

B.R.R. Guardian Modaraba
(An Islamic Financial Institution)
Managed by B.R.R. Investments (Private) Limited

**NOTICE OF EXTRA ORDINARY GENERAL MEETING (EOGM)
OF B.R.R.GUARDIAN MODARABA (BRRGM)**

Notice is hereby given that the EOGM of BRRGM will be held on Monday August 10, 2020 at 9:00 a.m. at its Registered Office, 1900-B Saima Trade Towers, I. I. Chundrigar Road, Karachi to transact the following business:

Ordinary Business

1. To confirm the minutes of last General Meeting.

Special Business

1. To consider, approve the Reduction of Paid – up Fund and if thought fit to pass the following Special Resolution with or without modification along with statement u/s 134(3) of the Companies Act, 2017.

PROPOSED SPECIAL RESOLUTION TO BE PASSED BY CERTIFICATE HOLDERS WITH OR WITHOUT MODIFICATION:

RESOLVED that pursuant to the applicable provisions Companies Act, 2017 and subject to the confirmation, sanction and/or approval by the High Court of Sindh at Karachi under its company jurisdiction and/or other Court(s), Judicial or quasi-judicial or statutory authority(ies) and subject to such terms, conditions or modifications, if any while granting the confirmation, sanction and/or approval, the issued, subscribed and paid-up fund of B.R.R. Guardian Modaraba (BRRGM) be reduced from Rs. 863,622,630 comprising 86,362,263 Certificate of Rs.10 each to Rs. 431,811,315 comprising 86,362,263 Certificate of Rs. 5 each, which has been lost on account of the accumulated losses of Rs. 431,811,315 and such reduction be effected by cancelling the paid-up / subscribed value thereon to the extent of Rs. 5 per certificate.

RESOLVED FURTHER that the accumulated losses of the BRRGM to the extent of the reduction of the paid up fund which is Rs. 431,811,315 be written off subsequently to the cancelation of the paid up fund of the BRRGM as provided above.

RESOLVED that Authorized Fund of B.R.R. Guardian Modaraba (BRRGM) be and is hereby renominated from Rs.1,400,000,000/- comprising 140,000,000 Certificate of Rs. 10 each to Rs.1,400,000,000/- comprising 280,000,000 Certificate of Rs.5/- each to fulfill any requirement of Companies Act, 2017 and law applicable thereto subject to approval of Honourable High Court of Sindh.

FURTHER RESOLVED that Capital Fund on page 12 of the Prospectus table A be reworded and read as under :

A. Authorised Modaraba Fund

280,000,000 Certificate of Rs. 5/- each	<u>1,400,000,000/-</u>
with power to increase or decrease and with power	
from time to time sub-divided capital fund (whether original or increased)	

Accordingly, table B and C be amended in respect of face value reduction to Rs.5 per certificate and be replaced with Rs.10 per certificate on the page 12 of prospectus.

FURTHER RESOLVED that in view of Scheme of Amalgamation of wholly owned subsidiary namely BRR Financial Services (Private) Limited with and into BRRGM, duly approved by respective Boards in accordance with Section 284 read with section 505 of Companies Act 2017, the authorized fund of BRRGM merged as per Section 2.03 of Scheme of Amalgamation.

Further Resolved that the effective date of reduction of the fund be June 30, 2020 in view of the date of the last audited balance sheet of the BRRGM being June 30, 2019.

FURTHER RESOLVED that the Chief Executive or Company Secretary be and is hereby authorized severally on behalf of BRRGM Managed by BRRI to sign Vakalatnama and any other necessary documents and to engage any other legal counsel and to do all the acts, deeds and things necessary to implement this resolution and also empowered to make amendments/modifications to the documentation as may be required.

