

NOTICE OF 13th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that 13th Annual General Meeting of the shareholders of Dawood Family Takaful Limited “the Company” will be held at 09:00 a.m. on Tuesday, March 31, 2020 at 17th Floor, Saima Trade Towers – A, I.I. Chundrigar Road, Karachi to transact the following business;

ORDINARY BUSINESS:

1. To confirm the minutes of the 12th Annual General Meeting of the Company held on April 29, 2019.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2019 together with the Directors’ and Auditors’ Report thereon.
3. To appoint auditors and fix their remuneration for the year ending December 31, 2020.
4. To elect seven (7) directors of the Company as fixed by the Board of Directors of the Company. Following are the names of retiring directors who are eligible for re-election;
 1. Mr. Muhammad Rizwan-ul Haque
 2. Mr. Ghazanfar-ul-Islam
 3. Mr. Ayaz Dawood
 4. Mr. Rizwan Ahmed Farid
 5. Mr. Syed Ishtiaq Hussain
 6. Mr. Muhammad Faisal (subject to SECP approval)*
 7. Mr. Syed Musharaf Ali

*Approval of Director of Mr. Muhammad Faisal is still pending with SECP as per the requirement of sound and prudent management regulations, therefore he has not assume charge.

SPECIAL BUSINESS:

5. To consider and if through fit, to pass the following resolution as special resolution with or without modification under section 199 of the Companies Act, 2017 as recommended by the Board of Directors of the Company.

PROPOSED SPECIAL RESOLUTION

“**RESOLVED** the approval accorded for investment in certificate of BRR Guardian Modaraba an associated Modaraba of Rs.70 million in Annual General Meeting of March 31, 2017 of which Rs.46,240,317/- have been invested and Rs.23,759,683/- un-invested be and is hereby revalidated and the said amount be invested within a period of next three years subject to compliance of the rules and regulation as applicable and approvals of the regulatory authority if any. This investment be made from time to time as the Chief Executive of the company may deem fit.”

“**FURTHER RESOLVED** that approval for further amount of Rs.15 million be and is hereby accorded for investment in certificate of BRR Guardian Modaraba an associated Modaraba and the said amount be invested within a period of next three years subject to compliance of the rules and regulation as applicable and approvals of the regulatory authority if any. This investment be made from time to time as the Chief Executive of the company may deem fit.”

“**FURTHER RESOLVED** that the Chief Executive and Company Secretary be and is hereby authorized severally to do all the acts, deeds and things necessary to implement this resolution.”

“**FURTHER RESOLVED** that the special resolution be and is hereby passed for the purpose of compliance of section 199 of the Companies Act, 2017.”

6. To consider and if thought fit, approve short term placement/ Musharakah / other mode of investment upto Rs.300 million in tranches with maximum exposure of Rs.75 million at a time for short term tenor between 3 months to 6 months from time to time at a profit rate of Karachi Inter Bank Offered rate + 100bps expected with BRR Guardian Modaraba and pass the following proposed resolution as special resolution with or without modification under section 199 of the Companies Act, 2017 as proposed by the Board of Directors of the Company.

PROPOSED SPECIAL RESOLUTION:

“RESOLVED that the company be and is hereby authorized for short term placement/ Musharakah / other mode of investment upto Rs.300 million in tranches with maximum exposure of Rs.75 million at a time for short term tenor between 3 months to 6 months from time to time at a profit rate of Karachi Inter Bank Offered rate + 100bps expected with BRR Guardian Modaraba an associated Modaraba subject to compliance of rules and regulation as applicable and approvals of the regulatory authority if any. This placement be made from time to time as the chief executive of the company may deem fit.”

“FURTHER RESOLVED that the Chief Executive and Company Secretary be and is hereby authorized severally to do all the acts, deeds and things necessary to implement this resolution.”

“FURTHER RESOLVED that the special resolution be and is hereby passed for the approval of the special resolution for investment pursuant to section 199 of the Companies Act, 2017.”

7. To consider and if thought fit, approve equity investment in shares of BRR Financial Services (Private) Limited a wholly owned subsidiary of BRR Guardian Modaraba (as Associated Modaraba) an amount of Rs.25 million and pass the following proposed resolution as special resolution with or without modification under section 199 of the Companies Act, 2017 as proposed by the Board of Directors of the Company.

