



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

Managed by
B.R.R. Investments (Private) Limited

First Quarterly Report
September 30, 2009
(Un-Audited)



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

Modaraba Company	B.R.R. Investments (Private) Limited
Chairman	Mr. Rafique Dawood
Chief Executive	Mr. Ayaz Dawood
Directors	Mrs. Farida Rokadia Mr. Majid Dawood Mr. Tauqir Shamsbad
Audit Committee	Mrs. Farida Rokadia – Chairperson Mr. Majid Dawood – Member Mr. Tauqir Shamsbad – Member
Chief Financial Officer	Mr. Syed Tariq Masood
Company Secretary	Mr. Tahir Mehmood
Auditors	M. Yousuf Adil Saleem & Company Chartered Accountants
Legal Advisor	Rauf Ghaffar Law Associate Malik & Maliks
Bankers	Allied Bank Limited Bank Al Habib Limited Dawood Islamic Bank Limited Faysal Bank Limited Habib Metropolitan Bank Limited National Bank of Pakistan Oman International Bank S.A.O.G.
Web-site	www.firstdawood.com/brr
Registered Office & Head Office	1500-A, Saima Trade Towers, I.I. Chundrigar Road, Karachi-74000 UAN : 111-DAWOOD (111-329-663) Fax : 92-21-227-1912-13
Registrars	F.D Registrar Services (SMC-Pvt.) Ltd 17th Floor, Saima Trade Tower-A I.I. Chundrigar Road, Karachi. Phone # 2271875
Branch Offices	Suite No. 210, 5th Floor, Siddiq Trade Centre, Main Boulevard, Gulberg – III, Lahore Office No. 20 & 21, 1st Floor, Beverly Centre, 56-G7, Jinnah Avenue, Islamabad-44000
Security Vault	187-G, Block-2, Shahrah-e-Quaideen, PECHS. Karachi-754000



B.R.R. Guardian Modaraba
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DIRECTORS' REPORT

The Board of Directors of B.R.R. Investments (Private) Limited, manager of B.R.R. Guardian Modaraba (BRRGM), take pleasure in presenting the 1st Quarter Financial Statements of the Modaraba for three months ended as on September 30, 2009.

Operations and Performance

	September 30, 2009	September 30, 2008
 Rupees	
Total Income	149,135,257	181,076,774
Total Expenses	143,800,273	177,982,123
Operating Profit	5,334,984	6,776,853
Modaraba Company Management Fee	533,498	677,685
Profit for the Period	4,801,486	6,099,168

The financial performance of the Modaraba for the period under review was affected mainly due to adverse economical, political and financial crises prevailing in the country. Modaraba's Gross income during the quarter was Rs.149.13 million as compared to Rs. 181.076 million during the same period last year.

Administrative expenditures are under control and continues to remain within the budget.

However, financial expense for the quarter reduced to Rs. 72.160 million as Compared to Rs.75.09 million in the last quarter shows management's efforts to tighten budgetary control.

We are carefully watching recent business scenario within the country and also strengthening our risk management strategies. Now we are pursuing a more cautious approach, in order to ensure quality of assets viza-versa future growth.

The Board of Directors of the Management Company appreciates the support of Registrar Modaraba, Securites & Exchange Commission of Pakistan for its continued assistance, guidance and support. We also takes this opportunity to acknowledgement, the role our lenders, who have remained supportive of the Modaraba during these difficulties.

For and on behalf of the
Board of Directors of
B.R.R. Investment (Private) Limited

October 27, 2009
Karachi.

Rafique Dawood
Chairman



B.R.R. Guardian Modaraba
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Balance Sheet
As at September 30, 2009

