

SCHEME OF ARRANGEMENT

**UNDER SECTIONS 279 TO 283 AND 285 READ WITH SECTION
505(1)(c) OF THE COMPANIES ACT, 2017**

INVOLVING

ALLIED RENTAL MODARABA

AND

**ALLIED ENGINEERING MANAGEMENT COMPANY (PRIVATE)
LIMITED**

AND

ALLIED TRANSPORT AND LOGISTICS (PRIVATE) LIMITED

AND

ALLIED ENGINEERING AND SERVICES (PRIVATE) LIMITED

AND

**THE CERTIFICATE HOLDERS/SHAREHOLDERS OF ARM, AEMCL,
ATL & AESL**

FOR

The division/demerger of Allied Rental Modaraba and transfer of the assets, liabilities, obligations and undertakings of the Modaraba with and into Allied Engineering Management Company (Private) Limited and Allied Transport and Logistics (Pvt) Limited along with all ancillary matters.

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Notice of meeting of Certificate holders of Allied Rental Modaraba (ARM)

NOTICE IS HEREBY GIVEN that pursuant to the order dated 19.10.2022 of the High Court of Sindh at Karachi, passed in Civil Miscellaneous Application No.2483 of 2022 in J.C.M. No.38 of 2022 seeking sanction of the Court to the Scheme of Arrangement dated 14.4.2022 read with amendments approved by the Board in its meeting held on 12.9.2022 (the "Scheme"), an Extra Ordinary General Meeting (EOGM) of the certificate holders of Allied Rental Modaraba (ARM) will be held at 21/3, Sector 22, Korangi Industrial Area, Karachi on 25th day of November 2022 at 3.00 p.m. to consider and, if thought fit, adopt and agree to the Scheme for the division/demerger of ARM and transfer of the assets, liabilities, obligations and undertakings of ARM with and into Allied Engineering Management Company (Private) Limited (AEMCL) and Allied Transport and Logistics (Private) Limited (ATL) and all ancillary matters including allotment of shares of AEMCL and ATL to the certificate holders of ARM including ultimate beneficial owners of Allied Engineering Services (Private) Limited (AESL) and consequent reduction of share capital of AESL; as per details given in the scheme [A copy of the Scheme and a statement under section 281(1) of the Companies Act, 2017 ("Statement") are attached].

A copy of the "Scheme" and the "Statement" may also be obtained from the registered office of AEMCL situated at 21/3, Sector 22, Korangi Industrial Area, Karachi, during normal office hours on application prior to the meeting by the certificate holders entitled to attend the meeting, free of charge.

A copy of this scheme and the statement has been posted on the website of the Modaraba "www.arm.com.pk". If any of the certificate holders of ARM or any member of the AEMCL or ATL or AESL desires a soft copy of the scheme and the statement, he may send a request at "email address: rental@aesl.com.pk".

A copy of the scheme and the statement shall be available for the inspection of creditors and the certificate holders of ARM and members of AEMCL or ATL or AESL entitled to attend the meeting; at the registered office of the company.

Mr. Murtaza Ahmed Ali, the Chief Executive Officer of the AEMCL (the Management Company of ARM) will act as Chairman of the meeting and will report the results thereof to the Court in accordance with the order of the Court dated 19.10.2022.

The Scheme of arrangement will be subject to the subsequent approval of the Court.

Date: November 03, 2022

Karachi

By order of the Board
Muzzammil Tariq
Company Secretary

NOTES

- i. The dissenting certificate holder (except sponsors) may sell his certificates to AESL in accordance with article 6.8 of the scheme.
- ii. The certificate transfer books of the Modaraba will remain closed from November 19, 2022 to November 25, 2022 (both days inclusive).
- iii. The Certificate Holders are requested to immediately notify change in their addresses, if any, at the registered address of the Modaraba as pointed out above.
- iv. A certificate holder of the Modaraba entitled to attend and vote at this meeting may attend the meeting personally or appoint another certificate holder as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Modaraba at the above- mentioned address, not less than 48 hours before the meeting.
- v. The Certificate Holders who hold ten percent of the paid up Modaraba fund, residing in a city, may demand the company to provide them the facility of video-link for attending the meeting.
- vi. CDC Account holders will further have to observe the following guidelines, as laid down in Circular 01 dated January 20, 2000, issued by the Securities and Exchange Commission of Pakistan:

For Attending Meeting:

- vii. In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original National Identity Card (NIC), or original passport at the time of attending the meeting.
- viii. In case of corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) at the time of meeting.

For Appointing Proxies:

- ix. In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements.
- x. Two persons, whose names, addresses, and NIC numbers shall be mentioned on the form, shall witness the proxy.
- xi. Attested copies of NIC or passport of the beneficial owners and proxy shall be furnished along with the proxy form.
- xii. The proxy shall produce his/her original NIC or original passport at the time of the meeting.
- xiii. In case of corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) along with the proxy form to the Company.

Statement under Section 281(1)(a) of the Companies Act, 2017, accompanying to the notice to the Certificate Holders of Allied Rental Modaraba (ARM) under Sections 281(1)(a) read with Section 505(1)(c) of the Companies Act, 2017 (the Act)

The income of ARM was exempt from income tax in terms of section 37 of the Modaraba Companies & Modaraba (Floatation and Control) Ordinance, 1980 (the Modaraba Ordinance) and Clause 100 of the second schedule of the Income Tax Ordinance, 2001. The said income tax exemption, which was available to the Modaraba sector of Pakistan for the last almost 40 years, has been withdrawn through the Finance Act, 2021-22, w.e.f. July 1, 2021.

Further, the Modarabas in Pakistan under the Modaraba Ordinance operate in two tiers corporate structure i.e. a Modaraba is managed by a Modaraba Management Company; both legal entities requiring separate compliance requirements; under the Act and the Modaraba Ordinance.

Further, the main sponsors of **ARM** (as defined in article 1.42 of the Scheme) directly and indirectly hold more than 95% of the certificates of ARM, being the ultimate beneficial owners of more than 95% certificates of ARM; within the meaning of section 123A of the Act, were already bearing the income tax burden at 3 different levels / layers i.e. at the level of Allied Engineering Management Company (Private) Limited (**AEMCL**) the management company of **ARM**, then at the level of Allied Engineering and Services (Private) Limited (**AESL**) and then on their personal income and now after amendment in Income Tax Ordinance through the Finance Act, 2021-22; will have to bear the income tax at one more level of **ARM** as well.

Consequently, it is not feasible and in the interest of the certificate holders of **ARM**, comprising of general public and the main sponsors, to bear the expenses of both the entities and to pay the highest rate of income tax for the corporate sector as compared to zero tax prior to promulgation of Finance Act, 2021-22, as well as to pay the income tax at 3 different levels; to continue its business activities through a Modaraba.

The directors of **AEMCL**, Allied Transport and Logistics (Private) Limited (**ATL**) and **AESL** in their respective board meetings have agreed to a Scheme of Arrangement dated 14.4.2022 read with amendments approved by the Board in their respective meetings held on 12.9.2022 (the Scheme) for the division/ demerger of **ARM** into two undertakings namely; (i) **ARM** Demerged rental business segment undertaking comprising of the assets, liabilities, obligations and undertakings of rental business of **ARM** and (ii) **ARM** Demerged logistic business segment undertaking comprising of the assets, specified liabilities, obligations and undertakings of logistics business of **ARM** and transfer of **ARM** Demerged rental business segment undertaking (including all contingent assets and liabilities of ARM) with and into **AEMCL** and transfer of **ARM** Demerged logistics business segment undertaking (excluding any contingent assets and liabilities of **ARM**) with and into **ATL**; from the Effective Date, without further act or deed or documents being required to be executed, registered or filed in respect of such transfer, vesting, and/ or assumption and as a consideration thereof, the allotment of shares of **AEMCL** and **ATL** to the certificate holders of **ARM** including ultimate beneficial owners of **AESL** according to swap ratio of 0.211 share of **AEMCL** against each modaraba certificate of ARM and 0.588 share of **ATL**

against each modaraba certificate of **ARM** as calculated for the purpose of this Scheme and duly certified by the Board of Directors of **AEMCL** and certified by the external auditors and all ancillary matters including consequent reduction of share capital of **AESL** and dissolution of **ARM** without winding up as per details given in the Scheme (copy enclosed).

The object of division/demerger of **ARM** is to carry on business economically and efficiently. The division/demerger/ split of **ARM** into two private limited companies would enable the certificate holders of **ARM** comprising of general public, the main sponsors and others as well the other shareholders of the companies involved, to save costs under the applicable laws while effectuating the envisaged arrangement and avail other benefits as stated in the Scheme. Further details about the objects and benefits are provided in the Scheme.

The Scheme, if approved by the respective certificate holders of **ARM** and respective shareholders of **AEMCL**, **ATL** and **AESL** by the requisite majority as provided under section 279 of the Act, and sanctioned by the Court by an order passed in this respect, shall be binding on **ARM**, **AEMCL**, **ATL** and **AESL** along with all the certificate holders/shareholders of these entities, creditors, employees, customers, contracting parties, government, tax and regulatory / statutory authorities, bodies and departments of or with respect to **ARM**, **AEMCL**, **ATL** and **AESL** (as applicable) respectively.

Pursuant to the Order, dated 19.10.2022 of the High Court of Sindh at Karachi ("Court"), passed in the Civil Miscellaneous Application No. 2483 of 2022 in J.C.M. No.38 of 2022 under sections 279 to 282 read with section 505(1)(c) of the Act and Rule 60 of the Companies (Court) Rules, 1997, the Court has directed that a meeting of, inter alia, the certificate holders of **ARM** and the members of **AEMCL**, **ATL** and **AESL** be convened for the approval of the Scheme. The notice published and annexed hereto is for the purpose of convening meetings of the members as directed by the Court and particularly for the purpose of passing the following Resolutions:

- i. "RESOLVED that Allied Rental Modaraba (**ARM**) be and is hereby divided into two undertakings namely; (i) **ARM** Demerged rental business segment undertaking as defined in article 1.04 of the Scheme comprising of the assets, liabilities, obligations and undertakings of rental business of **ARM** as per details given in the Scheme and (ii) **ARM** Demerged logistic business segment undertaking as defined in article 1.05 of the Scheme of Arrangement comprising of the assets, specified liabilities, obligations and undertakings of logistics business of **ARM** as per details given in the Scheme and **ARM** Demerged rental business segment undertaking (**including** all contingent assets and liabilities of **ARM**) be and is hereby transferred with and into Allied Engineering Management Company (Private) Limited (**AEMCL**) and **ARM** Demerged logistics business segment undertaking (excluding any contingent asset and liability of **ARM**) be and is hereby transferred with and into Allied Transport and Logistics (Private) Limited (**ATL**) and all ancillary matters including allotment of shares of **AEMCL** and **ATL** to the certificate holders of **ARM** including ultimate beneficial owners of **AESL** as per details given in the Scheme.

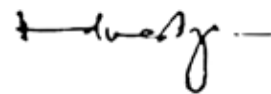
- ii. "RESOLVED FURTHER that the Scheme substantially in the form and substance circulated to the certificate holders of **ARM**, signed by the authorized representatives of all entities for the purposes of identification, be and is hereby approved, agreed and adopted, subject to any modifications which may be required by the High Court of Sindh, and Mr. Murtaza Ahmed Ali, the Chief Executive of AEMCL (Management Company of ARM) is hereby authorized to take all actions necessary or required for implementing the Scheme in terms thereof and all incidental actions in respect of the same."

As required by section 279(2) of the Act, the above resolutions have to be passed at the meetings convened under the Order of the Court, by a majority in number representing three-fourths in value of the issued Modaraba certificates held by the certificate holders of **ARM** present in person or by proxy, and voting at the meeting. The sanctioning of the Scheme and the making of other appropriate orders in connection therewith will be considered by the Court after the Scheme is approved as aforesaid.

