



B.R.R. Guardian Modaraba

(An Islamic Financial Institution)

Managed by:

B.R.R Investments (Private) Limited

**Un-Audited
Financial Statements
For the Three Months Period
Ended September 30, 2010**



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

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

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CORPORATE INFORMATION

Modaraba Company	B.R.R. Investments (Private) Limited
Chairman	Mr. Rafique Dawood
Chief Executive	Mr. Ayaz Dawood
Directors	Mr. Majid Dawood Mr Farouq Habib Rahimtoola
Audit Committee	Mr Farouq Habib Rahimtoola - Chairman Mr. Rafique Dawood - Member Mr. Majid Dawood - Member
Chief Operating Officer	Mr. Saeed Siddiqui
Chief Financial Officer	Syed Tariq Masood
Company Secretary	Mr Tahir Mahmood
Auditors	Ford Rhodes Sidat Hyder Chartered Accountant
Legal Advisor	Rauf Ghaffar Law Associate Malik & Maliks
Bankers	Allied Bank Limited Bank Al Habib Limited Dawood Islamic Bank Habib Metropolitan Bank Limited National Bank of Pakistan NIB Bank Limited 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 : 92-21-227-1913
Registrars	F.D Registrar Services (SMC-Pvt.) Ltd 17th Floor, Saima Trade Tower-A I.I Chundrigar Road, Karachi Phone # 2271875
Branch Offices	Suit 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



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DIRECTORS' REPORT
IN THE NAME OF ALLAH, THE MOST COMPASSIONATE, THE MOST MERCIFUL.

Dear Certificate holders,

On behalf of the Board of Directors of B.R.R. Investments (Private) Limited ('BRR'I' or 'the company'), manager of B.R.R. Guardian Modaraba ('BRRGM' or 'the Modaraba'), presents to certificate holders the 1st Quarter Financial Statements for the three months period ended September 30, 2010.

Operations and performance

	September 30, 2010	September 30, 2009
 Rupees.....	
Total Income	146,742,243	149,135,257
Total Expenses	136,293,062	143,800,273
Gain / (Loss) on Investments	(1,158,569)	-
Modaraba Company Management Fee	929,061	533,498
Profit / (Loss) for the Period	8,361,551	4,801,486

During the period under review the Modaraba earned a profit 8.36 million as compared to Rs 4.80 million Profit in the same period last year.

Operating expenses remained control and within the budget.

We are currently watching recent business scenario within the country and also strengthening our risk management strategies. Now we are pursuing a more cautioned approach, in order to ensure quality of assets visa-a-viz future growth. Our target will continue to become profitable growth in the current line of business with the aim of creation of value for certificate holders.

The Board of Directors of the Management Company appreciates the support of the Registrar Modaraba, Securities & Exchange Commission of Pakistan for their continued assistance, guidance and support.

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

October 19,2010
Karachi

Rafique Dawood
Chairman



B.R.R. Guardian Modaraba
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**CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2010**

	(Un-Audited)	(Audited)
	September 30,	June 30,
Note	2010	2010
	Rupees	Rupees
ASSETS		
Current Assets		
Cash and Bank Balances	103,847,181	105,241,517
Musharaka and Morabaha Finances	734,583,509	752,659,747
Short Term Investments	694,287,215	695,288,932
Lease Rentals Receivable	32,489,695	10,451,951
Loans, Advances and Prepayments	7,854,381	3,383,175
Accrued Profit	148,944,637	146,674,931
Other Receivables	29,840,347	34,224,907
Taxation Refundable	2,781,845	2,513,915
Total Current Assets	1,754,628,810	1,750,439,075
Long Term Portion of Musharaka and Morabaha Finances	593,776,835	593,776,835
Long Term Loans	10,017,018	10,017,018
Long Term Deposits	2,937,000	2,937,000
Property, Plant and Equipments - Own	62,912,793	66,119,160
Capital Work In Progress - Own	273,765,690	250,871,188
Property, Plant and Equipments - Leased Out/Ijarah	257,731,532	289,634,681
Investment Property	670,596,765	679,279,440
Total Assets	3,626,366,443	3,643,074,397
Liabilities		
Current Liabilities		
Morabaha and Finance Under Markup Arrangements	1,568,647,623	1,587,796,827
(Current Portion) Diminishing Musharaka Based TFCs	80,000,000	80,000,000
Creditors, Accrued and Other Liabilities	59,723,459	72,534,814
Accrued Profit on Borrowings	218,116,820	199,191,412
Customers' Security Deposits	8,447,174	15,550,542
Profit Payable	21,454,898	21,454,898
Total Current Liabilities	1,956,389,974	1,976,528,493
Diminishing Musharaka Based TFCs	720,000,000	720,000,000
Long Term Portion of Morabaha finance	158,866,672	158,866,672
Long Term Portion of Rentals Received in Advance	8,221,582	8,221,582
Long Term Portion of Customers Security Deposits	146,312,815	146,563,846
Total Liabilities	2,989,791,043	3,010,180,593
NET ASSETS	636,575,400	632,893,804
Represented By:		
Certificate Capital	780,462,550	780,462,550
Reserves - Capital	488,522,189	488,522,189
- General	56,000,000	56,000,000
Surplus on Revaluation of Investments	(33,814,764)	(29,134,809)
Unappropriated Profit	(654,594,575)	(662,956,126)
Commitments	636,575,400	632,893,804

