,625	Pakistan Oxygen Limited	8,136,944	7,289,563
2,000	2,000	Archroma Pakistan Limited	872,020	1,098,000
39,625	39,625	Berger Paints Pakistan Limited	2,614,061	2,899,758
10,045	-	Engro Polymer & Chemical Limited	425,104	-
10,856	4,356	Biafo Industries Limited	636,922	291,852
2,400	2,400	Sitara Chemical Industries Limited	498,408	744,000
125,956	-	Ghani Global Holdings Limited	1,417,005	-
Engineering				
22,000	17,000	Ittefaq Iron Industries Limited	122,100	119,340
542,875	549,375	Agha Steel Industries Limited	7,545,963	8,614,200
2,000	-	Bolan Castings Limited	76,380	-
8,800	8,800	K.S.B Pumps Company Limited	967,912	1,163,624
Transport				
12,500	12,000	Pakistan National Shipping Corporation Limited	1,271,875	579,120
714,000	599,000	Pakistan Intl. Bulk Terminal Limited	3,384,360	3,605,980
1,254	1,254	Universal Network Systems Limited	84,131	61,433
Food & personal care products				
-	-	Al-Tahur Limited	-	-
54,786	59,475	The Organic Meat Company Limited	1,131,879	1,298,934
9,375	7,375	National Foods Limited	931,781	1,067,753
60,352	63,000	Al-Shaheer Corporation Limited	615,590	569,520
38,350	38,350	Bunny's Limited	565,663	818,389
19,308	-	Frieslandcampina Engro Pakistan Limited	1,268,536	-
500	-	ZIL Limited	92,500	-
Technology & communication				
151,500	151,500	Pakistan Telecommunication Systems Limited	924,150	1,054,440
2,848,138	2,848,138	Octopus Digital Limited	1,378,299,422	939,486,801
10,630	13,500	Netsol Technologies Ltd	912,479	1,346,490
43,450	39,500	Supernet Limited	666,958	762,745
3,000	-	Avanceon Limited	198,090	-
Leather & tanneries				
63,580	63,580	Service Industries Limited	21,602,577	22,427,845
99,767	99,767	Service Global Footwear Limited	3,306,278	4,008,638



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December 31, 2022	June 30, 2022	Names of investees	December 31, 2022	June 30, 2022
Number of shares / units			----- (Rupees) -----	
Pharmaceuticals				
4,450	3,450	Abbott Laboratories (Pakistan) Limited	2,061,730	2,258,508
26,100	26,100	AGP Limited	1,696,239	2,286,882
10,535	11,335	Highnoon Laboratories Limited	5,690,480	6,006,076
21,792	18,160	Ferozsons Laboratories Limited	2,997,490	4,883,406
190,052	149,542	The Searle Company Limited	11,188,361	16,303,069
159,965	159,465	GlaxoSmithKline Pakistan Limited	14,040,128	19,921,962
37,300	37,700	GlaxoSmithKline Consumer Healthcare	6,113,470	8,985,041
12,500	5,150	Citi Pharma Limited	301,875	168,096
50	-	Sanofi-Aventis Pakistan Limited	47,900	-
Cable & electrical goods				
210,803	137,803	Pak Elektron Limited	2,729,899	2,189,690
255,500	249,000	Waves Singer Pakistan Limited	2,204,965	3,169,770
1,150	1,000	Pakistan Cables Limited	123,844	139,500
40,200	-	Waves Home Appliances Limited	266,928	-
Modarabas				
79,500	79,500	Modaraba Al - Mali	397,500	532,650
Commercial banks				
2,500	11,000	Bank Islami Pakistan Limited	33,400	132,440
8,048	8,226	Meezan Bank Limited	801,098	929,373
Paper & board				
26,800	26,800	Security Paper Limited	2,507,140	3,107,728
93,881	93,881	Roshan Packages Limited	1,027,058	1,395,072
101,000	101,000	Pak Agro Packaging Limited	777,700	1,020,100
Woolen				
8,000	8,000	Bannu Woolen Mills Limited	178,080	240,000
Miscellaneous				
1,598	1,598	United Distributors Pakistan	61,076	51,136
81,169	84,669	Pakistan Aluminium Beverage Cans	3,151,792	2,669,614
952	952	Tri Pack Films	119,381	157,080
Vanapati & Allied Industries				
28,726	1,501	Unity Foods Limited	405,611	30,127
Synthetic & Rayon				
-	2,000	Rupali Polyester Limited	-	76,000
52,150	-	Image Pakistan Limited	489,689	-
Real estate investment trust				
172,000	172,000	Dolmen City REIT	2,346,080	2,325,440
			1,663,868,537	1,249,366,880