"No Objections" of the creditors of the **ARM** to the said Scheme have been procured. Accordingly, no meeting of the Creditors of ARM is required nor do any further consents need to be obtained.

With regard to interest of the directors including the Chief Executive of AEMCL/ARM for the purpose of section 281, it is stated that there is no material interest of the directors including the Chief Executive of the company, in their capacity as such or as certificate holder of ARM or otherwise, and the effect of the Scheme on the interests of the Chief Executive and the Directors of the company/ARM as such or as certificate holder of ARM does not differ from its effect on the interests of other certificate holders of ARM or persons.

The dissenting certificate holder (except sponsors) may sell his certificates to AESL in accordance with article 6.8 of the Scheme.



Date: September 12, 2022

Authorized signatory

Karachi

Name: Murtaza Ahmed Ali

MODARABA INFORMATION

Board of Directors		
Name 1. Syed Feisal Ali 2. Khwaja Ahad Rahman 3. Murtaza Ahmed Ali 4. Ali Akbar 5. Abdul Rahim Suriya 6. Saira Nasir 7. Hassan Shehzad Abidi	Designation Chairman Non-executive Director Executive Director Non-executive Director Non-executive Director (Independent) Non-executive Director (Independent) Non-executive Director	Management Company Allied Engineering Management Company (Pvt) Limited.
Auditors of the Modaraba A. F. Ferguson & Co Chartered Accountants		Auditors of the Management Company Nasir Javaid Maqsood Imran Chartered Accountants
Consultant to the Merger Jawed Hussain, Advocate		Legal Advisor Chaudhry Atif Rafiq MCA Law Associates
Share Registrar Office JWAFFS REGISTRAR SERVICES (PVT) LIMITED Suite # 407, 408, 4th Floor, Al-Ameera Centre, Shahr-e-Iraq, Near Passport Office, Saddar, Karachi		Registered Office 21/3 Sector No.22, Korangi Industrial Area, Karachi, 74900

SCHEME OF ARRANGEMENT

UNDER SECTIONS 279 TO 283 AND 285 READ WITH SECTION
505(1)(c) OF
THE COMPANIES ACT, 2017

ENTERED INTO BY AND BETWEEN

Allied Rental Modaraba, a modaraba floated under the Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980 (XXXI of 1980) (hereinafter referred to as “**the Modaraba Ordinance**”) managed by Allied Engineering Management Company (Private) Limited having its registered office at 21/3 Sector No.22, Korangi Industrial Area, Karachi-74900 (hereinafter referred to as the “**ARM**”)

And

Allied Engineering Management Company (Private) Limited, a company limited by shares, incorporated in Pakistan under the Companies Act, 2017 (XIX OF 2017) (hereinafter referred to as “**the Act**”) as a private limited company and also registered as the Modaraba Company under the Modaraba Ordinance, having its registered office at 21/3 Sector No.22, Korangi Industrial Area, Karachi-74900 (hereinafter referred to as the “**AEMCL**”);

And

Allied Transport and Logistics (Private) Limited, a company limited by shares, incorporated under the Act as a private limited company having its registered office at 21/3 Sector No.22, Korangi Industrial Area, Karachi-74900, (hereinafter referred to as the “**ATL**”);

And

Allied Engineering and Services (Private) Limited, a company limited by shares, incorporated under the Act as a private limited company having its registered office at 21/3 Sector No.22, Korangi Industrial Area, Karachi-74900, (hereinafter referred to as the “**AESL**”)

And

the certificate holders/shareholders of ARM, AEMCL, ATL & AESL

for

The division/demerger and transfer of the assets, liabilities, obligations and undertakings of **ARM** with and into **AEMCL** and **ATL** and all ancillary matters including allotment of shares of **AEMCL** and **ATL** to ultimate beneficial owners of **AESL**.

INTERCONNECTION BETWEEN THE MODARABA ORDINANCE AND THE ACT

Section 505 (1) (c) of the Companies Act, 2017 in its pertinent part states that the provisions of the Companies Act shall apply to the Modaraba Companies and Modarabas, except in so far as the said provisions are inconsistent with the Modaraba Ordinance. As the Modaraba Ordinance and the Rules made thereunder do not provide for amalgamation, the provisions as contained in Sections 279 to 283 and 285 of the Companies Act, 2017 relating to reorganization/arrangement, demerger, bifurcation and amalgamation are applicable to Modarabas as well.

RECITALS

WHEREAS ARM is a Modaraba floated and managed under the Modaraba Ordinance by **AEMCL**. The Modaraba is listed on Pakistan Stock Exchange (PSX). It is a multipurpose and perpetual modaraba and undertakes business transactions under the Islamic modes and mainly engaged in two business segments namely; rental business (hereinafter referred to as “**rental business segment**”) and logistics business (hereinafter referred to as “**logistic business segment**”);

AND WHEREAS AEMCL is the management company of ARM and incorporated as a private limited company under the Act and also registered as a Modaraba Company under the Modaraba Ordinance;

AND WHEREAS ATL is a private limited company incorporated under the Act authorised to carry on logistic business;

AND WHEREAS AESL is a private limited company incorporated under the Act authorised to carry on the business of earth moving equipments and power generation equipments and machines of all description;

AND WHEREAS by this Scheme of Arrangement ("the Scheme"), it is, *inter alia*, proposed that:

1. The undertaking comprising of the Assets, Liabilities and Obligations of both the business segments (hereinafter referred to as the **ARM demerged rental business segment undertaking** and the **ARM demerged logistic business segment undertaking**) of ARM are proposed to be divided among, split into, demerged and transferred to two companies;
2. The segment, comprising all the Assets, Liabilities and Obligations, pertaining to the **ARM Demerged rental business segment undertaking** shall be split out and, as at the Effective Date (as defined in article 3 of this scheme), stand amalgamated with, transferred to, vested in, and be assumed by **AEMCL**.

Besides, the name of AEMCL shall be changed as Allied Rental Services (Private) Limited (ARSL) and object clause of AEMCL shall be altered/adopted according to the new format of the Memorandum in the Act. The Memorandum of Association of AEMCL as per Annexure V shall become the Memorandum of Association of the Company with consequent changes in the Articles. Approval of the shareholders of AEMCL to this Scheme shall also include and constitute an approval by way of special resolution from the shareholders of AEMCL, to the alteration/adoption of the Memorandum of Association of AEMCL for the change of name and alteration/adoption of object clause of AEMCL according to the new format of the Memorandum in the Act.

3. The segment, comprising all the Assets, specified Liabilities and Obligations, pertaining to the **ARM demerged logistic business segment undertaking** shall be spilt and as at the Effective Date, stand amalgamated with, transferred to, vested in and be assumed by **ATL**.
4. Upon the demerger and transfer of the **ARM Demerged rental business segment undertaking and ARM demerged logistic business segment undertaking** to AEMCL and ATL respectively in the manner prescribed under this Scheme, ARM shall stand dissolved without winding up.
5. As a consequence of the above arrangements/split/division/demerger of the undertakings of ARM (the transferor entity within the meaning of section 282 of Act) and amalgamation and transfer of the ARM Demerged rental business segment undertaking and ARM demerged logistic business segment undertaking to AEMCL and ATL respectively (the transferee entities within the meaning of section 282 of Act), it is proposed that in consideration/in lieu of the certificates held by the certificate holders of ARM, the shares of AEMCL and ATL shall be issued to them (in the name of Allied Rental Services (Private) Limited [ARSL] and Allied Transport and Logistics (Private) Limited [ATL] respectively) according to swap ratio as calculated for the purpose of this scheme and duly certified by the Board of Directors of AEMCL as per Annexure U and certified by the auditors, in accordance with the provisions hereof. Resultantly, all the certificates held by the certificate holders of ARM shall stand cancelled and ARM shall stand dissolved without winding up.
6. The main sponsors (as defined in article 1.42 of this scheme and details given in article 5) directly and indirectly hold more than 95% of the certificates of ARM, being the ultimate beneficial owners of more than 95% certificates of ARM; within the meaning of section 123A of the Act and have to bear the tax burden at 3 different levels, are proposed to be issued the shares of AEMCL and ATL in proportion of their indirect investment in ARM besides their direct investment.

7. Resultantly, there shall be a reduction in the paid up share capital of AESL by Rs. 26,569,650 plus any further investment done by AESL for purchase of modaraba certificates of ARM from any certificate holders.
8. This Scheme, if approved by the respective certificate holders of ARM and respective shareholders of AEMCL, ATL and AESL by the requisite majority as provided under section 279 of the Act, and sanctioned by the Court by an order passed in this respect, shall be binding on ARM, AEMCL, ATL and AESL along with all the certificate holders/shareholders of these entities, creditors, employees, Customers, contracting parties, government, tax and regulatory / statutory authorities, bodies and departments of or with respect to ARM, AEMCL, ATL and AESL (as applicable) respectively.

BENEFITS OF THIS SCHEME

A. Cost Savings

- i. The object of demerger of ARM is to carry on business economically and efficiently. The Modaraba in Pakistan under the Modaraba Ordinance operates in two tiers corporate structure i.e. a Modaraba is managed by a Modaraba Management Company; both legal entities requiring separate compliance requirements; under the Act and the Modaraba Ordinance.
- ii. The income of a Modaraba was exempt from income tax in terms of section 37 of the Modaraba Ordinance and clause 100 of the second schedule to the Income Tax Ordinance, 2001. The said income tax exemption, which was available to the Modaraba sector for the last almost 40 years, has been withdrawn through the Finance Act, 2021-22 w.e.f. July 1, 2021. Consequently, it is not feasible and in the interest of ARM and its certificate holders, comprising of general public and the main sponsors, to bear the expenses of both the entities and to pay the highest rate of income tax for the corporate sector as compared to zero tax prior to promulgation of Finance Act, 2021-22.
- iii. The main sponsors (as defined in this scheme and details given in article 5) directly and indirectly hold more than 95% of the certificates of ARM, being the ultimate beneficial owners of more than 95% certificates of ARM; within the meaning of section 123A of the Act, were already bearing the income tax burden at 3 different levels/layers i.e. at the level of AEMCL, then at the level of AESL and then on their personal income and now after amendment in Income Tax Ordinance through the Finance Act, 2021-22, they will have to bear the income tax at one more level of ARM as well.

As a result of allotment of shares of AEMCL and ATL to the main sponsors in lieu of more than 95% certificates of ARM held by them through AESL directly and indirectly; the main sponsors would be able

to save costs under the applicable laws while effectuating the envisaged arrangement.

- iv. Hence, the division/demerger/split of ARM into two private limited companies would enable the certificate holders of ARM comprising of general public, the main sponsors and others (including general public) as well as the other shareholders of the companies involved, to save costs under the applicable laws while effectuating the envisaged arrangement.

B. Objectives of Long Term Growth and Expansion

The demerger/split of ARM in two private limited companies and separation of the different undertakings and assets of the respective companies will allow the management of each company to focus on the business segment sought to be carried out by the respective company, resulting in better performance of the same. At the same time the respective managements shall be able to apply their skills and experience towards the long term growth of their respective companies and even expand the businesses to services which are relevant to their applicable fields.