PROPOSED SPECIAL RESOLUTION

“RESOLVED that the approval be and is hereby accorded for investment in shares of BRR Financial Services (Private) Limited a wholly owned subsidiary of BRR Guardian Modaraba (as Associated Modaraba) an amount of Rs.25 million and the said amount be invested upon receipt of license as securities broker from SECP to BRR Financial Services (Private) Limited subject to compliance of the rules and regulation as applicable and approvals of the regulatory authority if any. This investment be made as the Chief Executive of the company may deem fit.”

“FURTHER RESOLVED that the Chief Executive and Company Secretary be and is hereby authorized severally to do all the acts, deeds and things necessary to implement this resolution.”

“FURTHER RESOLVED that the special resolution be and is hereby passed for the purpose of compliance of section 199 of the Companies Act, 2017.”

8. To consider and if through fit, to pass the following resolution as ordinary resolution the revision in the fee of directors for attending meeting of the Board and its sub committees, together with their boarding and lodging expenses, if any.

After considering the prevailing economic conditions and current practices of comparable organizations the Board proposed the following resolution:

“RESOLVED that the attendance fee of the Board meeting be and is hereby increased to Rs.30,000/- per meeting for the non-executive directors.”

“RESOLVED that the attendance fee of any Board’s Committee meeting be and is hereby increased to Rs. 15,000/- per meeting for the non-executive directors.” And

“FURTHER RESOLVED that boarding and lodging expenses of the non-executive directors for attending the meetings of directors or Board committees shall be reimbursed on actual basis.”

Statements under section 134(3) of the Companies Act, 2017 pertaining to the special businesses are annexed herewith.

Statement under the Companies (investment in associated companies or associated undertakings) Regulations, 2017, setting forth status of previous approval of investment in associated company

9. Any other business with the permission of the Chair.

By Order of the Board

Karachi
March 09, 2020

Naveed Ahmed
Company Secretary

Notes:

1. The share transfer books of the Company shall remain closed from March 24, 2020 to March 31, 2020 (both days inclusive). Shareholders are requested to notify to our Share Registrar FD Registrar Services (Pvt.) Ltd at 1705, 17th Floor, Saima Trade Tower-A I.I. Chundrigar Road, Karachi, if any change of address immediately.
2. Any person who seeks to contest the election of the office of Directors shall at the Registered Office of the Company, file not later than fourteen days before the date of meeting a notice of his intention to offer himself for election as a director in terms of Section 159(3) of the Companies Act, 2017.
3. A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote on his/her behalf. No person other than a member shall act as proxy. Proxy forms, in order to be effective, must be received at the Registered Office, duly stamped and signed not less than 48 hours before the meeting.
4. Members are requested to notify any change in their addresses immediately to the Share Registrar of the Company. Members having shares in their CDC accounts are required to have their addresses updated with their respective participants.

CDC account holders will have to follow the under mentioned guidelines as laid down by the Securities & Exchange Commission of Pakistan:

A. For attending the Meeting:

- i) In case of individuals, the account holders or sub-account holders and / or the persons whose shares are in group accounts and their registration details are uploaded as per CDC Regulations shall authenticate their identity by showing their computerized National Identity Card (CNIC) or original passport at the time of attending.
- ii) In case of corporate entities, the Board of Directors resolution / power of attorney with specimen signature of the nominees shall be produced (unless it has been provided earlier)

B. For Appointing Proxies:

- i) In case of individuals, the account holders or sub- account holders and or / persons whose shares are in group accounts and their registration details are uploaded as per CDC regulations, shall submit the proxy form accordingly.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy forms.
- iv) The proxy shall produce their original CNIC or original passport at the time of the meeting.
- v) In respect of corporate entity, the Board of Directors Resolution / power of attorney with specimen signatures be produced at the time of meeting on behalf of entity.