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8.2 FVTPL: Investment in mutual fund units

December 31, 2022	June 30, 2022	Names of investees	December 31, 2022	June 30, 2022
Number of shares / units			----- (Rupees) -----	
Open-end mutual funds				
351,117	328,519	786 Smart Fund	30,861,170	26,844,408
			<u>30,861,170</u>	<u>26,844,408</u>

8.3 FVTPL: Investment in preference shares

December 31, 2022	June 30, 2022	Names of investees	December 31, 2022	June 30, 2022
Number of shares / units			----- (Rupees) -----	
Cement				
756,990	756,990	Power Cement Limited - Preference Shares	4,693,338	5,753,124
Chemical				
26,109	26,109	Engro Polymer & Chemicals Limited -	325,318	296,337
			<u>5,018,656</u>	<u>6,049,461</u>

8.4 FVTPL: Investment in debt securities

December 31, 2022	June 30, 2022	Sukuk	December 31, 2022	June 30, 2022
Number of shares / units			----- (Rupees) -----	
2,115	2,115	K-Electric	10,748,271	10,799,190
2,000	-	Berger Paint Pakistan	10,000,000	-
			<u>20,748,271</u>	<u>10,799,190</u>

8.4.1 Particulars of Sukuk

Names of the investee	Repayment frequency	Profit rate per annum	Maturity date	Secured / unsecured
K-Electric	Quarterly	3 months KIBOR + 1.70%	December 27, 2026	Secured
Berger Paint Pakistan	Quarterly	3 months KIBOR + 1.50%	September 26, 2026	Secured

8.5 FVTOCI: Listed ordinary shares / modaraba certificates

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

December 31, 2022	June 30, 2022	Names of investees	December 31, 2022	June 30, 2022
Number of shares / units			----- (Rupees) -----	
Oil & gas exploration companies				
8,190	8,190	Mari Petroleum Company Limited	12,669,602	14,248,471
Real estate investment trust				
185,000	185,000	Dolmen City REIT Limited	2,523,400	2,501,200
Chemical				
11,699	11,699	Sitara Chemical Industries Limited	2,429,531	3,626,690
Engineering				
54,000	54,000	KSB Pumps Company Limited	5,939,460	7,140,420



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December 31, 2022	June 30, 2022	Names of investees	December 31, 2022	June 30, 2022
Number of shares / units			----- (Rupees) -----	
Transport				
		Pakistan International Container Terminal Limited	159,530	163,150
1,000	1,000			
5,000	5,000	Pakistan National Shipping Corporation Ltd.	508,750	241,300
Pharmaceuticals				
		Abbott Laboratories Pakistan Limited	15,440,269	21,816,533
33,326	33,326			
32,165	32,165	GlaxoSmithKline Pakistan Limited	2,823,122	4,018,373
		GlaxoSmithKline Consumer Healthcare Pakistan Limited	5,065,493	7,365,827
30,906	30,906			
138	138	Highnoon Laboratories Limited	74,541	73,122
Technology & communication				
2,213,934	2,213,934	Systems Limited	1,071,389,081	730,288,269
Automobile assembler				
268,435	268,435	Sazgar Engineering Work Limited	13,104,997	16,675,182
Financial services				
1,935,506	1,935,506	786 Investments Limited (Formerly Dawood Capital Management Limited) - (fully provided) (Note: 8.5.1)	4,722,635	4,722,635
		First Dawood Investment Bank Limited -(Related party) (fully provided) (Note: 8.5.1)	10,253,561	10,253,561
3,339,922	3,339,922			
			1,147,103,972	823,134,733

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

8.6 FVTOCI: Investment in mutual fund units

December 31, 2022	June 30, 2022	Names of investees	December 31, 2022	June 30, 2022
Number of shares / units			----- (Rupees) -----	
Open-end mutual funds				
100,795	100,795	786 Smart Fund	8,858,752	8,236,524
			8,858,752	8,236,524