NOW THEREFORE, this scheme is presented as follows:

ARTICLE 1 DEFINITIONS

In this Scheme, unless the subject or context otherwise requires, the following expression shall bear the meanings specified below:

- 1.01 AEMCL** shall have the meaning as prescribed in the Preamble above;
- 1.02 AESL** shall have the meaning as prescribed in the Preamble above;
- 1.03 “Amalgamations”** means transfer of the ARM Demerged rental business segment undertaking and ARM demerged logistic business segment undertaking to AEMCL and ATL respectively (the transferee companies within the meaning of section 282 of Act)
- 1.03 ARM** shall have the meaning as prescribed in the Preamble above;
- 1.04 ARM Demerged rental business segment undertaking** means the Assets, Liabilities and Obligations of ARM which are to be demerged from ARM and merged with and into AEMCL, as more specifically detailed in Annexure F attached hereto (in accordance

with the split balance sheets of ARM appearing in Annexure E attached hereto);

- 1.05 ARM demerged logistic business segment undertaking** means the Assets, Liabilities and Obligations of ARM which are to be demerged from ARM and merged with and into ATL, as more specifically detailed in Annexure G attached hereto (in accordance with the split balance sheets of ARM appearing in Annexure E attached hereto);
- 1.06 ATL** shall have the meaning as prescribed in the Preamble above;
- 1.07 Annexure A** contains the names of the Board of Directors of AEMCL.
- 1.08 Annexure B** contains the names of the Board of Directors of ATL.
- 1.09 Annexure C** contains the names of the Board of Directors of AESL.
- 1.10 Annexure D** contains the balance sheet of ARM as of June 30, 2022.
- 1.11 Annexure E** contains the split balance sheet of ARM Demerged rental business segment undertaking and ARM demerged logistic business segment undertaking as of June 30, 2022.
- 1.12 Annexure F** contains the details of assets and liabilities of ARM to be transferred to and vest in AEMCL from the effective date i.e. July 1, 2022.
- 1.13 Annexure G** contains the details of assets and liabilities of ARM to be transferred to and vest in ATL from the effective date i.e. July 1, 2022.
- 1.14 Annexure H** contains the balance sheet of AEMCL as of June 30, 2022 (before amalgamation).
- 1.15 Annexure I** contains the balance sheet of AEMCL as of July 1, 2022 (from the effective date).
- 1.16 Annexure J** contains the balance sheet of ATL as of June 30, 2022 (before amalgamation).
- 1.17 Annexure K** contains the balance sheet of ATL as of July 1, 2022 (from the effective date).
- 1.18 Annexure L** contains the balance sheet of AESL as of June 30, 2022 (before the issuance of shares of AEMCL and ATL to the ultimate beneficial owners of ARM)

- 1.19 Annexure M** contains the balance sheet of AESL as of July 1, 2022 (after the issuance of shares of AEMCL and ATL to the ultimate beneficial owners of ARM)
- 1.20 Annexure N** contains the particulars of creditors of ARM.
- 1.21 Annexure O** contains the particulars of creditors of AEMCL.
- 1.22 Annexure P** contains the particulars of creditors of ATL.
- 1.23 Annexure Q** contains the particulars of creditors of AESL.
- 1.24 Annexure R** contains the details of the shares of AEMCL held by Shareholders to be cancelled.
- 1.25 Annexure S** contains the details of the shares of AESL held by Shareholders to be cancelled.
- 1.26 Annexure T** contains the details of the shares of AEMCL and ATL to be issued to the main sponsors and to other sponsors according to the swap ratio as per details given in Article 5.
- 1.27 Annexure U is the** Statement of Calculation of SWAP ratio duly approved by Board of Directors of the Management Company and certified by the auditor.
- 1.28 Annexure V** is the revised Memorandum of Association of AEMCL as altered/adopted for the purpose of change of name (as ARSL) and the object clause.
- 1.29 Annexure W** shall be the Articles of Association of AEMCL subject to applicability of clause 6.9.
- 1.30 Annexure X** shall be the Articles of Association of ATL subject to applicability of clause 6.9.
- 1.31 Assets** mean assets, properties and rights of every description and kind (whether present or future, actual or contingent, tangible or intangible) and includes; properties held on trust and benefit of securities obtained from Customers, benefits, powers, rights, authorities, privileges, contracts, Government consents, tax refunds / credits, exemptions, sanctions and authorizations, including all registrations, licences, no objection certificates / letters, permits, categories, entitlements, sanctions, permissions and benefits relating to the business / company, all trademarks, patents, copyrights, licences, liberties, secret processes, know - how, good-will and confidential information belonging / pertaining to a company. Without in anyway limiting or prejudicing the

generality of the foregoing, it is hereby clarified that the Assets shall include: (i) all properties, immovable and movable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated belonging to a company; (ii) all plant, machinery, equipment, furniture and fixtures, computer hardware and software, software applications and Licences, motor vehicles, logistic/transport vehicles, generators, office equipment, appliances, and accessories, spare parts and tools; (iii) all choses-in-action, instruments, decretal amounts, bank and other accounts, cash balances, reserve funds, revenue balances, investments, loans, advances, guarantees, deposits, prepayments, receivables, book debts, trade debts and all other rights and interest in and arising out of such property in the ownership, possession, power or control of a company, whether legal or beneficial, whether within or out of Pakistan, and all books of accounts, registers, records and all other documents of whatever nature relating thereto; (IV) all the connections and facilities for telecommunications, electricity, gas and other installations, owned by, leased or licensed to a company (including related deposits); and (v) the Contingent Claims, tax credits / carry forward losses and proceeds realized from the Liquidation of the Contingent Claims;

- 1.32 Certificate holders** means the certificate holders of ARM;
- 1.33 Claim** means claim, counter-claim, demand or cause of action and includes a Contingent Claim;
- 1.34 Completion Date** has the same meaning as prescribed thereto in Article 3.1 of this Scheme;
- 1.35 Contingent Claim(s)** means any potential Claim that a company may have against any person prior to the Effective Date which may not be disclosed or reflected as part of its Assets on its books or records;
- 1.36 Contracts** means any contracts, agreements, deeds, instruments, letters or undertakings of every description, creating any obligations enforceable against the parties, including any finance agreements;
- 1.37 Court** means the High Court of Sindh at Karachi;
- 1.38 Customer** means any person having entered into transaction, arrangement or other dealing with a company;
- 1.39 Effective Date** shall have the same meaning as prescribed thereto in Article 3.1, of this Scheme;
- 1.40 Existing** means existing, outstanding or in force immediately prior to the Effective Date;

- 1.41 Main sponsors** mean Mr. Khwaja Ahad Rahman and Mr. Khwaja Majid Rahman who directly and indirectly hold more than 95% certificates of ARM (being the ultimate beneficial owners of more than 95% certificates of ARM; within the meaning of section 123A of the Act) through AESL as per details given in article 5 of this scheme;
- 1.42 Scheme** means this Scheme of Arrangement in its present form with any modifications thereof or additions thereto, approved or with any conditions imposed by the Court;
- 1.43 Security" or "Securities** means interest, right or title in and to any and all mortgages or charges (whether legal or equitable), debentures, bill of exchange, promissory note, guarantee, lien, pledge (whether actual or constructive), hypothecation, assignment by way of security, right of set-off, undertaking or other means of securing payment or discharge of any liabilities and obligations;
- 1.44 SECP** means the Securities & Exchange Commission of Pakistan; and
- 1.45 Shareholders** means the shareholders of AEMCL, ATL and AESL, detailed in Annexure N attached hereto.

ARTICLE 2 OBJECTS OF THE SCHEME

- 2.1. The principal object of this Scheme is to:
- (i) separate / demerge the **ARM Demerged rental business segment undertaking** from ARM and amalgamate the same with and into AEMCL by transferring to, merging with and vesting in AEMCL the whole of the **ARM Demerged rental business segment undertaking**, including all Assets, Liabilities and Obligations of the **ARM Demerged rental business segment undertaking**, as well as all other liabilities of ARM which are not specifically assigned to ATL under this scheme including the contingent liabilities as of the Effective Date, in accordance with the provisions of this Scheme;
 - (ii) simultaneously, separate / demerge the **ARM demerged logistic business segment undertaking** from ARM and amalgamate the same and into ATL by transferring to, merging with and vesting in ATL the whole of the **ARM demerged logistic business segment undertaking**, including all Assets, specified Liabilities excluding the contingent liabilities and Obligations of the **ARM demerged logistic business segment undertaking**, as

of the Effective Date, in accordance with the provisions of this Scheme;

- (iii) consequent to above, the ARM shall stand dissolved without winding up;
- (vi) cancel a certain number of shares of AESL which are currently held by the Shareholders to the extent stipulated in this Scheme; and
- (v) consequently, reduce the paid up share capital of AESL to provide for the cancellation of the shares of AESL

2.2. It is hereby clarified that although all of the above steps will take place on the same date. the same shall be deemed to be effective as of the Effective Date.

ARTICLE 3 EFFECTIVE DATE

3.1 This Scheme shall become operative and bind ARM, AEMCL, ATL and AESL and their certificate holders and the shareholders, as the case may be, as soon as an order is passed by the Court under Sections 279 / 282 of the Act, sanctioning this Scheme and making the necessary provisions under Section 282 of the Act (hereinafter referred to as the "Completion Date"). When this Scheme becomes operative on the Completion Date, the demerger of ARM and amalgamation with and into AEMCL and ATL, in accordance with this Scheme, will be treated as having effect from the start of business from the effective date or such other date as may be ordered by the Court (hereinafter referred to as the "Effective Date"). Each company shall file a certified copy of the order passed by the Court with the Registrar of Companies, Karachi and AEMCL with Registrar Modaraba, Securities and Exchange Commission of Pakistan, Islamabad in accordance with Section 279 of the Act. Since the Swap Ratio has been worked out on the basis of breakup value per share/certificate of AEMCL and ATL, based on the audited financial statements of AEMCL and ATL as of 30.06.22, the proposed effective date for the purpose of this scheme, is 1st July, 2022, unless otherwise ordered by the honorable Court.

3.2 Accordingly, as of the Effective Date and thereafter, until the **ARM Demerged rental business segment undertaking** and **ARM demerged logistic business segment undertaking**, are actually transferred to and vested in AEMCL and ATL respectively in terms of this Scheme, the business of ARM will be deemed to have been carried on for and on account and for the benefit of (i) AEMCL (to the extent of the **ARM Demerged rental business segment undertaking**); (ii) ATL (to the extent of the **ARM demerged logistic business segment undertaking**).

- 3.3 The reserves including un-appropriated profits / losses of ARM up to and immediately preceding the Effective Date, if any, (i) to the extent allocated for the **ARM Demerged rental business segment undertaking**, shall constitute and be treated as reserves / losses of a corresponding nature in AEMCL; (ii) to the extent allocated for the **ARM demerged logistic business segment undertaking**, shall constitute and be treated as reserves / losses of a corresponding nature in ATL.

ARTICLE 4 CAPITAL

4.1 Authorised Modaraba Fund and Authorised capital of AEMCL & ATL after the sanction of the scheme

- 4.1.1 The authorized modaraba fund of ARM is PKR 2,500,000,000 (Pak Rupees Two Billion Five Hundred Million) divided into 250,000,000 (Two-Hundred and Fifty Million) modaraba certificates of PKR 10/- (Pak Rupees Ten) each, out of which 220,000,000 (Two hundred and Twenty Million) modaraba certificates have been issued, fully subscribed to and paid up.
- 4.1.2 The authorized share capital of AEMCL is PKR 150,000,000 (Pak Rupees One Hundred and Fifty Million) divided into 15,000,000 (Fifteen Million) shares of PKR 10/- (Pak Rupees Ten) each, out of which 14,560,000 (Fourteen Million and Five-Hundred Sixty Thousand) shares have been issued, fully subscribed to and paid up.
- 4.1.3 The authorized share capital of ATL is PKR 2,000,000,000 (Pak Rupees Two Billion) divided into 200,000,000 (Two Hundred Million) shares of PKR 10/- (Pak Rupees Ten) each, out of which 1,00,000 (one hundred thousand) shares have been issued, fully subscribed to and paid up.
- 4.1.4 Upon the sanction of this Scheme, the whole of the authorized share capital (authorized modaraba fund) of ARM shall be merged and combined with the authorized share capital of AEMCL. Resultantly, as a consequence of the above, the authorized share capital of AEMCL shall stand enhanced to PKR 2,650,000,000 (Pak Rupees Two Billion, Six Hundred and Fifty Million), divided into 265,000,000 (Two Hundred Sixty-Five Million) shares of PKR 10/- (Pak Rupees Ten) each, and accordingly the Memorandum and Articles of Association of AEMCL shall stand amended. Approval of the shareholders of AEMCL to this Scheme shall also include and constitute an approval by way of special resolution from the shareholders of AEMCL, to the alteration of the Memorandum and Articles of Association of AEMCL for the increase of the authorized Share Capital of AEMCL to PKR 2,650,000,000 (Pak Rupees Two Billion, Six Hundred and Fifty Million), divided into 265,000,000 (Two Hundred Sixty-Five

Million) shares of PKR 10/- (Pak Rupees Ten) each as required in terms of the Act.