5. **Consent for video conferencing facility:** Pursuant to the provision to the Companies Act, 2017 the members can also avail video conference facility, for attending the general meeting at place other than the town in which general meeting is taking place after considering the geographical dispersal of its members, provided that if members, collectively holding 10% or more shareholding residing at a geographical location, provide their consent to participate in the meeting through video conference at least 10 days prior to date of meeting. The company shall arrange video conference facility in that city subject to availability of such facility in that city”
6. **Electronic Transmission of Financial Statements and Notices:** Pursuant to Notification vide SRO 787(I) / 2014 of September 08, 2014, the SECP has directed to facilitate the members of the company receiving annual financial statements and notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive annual financial statements and notices of the company through mail in future. In this respect members are requested to convey their consent via email on a standard request form which is available at the company website i.e.
<https://dawoodtakaful.com/NoticeOfAnnualGeneralMeeting/ConsentforAnnualFSthroughEmail.pdf>

Election of Directors

The number of Directors to be elected at the Annual General Meeting has been fixed by the Board of Directors at seven (7) in its meeting held on October 30, 2019.

Any member who seeks to contest election for directorship of the Company shall file with the Company at its registered office.

- A Notice of his/her intention to offer himself for election 14 days before the date of the above said Annual General Meeting, in terms of Section 159(3) of the Companies Act, 2017.
- Form 28 (consent to Act as Director) prescribed under Companies Act, 2017.
- Attested copy of CNIC.
- In case of nomination by a corporate entity, it should be supported by either, Board resolution or letter from authorized person(s) of the Board.

Procedure for Election of Directors

According to the Company’s Articles of Association and the Companies Act, 2017, the following procedure is to be followed for nomination and election of Directors.

1. The election of seven Directors will be for a term of three years.
2. The Directors shall be elected from members who offer themselves for election and are not ineligible under Section 153 of the Companies Act, 2017.
3. Any member wishing to stand for election (including a retiring Director) is required to file with the company (not later than 14 days before the election date), a notice of his/her intention to stand for election, along with duly completed and signed Form 28 giving his/her consent to act as a Director of the Company.
4. The Company will file the candidates’ consents with the Registrar of Companies.
5. A member may withdraw his candidature any time before the election is held.
6. If the number of candidates equals the number of vacancies, no voting will take place and all the candidates will be deemed to have been elected.
7. In case of voting, a Member shall have votes equal to the number of shares held by him multiplied by seven (i.e. the number of Directors to be elected).
8. A member may cast vote(s) in favour of a single candidate or for as many of the candidates and in such proportion as the Member may choose.
9. The member receiving the highest number of votes will be declared elected, followed by the next highest, and so on, till all the vacancies are filled.

Statement under section 134(3) of the Companies Act, 2017

This statement sets out the material facts concerning the special business to be transacted at the AGM of the Company to be held on March 31, 2020.

Item No 5 regarding investment in associated Modaraba:

Information required to be disclosed to the members under Companies (Investment in Associated Companies or Associated undertakings) Regulations, 2017, as follows;

Regulation 3(1) (a) Disclosures for all types of investments;

A: Regarding associated company or associated undertaking;

i.	Name of the associated company	B.R.R. Guardian Modaraba
ii.	Basis of Relationship	Common Directorship
iii.	Earnings Per Share for the last three years	June 30, 2017 Rs.2.17 June 30, 2018 Rs.0.75 June 30, 2019 Rs.0.52
iv.	Break-up value per share, based the latest audited financial statements.	June 30, 2019 Rs.15.91
v.	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.	Rs. in million i) Operating income 244.41 ii) Other income 8.60 iii) Amortization on Ijarah assets 25.40 iv) Financial charges 26.42 v) Administrative expenses 149.61 vi) Provision of doubtful debts (51.90) vii) Unrealized (loss) / gain on revaluation (79.60) viii) Net Profit 44.84 ix) Dividend 20.73
vi.	In case of investment in relation to a project of associated company that has not commenced operations, following further information; I. Description of the project and its history since conceptualization; II. Starting and expected date of completion of work; III. Time by which such project shall become commercially operational; and IV. Expected time by which the project shall start paying return on investment. V. Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	Not Applicable
	Regulation 3(1) (a) B: General Disclosures	
i	Maximum amount of investment to be made	Rs.23,759,683 being amount remaining un-invested out of Rs.70 million as approved previously at the Annual General Meeting held on March 31, 2017 and additional amount of Rs.15 million.
ii	Purpose	To earn a good return