8.7 FVTOCI: Investment in unlisted ordinary shares

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

December 31, 2022	June 30, 2022	Names of investees	December 31, 2022	June 30, 2022
Number of shares / units			----- (Rupees) -----	
100,000	100,000	Al Baraka Bank (Pakistan) Limited - (note 8.7.2)	976,000	976,000



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December 31, 2022	June 30, 2022	Names of investees	December 31, 2022	June 30, 2022
Number of shares / units			----- (Rupees) -----	
7,200,000	7,200,000	Dawood Family Takaful Limited - (note 8.7.3)	47,808,000	47,808,000
34,603	34,603	ISE Tower REIT Management Company Limited - (note 8.7.4)	584,791	584,791
			<u>49,368,791</u>	<u>49,368,791</u>

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

Name of investees	Reference note	Break-up value as per latest available audited consolidated financial statements (Rupees)	% of holding of the investee's paid-up capital	Auditors
June 30, 2022				
Al Baraka Bank (Pakistan) Limited	(8.7.2)	976,000	0.01%	EY Ford Rhodes, Chartered Accountants
Dawood Family Takaful Limited	(8.7.3)	50,472,000	9.60%	Yousuf Adil, Chartered Accountants
ISE Tower REIT Management Company Limited	(8.7.4)	584,791	0.01%	Yousuf Adil, Chartered Accountants
June 30, 2021				
Al Baraka Bank (Pakistan) Limited	(8.7.2)	948,300	0.01%	EY Ford Rhodes, Chartered Accountants
Dawood Family Takaful Limited	(8.7.3)	47,174,400	9.60%	Yousuf Adil, Chartered Accountants
ISE Tower REIT Management Company Limited	(8.7.4)	47,807,136	0.83%	Yousuf Adil, Chartered Accountants

8.7.2 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.

8.7.3 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 prior year, the management has estimated the fair value of this investment based on information of available market transaction at Rs.6.64 (June 30, 2021 : Rs.6.40 per share) and has recorded revaluation gain of Rs.1.72 million in prior.

8.7.4 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 in prior year.

8.8 FVTOCI: Investment in unlisted debt securities

December 31, 2022	June 30, 2022	Names of investees	December 31, 2022	June 30, 2022
Number of shares / units			----- (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>



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

8.8.2 Particulars of Sukuk

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

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- (Rupees) -----	
9 ACCRUED PROFIT			
Accrued profit on:			
Debt securities		302,758	281,534
Musharaka finances		427,724	435,711
		730,482	717,245
10 OTHER RECEIVABLES			
Rent receivable - unsecured, considered good		11,983,787	6,770,311
Takaful premium receivable		1,341,863	968,469
Other receivable		15,928,871	9,858,140
Receivable for Settlement of future sale contracts		2,697,998	459,845
		31,952,519	18,056,765
Receivable from ex-employees - unsecured, considered doubtful			
	10.1	-	51,274,920
Provision for doubtful receivables		-	(51,274,920)
		-	-
Others	10.2	33,810,401	33,810,401
Provision for doubtful debts		(33,810,401)	(33,810,401)
		-	-
		31,952,519	18,056,765

10.1 This represents balance receivable from certain ex-employees and other parties in respect of embezzlement of funds. The Special Court (Offences in respect of Banks) Lahore through its judgement dated October 08, 2021 convicted the accused persons for Regirous Imprisonment of five years along with fine of Rs.40.765 million, declaring it as criminal case. In case the aforesaid amount is not deposited by the accused person then he shall undergo additional six months simple imprisonment. Taking into consideration the above, the management is of the view that the accused person shall prefer additional six month simple imprisonment instead of paying the heavy fine amount. Therefore, the chances of recovery are now remote and accordingly the whole amount receivable has now been written off.

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



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

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

		(Un-audited)	(Audited)
		December 31,	June 30,
		2022	2022
		-----	-----
		(Rupees)	-----
11	CASH AND BANK BALANCES		
	Cash in hand	200,871	153,548
	Cash with State Bank of Pakistan - current account	14,438	4,438
	Cash with banks in:		
	Savings accounts	5,060,039	40,201,283
	Current accounts	182,014	188,907
		5,457,362	40,548,176

11.1 These carry profit at rates ranging from 6.00% to 14.50% (June 30, 2022: 4% to 13.50%) per annum. Saving accounts includes balances placed under arrangements permissible under shariah amounting to Rs. 4.685 million.