2. Any other Business with the permission of the Chair

Place Karachi
August 17, 2020

By Order of the Board
Tahir Mehmood
Company Secretary

Notes:

1. The Certificate Transfer Books of the Modaraba will remain closed from August 4, 2020 to August 10, 2020 (both days inclusive) The Certificate Transfer Books of the Modaraba will be closed from August 4, 2020 to August 10, 2020 (both days inclusive) the Transfers received at the Registrar Office, F.D. Registrar Services (Pvt) Ltd at 1705, 17th Floor, Saima Trade Towers A, I.I. Chundrigar Road Karachi (Registrar Office) before the close of business hours on August 3, 2020 will be treated in time for the purpose of entitlement of the meeting
2. All Certificate holders are entitled to attend and vote at the respective meeting.
3. All Certificate holders are entitled to attend and vote at the meeting is entitled to appoint another Certificate holder as proxy to attend, speak and vote for him/her Place
4. An instrument of proxy and the Power of Attorney must be valid and deposited at the Registered Office of the Modaraba not less than 48 hours before the time of the meeting or at the Registrar Office, F.D. Registrar Services (Pvt.) Ltd at 1705, 17th Floor, Saima Trade Towers A, I.I. Chundrigar Road Karachi (Registrar Office), Karachi.
5. In case of proxy for an individual Beneficial Owner of CDC, attested copies of beneficial owner's CNIC or passport. Account and participant's I.D number must be deposited along with the form of proxy. In case of proxy for representative of corporate members should bring the usual documents required for such purpose.
6. Certificate holders are requested to notify immediately changes, if any, in their registered addresses.
7. Consent for Video Conferencing Facility, Members may avail video conferencing facility for the Meeting, provided the Modaraba receives at least seven (7) days prior to the date of the Meeting consent in the format provided below from Members residing at particular geographical location having 10% or more shareholding. The Modaraba will intimate Members regarding venue of video conference facility at least five (5) days before the date of the Meeting along with complete information necessary to enable them to access the facility.

"I/We _____ of _____ being member of BRR Guardian Modaraba holder of _____ Certificates as per registered folio No./ CDC Account No. _____ hereby opt for video conference facility at _____ in respect of Extra Ordinary General Meeting of the Modaraba to be held on August 10, 2020. at 9:00 a.m.

Statement of Material Facts under Section 134(3) of Companies Act, 2017 relating to the said Special Business:

Reduction of Paid – up Fund of the Modaraba :

BRR Guardian Modaraba ("the Modaraba") is in the process of reducing its certificate Paid-up Fund to set off / cancel accumulated losses subject to the approval and sanction under the Companies Act, 2017. Due to this Paid –up Fund reduction, the resulting paid-up/subscribed Fund will more closely reflect the value of the Modaraba's underlying assets and consequently, the Paid –up Fund employed by the Modaraba's businesses.

In order to eliminate the accumulated losses, the Board of the Modaraba has principally resolved and recommended to members, the reduction of paid-up / subscribed certificate Fund of the Modaraba. This reduction of Paid –up Fund shall positively affect the dividend payout capacity and make the Paid –up Fund structure more efficient and attractive to investors.

The information required to be annexed, as per S.R.O. 423 (1)/2018 of SECP, to the note is set out below:

S. No	Requirement	Information			
i.	Reason and purpose of reduction of certificate Paid –up Fund	<p>The purpose is to set off / cancel the accumulated losses of the modaraba by Rs. 431,811,315. As a result, the accumulated losses will reduce to Rs. 127,687,689. Whereas, the accumulated losses were caused from increased non- performing leases/ijara/musharaka during the past years.</p> <p>Due to this Paid- up Fund reduction, the part of the paid-up Fund that is no longer represented by the available assets would be cancelled, and the resulting paid-up Fund will closely reflect the value of the Modaraba's underlying assets and consequently, the Paid –up Fund employed by the Modaraba's businesses. This Paid –up Fund reduction will further help the Modaraba to re-profile its Financial Position</p>			
ii.	Brief details of terms and conditions associated with reduction of certificate Paid-up Fund	The proposed reduction shall be fulfilled the requirement of Companies Act, 2017 and applicable law thereto subject to the sanction of the Court.			
iii.	The amount and number of certificates/certificate Paid –up Fund proposed to be cancelled.		Paid-up Fund (No. of certificates)	Paid-up / Subscribed Certificate Capital (Rupees)	
		Paid –up Fund to cancel	Nil	431,811,315	
iv.	Effect of reduction of certificate Paid-up Fund along with comparison of existing certificate capital and post cancellation certificate capital;	431,811,315	Paid-up Fund (No. of certificates)	Paid-up / Subscribed Certificate Capital (Rupees)	
		Before Certificate Paid- up Fund Reduction	86,362,263	863,622,630	