- 4.1.5 It is hereby clarified that consequent upon the Scheme becoming effective, the authorized share capital of ATL shall remain unchanged.

4.2 Paid up Modaraba Fund and Paid up capital of AEMCL and ATL after the sanction of the scheme

- 4.2.1 The subscribed and paid up modaraba fund of ARM is PKR 2,200,000,000 (Pak Rupees Two-Billion and Two hundred Million) divided into 220,000,000 (Two Hundred and Twenty Million) modaraba certificates of PKR 10/- (Pak Rupees Ten) each. If the scheme is sanctioned, 0.211 share of the AEMCL shall be issued [with its new proposed name of Allied Rental Services (Private) Limited] to the entitled certificate holders of the Modaraba against each modaraba certificate of ARM. Further 0.588 share of the ATL shall be issued to the entitled certificate holders of the Modaraba against each modaraba certificate of ARM. Consequently, all the 220 Million Modaraba Certificates of ARM shall be cancelled and necessary intimation shall be sent to Central Depository Company of Pakistan Limited (CDC) for necessary action. Approval of the certificate holders of ARM to this Scheme shall also include and constitute an approval by way of special resolution from the certificate holders of ARM, to the cancellation of the 220 Million Modaraba Certificates of ARM.
- 4.2.2 The subscribed and paid up capital of AEMCL is PKR 145,600,000 (Pak Rupees One Hundred and Forty-five Million Six hundred thousand) divided into 14,560,000 (Fourteen Million five hundred sixty thousand) shares of PKR 10/- (Pak Rupees Ten) each. The shares which are held by AESL and the main sponsors representing the proportionate Investment in ARM shares, shall be cancelled. As a result of issuance of 0.211 share against each modaraba certificate of ARM in terms of article 6 of this scheme, and cancelation of shares as aforesaid, the paid up share capital of AEMCL shall become Rs. 483,753,060 (Pak Rupees Four Hundred Eighty Three Million, Seven Hundred Fifty Three Thousand and Sixty) divided into shares 48,375,306 of Rs.10 each. Approval of the shareholders of AEMCL to this Scheme shall also include and constitute an approval by way of special resolution from the Shareholders of AEMCL, to the cancellation of 12,570,640 (Twelve Million, Five Hundred Seventy Thousand, Six Hundred and Forty) shares of AEMCL.
- 4.2.3 The subscribed and paid up capital of ATL is PKR 1,000,000 (Pak Rupees One Million) divided into 100,000 (One hundred thousand) shares of PKR 10/- (Pak Rupees Ten) each. Upon the sanction of this Scheme, in addition to these shares, as a result of issuance of 0.588 share of ATL against each modaraba certificate of ARM in terms of article 6 of this scheme; to the entitled certificate holders of the Modaraba, the paid up share capital of ATL shall become Rs. 1,294,321,850 (Pak Rupees One Billion

Two Hundred Ninety Four Million Three Hundred Twenty One Thousand Eight Hundred Fifty) divided into 129,432,185 shares of Rs.10 each.

ARTICLE 5

Allotment of shares of AEMCL & ATL to the main sponsors and other sponsors (the ultimate beneficial owners of AESL)

- 5.1 ARM is managed by AEMCL which is ultimately owned by the main sponsors through AESL. AEMCL holds 43,999,997 Modaraba certificates in ARM, being 20% of the total certificates issued by ARM.
- 5.2 Further, AESL directly holds almost 70% (153,717,423 Modaraba certificates in ARM) of the certificates of ARM. AESL is mainly owned by the main sponsors (Mr. Khwaja Ahad Rahman (4,992,441 - 50.0% and Mr. Khwaja Majid Rahman 4,991,941 - 49.995%) and only 500 (0.005%) shares are owned by 1 individual, who is also the mother of the main sponsors. Besides the main sponsors directly hold 5.43% modaraba certificates in ARM.
- 5.3 Hence, the main sponsors directly and indirectly hold more than 95% of the certificates of ARM (the ultimate beneficial owners of more than 95% certificates of ARM; within the meaning of section 123A of the Act) and have to bear the tax burden at 3 different levels.
- 5.4 Therefore, it is proposed that against the aforesaid direct and indirect investment of the main sponsors (the ultimate beneficial owners of AEMCL and AESL within the meaning of section 123A of the Act) in ARM through AEMCL and AESL as explained above, the shares of AEMCL and ATL according to the swap ratio calculated for the purpose of this scheme, shall be issued to them as per details given in Annexure T (in addition to their direct investment in ARM):
- 5.5 The above disinvestment of AESL in ARM shall effect the balance sheet (investment side) of AESL. Consequently, the paid up capital of AESL shall be reduced by the amount equivalent to the cost of investment in the books of AESL. There shall be a reduction in the paid up share capital of AESL by Rs.26,569,650. Resultantly, the paid up share capital of AESL shall become Rs. 73,279,170 (Pak Rupees Seventy Three Million Two Hundred Seventy Nine Thousand, One Hundred

Seventy) divided into 7,327,917 shares of Rs.10 each. Approval of the shareholders of AESL to this Scheme shall also include and constitute an approval by way of special resolution from the shareholders of AESL to the reduction of the shareholders' equity, particularly the reduction in the issued and paid up share capital of AESL.

ARTICLE 6 CONSIDERATION AND RELATED MATTERS

6.1 Consideration for the amalgamation of ARM Demerged rental business segment undertaking in AEMCL

As consideration **for the amalgamation of ARM Demerged rental business segment undertaking in AEMCL**, the AEMCL shall issue at par and allot 46,385,946 shares of face value of Rs 10 each [with its new proposed name i.e Allied Rental Services (Private) Limited] to the persons who on a day to be fixed by the directors of AEMCL after the Effective Date, are the Certificate Holders of ARM, and such allotment shall be made on the terms, namely, @ 0.211 share of AEMCL against each modaraba certificate of ARM. Fractional share certificates shall not be issued. All fractions less than a share certificate shall be consolidated into whole share certificates which shall be disposed off by the Merged Entity as determined by the Board of Directors of the AEMCL.

6.2 Consideration for the amalgamation of ARM Demerged logistic business segment undertaking in ATL

As consideration **for the amalgamation of ARM Demerged logistic business segment undertaking** with and into **ATL**, the ATL shall issue at par and allot 129,332,185 share of face value of Rs 10 each to the persons who on a day to be fixed by the directors of ATL after the Effective Date, are the Certificate Holders of ARM, and such allotment shall be made on the terms, namely, @ 0.588 share of ATL against each modaraba certificate of ARM. Fractional share certificates shall not be issued. All fractions less than a share certificate shall be consolidated into whole share certificates which shall be disposed off by the Merged Entity as determined by the Board of Directors of the AEMCL.

6.3 The Swap Ratio has been worked out on the basis of breakup value per share/certificate of AEMCL and ATL, based on the audited financial statements of ARM, AEMCL and ATL as of June 30, 2022.

- 6.4 At least seven days' notice shall be given to the Certificate Holders of ARM in the manner provided in the Memorandum and Articles of Association of AEMCL and ATL and prospectus of ARM (as applicable), of the date fixed by the directors of the AEMCL and ATL to surrender their physical shares to the respective companies.
- 6.5 The allotment of the share certificates of the AEMCL and ATL, as the case may be, shall be made by the AEMCL and ATL within 30 days from the date so notified. The management of the AEMCL and ATL, as the case may be, shall ensure the delivery of the share certificates within the time provide in the Act. In the case of Joint Certificate Holders, share certificates may be delivered to or may be sent to the address of that one of the joint holders whose name appears first in respect of such joint holding.
- 6.6 The share certificates of AEMCL and ATL, as the case may be, issued and allotted to the Certificate Holders of ARM shall, in all respect, rank pari passu with the existing Share certificates of AEMCL and ATL, as the case may be, held by the Shareholders of AEMCL and ATL, as the case may be, and shall be entitled to all dividends/bonuses declared after the Effective Date.
- 6.7 Upon the allotment of the share certificates of AEMCL and ATL, as the case may be, to the Certificate holders of ARM in the manner aforesaid, all the modaraba certificates of ARM that have been inducted in the Central Depository System ("CDS") or in the physical form shall stand cancelled and become null and void.
- 6.8 As the scheme envisaged the conversion of ARM into two private limited entities, thereby, in order to protect the interest of all the other certificate holders – Minority Shareholders (Except Sponsors) and as advised via letter No. SC/M/PRDD/Allied/2022/RS/49/134 dated June 23, 2022 issued by SECP (hereinafter referred to as the NOC), the Board of directors of AEMCL in their meeting held on September 12, 2022 decided Rs. 25/- per certificate as the purchase price for ARM certificates from Minority Certificate Holders who are not willing to continue as the shareholder of AEMCL and ATL according to this scheme of arrangement. The SECP vide the said NOC has advised the minimum price for purchasing of Modaraba certificates from the dissenting certificate holders as the higher of (i) 12 Months Average daily price reported by PSX preceding the date of the board meeting for approval of SWAP ratio and scheme (Rs. 20.13/- per certificate); or (ii) the Book value per certificate as per latest audited accounts (Rs. 22.44/- per certificate).

- 6.9 As a result of allotment of shares of AEMCL and ATL to the certificate holders of ARM as per this scheme and the sale of modaraba certificates by the shareholders to AESL, if any, in terms of clause 6.8, if the number of shareholders of AEMCL and/or ATL are more than 50 (fifty), status of AEMCL and/or ATL shall stand converted from a private company to a public company in terms of section 46 of the Act and its articles shall stand amended to meet the requirements of a public company. The Articles of Association of AEMCL as per Annexure W shall become the Articles of Association of AEMCL with consequent changes in the Memorandum of Association. Similarly, the Articles of Association of ATL as per Annexure X shall become the Articles of Association of ATL with consequent changes in the Memorandum of Association. Approval of the shareholders of AEMCL and ATL to this Scheme shall also include and constitute an approval by way of special resolution from the shareholders of AEMCL and ATL, to the alteration of the Articles of Association of AEMCL and ATL, as per Annexures W and X, respectively.
- 6.10 Subject to an order of the Honorable Court, ARM shall, without winding up, stand dissolved from the date on which all the Share certificates of the AEMCL and ATL, as the case may be, to be allotted as stated above to the Certificate holders of ARM have been so allotted.