	Note	(Un-Audited) September 30, 2009 Rupees	(Audited) June 30, 2009 Rupees
ASSETS			
Current Assets			
Cash and Bank Balances		122,761,924	66,287,941
Musharaka and Morabaha Finances		592,868,217	399,356,013
Short Term Investments	2	535,449,672	470,662,154
Lease Rentals Receivable		71,121,726	49,475,014
Loans, Advances and Prepayments		11,129,058	7,345,050
Accrued Profit		10,204,340	11,557,500
Other Receivables		25,220,650	17,348,819
Taxation Refundable		10,271,394	10,066,401
Total Current Assets		1,379,026,981	1,032,098,892
Long Term Portion of Musharaka and Morabaha Finances			
Long Term Loans		405,306,111	405,306,111
Long Term Investment		9,408,061	8,284,425
Long Term Deposits		163,296,882	163,296,882
Property, and Equipments - Own		2,937,000	2,937,000
Property, Plant and Equipments - Leased/Ijarah		68,268,528	71,611,503
Capital Work In Progress - own		444,240,433	505,989,406
Investment Property		189,531,471	165,756,499
		644,046,835	651,838,885
Total Assets		3,306,062,302	3,007,119,603
Liabilities			
Current Liabilities			
Morabaha and Finance Under Markup Arrangements		1,132,260,470	906,157,863
Creditors, Accrued and Other Liabilities		88,681,151	60,827,864
Accrued Profit on Borrowings		58,294,092	83,742,362
Customers' Security Deposits		33,110,061	32,314,062
Profit Payable		21,465,795	21,475,327
Total Current Liabilities		1,333,811,569	1,104,517,478
Diminishing Musharaka Based TFCs			
Long Term Portion of Morabaha Finance		800,000,000	800,000,000
Long Term Portion of Rentals Received in Advance		258,533,333	209,232,153
Long Term Portion of Customers Security Deposits		3,883,457	3,883,457
Total Liabilities		135,694,686	149,066,584
Net Assets		2,531,923,045	2,266,699,672
		774,139,257	740,419,931
Represented By:			
Certificate Capital		780,462,550	780,462,550
Capital Reserves		488,522,189	488,522,189
Revenue Reserve		56,000,000	56,000,000
Surplus on Revaluation of Investments		(53,924,573)	(82,842,413)
Unappropriated Profit		(496,920,909)	(501,722,395)
		774,139,257	740,419,931
Commitments	6		

The annexed notes form an integral part of these financial statements.

Chairman
B.R.R. Investments
(Private) Limited

Chief Executive Officer
B.R.R. Investments
(Private) Limited

Director
B.R.R. Investments
(Private) Limited



B.R.R. Guardian Modaraba
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Profit and Loss Account (Un-Audited)
For the Three Months Period Ended September 30, 2009

	September 30, 2009 Rupees	September 30, 2008 Rupees
Lease Rentals	66,706,248	110,303,277
Income on Musharaka and Morabaha Finances	38,626,450	41,438,317
Income on Investments	25,146,619	12,233,322
Income on Balances with Banks	1,211,720	39,881
Rental income	16,298,493	14,808,302
Other Income - Net	1,145,727	2,253,675
	<u>149,135,257</u>	<u>181,076,774</u>
Amortization on Leased Assets	48,018,197	78,679,739
Operating Expenses	23,621,564	24,208,418
Financial Charges	72,160,512	75,093,966
	<u>143,800,273</u>	<u>177,982,123</u>
	5,334,984	3,094,651
Reversal/(Provision) for Doubtful Receivables - Net	-	3,682,202
	<u>5,334,984</u>	<u>6,776,853</u>
Modaraba Company's Management Fee	533,498	677,685
Profit for the period	<u>4,801,486</u>	<u>6,099,168</u>
Earnings Per Certificate	<u>0.06</u>	<u>0.08</u>

The annexed notes form an integral part of these financial statements.

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Cash Flow Statement (Un-Audited)
For the Three Months Period Ended September 30, 2009