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

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

Director
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(Private) Limited



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**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2010**

	September 30, 2010 Rupees	September 30, 2009 Rupees
Lease Rentals	50,985,923	66,706,248
Income on Musharaka and Morabaha Finances	56,405,580	38,626,450
Income on Investments	14,253,862	25,146,619
Share of Profit of Associated	-	-
Income on Balances with Banks	3,189,084	1,211,720
Rental income	20,172,970	16,298,493
Other Income - Net	1,734,824	1,145,727
	<u>146,742,243</u>	<u>149,135,257</u>
Amortisation on Leased Assets	<u>20,837,744</u>	48,018,197
Operating Expenses	<u>24,460,803</u>	23,621,564
Financial Charges	<u>90,994,515</u>	72,160,512
	<u>136,293,062</u>	143,800,273
Operating Profit	10,449,181	5,334,984
Deficit on Revaluation of Investments-Held for trading	(1,158,569)	-
Reversal of diminution in the Value of Investment	-	-
	<u>9,290,612</u>	5,334,984
Modaraba Company's Management Fee	<u>929,061</u>	533,498
Profit for the period before taxation	<u>8,361,551</u>	4,801,486
Prior year taxation refunded	-	-
Profit after taxation	<u><u>8,361,551</u></u>	<u><u>4,801,486</u></u>
Basic Earnings Per Certificate	<u><u>0.11</u></u>	<u><u>0.06</u></u>

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2010

	September 30, 2010 Rupees	September 30, 2010 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Loss/Profit for the Period	8,361,551	4,801,486
Adjustment for Non-Cash charges and Other Items		
Depreciation	11,388,813	10,721,982
Amortization	20,837,744	48,018,197
Fixed Capital Expenditure on Assets Leased Out	(41,000)	(31,000)
Proceeds on Disposal of Assets Leased Out	12,077,529	13,814,863
Profit on Sale of Assets Leased Out	(971,124)	(53,087)
Profit on Sale of Assets in own used	(115,993)	(317,268)
Profit on Musharaka, Morabaha and Finance Under Mark-up Arrangements	90,928,716	72,121,501
Income on Investments	(14,253,862)	(25,146,619)
	119,850,823	119,128,569
(Increase)/Decrease in Current Assets		
Lease Rentals Receivable	(22,037,744)	(21,646,712)
Loans, Advances and Prepayments	(4,471,206)	(4,907,644)
Accrued Profit	(4,810,616)	4,158,215
Other Receivables	6,763,380	(7,981,832)
	(24,556,186)	(30,377,973)
Increase/(Decrease) in Current Liabilities		
Creditors, Accrued and Other Liabilities	(4,908,046)	12,648,100
(Decrease)/Increase in Customers Security Deposits	(7,354,402)	(12,575,899)
Increase/(Decrease) in Rentals Received in Advance	(7,903,309)	15,205,187
Income Tax (Paid)/Refunded	(267,930)	(204,993)
Net Cash From Operating Activities	83,222,501	108,624,477
B CASH FLOW FROM INVESTING ACTIVITIES		
Decrease/(increase) Investments	(3,678,235)	(35,869,678)
Income Received on Investments	14,415,952	22,451,565
Decrease/(Increase) in Musharakas and Morabahas Finances	18,076,238	(193,512,204)
Fixed Capital Expenditure on Assets in Own Use	(23,240,881)	(226,000)
Fixed Capital Expenditure on Investment Property	-	(23,774,972)
Proceeds on Disposal of Assets in Own Use	962,600	956,311
Net Cash Generated(Used in) Investing Activities	6,535,674	(229,974,978)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Morabahas and Finance Under Mark-up arrangements	(19,149,204)	275,403,787
Financial Charges Paid	(72,003,308)	(97,569,771)
Profit Paid to Certificate Holders	-	(9,532)
Net Cash (Used in)Generated from Financing Activities	(91,152,512)	177,824,484
Net Decrease in Cash and Cash Equivalents	(1,394,337)	56,473,983
Cash and Cash Equivalents at the Beginning of the Period	105,241,518	66,287,941
Cash and Cash Equivalents at the End of the Period	103,847,181	122,761,924