ARTICLE 7 BOARD OF DIRECTORS

- 7.1 The present directors of AEMCL are listed in Annexure A attached hereto.
- 7.2 The present directors of ATL are listed in Annexure B attached hereto.
- 7.3 The present directors of AESL are listed in Annexure C attached hereto.
- 7.4 The directors of AEMCL are expected to continue as the directors till the Completion Date, subject to their ceasing to be directors in the meantime due to any reason(s) and appointments being made to the vacancies thus created. Within 15 (fifteen) days from the Completion Date, the board of directors of AEMCL shall be reconstituted in the manner agreed between the shareholders of AEMCL (or the incumbent directors shall continue, as may be agreed between the shareholders).
- 7.5 The directors of ATL are expected to continue as the directors till the Completion Date, subject to their ceasing to be directors in the meantime due to any reason(s) and appointments being made to

the vacancies thus created. Within 15 (fifteen) days from the Completion Date, the board of directors of ATL shall be reconstituted in the manner agreed between the shareholders of ATL (or the incumbent directors shall continue, as may be agreed between the shareholders).

- 7.6 The directors of AESL are expected to continue as the directors unless they otherwise decide.
- 7.7 All the directors of AEMCL, ATL and AESL have interest in the Amalgamations to the extent of their respective shareholdings and common directorship in AEMCL and ATL (to the extent applicable). The effect of this Scheme on the interest of these directors does not differ from the respective interests of the shareholders of AEMCL and ATL except to the extent stipulated herein.

ARTICLE 8

ARM Demerged rental business segment undertaking – Demerger and Amalgamation

8.1 **General Description**

- (i) As of the Effective Date, the entire **ARM Demerged rental business segment undertaking** shall be demerged / separated from ARM and amalgamated with, stand transferred to and vest in AEMCL on the terms and conditions set forth in this Scheme, without any further act, deed, matter or thing, process or procedure.
- (ii) AEMCL shall be able to carry out all the business with respect to the **ARM Demerged rental business segment undertaking** and shall be entitled to all the rights and the benefits thereof.

8.2 **Transfer of the Assets**

- (i) As of the Effective Date, all the Assets of **ARM Demerged rental business segment undertaking as specified in Annexure F**, shall immediately without any conveyance or transfer and without any further act or deed be vested in and become the undertaking; and Assets of AEMCL, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by AEMCL prior to the demerger and amalgamation.
- (ii) Except otherwise specified in this scheme, the transfer of Assets with respect to the **ARM Demerged Rental business segment undertaking** shall be free from all mortgages, charges or other encumbrances subsisting thereon (if any), and the same shall automatically stand released on the Completion Date.

- 8.3 **Transfer of Liabilities and Obligations**
As of the Effective Date, except the liabilities specifically assigned to ATL pertaining to **ARM Demerged logistic business segment undertaking** and specifically mentioned in Annexure G of this scheme, all the Liabilities and Obligations of **ARM** including contingent liabilities as well any Liabilities and Obligations towards any secured creditors of ARM (if any), shall immediately and without any further act or deed be assumed by and become the Liabilities and Obligations of AEMCL, which shall pay, undertake, satisfy, discharge and perform, when due, all such Liabilities and Obligations.
- 8.4 **AEMCL's Right to Execute Deeds**
Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and / or assumption of Obligations and Liabilities with respect to the **ARM Demerged rental business segment undertaking** may, if required, at any time be executed by officers and / or directors of AEMCL authorized in his regard.
- 8.5 **References to Assets and Liabilities and Obligations**
Any reference in this Scheme to Assets or Liabilities and Obligations comprised in the **ARM Demerged rental business segment undertaking** is a reference to Assets or Liabilities and Obligations comprised in the **ARM Demerged rental business segment undertaking** (and as determined in terms of this Scheme) to which ARM is for the time being entitled or subject to (whether beneficially or in any fiduciary capacity) immediately preceding the Effective Date wherever such Assets or Obligations and Liabilities are situated or arise and whether or not capable of being transferred or assigned to or by ARM under any applicable law or instrument.
- 8.6 **Assets held in Trust, etc.**
Any Asset comprised in the **ARM Demerged rental business segment undertaking** which immediately before the effective Date was held by ARM as trustee or custodian in the form of any trust deed, settlement, covenant, agreement or will or as executor of the will, or administrator of the estate of a deceased person or as judicial trustee appointed by order of any court, or in any other fiduciary capacity, shall, as of the Effective Date, be held by AEMCL in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.
- 8.7. **Contracts**
Every Contract to which ARM is a party, which pertains to the **ARM Demerged rental business segment undertaking** shall have effect as of the Effective Date as if:
(i) AEMCL had been a party thereto instead of ARM; and

- (ii) for any reference (however worded and whether express or implied) to AEMCL therein shall stand substituted, as respects anything to be done as of the Effective Date, to a reference to ARM.

8.8 **Instructions**

Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to ARM in writing (pertaining to the **ARM Demerged rental business segment undertaking**) shall have effect, as of the Effective Date, as if given to AEMCL.

8.9 **Securities:**

- (i) Any Security held immediately before the Effective Date by ARM or by a nominee or agent of or trustee for ARM as security for the payment or discharge of any liability and obligation of a Customer, with respect to the **ARM Demerged rental business segment undertaking**, shall, as of the Effective Date, be held by, or, as the case may require, by that nominee, agent or trustee for AEMCL and be available to AEMCL (whether for its own benefit or, as the case may be, for the benefit of any other person) as for the payment or discharge of that liability and obligation.
- (ii) In relation to any Security vested in AEMCL in accordance with provisions of this Scheme and any liabilities and obligations thereby secured, AEMCL shall be entitled to the rights and priorities to which ARM would have been entitled if they had continued to hold the Security.
- (iii) Any Security referred to in the foregoing provisions of this paragraph which extends to future advances or liabilities (pertaining to the **ARM Demerged rental business segment undertaking**) shall, as of the Effective Date, be available to AEMCL (whether for its benefit or as the case may be, for the benefit of any other person) as security for the payment or discharge of future advances and future liabilities to the same extent and in the same manner in all respects as future advances by or liabilities to ARM or, as the case may be, AEMCL were secured thereby immediately before that time.
- (iv) Any Security granted / created by ARM over the Assets comprising the **ARM Demerged Rental business segment undertaking** including in favor of any creditor of ARM (if any), as security for payment or discharge of any Liability and Obligations, shall become the security as if it was issued by AEMCL and ATL shall automatically stand released and discharged on the Completion Date.

8.10 **Legal Proceedings**

Where by virtue of this Scheme any right, Claim or Liability of ARM pertaining to the **ARM Demerged rental business segment**

undertaking, becomes a right, Claim or Liability of AEMCL on the Effective Date, AEMCL shall have the same rights, claims, powers and remedies (and in particular the same rights, Claims and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right, Claim or Liability as if it had at all times been a right, Claim or Liability of AEMCL, any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against ARM with respect to the **ARM Demerged rental business segment undertaking** may be continued by or against AEMCL.

8.11 **Judgments**

Any judgment or award obtained by or against ARM with respect to the **ARM Demerged rental business segment undertaking** and not fully satisfied before the Effective Date shall at that time, to the extent to which it is enforceable by or against ARM with respect to the **ARM Demerged rental business segment undertaking**, become enforceable by or against AEMCL.

8.12 **Evidence**

All books and other documents which would, before the Effective Date, have been evidenced in respect of any matter, for or against ARM with respect to the **ARM Demerged rental business segment undertaking**, shall be admissible in evidence in respect of the same matter for or against AEMCL.

8.13 **Negotiable Instruments**

Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by, or payable at any place of business of ARM, whether so drawn, given, accepted or endorsed before, as of the Effective Date, with respect to matters comprising the **ARM Demerged rental business segment undertaking**, shall have the same effect as of the Effective Date, as if it had been drawn on, or given to, or accepted or endorsed by AEMCL or were payable at the same place of business of AEMCL.

8.14 **Custody of Documents**

The custody of any document, record or goods held by ARM as bailee and duly recorded in their books that pass to ARM under any Contract of bailment relating to any such document, record or goods, which pertain to the **ARM Demerged rental business segment undertaking**, shall on that day become rights and obligations of AEMCL.

8.15 **Bank Accounts**

Any and all account(s) maintained by ARM with any bank or financial institution shall become account(s) between AEMCL and such bank or financial institution, subject to the same conditions and incidents as therefore; provided that nothing herein shall

affect any right of AEMCL to vary the conditions or incidents subject to which any account is kept.

No account maintained by ARM with any bank or financial institution shall become account(s) between ATL and such bank or financial institution; provided that nothing herein shall affect any right of ATL to maintain its existing accounts or open new account(s) with such bank or financial institution.

8.16. **Authorizations**

Any authorizations / powers of attorney granted by ARM to any persons, with respect to matters pertaining to the **ARM Demerged rental business segment undertaking**, shall continue to subsist and shall be deemed to be authorizations / powers of attorney granted by AEMCL to such persons, until or unless otherwise revoked or modified by AEMCL.

8.17 **Clarification**

The provisions contained in Articles 8.2 to 8.16 above are without prejudice to the generality of other provisions in this Scheme, but subject to any specific provisions in this Scheme expressly has a contrary effect.

ARTICLE 9

ARM demerged logistic business segment undertaking - Demerger and amalgamation

9.1 **General Description**

- (i) As of the Effective Date, the entire **ARM demerged logistic business segment undertaking** shall be demerged / separated from ARM and amalgamated with, stand transferred to and vest in ATL on the terms and conditions set forth in this Scheme, without any further act, deed, matter or thing, process or procedure.
- (ii) ATL shall be able to carry out all the business with respect to the **ARM demerged logistic business segment undertaking** and shall be entitled to all the rights and the benefits thereof.

9.2 **Transfer of the Assets**

- (i) As of the Effective Date, all the Assets comprised in the **ARM demerged logistic business segment undertaking**, as specified in Annexure G shall immediately without any conveyance or transfer and without any further act or deed be vested in and become the undertaking; and Assets of ATL, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by ATL prior to the demerger and amalgamation.
- (ii) The transfer of Assets with respect to the ATL **ARM demerged logistic business segment undertaking**

shall be free from all mortgages, charges or other encumbrances subsisting thereon (if any), and the same shall automatically stand released on the Completion Date.

9.3 Transfer of Liabilities and Obligations

As of the Effective Date, except to the extent of liabilities and obligations specifically assigned to ATL pertaining to **ARM Demerged logistic business segment undertaking** and specifically mentioned in Annexure G of this scheme, no Liabilities and Obligations of **ARM** including contingent liabilities as well any Liabilities and Obligations towards any secured creditors of ARM (if any) shall be transferred to ATL.

9.4 ATL's Right to Execute Deeds

Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and / or assumption of Obligations and Liabilities with respect to the **ARM demerged logistic business segment undertaking** may, if required, at any time be executed by officers and / or directors of ATL authorized in his regard.

9.5 References to Assets and Liabilities and Obligations

Any reference in this Scheme to Assets or Liabilities and Obligations comprised in the **ARM demerged logistic business segment undertaking** is a reference to Assets or Liabilities and Obligations comprised in the **ARM demerged logistic business segment undertaking** (and as determined in terms of Scheme) to which ARM is for the time being entitled or subject to (whether beneficially or in any fiduciary capacity) immediately preceding the Effective Date wherever such Assets or Obligations and Liabilities are situated or arise and whether or not capable of being transferred or assigned to or by ARM under any applicable law or instrument.

9.6 Assets held in Trust, etc.

Any Asset comprised in the **ARM demerged logistic business segment undertaking** which immediately before the effective Date was held by ARM as trustee or custodian in the form of any trust deed, settlement, covenant, agreement or will or as executor of the will, or administrator of the estate of a deceased person or as judicial trustee appointed by order of any court, or in any other fiduciary capacity, shall, as of the Effective Date, be held by ATL in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.