		(Un-audited)	(Audited)
		December 31,	June 30,
		2022	2022
		-----	-----
		(Rupees)	-----
12	LONG-TERM MURABAHA, MUSHARAKA AND FINANCE UNDER MARK-UP ARRANGEMENTS		
	Musharaka arrangement - Dawood Family Takaful Limited	-	-
	Musharaka arrangement -First Dawood Investment Bank Ltd	170,000,000	150,000,000
	Current portion of musharaka arrangements	(170,000,000)	(150,000,000)
		-	-

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

During the period, the Modaraba has recorded profit on various musharaka arrangements with DFTL amounting to Rs.2.210 million and made profit payment amounting to Rs.2.210 million.

12.2 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.12.608 million and made profit payment amounting to Rs.12.608 million.



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(Un-audited) (Audited)
December 31, June 30,
2022 2022
----- (Rupees) -----

13 CREDITORS, ACCRUED AND OTHER LIABILITIES

Modaraba management fee payable		45,335,571	82,522,411
Sales tax on Modaraba management fee payable		5,893,624	10,727,913
Provision for Sindh Workers' Welfare Fund		33,205,547	25,163,017
Accrued liabilities		5,974,299	14,412,988
Rentals received in advance			
Lockers		60,294,481	45,376,668
Properties		38,234,005	18,187,253
Charity payable		117,204	121,007
Advance against sale of land and building	13.1	12,156,301	12,156,301
Others		39,201,045	25,238,558
		<u>240,412,077</u>	<u>233,906,116</u>

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

14 CONTINGENCIES AND COMMITMENTS

14.1 The Modaraba had received a legal notice from Innovative Investment Bank Limited (formerly: Crescent Standard Investment Bank Limited) which was addressed to previous Management Company (Financial Link Limited) of the Modaraba, wherein they had asked Modaraba to settle an outstanding balance of short-term borrowing amounting to Rs. 171.143 million (June 30, 2020: Rs. 171.143 million) along with the mark-up thereon on or before February 10, 2007. The management and the legal advisor of the Modaraba is confident that the matter will be decided in the favour of the Modaraba and, accordingly, no liability in respect of the above has been recognised in the financial statements. Further, the management has fully provided net amount of Rs. 44.9 million receivable from Innovative Investment Bank.

14.2 A commercial bank has lodged a claim of Rs. 1.090 million on account of excess mark-up paid to the Modaraba during previous years which is not accepted by the Modaraba. The Modaraba has also lodged a claim before the banking tribunal against the said commercial bank for short payment of mark-up to the Modaraba to the extent of Rs. 2.498 million (June 30, 2020: Rs. 2.498 million). The proceedings under both cases are pending to date. As a matter of abundant caution, full provision in respect of the said claim of commercial bank had been made by the Modaraba in 2015. During the prior year, bank balances have been written off against provision amounting to Rs. 1.090 million.

(Un-audited) (Un-audited)
December 31, December 31,
2022 2021
----- (Rupees) -----

15 RETURN ON INVESTMENTS - NET

Dividend income		8,336,859	8,620,034
Profit on debt securities		3,894,103	583,454
Gain/(Loss) on settlement of Deliverable Future Contracts		(73,800)	(344,740)
Gain on sale of investments		4,122,241	1,339,098
		<u>16,279,402</u>	<u>10,197,846</u>
Brokerage & Commission		(466,228)	(736,273)
		<u>15,813,175</u>	<u>9,461,573</u>



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16 REVERSAL OF PROVISION FOR DOUBTFUL RECEIVABLES	Note	(Un-audited)	(Un-audited)
		December 31, 2022	December 31, 2021
		----- (Rupees) -----	
Musharaka	7.2	175,000	7,561,109
		175,000	7,561,109
Less: Charged during the year			
Ijarah / Lease rentals		-	14,055
Expected Credit Loss - IFRS 9		153,805	-
		(153,805)	(14,055)
		21,195	7,547,054
17 OTHER INCOME			
Gain on disposal of property and equipment - owned		10,848	692,558
Miscellaneous and other termination charges		795,864	742,662
Recovery in respect of Bad debts written off previously		-	3,946,006
		806,712	5,381,226

18 FAIR VALUE HIERARCHY

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

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

As at December 31, 2022, the Modaraba held the following financial instruments measured at fair value:

	December 31, 2022			Total
	Level 1	Level 2	Level 3	
		----- (Rupees) -----		
Investments at FVTPL				
Listed ordinary shares	1,663,868,537	-	-	1,663,868,537
Mutual fund units	30,861,170	-	-	30,861,170
Preference Shares	5,018,656	-	-	5,018,656
listed debt securities	20,748,271	-	-	20,748,271
Investments at FVTOCI				
Listed ordinary shares	1,147,103,972	-	-	1,147,103,972
Mutual fund units	8,858,752	-	-	8,858,752
Unlisted ordinary shares	-	-	49,368,791	49,368,791
Unlisted debt securities	-	-	1,245,953	1,245,953
	2,876,459,358	-	50,614,744	2,927,074,102

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

June 30, 2022

	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 FVTOCI				
Listed ordinary shares	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
	<u>2,124,431,196</u>	<u>-</u>	<u>50,614,744</u>	<u>2,175,045,940</u>

Valuation techniques

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

Transfers during the period

During the half year ended December 31, 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

	(Un-audited) December 31, 2022	(Un-audited) December 31, 2021
	----- (Rupees) -----	
19 TAXATION		
Current tax	4,615,179	1,910,262
Prior year tax	2,739,771	-
Deferred tax	62,451,536	-
	<u>69,806,486</u>	<u>1,910,262</u>

19.1 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.

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

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



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

20 RELATED PARTY TRANSACTIONS

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

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

The details of related party transactions and balances as at 31 December, 2022 are as follows:

Relationship with the Modaraba	Nature of transactions	(Un-audited)	(Un-audited)
		December 31, 2022	December 31, 2021
		----- (Rupees) -----	
Transactions during the period			
Management Company			
BRR Investment (Private) Limited	Management fee accrued	45,335,571	12,253,820
BRR Investment (Private) Limited	Management fee paid	82,522,411	31,942,494
BRR Investment (Private) Limited	Rent received	60,000	60,000
BRR Investment (Private) Limited	Reimbursement of expense	2,450	5,085
Associated companies / other related parties			
Dawood Family Takaful Limited	Rental Received against property	6,710,439	1,397,421
Dawood Family Takaful Limited	Musharaka finance received-net	93,000,000	97,000,000
Dawood Family Takaful Limited	Group Life Takaful	207,089	201,040
Dawood Family Takaful Limited	Musharaka finance repaid	93,000,000	82,000,000
Dawood Family Takaful Limited	Profit paid on musharaka finance	2,210,371	468,472
First Dawood Investment Bank Limited	Rent received against property	60,000	60,000
First Dawood Investment Bank Limited	Share of common expenses - net	235,050	112,798
First Dawood Investment Bank Limited	Musharaka finance received-net	20,000,000	115,000,000
First Dawood Investment Bank Limited	Musharaka finance repaid	-	60,000,000
First Dawood Investment Bank Limited	Profit paid on musharaka finance	11,016,389	3,782,407
First Dawood Employees Provident Fund	Transfer to provident fund	1,831,863	1,713,953
Hydrochina Dawood Power (Pvt) Limited	Rent received against property	3,600,000	-
Dawood Global Foundation	Charity paid	106,347	100,810



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Relationship with the Modaraba	Nature of transactions	(Un-audited)	(Un-audited)
		December 31, 2022	December 31, 2021
Period end balances		----- (Rupees) -----	
Management Company			
BRR Investment (Private) Limited	Management fee payable	45,335,571	82,522,411
Associated companies / other related parties			
First Dawood Investment Bank Limited	Musharaka finance payable	170,000,000	150,000,000
Dawood Family Takaful Limited	Rental receivable	-	2,889,375
Hydrochina Dawood Power (Private) Limited	Rental received in advance	1,842,871	107,173

21 SUBSEQUENT EVENTS

The Modaraba has evaluated all events that occur after the balance sheet date through the date when the financial statements were issued to determine if they must be reported. The management of the company determined that there were no reportable subsequent events to be disclosed.

22 AUTHORISATION FOR ISSUE

This condensed consolidated interim financial information was authorised for issue on February 20, 2023 by the Board of Directors of B.R.R. Investment (Private) Limited.

23 GENERAL

23.1 This condensed consolidated interim financial information is presented in Pak Rupees, which is the Modaraba's functional and presentation currency.

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

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

Director

Director

Chief Executive Officer

Chief Financial Officer



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