	September 30, 2009 Rupees	September 30, 2008 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/Loss for the Period	4,801,486	(29,043,678)
Adjustment for Non-Cash charges and Other Items		
Depreciation	10,721,982	10,703,973
Amortization	48,018,197	78,679,739
Provision on Doubtful Musharika Finance	-	(800,000)
Fixed Capital Expenditure on Ijarah Assets	(31,000)	(60,794,890)
Proceeds on Disposal of Assets Leased Out	13,814,863	57,559,770
Profit on Sale of Assets Leased Out	(53,087)	(707,395)
Profit on Sale of Assets in own used	(317,268)	-
Profit on Musharaka, Morabaha and Finance Under Mark-up Arrangements	72,121,501	75,035,846
Income on Investments	(25,146,619)	(12,233,322)
	119,128,569	147,443,721
(Increase)/Decrease in Current Assets		
Lease Rentals Receivable	(21,646,712)	(20,434,690)
Loans, Advances and Prepayments	(4,907,644)	(4,809,313)
Accrued Profit	4,158,215	(7,265,067)
Other Receivables	(7,981,832)	1,416,691
	(30,377,973)	(31,092,379)
Increase/(Decrease) in Current Liabilities		
Creditors, Accrued and Other Liabilities	12,648,100	(27,266,251)
(Decrease) in Customers Security Deposits	(12,575,899)	(7,110,647)
Increase in Rentals Received in Advance	15,205,187	11,274,531
Income Tax (Paid)/Refunded	(204,993)	(136,963)
Net Cash From Operating Activities	108,624,477	64,068,334
CASH FLOW FROM INVESTING ACTIVITIES		
(Increase)/Decrease in Investment	(35,869,678)	93,477,435
Income Received on Investments	22,451,565	15,364,511
Decrease/(Increase) in Musharakas and Morabahas Finances	(193,512,204)	56,187,140
Fixed Capital Expenditure on Assets in Own Use	(226,000)	(1,897,975)
Fixed Capital Expenditure on Investment Property	(23,774,972)	(45,294,033)
Proceeds on Disposal of Assets in Own Use	956,311	-
Net Cash (Used in)/Generated from Investing Activities	(229,974,978)	117,837,078
CASH FLOW FROM FINANCING ACTIVITIES		
Morabahas and Finance Under Mark-up arrangements	275,403,787	(231,343,778)
Diminishing Musharaka Based TFC	-	120,000,000
Financial Charges Paid	(97,569,771)	(69,094,853)
Profit Paid to Certificate Holders	(9,532)	(39,358)
Net Cash Generated/(used in) from Financing Activities	177,824,484	(180,477,989)
Net Decrease in Cash and Cash Equivalents	56,473,983	1,427,423
Cash and Cash Equivalents at the Beginning of the Period	66,287,941	9,881,040
Cash and Cash Equivalents at the End of the Period	122,761,924	11,308,463

The annexed notes form an integral part of these financial statements.

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Statement of Changes in Equity (Un-Audited)
For the Three Months Period Ended September 30, 2009

	Certificate Capital	Profit Prior to Floatation	Statutory Reserve	General Reserve	Surplus on Revaluation of Investments	Unappropriated Profit	Total
←----- Rupees ----->							
Balance as at July 01, 2008	780,462,550	10,532,683	477,989,506	51,000,000	437,033,048	76,267,213	1,833,285,000
Profit Distribution Declared for the Year Ended June 30, 2008	-	-	-	-	-	(70,241,630)	(70,241,630)
Transferred to General Reserve	-	-	-	5,000,000	-	(5,000,000)	-
Unrealised Profit on Revaluation of Investments	-	-	-	-	(270,326,878)	-	(270,326,878)
Profit for the period	-	-	-	-	-	6,099,168	6,099,168
Balance as at September 30, 2008	780,462,550	10,532,683	477,989,506	56,000,000	166,706,170	7,124,751	1,498,815,660
Balance as at July 01, 2009	780,462,550	10,532,683	477,989,506	56,000,000	(82,842,413)	(501,722,395)	740,419,931
Unrealised Profit on Revaluation of Investments	-	-	-	-	(28,917,840)	-	28,917,840
Profit for the period	-	-	-	-	-	4,801,486	4,801,486
Balance as at September 30, 2009	780,462,550	10,532,683	477,989,506	56,000,000	(53,924,573)	(496,920,909)	774,139,257

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements

Chairman
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Director
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**Notes to the Financial Statements
For the Three Months Period Ended September 30, 2009**

1 LEGAL STATUS AND NATURE OF THE BUSINESS

B.R.R. Guardian Modaraba (BRRGM) is a multipurpose, perpetual Modaraba floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder and is managed by B.R.R. Investments (Private) Limited, a company incorporated in Pakistan. The Modaraba is listed on the Karachi Stock Exchange. The Modaraba's principal activity is leasing of assets, deployment of funds in musharakas, murabaha and investment in properties and equity securities. The Modaraba also provides custodial and management services.