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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2010**

	Certificate Capital	Profit Prior to Floatation	Statutory Reserve	General Reserve	Surplus on Revaluation of Investments	Unappropriated Profit	Total
	←————— Rupees —————→						
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	<u>780,462,550</u>	<u>10,532,683</u>	<u>477,989,506</u>	<u>56,000,000</u>	<u>(53,924,573)</u>	<u>(496,920,909)</u>	<u>774,139,257</u>
Balance as at July 01, 2010	780,462,550	10,532,683	477,989,506	56,000,000	(29,134,809)	(662,956,126)	632,893,804
Unrealised Profit on Revaluation of							
Investments	-	-	-	-	(4,679,955)	-	(4,679,955)
Profit for the period	-	-	-	-	-	8,361,551	8,361,551
Balance as at September 30, 2010	<u>780,462,550</u>	<u>10,532,683</u>	<u>477,989,506</u>	<u>56,000,000</u>	<u>(33,814,764)</u>	<u>(654,594,575)</u>	<u>636,575,400</u>

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

Chief Executive Officer
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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2010

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.

2 BASIS OF PREPERATION

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

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, 2010

	September 30, 2010 Rupees	June 30, 2010 Rupees
3 SHORT TERM INVESTMENTS		
Held for Trading		
Investment in Listed Companies and Mutual Fund	34,530,392	-
Available for Sale:		
Investment in Listed Companies and Mutual Fund	169,682,596	205,904,744
Investment in Unlisted Companies	225,029,476	225,029,476
Investment in Debt Securities	265,044,751	264,354,712
	659,756,823	695,288,932
	694,287,215	695,288,932



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4 Assets in Own Use

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

	-----Additions-----		----- Disposal -----	
	September 30, 2010	June 30, 2010	September 30, 2010	June 30, 2010
	(Un-audited)		(Un-audited)	(Audited)
		Rupees		
Building	-	-	846,600	-
Furniture & Fixtures	-	396,000	-	-
Vehicles	23,000	5,780,503	560,000	5,099,600
Office Equipment & Appliances	323,379	602,262	539,400	35,000
	346,379	6,778,765	1,946,000	5,134,600

5 Assets Leased out/Ijarah

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

	-----Additions-----		----- Disposal -----	
	September 30, 2010	June 30, 2010	September 30, 2010	June 30, 2010
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
		Rupees		
Land and Building (Leasehold)	-	-	-	92,085,501
Plant and Machinery	-	3,515,200	24,835,000	190,183,840
Vehicles	41,000	14,381,185	38,153,001	62,952,179
Furniture & Fixtures	-	-	-	-
Office Equipment & Appliances	-	-	160,000	15,365,014
	41,000	17,896,385	63,148,001	360,586,534

6 Investment Property

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

	-----Additions-----		----- Disposal -----	
	September 30, 2010	June 30, 2010	September 30, 2010	June 30, 2010
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
		Rupees		
Building on Leasehold Land	-	60,800,001	-	-
	-	60,800,001	-	-

7 Commitments

For leasing of Assets Nil



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8 Related Party Transactions

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

Relationship with the Modaraba	Nature of Transactions	(Un-Audited) September 30, 2010	(Un-Audited) September 30, 2010
		Rupees	Rupees
i) Management Company	Management fee accrued	929,061	533,498
	Rent Received	956,358	869,448
ii) Associated Undertaking	Rent Received	1,776,096	10,747,677
	Share of Common Expenses Received	1,319,231	4,818,869
	Investment Redeemed	-	5,928,139
	Lease Rental Received	1,400,000	9,211,620
	Deposit made	-	907,607,443
	Deposit withdrawn	-	856,516,448
	Profit on deposit	-	1,204,888
Provident Fund	Transfer to Provident Fund	420,614	

9 Date of Issue

These financial statements were authorized for issue on October 19, 2010 by the Board of Directors of B.R.R. Investments (Private) Ltd.

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

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

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

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