	Benefits	To earn return on equity through dividend income and capital appreciation by way of purchase from time to time from stock exchange at price ruling on the date of purchase.
	period of investment	Long term investment
iii	Source of funds to be utilized for investment and where the investment is intended to be made using borrowed funds i) Justification for investment through borrowings ii) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and iii) Cost benefit analysis;	Surplus Fund
iv	Salient features of the agreement with associated company with regards to proposed investment	Arm's length
v	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives in the transaction under consideration	None of the directors, sponsors, majority shareholders and their relatives have any interest in the proposed acquisition, except to the extent of their shareholding in the company.
vi	In case of any Investment in associated company has already been made, the performance review of such investment including complete information /justification for any impairment or write offs;	Dawood Family Takaful Limited had invested Rs.120 Million in the Sukuks of B.R.R. Guardian Modaraba in the year of 2008 and 2012 respectively. Which has been matured on April 2019 and fully repaid. The last profit rates of the said sukuks was 1 Month Kibor + 1.50% which was paid on monthly basis along with its monthly principal coupon redemption.
vii	Any other important details necessary for the members to understand the transaction	NIL
	Regulation 3(1) (b): in case of equity investment, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made;	
i.	Maximum price at which securities will be acquired	Not more than the price quoted on Pakistan Stock Exchange.
ii.	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not Applicable
iii.	Maximum number of securities to be acquired	Equivalent to the amount of investment
iv.	Number of securities and percentage before proposed investment	5,415,499 certificates (6.27%) held to date before proposed investment.
	Number of securities and percentage after proposed investment	Number of certificate and percentage after proposed investment will depend on the prevailing prices at the time of actual acquisition of certificates which could vary with the market price at which certificate are purchased in future.
v.	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	Current market price per certificate as of February 27, 2020 is Rs.8.47. Preceding twelve weeks' weighted average market price is Rs.8.27/- (from December 01, 2019 to February 27, 2020)

vi.	Fair value determined in terms of sub-regulation (1) of regulation 5 for investment in unlisted securities;	Not Applicable
	Regulation 3(1) (c): in case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made;	
i	Category wise amount of investment	
ii	Average borrowing cost of the investment company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period of return for shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	
iii	Rate of profit to be charged by investing company	Not Applicable
iv	particulars of collateral or security to be obtained in relation to the proposed investment;	
v	if the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	
vi	Repayment schedule and terms and conditions of loans or advances to be given to the associated company.	

Regulation No. 3(3)

The directors of the investing company while presenting the special resolution for making investment in its associated company, shall certify to the members of the investing company that they have carried out necessary due diligence for the proposed investment before recommending it for members' approval.

The Directors of the Company certified that they have carried out necessary due diligence for the proposed equity investment in certificate of B.R.R. Guardian Modaraba.

Regulation No. 4: Other information to be disclosed to the members:

(1) If the associated company or associated undertaking or any of its sponsors or directors is also a member of the investing company, the information about interest of the associated company or associated undertaking and its sponsors and directors in the investing company shall be disclosed in the notice of general meeting called for seeking members' approval pursuant to section 199 of the Act.

BRR Investment (private) Ltd is holding 2,245,000 shares and BRR Guardian Modaraba is holding 7,400,000 shares of Dawood Family Takaful Ltd (investing company). No director or chief executive has any interest in the investing company except in their individual capacity as director and or shareholder of the investing company. The shareholdings of the directors Mr. Rafique Dawood is 485,000 and Mr. Ayaz Dawood is 7,398,500.

Status of previous approval for investment in associated company

As required under regulation no. 4(2) of the Companies (investment in associated companies or associated undertakings) Regulations, 2017, the status of investment in associated company BRR Guardian Modaraba against approval obtained by the company in Annual General Meeting held on March 31, 2017 is as under:

a	Total Investment approved	Rs.70 Million approved by the shareholders at Annual General Meeting held on March 31, 2017 to be invested with in a period of three years.
b	Amount of investment made to date	Amount of investment as on February 27, 2020 is Rs.46,240,317/-.
c	Reason for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time	Due to market environment and the certificate prices uncertainty in the year 2018 and 2019 it was considered to delay the purchases of certificate and therefore a fresh special resolution is being proposed to the shareholders for the remaining amount of Rs. 23,759,683/-.
d	Material change in financial statements of associated company since date of the resolution passed for approval of investment.	Since the passing of resolution by the shareholders of the Company on March 31, 2017, the High Court of Sindh sanctioned the scheme of arrangement for merger by way of amalgamation of CSM with and into BRRGM with effect from July 01, 2017. On the scheme becoming effective the authorized Modaraba capital of CSM of Rs.25million merged with the authorized capital of BRRGM; consequently the merged authorized capital stands increased to Rs.1,400million divided into 140million Modaraba certificates of Rs.10 each. Further the paid up certificate capital of CSM of Rs.200million merged with the paid-up certificate capital of BRRGM, consequently the Issued, subscribed and paid-up certificate capital of BRRGM stands increased to Rs.863,622,630 divided into 86,362,263 Modaraba certificates of Rs.10 each at a swap ratio of 1:00 : 2.405 (BRRGM : CSM)

Statement under section 134(3) of the Companies Act, 2017

This statement sets out the material facts concerning the special business to be transacted at the AGM of the Company to be held on March 31, 2020.

Item No 6 regarding short term placement/ Musharakah/ other mode of investment in associated modaraba:

Information required to be disclosed to the members under the Companies (investment in associated companies or associated undertakings) Regulations, 2017, as follows;

Regulation 3(1) (a) Disclosures for all types of investments;

A: Regarding associated company or associated undertaking;

i.	Name of the associated company	B.R.R. Guardian Modaraba
ii.	Basis of Relationship	Common Directorship
iii.	Earnings Per Share for the last three years	June 30, 2017 Rs.2.17 June 30, 2018 Rs.0.75 June 30, 2019 Rs.0.52
iv.	Break-up value per share, based the latest audited financial statements.	June 30, 2019 Rs.15.91

v.	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.	Rs. in million i) Operating income 244.41 ii) Other income 8.60 iii) Amortization on Ijarah assets 25.40 iv) Financial charges 26.42 v) Administrative expenses 149.61 vi) Provision of doubtful debts (51.90) vii) Unrealized (loss) / gain on revaluation (79.60) viii) Net Profit 44.84 ix) Dividend 20.73
vi.	In case of investment in relation to a project of associated company that has not commenced operations, following further information; VI. Description of the project and its history since conceptualization; VII. Starting and expected date of completion of work; III. Time by which such project shall become commercially operational; and IX. Expected time by which the project shall start paying return on investment. X. Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	Not Applicable
	Regulation 3(1) (a) B: General Disclosures	
i	Maximum amount of investment to be made	Upto Rs.300 Million with Maximum exposure of Rs.75 million at a time.
ii	Purpose	To earn a good return
	Benefits	To earn profit rate Kibor + 100 bps (expected).
	period of investment	Short term placement/Musharakah/ other mode of investment in tranches between 3 to 6 months, from time to time as chief executive of the company may deem fit.
iii	Source of funds to be utilized for investment and where the investment is intended to be made using borrowed funds i) Justification for investment through borrowings ii) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and iii) Cost benefit analysis;	Surplus Fund
iv	Salient features of the agreement with associated company with regards to proposed investment	Arm's length
v	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives in the transaction under consideration	None of the directors, sponsors, majority shareholders and their relatives have any interest in the proposed placement/ Musharakah / other mode of investment, except to the extent of their shareholding in the company.
vi	In case of any Investment in associated company has already been made, the performance review of such investment including complete	Dawood Family Takaful Limited had invested Rs.120 Million in the Sukuks of B.R.R. Guardian Modaraba in the year of 2008 and 2012 respectively.