These financial statements have been prepared under the historical cost convention, except that certain financial instruments have been included at fair value in accordance with the recognition/measurement criteria mentioned in the relevant international standards applicable to such instruments.

These financial statements are unaudited and are submitted to the certificate holders and have been prepared in accordance with the requirements of the International Accounting Standard 34 (Interim Financial Reporting) as applicable in Pakistan.

The accounting policies adopted and methods of computation followed in the preparation of these financial statements are same as those applied in preparing the financial statements for the year ended June 30, 2009.

(Un-Audited) September 30, 2009 Rupees	(Audted) June 30, 2009 Rupees
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2 SHORT TERM INVESTMENTS

Held for Trading

Available for Sale:

Investment in Listed Companies and Mutual Fund	350,697,618	320,027,935
Investment in Unlisted Companies	8,154,018	8,154,017
Investment in Listed Debt Securities	176,598,036	142,480,202
	535,449,672	470,662,154
	535,449,672	470,662,154



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3 ASSETS IN OWN USE

Following additions and deletions in assets in own use were made during the period.

	Additions		Disposal	
	September 30, 2009 (Un-Audited)	June 30 2009 (Audited)	September 30, 2009 (Un-Audited)	June 30 2009 (Audited)
	←----- Rupees ----->			
Lockers	-	2,175,000	-	-
Furniture & Fixtures	188,000	60,000	-	-
Vehicles	38,000	996,500	1,815,300	3,722,750
Office Equipment & Appliances	-	3,108,643	-	-
	226,000	6,340,143	1,815,300	3,722,750

4 ASSETS LEASED OUT/IJARAH

Following additions and deletions in assets leased out were made during the period.

	Additions		Disposal	
	September 30, 2009 (Un-Audited)	June 30 2009 (Audited)	September 30, 2009 (Un-Audited)	June 30 2009 (Audited)
	←----- Rupees ----->			
Land and Building (Leasehold)	-	46,000,000	-	52,335,500
Plant and Machinery	-	6,680,000	107,152,533	380,472,810
Vehicles	31,000	8,528,890	19,381,500	75,034,287
Furniture & Fixtures	-	-	-	1,500,000
Office Equipment & Appliances	-	1,165,000	5,833,753	35,766,748
	31,000	62,373,890	132,367,786	545,109,345

5 INVESTMENT PROPERTY

Following additions and deletions in Investment Property were made during the period.

	Additions		Disposal	
	September 30, 2009 (Un-Audited)	June 30 2009 (Audited)	September 30, 2009 (Un-Audited)	June 30 2009 (Audited)
	←----- Rupees ----->			
Building on Leasehold Land	-	104,123,805	-	31,320,000
	-	104,123,805	-	31,320,000

6 COMMITMENTS

For leasing of Assets

Nil



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7 RELATED PARTY TRANSACTIONS

The transactions with Related Parties carried out during the period are as follows:

Relationship with the Company	Nature of Transactions	(Un-audited) September 30, 2009 Rupees	(Un-audited) September 30, 2008 Rupees
i) Management Company	Management fee	533,498	677,685
	Rent Received	869,448	1,030,596
ii) Associated Undertaking	Rent Received	10,747,677	1,317,789
	Share of Common Expenses Received	4,818,869	4,083,745
	Share of Common Expenses Paid	-	746,826
	Borrowing Received	-	102,200,000
	Borrowing Repaid	-	30,000,000
	Investment Redeemed	5,928,139	-
	Profit Paid on Borrowing	-	96,230
	Lease Rental Received	9,211,620	-
	Deposit made	907,607,443	-
	Deposit withdrawn	856,516,448	-
Profit on deposit	1,204,888	-	

8 DATE OF ISSUE

These financial statements were authorized for issue on October 27, 2009 by the Board of Directors of B.R.R. Investments (Private) Ltd.

Chairman
B.R.R. Investments
(Private) Limited

Chief Executive Officer
B.R.R. Investments
(Private) Limited

Director
B.R.R. Investments
(Private) Limited

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