9.7. Contracts

Every Contract to which ARM is a party, which pertains to the **ARM demerged logistic business segment undertaking** shall have effect as of the Effective Date as if:

- (i) ATL had been a party thereto instead of ARM; and

- (ii) for any reference (however worded and whether express or implied) to ATL therein shall stand substituted, as respects anything to be done as of the Effective Date, to a reference to ARM.

9.8 **Instructions**

Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to ARM in writing (pertaining to the **ARM demerged logistic business segment undertaking**) shall have effect, as of the Effective Date, as if given to ATL.

9.9 **Securities:**

- (i) Any Security held immediately before the Effective Date by ARM or by a nominee or agent of or trustee for ARM as security for the payment or discharge of any liability and obligation of a Customer, with respect to the **ARM demerged logistic business segment undertaking**, shall, as of the Effective Date, be held by, or, as the case may require, by that nominee, agent or trustee for ATL and be available to ATL (whether for its own benefit or, as the case may be, for the benefit of any other person) as for the payment or discharge of that liability and obligation.
- (ii) In relation to any Security vested in ATL in accordance with provisions of this Scheme and any liabilities and obligations thereby secured, ATL shall be entitled to the rights and priorities to which ARM would have been entitled if they had continued to hold the Security.
- (iii) Any Security referred to in the foregoing provisions of this paragraph which extends to future advances or liabilities (pertaining to the **ARM demerged logistic business segment undertaking**) shall, as of the Effective Date, be available to ATL (whether for its benefit or as the case may be, for the benefit of any other person) as security for the payment or discharge of future advances and future liabilities to the same extent and in the same manner in all respects as future advances by or liabilities to ARM or, as the case may be, ATL were secured thereby immediately before that time (to the extent applicable to the **ARM demerged logistic business segment undertaking**).
- (iv) Any Security granted / created by ARM over the Assets comprising the **ARM demerged logistic business segment undertaking** including in favor of any creditor of ARM (if any), as security for payment or discharge of any Liability and Obligations, shall automatically stand released and discharged on the Completion Date and transferred to AEMCL.

9.10 **Legal Proceedings**

Where by virtue of this Scheme any right, Claim or Liability of ARM pertaining to the **ARM demerged logistic business segment undertaking**, becomes a right, Claim or Liability of ATL on the Effective Date, ATL shall have the same rights, claims, powers and remedies (and in particular the same rights, Claims and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right, Claim or Liability as if it had at all times been a right, Claim or Liability of ATL, any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against ARM with respect to the **ARM demerged logistic business segment undertaking** may be continued by or against ATL.

9.11 **Judgments**

Any judgment or award obtained by or against ARM with respect to the **ARM demerged logistic business segment undertaking** and not fully satisfied before the Effective Date shall at that time, to the extent to which it is enforceable by or against ARM with respect to the **ARM demerged logistic business segment undertaking**, become enforceable by or against ATL.

9.12 **Evidence**

All books and other documents which would, before the Effective Date, have been evidenced in respect of any matter, for or against ARM with respect to the **ARM demerged logistic business segment undertaking**, shall be admissible in evidence in respect of the same matter for or against ATL.

9.13 **Negotiable Instruments**

Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by, or payable at any place of business of ARM, whether so drawn, given, accepted or endorsed before, as of the Effective Date, with respect to matters comprising the **ARM demerged logistic business segment undertaking**, shall have the same effect as of the Effective Date, as if it had been drawn on, or given to, or accepted or endorsed by ATL or were payable at the same place of business of ATL.

9.14 **Custody of Documents**

The custody of any document, record or goods held by ARM as bailee and duly recorded in their books that pass to ARM under any Contract of bailment relating to any such document, record or goods, which pertain to the **ARM demerged logistic business segment undertaking**, shall on that day become rights and obligations of ATL.

9.15 **Bank Accounts**

No account maintained by ARM with any bank or financial institution shall become account(s) between ATL and such bank or financial institution; provided that nothing herein shall affect any

right of ATL to maintain its existing accounts or open new account(s) with such bank or financial institution.

9.16 **Authorizations**

Any authorizations / powers of attorney granted by ARM to any persons, with respect to matters pertaining to the **ARM demerged logistic business segment undertaking**, shall continue to subsist and shall be deemed to be authorizations / powers of attorney granted by ATL to such persons, until or unless otherwise revoked or modified by ATL.

9.17 **Clarification**

The provisions contained in Articles 9.2 to 9.16 above are without prejudice to the generality of other provisions in this Scheme, but subject to any specific provisions in this Scheme expressly has a contrary effect.

ARTICLE 10

CERTAIN OBLIGATIONS AND REPRESENTATIONS

10.1. Upon demerger of **ARM Demerged rental business segment undertaking** and amalgamation with and into AEMCL, AEMCL shall take all necessary and expedient steps to properly and efficiently manage the entire business pertaining to the **ARM Demerged rental business segment undertaking** and affairs thereof and shall operate and promote its entire business and affairs in the normal course.

10.2 As of the Completion Date (but with effect from the Effective Date). AEMCL shall undertake, pay, satisfy, discharge, perform and fulfil the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of ARM with respect to the **ARM Demerged rental business segment undertaking as well as all other** Liabilities and Obligations, Contracts, engagements and commitments which are not specifically assigned to **ATL**.

10.3 Upon demerger of **ARM Demerged logistic business segment undertaking** and amalgamation with and into ATL, ATL shall take all necessary and expedient Steps to properly and efficiently manage the entire business pertaining to the **ARM Demerged logistic business segment undertaking** and affairs thereof and shall operate and promote its entire business and affairs in the normal course.

10.4 As of the Completion Date (but with effect from the Effective Date). ATL shall undertake, pay, satisfy, discharge, perform and fulfil the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of ARM with respect to the **ARM Demerged logistic business segment undertaking** as specified in Annexure P.

ARTICLE 11

THE SCHEME'S EFFECT

- 11.1.** The provisions of this Scheme shall be effective and binding by operation of law and shall become effective in terms of Article 3 above.
- 11.2.** Subject to the provision of this Scheme, this Scheme shall not: (i) constitute any assignment, transfer, devolution, conveyance, alienation, parting with possession, or other disposition under any law for the time being in, force; (ii) give rise to any forfeiture; (iii) invalidate or discharge any Contract or Security (except to the extent stipulated in this Scheme); and (iv) give rise to any right of first refusal or pre-emptive right that any person may have in respect of any investment made by such person in ARM and/or AEMCL and / or ATL.
- 11.3** Upon the sanction of this Scheme, as of the Effective Date, the terms of this Scheme shall be binding on ARM, AEMCL, ATL and AESL and also on all the respective shareholders of ARM, AEMCL, ATL and AESL, the Customers of each of ARM, AEMCL ATL and AESL, the creditors of each of the companies (to the extent applicable), the Suppliers of each of the companies (to the extent applicable) and on any other person having any right or liability in relation to either of them.

ARTICLE 12

REDUCTION OF CAPITAL AND CONSIDERATION

- 12.1** As a consequence of this scheme, the shareholders' equity (i.e. the issued and paid up share capital and accumulated profits / losses) of AESL shall stand reduced by an amount of PKR 2,952,747,802 (Pak Rupees Two Billion Nine Hundred Fifty Two Million, Seven Hundred Forty Seven Thousand, Eight Hundred Two) to provide for a reduction corresponding to the shares of AESL held the Shareholders (the main sponsors) which shall stand cancelled (to the extent detailed in Annexure S). Approval of the shareholders of AESL to this Scheme shall also include and constitute an approval by way of special resolution from the shareholders of AESL to the reduction of the shareholders' equity, particularly the reduction in the issued and paid up share capital of AESL in the manner stipulated herein.
- 12.2** Subsequent to the Completion Date at least 7 (seven) days' notice shall be given to the Shareholders by AESL specifying the date by which the Shareholders shall deliver to AESL, for cancellation, the share certificates representing the shares of AESL to be cancelled (as stipulated in Annexure S attached hereto) and such share certificates shall be delivered to AESL on or before that date. The share certificates delivered / to be delivered by the Shareholders

shall stand cancelled, whether or not the same have been surrendered to AESL by the prescribed date.

- 12.3** It is understood and clarified that as a consequence of this scheme no shares are required to be issued by either AEMCL or ATL to AESL or by AESL to its shareholders.
- 12.4** The effect of the above arrangement is that the Shareholders receive valid consideration to the scheme i.e. division/demerger of ARM, amalgamation with and into AEMCL and ATL and allotment of shares to ultimate beneficial owners of ARM through AESL.

ARTICLE 13

DETERMINATION OF THE UNDERTAKINGS

- 13.1** The Assets, Liabilities, and Obligations comprising the **ARM Demerged rental business segment undertaking** and **ARM Demerged logistic business segment undertaking**, are based on the financial statements of ARM for the period ended June 30, 2022. The details comprising the said undertakings are stipulated in Annexure F and Annexure G.
- 13.2** Furthermore, a split balance sheet has been prepared by ARM, (attached hereto as Annexure E) of the Assets, Liabilities and Obligations of ARM, comprising the **ARM Demerged rental business segment undertaking** and **ARM Demerged logistic business segment undertaking** including a break-up thereof, as reflected in the books of accounts of ARM as of June 30, 2022.
- 13.3** Balance sheets of AEMCL have been prepared, illustrating the positions prior to and from the Effective Date i.e. before and after the **ARM Demerged rental business segment undertaking** have been demerged with and into AEMCL, attached hereto as Annexure H and Annexure I respectively.
- 13.4** Balance sheets of ATL have been prepared, illustrating the positions prior to and from the Effective Date i.e. before and after the **ARM Demerged logistic business segment undertaking** have been demerged with and into ATL, attached hereto as Annexure J and Annexure K respectively.
- 13.5** Balance sheets of AESL have been prepared, illustrating the positions prior to and from the Effective Date i.e. before and after the issuance of shares of AEMCL and ATL to the ultimate beneficial owners of ARM through AESL, attached hereto as Annexure L and Annexure M respectively.

ARTICLE 14

BOOKS AND ACCOUNTS

- 14.1** On and from the effective Date, AEMCL shall maintain separate books and accounts with respect to the **ARM Demerged rental business segment undertaking**. The same shall be based on the separation of Assets, Liabilities and Obligations determined in accordance with this Scheme.
- 14.2** On and from the Effective Date, ATL shall maintain separate books and accounts with respect to the **ARM Demerged logistic business segment undertaking**. The same shall be based on the separation of Assets, Liabilities and Obligations determined in accordance with this Scheme.

ARTICLE 15

EMPLOYEES

- 15.1** On and from the Effective Date, all whole time officers and employees working for **ARM Demerged rental business segment undertaking** shall become the employees of AEMCL at the same level of remuneration and under the same terms and conditions of service which they were receiving or, as the case may be, by which they were governed immediately before the Effective Date, including those relating to entitlements and benefits arising upon termination of services, on the basis of continuation of service.
- 15.2** On and from the Effective Date, all whole time officers and employees working for **ARM Demerged logistic business segment undertaking** shall become the employees of ATL at the same level of remuneration and under the same terms and conditions of service which they were receiving or, as the case may be, by which they were governed immediately before the Effective Date, including those relating to entitlements and benefits arising upon termination of services, on the basis of continuation of service.

ARTICLE 16

GENERAL

- 16.1 Modifications by the Court**
This Scheme shall be subject to such modification of conditions, as the Court may deem expedient to impose. The Board of Directors of AEMCL, ATL and AESL respectively may consent to any modifications or additions to this Scheme or to any conditions which the Court may think fit, in case of any difficulty in

implementation of any aspect of this Scheme, clarifications, directions and / or approval may be obtained from the Court. Notwithstanding the above, in the event that the terms of this Scheme are not approved by the shareholders and / or creditors of ARM and / or AEMCL and / or ATL and / or AESL as applicable; in its entirety and / or the Scheme, approved by the respective companies, is modified by the Court, the Board of Directors of AEMCL, ATL or AESL shall be entitled to withdraw this Scheme (whether or not approval of the shareholders and creditors of the respective companies has been obtained).