	information /justification for any impairment or write offs;	Which has been matured on April 2019 and fully repaid. The last profit rates of the said sukuku was 1 month Kibor + 1.50% which was paid on monthly basis along with its monthly principal coupon redemption.
vii	Any other important details necessary for the members to understand the transaction	NIL
	Regulation 3(1) (b): in case of equity investment, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made;	Not Applicable
i.	Maximum price at which securities will be acquired	Not Applicable
ii.	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	
iii.	Maximum number of securities to be acquired	
iv.	Number of securities and percentage before proposed investment Number of securities and percentage after proposed investment	
v.	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	
vi.	Fair value determined in terms of sub-regulation (1) of regulation 5 for investment in unlisted securities;	
	Regulation 3(1) (c): in case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulations 3 shall be made;	
i	Category wise amount of investment	Upto Rs.300 million with a maximum exposure of Rs.75 million at a time in placement / Musharakah/ other mode of investment.
ii	Average borrowing cost of the investment company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period of return for shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	Not Applicable
iii	Rate of profit to be charged by investing company	Karachi Inter Bank Offered Rate (KIBOR) + 100bps (expected)
iv	particulars of collateral or security to be obtained in relation to the proposed investment;	NIL
v	if the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	NIL

vi	Repayment schedule and terms and conditions of loans or advances to be given to the associated company.	For short term i.e. Between 3 months to 6 months at a profit rate KIBOR + 100bps (expected)
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Regulation No. 3(3)

The directors of the investing company while presenting the special resolution for making investment in its associated company, shall certify to the members of the investing company that they have carried out necessary due diligence for the proposed investment before recommending it for members' approval.

The Directors of the Company certified that they have carried out necessary due diligence for the proposed short term placement/ Musharakah/ other mode of investment with B.R.R. Guardian Modaraba.

Regulation No. 4: Other information to be disclosed to the members:

(1) If the associated company or associated undertaking or any of its sponsors or directors is also a member of the investing company, the information about interest of the associated company or associated undertaking and its sponsors and directors in the investing company shall be disclosed in the notice of general meeting called for seeking members' approval pursuant to section 199 of the Act.

BRR Investment (private) Ltd is holding 2,245,000 shares and BRR Guardian Modaraba is holding 7,400,000 shares of Dawood Family Takaful Ltd (investing company). No director or chief executive has any interest in the investing company except in their individual capacity as director and or shareholder of the investing company. The shareholdings of the directors Mr. Rafique Dawood is 485,000 and Mr. Ayaz Dawood is 7,398,500.

Statement under section 134(3) of the Companies Act, 2017

This statement sets out the material facts concerning the special business to be transacted at the AGM of the Company to be held on March 31, 2020.

Item No 7 regarding equity investment in share of BRR Financial Services (private) limited:

Information required to be disclosed to the members under the Companies (investment in associated companies or associated undertakings) Regulations, 2017, as follows;

Regulation 3(1) (a) Disclosures for all types of investments;

A: Regarding associated company or associated undertaking;

i.	Name of the associated company	B.R.R. Financial Services (private) Limited a subsidiary of BRR Guardian Modaraba (an associated Modaraba)																
ii.	Basis of Relationship	Wholly owned Subsidiary of Associated Modaraba																
iii.	Earnings Per Share for the last three years	June 30, 2017 Rs.(0.01) June 30, 2018 Rs. 0.05 June 30, 2019 Rs.(0.10)																
iv.	Break-up value per share, based the latest audited financial statements.	June 30, 2019 Rs.9.84																
v.	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.	<table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">in Rupees</td> </tr> <tr> <td>i) Capital gain on investment</td> <td style="text-align: right;">11,225</td> </tr> <tr> <td>ii) Dividend income</td> <td style="text-align: right;">141,700</td> </tr> <tr> <td>iii) Deficit on revaluation of investment</td> <td style="text-align: right;">(2,357,045)</td> </tr> <tr> <td>iv) Administrative expenses</td> <td style="text-align: right;">(85,631)</td> </tr> <tr> <td>v) Financial Charges</td> <td style="text-align: right;">(339)</td> </tr> <tr> <td>vi) Other operating income</td> <td style="text-align: right;">2,480,630</td> </tr> <tr> <td>vii) Net loss</td> <td style="text-align: right;">(528,977)</td> </tr> </table>		in Rupees	i) Capital gain on investment	11,225	ii) Dividend income	141,700	iii) Deficit on revaluation of investment	(2,357,045)	iv) Administrative expenses	(85,631)	v) Financial Charges	(339)	vi) Other operating income	2,480,630	vii) Net loss	(528,977)
	in Rupees																	
i) Capital gain on investment	11,225																	
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iv) Administrative expenses	(85,631)																	
v) Financial Charges	(339)																	
vi) Other operating income	2,480,630																	
vii) Net loss	(528,977)																	