		After Certificate Paid-up Fund Reduction	86,362,263	431,811,315																																																																																																																																					
v.	Details of assets, liabilities and certificate holders' equity as per modaraba's latest annual financial statements and subsequent interim financial statements, if any;	<table><tr><td></td><td>(Un-audited) March 31, 2020</td><td>(Audited) June 30, 2019</td></tr><tr><td></td><td colspan="2">------(Rupees)-----</td></tr><tr><td colspan="3">ASSETS</td></tr><tr><td colspan="3">NON CURRENT ASSETS</td></tr><tr><td>Property, plant and equipment</td><td>87,841,871</td><td>144,248,875</td></tr><tr><td>Investment properties</td><td>970,959,701</td><td>943,576,499</td></tr><tr><td>Long-term investment</td><td>55,000,000</td><td>55,000,000</td></tr><tr><td>Long-term musharaka finances</td><td>16,301,998</td><td>18,882,742</td></tr><tr><td>Long-term loans, advances and deposits</td><td>5,759,397</td><td>6,138,991</td></tr><tr><td></td><td><u>1,135,862,967</u></td><td><u>1,167,847,107</u></td></tr><tr><td colspan="3">CURRENT ASSETS</td></tr><tr><td>Short-term investments</td><td>595,230,545</td><td>541,862,200</td></tr><tr><td>Current portion of musharaka finances</td><td>18,553,911</td><td>40,473,298</td></tr><tr><td>Ijarah / lease rental receivable</td><td>981,871</td><td>906,290</td></tr><tr><td>Loans, advances and prepayments</td><td>23,159,224</td><td>17,080,767</td></tr><tr><td>Accrued profit</td><td>766,054</td><td>406,957</td></tr><tr><td>Other receivables</td><td>12,911,459</td><td>9,550,113</td></tr><tr><td>Taxation</td><td>24,685,992</td><td>18,159,480</td></tr><tr><td>Cash and bank balances</td><td>12,705,945</td><td>42,027,988</td></tr><tr><td></td><td><u>688,995,001</u></td><td><u>670,467,093</u></td></tr><tr><td>TOTAL ASSETS</td><td><u>1,824,857,968</u></td><td><u>1,838,314,200</u></td></tr><tr><td colspan="3">EQUITY AND LIABILITIES</td></tr><tr><td colspan="3">CAPITAL AND RESERVES</td></tr><tr><td>Authorised capital</td><td></td><td></td></tr><tr><td>140,000,000 (2019: 140,000,000) Modaraba certificates of Rs. 10/- each</td><td>1,400,000,000</td><td>1,400,000,000</td></tr><tr><td>Issued, subscribed and paid-up certificate capital</td><td>863,622,630</td><td>863,622,630</td></tr><tr><td>Reserves</td><td>309,237,561</td><td>251,948,416</td></tr><tr><td>Surplus on revaluation of investments</td><td>293,442,573</td><td>258,174,771</td></tr><tr><td></td><td><u>1,466,302,764</u></td><td><u>1,373,745,817</u></td></tr><tr><td colspan="3">LIABILITIES</td></tr><tr><td colspan="3">NON CURRENT LIABILITIES</td></tr><tr><td>Long-term loans</td><td>-</td><td>-</td></tr><tr><td>Long-term murabaha, musharaka and finance under mark-up arrangements</td><td>-</td><td>-</td></tr><tr><td>Long-term security deposits</td><td>84,087,226</td><td>78,317,753</td></tr><tr><td></td><td><u>84,087,226</u></td><td><u>78,317,753</u></td></tr><tr><td colspan="3">CURRENT LIABILITIES</td></tr><tr><td>Current portion of long-term loan</td><td>86,964,684</td><td>132,516,684</td></tr><tr><td>Current portion of long-term murabaha, musharaka and finance under mark-up arrangements</td><td>50,000,000</td><td>79,677,418</td></tr><tr><td>Current portion of security deposits</td><td>2,872,150</td><td>5,315,800</td></tr><tr><td>Creditors, accrued and other liabilities</td><td>102,028,075</td><td>138,607,007</td></tr><tr><td>Accrued profit on borrowings</td><td>2,757,900</td><td>814,247</td></tr><tr><td>Profit distribution payable</td><td>29,845,169</td><td>29,319,474</td></tr><tr><td></td><td><u>274,467,978</u></td><td><u>386,250,630</u></td></tr><tr><td>TOTAL EQUITY AND LIABILITIES</td><td><u>1,824,857,968</u></td><td><u>1,838,314,200</u></td></tr></table>					(Un-audited) March 31, 2020	(Audited) June 30, 2019		------(Rupees)-----		ASSETS			NON CURRENT ASSETS			Property, plant and equipment	87,841,871	144,248,875	Investment properties	970,959,701	943,576,499	Long-term investment	55,000,000	55,000,000	Long-term musharaka finances	16,301,998	18,882,742	Long-term loans, advances and 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musharaka and finance under mark-up arrangements	-	-	Long-term security deposits	84,087,226	78,317,753		<u>84,087,226</u>	<u>78,317,753</u>	CURRENT LIABILITIES			Current portion of long-term loan	86,964,684	132,516,684	Current portion of long-term murabaha, musharaka and finance under mark-up arrangements	50,000,000	79,677,418	Current portion of security deposits	2,872,150	5,315,800	Creditors, accrued and other liabilities	102,028,075	138,607,007	Accrued profit on borrowings	2,757,900	814,247	Profit distribution payable	29,845,169	29,319,474		<u>274,467,978</u>	<u>386,250,630</u>	TOTAL EQUITY AND LIABILITIES	<u>1,824,857,968</u>	<u>1,838,314,200</u>
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vi.	List of creditors of the company along with information on nature and amount involved, if substantial or material;	<table><tr><td>Category of Creditors Secured</td><td>(Audited) June 30, 2019 ----Rupees-----</td></tr><tr><td>Loan from National Bank of Pakistan</td><td>82,616,684</td></tr></table>	Category of Creditors Secured	(Audited) June 30, 2019 ----Rupees-----	Loan from National Bank of Pakistan	82,616,684																																																																																																																																			
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vii.	Brief details of qualifications, reservations or adverse remarks or disclaimer, if any, made by the auditor in his audit report on the latest annual financial statements relevant to the reduction of share capital;	NIL																																																																																																																																							
viii.	Details of any pending inspection, inquiry or investigation against the company under the Act.	NIL																																																																																																																																							

