B.R.R. Investments (Pvt.) Ltd.

The General Manager
Pakistan Stock Exchange Ltd.
Stock Exchange Building
Stock Exchange Road
Karachi.

September 30, 2016

Sub: **Financial Results of B.R.R. Guardian Modaraba For the Year Ended June 30, 2016**

Dear Sir,

We are pleased to inform you that the Board of Directors of B.R.R. Investment (Pvt) Limited Manager of B.R.R. Guardian Modaraba (BRRGM) in their meeting held on Friday September 30, 2016 at 4:45 p.m. at 18th Floor, B.R.R. Tower, Hassan Ali Street Off: I.I. Chundrigar Road Karachi recommended the following:

(i) **CASH DIVIDEND**

It has been approved by the Board of Directors to issue cash dividend of Re. 0.27 per Modaraba Certificate i.e. 2.7 %

(ii) **BONUS ISSUE** -NIL-

AND/OR

(iii) **RIGHT SHARES** -NIL-

AND/OR

(iv) **ANY OTHER ENTITLEMENT/CORPORATE ACTION** - NIL -

AND/OR

(v) **ANY OTHER PRICE-SENSITIVE INFORMATION** - NIL -

The Financial Results of BRRGM is enclosed.

The Annual Review Meeting of BRR Guardian Modaraba will be held on Monday October 31, 2016 at 5:30 p.m. at First Floor, BRR Tower, Hassan Ali Street, off: I.I Chundrigar Road Karachi, 74000.

The Certificate Transfer Books of the Modaraba will be closed from October 25, 2016 to October 31, 2016 (both days inclusive) the Transfers received at the Registrar Office, F.D. Registrar Services (SMC-Pvt) Ltd at 1705, 17th Floor, Saima Trade Towers A, I.I. Chundrigar Road Karachi (Registrar Office) before the close of business hours on October 24, 2016 will be treated in time for the purpose of above entitlement to the transferees.

We will send you 200 copies of Printed accounts for distribution amongst the members of the exchange in due course.

Yours truly,

Syed Tariq Masood
Chief Financial Officer

18th Floor, B.R.R. Tower, Hassan Ali Street,
Off: I.I. Chundrigar Road, Karachi-74000.
Tel: 021-~~32271875-78~~ 32602401-6
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B.R.R. GUARDIAN MODARABA
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
INCOME			
Ijarah / lease rentals		36,602,052	37,066,238
Income on musharaka finances		1,726,783	18,568,439
Return on investments - net	27	64,183,565	46,990,282
Profit on bank balances		1,190,448	3,872,101
Rental income	28	139,303,619	98,353,506
Reversal of provision against doubtful receivables - net	29	5,063,458	3,173,930
Unrealized gain on revaluation of held-for-trading investment		85,373	33,467,919
Gain on disposal of ijarah assets		-	2,110,359
Other income	30	29,410,781	94,103,281
Reversal of impairment	33	-	23,125,200
		277,566,079	360,831,255
EXPENSES			
Amortization on ijarah assets	5.2.2	30,273,063	33,561,001
Loss on disposal of ijarah assets		129,677	-
Administrative expenses	31	138,084,427	136,884,904
Financial charges	32	37,314,167	79,443,534
Bad debt expenses		27,034	23,655,220
Impairment of assets	33	17,932,510	6,218,307
		223,760,878	279,762,966
		53,805,201	81,068,289
Modaraba management company's fee	34	5,380,520	8,106,829
Sales tax on Modaraba management company's fee		753,273	1,297,093
Provision for Workers' Welfare Fund	35	953,428	1,433,287
Profit before taxation		46,717,980	70,231,080
Taxation	36	-	-
Profit for the year		46,717,980	70,231,080
Earnings per certificate - basic and diluted	37	0.60	0.90

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

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

CHAIRMAN **CHIEF EXECUTIVE OFFICER** **DIRECTOR**

Bdo

BDO

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AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed balance sheet of **B.R.R. GUARDIAN MODARABA** ("the Modaraba") as at June 30, 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

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

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

a) in our opinion proper books of account have been kept by the Modaraba Company in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981;

b) in our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation And Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981, and are in agreement with the books of account and are further in agreement with accounting policies consistently applied;

   ii) the expenditure incurred during the year was for the purpose of the Modaraba 's business; and

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iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects, terms and conditions of the Modaraba;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981, in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2016 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Modaraba and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Without modifying our opinion, we draw attention to:

(i) note 5.1.1 to the financial statements which states that the Modaraba had swapped certain assets with an office premises valuing Rs. 70 million from an associated undertaking, the title of which has not been transferred in the name of Modaraba as a commercial bank has obtained a stay order against the same. However, the original title documents and possession of the property rest with Modaraba.

(ii) Note 20.1 to the financial statements states that the Modaraba has restructured its Diminishing Musharaka based Term Finance Certificates and the terms of restructuring are disclosed in the financial statements.

(iii) note 21.1 to the financial statements which states that the Modaraba has defaulted on its obligation towards the commercial bank on its respective repayment dates. The Modaraba has applied for restructuring which has not been finalized to date by the bank and the Modaraba continues to accrue markup at rates mentioned in the last agreement between Modaraba and bank. The management considers it prudent to maintain a provision in respect of accrued markup as stated in note 23 to the financial statements.

KARACHI
DATED:

Bdo **CHARTERED ACCOUNTANTS**
Engagement Partner: Zulfikar Ali Causer