16.2 Headings

Article headings are not to be considered part of this Scheme, but are solely for convenience of reference, and not affect the meaning or interpretation of this Scheme or any of its provisions.

16.3 Severability

If any provision of this Scheme is found to be unlawful and unenforceable by a competent court of law, then to the fullest extent possible, all of the remaining provisions of the Scheme shall remain in full force and effect.

Notwithstanding anything to the contrary contained herein, the Annexures to this Scheme shall be subject to revision (to the extent permitted under this Scheme) to reflect the position existing as of the Effective Date (if necessary) and all provisions contained herein shall be interpreted and construed accordingly.

16.4 Costs and expenses

All costs, charges and expenses in respect of the preparation of this Scheme and carrying the same into effect (unless agreed otherwise) shall be borne by the shareholders, and particularly from the cash available within ARM, AEMCL, ATL and AESL in the order of priority.

16.5 Adoption by the board of each of the applicant companies

The terms of the scheme drawn up and adopted by the board of each of the entities in their meetings held on April 14, 2022. However, SECP vide their NOC letter dated 23.6.2022 imposed a condition of obtaining NOCs from the creditors before filing the petition in the Court, which process has been completed on 12th September, 2022. In the mean while the audit of financial statements of all the entities for the year ended on June 30, 2022 has been completed. In order to comply with the provision of section 282(2)(e) of the Companies Act, 2017, the effective date

which was January 1, 2022 has been changed as July 1, 2022. Accordingly, the consequent changes were approved by the respective boards on September 12, 2022.

Further, the pre-merger application filed by Petitioner No.1 with the Competition Commission of Pakistan (CCP) for clearance under Section 11 of the Competition Act, 2010 was allowed by CCP vide order dated 29.07.2022 authorizing the transaction.

- 16.6** Since the name of AEMCL is proposed to be changed as Allied Rental Services (Private) Limited [ARSL) pursuant to this scheme, the term AEMCL shall be deemed to mean and include the said proposed new name for the purposes of this scheme unless the context requires otherwise.

16.7 Filing of the scheme

As required by section 282(2)(b) of the Act, a copy of the Scheme of arrangement was filed with the Additional Registrar of Companies, Company Registration Office, Securities & Exchange Commission of Pakistan (SECP), Karachi on behalf of all the petitioners. Further, a copy of Scheme of arrangement was also served on (i) the Chairman-SECP; (ii) Commissioner (SMD), SECP and (iii) Registrar Modaraba, SECP, Islamabad.

16.8 Availably of scheme and the statement of material facts

A copy of this scheme and the statement of material facts has been posted on the website of the Modaraba www.arm.com.pk” Further, if any of the certificate holders of ARM or any member of the AEMCL or ATL or AESL desires a soft copy of this scheme and the statement of material facts, he may send a request on the following email address:

rental@aesl.com.pk

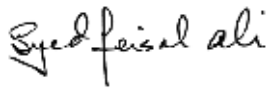
A copy of this scheme and the statement of material facts shall be available for the inspection of creditors, certificate holders of ARM and members of AEMCL or ATL or AESL entitled to attend the meeting; at the registered office of the company

More every creditor or certificate holders or member so entitled may, on making an application submitted at the registered office of the company, shall be furnished, free of charge, with a copy of scheme and the statement of material facts.

Dated : September 12, 2022

For and on behalf of

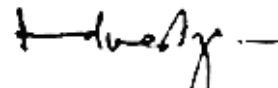
ALLIED ENGINEERING MANAGEMENT COMPANY (PRIVATE)
LIMITED, representing ALLIED RENTAL MODARABA



Syed Feisal Ali
Director



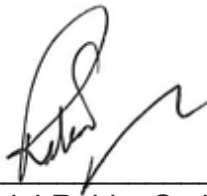
Khwaja Ahad Rahman
Director



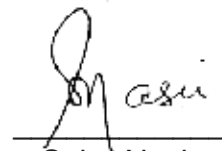
Murtaza Ahmed Ali
Chief Executive



Ali Akbar
Director



Abdul Rahim Suriya
Director



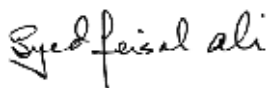
Saira Nasir
Director



Hassan Shehzad Abidi
Director

For and on behalf of

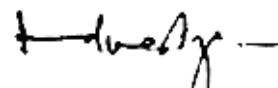
ALLIED ENGINEERING MANAGEMENT COMPANY (PRIVATE)
LIMITED



Syed Feisal Ali
Director



Khwaja Ahad Rahman
Director



Murtaza Ahmed Ali
Chief Executive



Ali Akbar
Director



Abdul Rahim Suriya
Director



Saira Nasir
Director



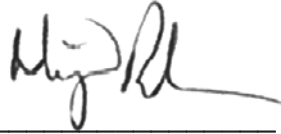
Hassan Shehzad Abidi
Director

For and on behalf of

ALLIED TRANSPORT AND LOGISTICS (PRIVATE) LIMITED



Khwaja Ahad Rahman
Director



Khwaja Majid Rahman
Director

For and on behalf of

ALLIED ENGINEERING AND SERVICES (PRIVATE) LIMITED



Khwaja Ahad Rahman
Director



Khwaja Majid Rahman
Director

LIST OF ANNEXURES

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Annexure B	Names of the Board of Directors of ATL
Annexure C	Names of the Board of Directors of AESL
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Annexure E	Audited Spilt balance sheet of ARM Demerged rental business segment undertaking and ARM demerged logistic business segment undertaking as of June 30, 2022
Annexure F	Details of assets and liabilities of ARM to be transferred to and vest in AEMCL from the effective date
Annexure G	Details of assets and liabilities of ARM to be transferred to and vest in ATL from the effective date
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Annexure I	Balance sheet of AEMCL as of July 1, 2022 (from the effective date)
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Annexure M	Balance sheet of AESL as of July 1, 2022 (from the effective date)
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Annexure O	Particulars of creditors of AEMCL
Annexure P	Particulars of creditors of ATL
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Annexure R	Details of the shares of AEMCL held by Shareholders to be cancelled.
Annexure S	Details of the shares of AESL held by Shareholders to be cancelled
Annexure T	Details of the shares of AEMCL and ATL to be issued to the main sponsors and to other sponsors according to the swap ratio as per details given in Article 5.
Annexure U	Statement for the calculation of SWAP Ratio as approved by the Board of Directors with auditors' certificate
Annexure V	Revised Memorandum of Association of AEMCL as altered/adopted for the purpose of change of name and the object clause
Annexure W	The Articles of Association of AEMCL in case of conversion to a public company in terms of clause 6.9 of this scheme.
Annexure X	The Articles of Association of ATL in case of conversion to a public company in terms of clause 6.9 of this scheme.

Annexure A

Names of the Board of Directors of AEMCL

1. Khwaja Ahad Rahman
2. Syed Feisal Ali
3. Murtaza Ahmed Ali
4. Ali Akbar
5. Abdul Rahim Suriya
6. Saira Nasir
7. Hassan Shehzad Abidi

Annexure B

Names of the Board of Directors of ATL

1. Khwaja Ahad Rahman
2. Khwaja Majid Rahman

Annexure C

Names of the Board of Directors of AESL

1. Khwaja Ahad Rahman
2. Khwaja Majid Rahman

AUDITORS' REPORT TO THE CERTIFICATE HOLDERS



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We have audited the annexed statement of financial position of Allied Rental Modaraba (Modaraba) as at June 30, 2022 and the related statement of profit or loss and statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

These financial statements are the Modaraba Management Company's [Allied Engineering Management Company (Private) Limited] responsibility who is also responsible to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by the Modaraba Management Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of accounts have been kept by the Modaraba Management Company in respect of Allied Rental Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981;
- (b) in our opinion:
 - i) the statement of financial position and statement of profit or loss and statement of comprehensive income together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981, and are in agreement with the books of accounts and are further in agreement with accounting policies consistently applied in the financial statements with which we concur;
 - ii) the expenditure incurred during the year was for the purpose of the Modaraba's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects, terms and conditions of the Modaraba;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive loss, statement of changes in equity and cash flow statement together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981, in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2022 and of the profit and comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Modaraba Management Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Emphasis of matter

- a) We draw attention to note 1.3 to the financial statements which describes the fact that a plan to restructure the current legal structure of the Modaraba has been approved by the Board of Directors of the Management Company and Securities and Exchange Commission of Pakistan (SECP) registrar modarabas whereby the existing



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business of the Modaraba along with all assets and liabilities (including contingent liabilities) will be transferred on a going concern basis to two separate legal entities. There is no impact on the carrying values of assets and liabilities appearing in the books of the Modaraba as the management intends to carry out transfer of assets and liabilities at the carrying values as at the date of transfer subject to the approvals of the certificate holders, the High Court of Sindh and other relevant authorities.

- b) We draw attention to note 1.4 to the financial statements which describe a matter relating to distribution made by the Modaraba in respect of the financial year ended June 30, 2021, in excess of the available profits.

Our opinion is not modified in respect of these matters.

Other Matter

The financial statements of the Modaraba for the year ended June 30, 2021 were audited by another firm of chartered accountants who had expressed a modified opinion via their audit report dated October 6, 2021. The audit opinion was modified for not recording the deferred tax liability in the financial statements of the Modaraba for the year ended June 30, 2021. The Modaraba has now recognised the deferred tax by restating the prior period balances as more fully explained in note 4 to the enclosed financial statements.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: September 29, 2022

Engagement Partner: **Noman Abbas Sheikh**

UDIN: AR202210061ThXyvZHwK

Allied Rental Modaraba
Statement of Financial Position
As at 30 June 2022

	Note	2022	2021
(Rupees)			
ASSETS			
Non-Current Assets			
Ijarah assets	5	5,946,661,687	5,897,659,183
Fixed assets - in own use	6	190,197,116	190,716,697
Intangible asset	7	570,486	1,026,875
		6,137,429,289	6,089,402,755
Current Assets			
Spare parts	8	281,311,632	163,139,692
Ijarah rentals receivable	9	950,212,604	1,168,468,030
Operation and maintenance income receivable	10	21,574,924	26,856,560
Advances, deposits, prepayments and other receivable	11	625,788,324	753,915,844
Security deposits	12	50,000	50,000
Cash and bank balances	13	290,423,919	117,119,860
		2,169,361,403	2,229,549,986
Total assets		8,306,790,692	8,318,952,741
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized certificate capital 250,000,000 (June 30, 2021: 250,000,000) modaraba certificates of Rs.10 each	14.1	2,500,000,000	2,500,000,000
Issued, subscribed and paid-up certificate capital 220,000,000 (June 30, 2021: 220,000,000) modaraba certificates of Rs.10 each	14.2	2,200,000,000	2,200,000,000
Premium on issue of certificates		1,255,712,500	1,255,712,500
Statutory reserve	15	1,949,054,073	1,872,085,044
Accumulated losses		(468,339,791)	(445,934,539)
		4,936,426,782	4,881,863,005
LIABILITIES			
Non-current liabilities			
Deferred liability for staff gratuity	16	132,755,367	109,060,825
Other long-term employee benefits	17	27,766,018	24,052,311
Liability against right-of-use assets	18	30,738,716	38,091,892
Diminishing musharaka financing payable - secured	19	545,781,004	720,780,585
Long term borrowings and deferred grants	20	-	85,596,156
Deferred tax liability	21	866,017,146	783,819,912
Other long term liabilities	22	23,246,536	9,406,035
		1,626,304,787	1,770,807,716
Current liabilities			
Current maturity of liability against right-of-use assets	18	16,769,988	14,166,667
Current maturity of diminishing musharaka financing payable - secured	19	410,600,730	636,194,123
Current portion of long term borrowings and deferred grants	20	101,747,694	179,562,908
Current portion of other long term liabilities	22	11,504,551	48,769,028
Payable to the modaraba management company	23	10,519,525	10,788,100
Creditors, accrued and other liabilities	24	1,126,000,163	707,611,979
Contract liabilities (advance from customers)		65,670,295	68,054,519
Unclaimed dividend		1,246,177	1,134,696
		1,744,059,123	1,666,282,020
Total liabilities		3,370,363,910	3,437,089,736
Total equity and Liabilities		8,306,790,692	8,318,952,741

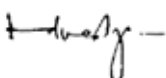
CONTINGENCIES AND COMMITMENTS

25

The annexed notes from 1 to 46 form an integral part of these financial statements.