ix.	The nature and extent of the interest, if any, therein of every director, whether directly or indirectly, reason and effects of reduction of certificate capital.	None of the directors is interested in the resolution for reduction of authorized and paid-up/subscribed certificate capital of the Modaraba. Except to the extent of their certificate if any,
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Number of certificates and respective percentage of certificate holdings of sponsors, major shareholders and general public of the Modaraba before and after the reduction of certificate capital will remain same as before the aforesaid reduction.

Alteration of Authorized Fund of the Modaraba :

The information required to be annexed, as per S.R.O. 423 (1)/2018 of SECP, to the note is set out below:

S. No	Requirement	Information
1.	Reason for alteration in authorized fund	<p>BRR Guardian Modaraba ("the Modaraba") is in the process of reducing its certificate Paid-up Fund to set off / cancel accumulated losses subject to the approval and sanction under the Companies Act, 2017. Due to this Paid –up Fund reduction, the resulting paid-up/subscribed value per certificate will reduce to Rs. 5 per certificate. As a result the denomination per certificate of authorized fund of modaraba will also change to Rs. 5 per certificate. Accordingly re-nomination of authorised fund is required in terms of number of certificates and denomination per certificate.</p> <p>Further, in view of Scheme of Amalgamation of wholly owned subsidiary namely BRR Financial Services Private Limited with and into BRRGM, duly approved by respective Boards in accordance with Section 284 read with section 505 of Companies Act 2017, the authorized capital of BRRGM merged as per Section 2.03 of Scheme of Amalgamation.</p>
2.	Existing authorized fund Rs.(denomination) divided into (number of certificates) certificates of (denomination per certificate)	Rs.1,400,000,000 divided into 140,000,000 certificates of Rs.10 each.
4.	Proposed authorized fund after Reduction of Paid up Fund Rs.(denomination) divided into (number of certificates) certificates of (denomination per certificate)	Rs.1,400,000,000 divided into 280,000,000 certificates of Rs.5 each.
5.	Increase in Authorized fund on Merger of Wholly owned subsidiary	Rs.165,000,000 divided into 33,000,000 certificates of Rs.5 each.

6.	<p>Proposed authorized fund after Reduction of Paid up Fund and Merger of Wholly owned subsidiary. Rs.(denomination) divided into (number of certificates) certificates of (denomination per certificate)certificate)</p>	Rs.1,565,000,000 divided into 313,000,000 certificates of Rs.5 each.
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