



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

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

August 6, 2020

MATERIAL INFORMATION -Direction under section 18-A of the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 -Reduction of Paid-up Fund by BRR Guardian Modaraba (BRRGM)

Dear Sir,

In accordance with Section 96 of the Securities Act, 2015 and Clause 5.6.1(a) of PSX Regulations, we hereby convey the following information.

We have received **Direction under section 18-A of the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 -Reduction of Paid-up Fund by BRRGM vide letter No. SC/M/RS/BRRGM/2020/07** dated August 4, 2020 (copy attached).

BRRGM has been refrained from holding the Extra Ordinary General Meeting (EOGM) till the time formal approval for reduction in Paid-up Fund is granted, Accordingly the EOGM of Certificate holders scheduled to 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 has been postponed till the further Notice.

Yours sincerely

Tahir Mahmood
Company Secretary

Cc,

The Registrar Modaraba
Specialized Companies Division
(Modaraba Wing)
Securities & Exchange Commission of Pakistan
NIC Building, Jinnah Avenue, Blue Area
Islamabad



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Specialized Companies Division
Policy, Regulation and Development Department
(Modaraba Wing)

No. SC/M/RS/BRRGM/2020/67

August 4, 2020

The Chief Executive
BRR Investment (Pvt.) Ltd.
Managers of BRR Guardian Modaraba
18th Floor, B.R.R Tower, Hasan Ali Street
Off. I. I. Chundrigar Road
Karachi

Subject: Direction under Section 18A of the Modaraba Companies and Modaraba (Flotation and Control) Ordinance 1980 – Reduction of Paid-up Fund by BRR Guardian Modaraba (BRRGM)

This is with reference to the Notice of Extra Ordinary General Meeting (EOGM) of BRR Guardian Modaraba (BRRGM) to be held on August 10, 2020 wherein a Special Business is proposed to be transacted as follows:

“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.”

2. In this connection, this office vide letter dated July 28, 2020 has already advised BRRGM to provide certain information and documents, including:

- (i) Detailed justification and reasons for reduction of paid up fund, duly supported by the figures as per last audited financial statements of the Modaraba.
- (ii) Party-wise details of the accumulated losses, the reasons for the losses, the chances of the recovery with management efforts made during the last three years for recovery.
- (iii) Whether the consent of the certificates holders and creditors (if any) on the proposed reduction of paid up fund has been obtained in the annual review meeting.
- (iv) The copy of draft petition to be filed.
- (v) The enabling provisions of the Prospectus of the Modaraba allowing it to go for reduction of paid up fund.
- (vi) Opinion of Shariah Advisor of the Modaraba on the proposed reduction of paid up fund.
- (vii) Possible impact on the modaraba certificates market price prior and after the proposed reduction of paid up fund.
- (viii) Break-up value of the certificate holders of the Modaraba prior and after the proposed reduction of paid up fund.
- (ix) Justify that the proposed reduction of paid up fund is not in circumvention of the provisions of Section 23 of the Modaraba Ordinance.

NIC Building, Jinnah Avenue, Blue Area, Islamabad
Tel: (051) 9207091-94, Fax: (051) 9100473, Web: www.secp.gov.pk



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3. Moreover, vide letter dated July 30, 2020, BRRGM was advised to submit a formal request for merger of BRR Financial Services (Private) Limited with BRRGM.

4. However, BRRGM has not yet provided the information/documents required vide our aforementioned letters.

5. Now, in view of the failure of BRRGM to provide the information/ documents required and in order to protect the interests of holders of Modaraba certificates, which may be negatively affected by reduction in paid-up fund of the Modaraba, in terms of Section 18A of the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980, I hereby direct BRR Investment (Pvt.) Limited, its Chief Executive, directors and all the officers of the Modaraba Company as well as the Modaraba to refrain from holding the EOGM to transact the business of reduction of paid-up fund of BRRGM, till the time formal approval for such reduction is granted by this office.

6. Failure to comply with the direction will lead to enforcement action under the relevant provisions of law.

7. Please acknowledge receipt.



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Bushra Aslam
Registrar

Modaraba Companies and Modaraba