vi.	In case of investment in relation to a project of associated company that has not commenced operations, following further information; I. Description of the project and its history since conceptualization; II. Starting and expected date of completion of work; III. Time by which such project shall become commercially operational; and IV. Expected time by which the project shall start paying return on investment. V. Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	BRR Financial Services (Private) Limited has applied for the license of Security Broker under Securities Brokers (Licenses and Operations) Regulations, 2016. Once the license is approved by the SECP within six months will start the Business as broker.
	Regulation 3(1) (a) B: General Disclosures	
i	Maximum amount of investment to be made	Rs.25 million.
ii	Purpose	It is a step to make DFTL Business power house
	Benefits	With a concept of vertical integration benefits.
	period of investment	Long term investment
iii	Source of funds to be utilized for investment and where the investment is intended to be made using borrowed funds iv) Justification for investment through borrowings v) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and vi) Cost benefit analysis;	Surplus Fund
iv	Salient features of the agreement with associated company with regards to proposed investment	Arm's Length, The equity investment will be made upon receipt of license as securities broker to BRR Financial Services (private) Limited.
v	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives in the transaction under consideration	None of the directors, sponsors, majority shareholders and their relatives have any interest in the proposed equity investment, except to the extent of their shareholding in the company.
vi	In case of any Investment in associated company has already been made, the performance review of such investment including complete information /justification for any impairment or write offs;	None
vii	Any other important details necessary for the members to understand the transaction	BRR Financial Services (Private) limited has applied for Securities Broker License. SECP has not issued license for Securities Broker yet.
	Regulation 3(1) (b): in case of equity investment, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made;	
vii.	Maximum price at which securities will be acquired	Fair value at the time of investment

viii.	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Shares will be purchased at fair value
ix.	Maximum number of securities to be acquired	Equivalent to the amount of investment
x.	Number of securities and percentage before proposed investment	NIL
	Number of securities and percentage after proposed investment	Number of shares and percentage after proposed investment will depend on the prevailing fair prices at the time of actual acquisition of shares.
xi.	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	Not Applicable
xii.	Fair value determined in terms of sub-regulation (1) of regulation 5 for investment in unlisted securities;	Fair value as determined by registered valuer.
	Regulation 3(1) (c): in case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made;	Not Applicable
i	Category wise amount of investment	
ii	Average borrowing cost of the investment company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period of return for shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	
iii	Rate of profit to be charged by investing company	
iv	particulars of collateral or security to be obtained in relation to the proposed investment;	
v	if the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	
vi	Repayment schedule and terms and conditions of loans or advances to be given to the associated company.	

Regulation No. 3(3)

The directors of the investing company while presenting the special resolution for making investment in its associated company, shall certify to the members of the investing company that they have carried out necessary due diligence for the proposed investment before recommending it for members' approval.

The Directors of the Company certified that they have carried out necessary due diligence for the proposed equity investment in shares of BRR Financial Services (private) Limited (a subsidiary of BRR Guardian Modaraba an associated Modaraba).

Regulation No. 4: Other information to be disclosed to the members:

(1) If the associated company or associated undertaking or any of its sponsors or directors is also a member of the investing company, the information about interest of the associated company or associated undertaking and its sponsors and directors in the investing company shall be disclosed in the notice of general meeting called for seeking members' approval pursuant to section 199 of the Act.

BRR Investment (private) Ltd is holding 2,245,000 shares and BRR Guardian Modaraba is holding 7,400,000 shares of Dawood Family Takaful Ltd (investing company). No director or chief executive has any interest in the investing company except in their individual capacity as director and or shareholder of the investing company. The shareholdings of the directors Mr. Rafique Dawood is 485,000 and Mr. Ayaz Dawood is 7,398,500.

Item No 8 regarding revision director's attendance fee:

The revision shall be effective from the next Board meeting.

The revision will help to retain the quality members in the Board specially the independent representatives which are vital for the good Corporate Governance.

Remuneration before revision

- Board Meeting 20,000/-
- Board Committees 10,000/-

Remuneration after revision

- Board Meeting 30,000/-
- Board Committees 15,000/-