**For Allied Engineering Management Company (Private) Limited
(Modaraba Management Company)**


Muhammad Saad
Chief Financial Officer


Murtaza Ahmed Ali
Chief Executive Officer


Abdul Rahim Suriya
Director


Syed Feisal Ali
Director

Annexure E

ALLIED RENTAL MODARABA

AUDITED SPLIT BALANCE SHEET AS AT JUNE 30, 2022 AS PER NOTE 42.1 OF THE FINANCIAL STATEMENTS

	ARM Demerged Rental Business	ARM Demerged Logistics Business	Total ARM
Segment assets and liabilities			
Assets			
Ijarah assets	4,541,293,777	1,405,367,910	5,946,661,687
Fixed assets - in own use	169,912,300	20,284,816	190,197,116
Intangible asset	570,486	-	570,486
Short term security deposits	50,000	-	50,000
Spare parts	276,867,210	4,444,422	281,311,632
Ijarah rentals receivable	633,409,042	316,803,562	950,212,604
Operation and maintenance income receivable	21,574,924	-	21,574,924
Advances, deposits, prepayments and other receivable	581,093,726	44,694,598	625,788,324
Cash and bank balances	290,423,919	-	290,423,919
	<u>6,515,195,384</u>	<u>1,791,595,308</u>	<u>8,306,790,692</u>
Liabilities			
Deferred liability for staff gratuity	120,766,339	11,989,028	132,755,367
Other long-term employee benefit	24,366,426	3,399,592	27,766,018
Liability against right-of-use assets	45,708,704	1,800,000	47,508,704
Diminishing musharaka financing payable - secured	821,577,496	134,804,238	956,381,734
Long term borrowings and deferred grants	101,747,694	-	101,747,694
Deferred tax liability	713,464,499	152,552,647	866,017,146
Other long term liabilities	29,390,646	5,360,441	34,751,087
Payable to the modaraba management company	10,519,525	-	10,519,525
Creditors, accrued and other liabilities	964,916,551	161,083,612	1,126,000,163
Contract liabilities (advance from customers)	38,386,398	27,283,897	65,670,295
Unclaimed dividend	1,246,177	-	1,246,177
	<u>2,872,090,455</u>	<u>498,273,455</u>	<u>3,370,363,910</u>
Net assets	<u>3,643,104,929</u>	<u>1,293,321,853</u>	<u>4,936,426,782</u>

Details of assets and liabilities of ARM to be transferred to and vest in AEMCL from the effective date

Ijarah Assets as at June 30, 2022

Category	WDV
Generator	2,426,204,361
Machines & Cranes	1,927,644,868
Power Accessories	158,030,157
CWIP	29,414,390
Grand Total	4,541,293,777

Fixed Assets as at June 30, 2022

Category	WDV
Computer	3,430,701.00
Furniture	1,143,381.00
Office Equipment	922,548.00
Right to use Property	41,230,308.00
Vehicles	123,185,362.00
Grand Total	169,912,300.00

Intangible Assets as at June 30, 2022

Name	WDV
Microsoft Ax	570,486

Long Term Security Deposits as at June 30, 2022

Name	Amount
Long Term Security Deposit to CDC	50,000

Spare Parts As at June 30, 2022

Name	Amount
Spare Parts	276,867,210

Ijarah Rental Receivable as at June 30, 2022

Name	Amount
Gross Receivables	892,623,018
Less: Provision for doubtful debts	272,120,083
Net Receivables	633,409,042

Operation and Maintenance Receivables as at June 30, 2022

Name	Amount
Gross Receivables	30,035,295
Less: Provision for doubtful debts	8,460,374
Net Receivables	21,574,922

Advance, deposits, prepayments & other receivables as at June 30, 2022

Description	Amount
Tax Deducted at Source	649,627,465
Income Tax Payable	(261,324,670)
Income Tax reoverable	388,302,795
Federal Excise Duty (FED) receivable	50,000,000
Punjab service sales tax refundable	48,803,542
Federal sales tax refundable	9,896,473
Sales tax on imports refundable	4,182,666
Advances (unsecured)	
<u>to suppliers for purchase of fixed assets - in own use</u>	22,294,035
<u>to suppliers for expenses</u>	38,722,003
Advance To Daily Workers (LHR)	658,272
Advance To Daily Workers (KHI)	1,024,500
Loan to worker cadre	1,069,114
	2,751,886
<u>to employees against salary</u>	3,767,833
<u>to employees for expenses</u>	944,651
<u>Security Deposits</u>	7,193,736
Accrued income on profit or loss sharing bank accounts	652,210
Insurance claim receivable	463,008
<u>Others</u>	
ALLIED E-Com	2,958,148
Provision for Advance, Deposit and prepayments	- 329,260
Others	490,000
	3,118,888
Grand Total	581,093,726

Cash and Bank Balance as at June 30, 2022

Bank	Balance
Habib Metrolpolitan Bank	2,329,116
MCB Islamic Branch	30,620,542
National Bank of Pakistan	9,607,475
Faysal Bank Limited	2,838,842
Bank Islami Pakistan Limited	21,714,755
Bank AlFalah	28,269,058
Dubai Islamic Bank	179,389
Bank Alhabib Limited	2,723,468
Habib Bank Limited	25,752,009
Meezan Bank	131,946,470
Soneri Bank Limited	1,952,927
Askari Bank Limited	27,849,383
Telenor Micro Finance Bank	2,575,090
United Bank Limited	1,780,103
	290,138,627

Cash	Balance
Petty Cash - Karachi	200,000
Petty cash - Lahore	35,292
Petty cash - Islamabad	-
SCB-Petty Cash Multan	50,000
	285,292
Total Cash and Bank Balances	290,423,919

Deferred Liability for Staff Gratuity as at June 30, 2022

Name	Amount
Staff Gratuity As per Acturial	120,766,339

Other Long Term Employee Benefit as at June 30, 2022

Name	Amount
Leave encashment as per Acturial	24,366,426

Liability against Right to Use Assets as at June 30, 2022

Description	Amount
Allied Engineering & Services Facilities	45,708,704

Diminishing Musharakh Financing Payable as at June 30, 2022

Bank Name	Amount
Askari Bank Limited	171,495,900
Bank Alfalah Limited	57,655,533
Bank Alhabib Limited	117,785,215
Bank Islami Pakistan Limited	211,207,500
MCB Islamic	39,366,373
Meezan Bank Limited	220,976,821
National Bank of Pakistan	3,090,154
Grand Total	821,577,496

Long Term Borrowings and deferred grants as at June 30, 2022

SBP Salary Refinance Scheme	Amount
Habib Bank Limited Apr	12,781,339
Habib Bank Limited May	14,139,931
Habib Bank Limited June	14,407,301
Bank Alfalah Limited July	19,005,331
Bank Alfalah Limited Aug Permanent Salaries	6,726,615
Bank Alfalah Limited Aug Contractual Salaries	13,774,092
Bank Alfalah Limited Sept	18,978,221
Total	99,812,830
Deferred Income - Government Grant	Amount
Habib Bank Limited Apr	114,572
Habib Bank Limited May	110,979
Habib Bank Limited June	113,078
Bank Alfalah Limited July	502,493
Bank Alfalah Limited Aug Permanent Salaries	177,851
Bank Alfalah Limited Aug Contractual Salaries	383,457
Bank Alfalah Limited Sept	532,434
Total	1,934,864
	101,747,694

Other Long Term Liabilities as at June 30, 2022

Description	Balance
Employee car scheme	27,715,646
Security Deposit	1,675,000
	29,390,646

Creditors, Accrued and Other Liabilities as at June 30, 2022

Name	Balance
Total Creditors	198,690,473
Payables to Allied Engineering & Services	670,021,629
Payable to APEX (Private) Limited	4,168,000
Accrued Financial Charges	12,377,432
Others	325,347
Payable to Worker's Welfare Fund	12,554,586
Tax deduction at Source from : employees	952,765
Tax deduction at Source from : suppliers	2,841,965
Sindh Sales Tax Payable	6,694,992
Salaries & Wages Payable	35,576
Salaries & Wages Payable	5,675,802
Incentive Payable	7,997,000
Bonus Payable	37,146,156
Provident Fund	384,390
Provident Fund	384,390
Loan against PF	(202,448)
Audit Fee Payable	4,868,493
	964,916,548

Deferred Tax Liability as at June 30, 2022

Fixed Assets - in own use	15,537,865
Ijarah Assets	803,398,801
Ijara Receivable	(48,996,990)
OnM Receivable	(1,538,412)
Deferred liability for staff gratuity	(39,852,892)
Liability Right of Use	(15,083,872)
Total	713,464,500

Contract Liabilities (Advance from Customers) as at June 30, 2022

Customer	Advance
Advance from Customers	38,386,399

Payable to Modaraba Management Company as at June 30, 2022

Description	June 30, 2022
Payable to Modaraba Management Company	10,519,525

Unclaimed Dividend as at June 30, 2022

Description	June 30, 2022
Unclaimed Dividend	1,246,177

Details of assets and liabilities of ARM to be transferred to and vest in ATL from the effective date

Ijarah assets as at June 30, 2022

Category	WDV
Logistics Vehicles	1,405,367,910

Fixed Assets in own use As at June 30, 2022

Category	WDV
Computer	753,622
Right to use Property	1,654,526
Vehicles	17,876,668
	20,284,816

Spare Parts As at June 30, 2022

Name	Amount
Spare Parts	4,444,422

Ijarah Rental Receivable as at June 30, 2022

Name	Amount
Gross Receivables	340,987,121
Less: Provision for doubtful debts	24,183,559
Net Receivables	316,803,562

Advances, Deposit, Prepayments & Other Receivables as at June 30, 2022

Description	Amount
to suppliers for expenses	15,139,288
Advance Against Expenses	16,433,495
to employees against salary	101,813
to employees for expenses	20,000
Security Deposits	13,000,000
	44,694,596

Deferred Liability for Staff Gratuity as at June 30, 2022

Name	Amount
Staff Gratuity As per Actuarial	11,989,028

Other Long Term Employee Benefit as at June 30, 2022

Name	Amount
Leave encashment as per Actuarial	3,399,592

Right to use liability as at June 30, 2022

Name	Amount
Mohlanwal Right to Use Current Liability (expiring in Dec-22)	1,800,000

Diminishing Musharakh Financing Payable as at June 30, 2022

Bank	Balance
MCB Islamic	112,191,738
Askari Bank Limited	22,612,500
	134,804,238

Deferred Tax Liability as at June 30, 2022

	Amount
Fixed Assets - in own use	1,474,813
Ijarah Assets	161,312,984
Receivable	(5,684,771)
Deferred liability for staff gratuity	(3,956,379)
Liability Right of Use	(594,000)
Total	152,552,647

Other Long Term Liabilities as at June 30, 2022

Description	Balance
Employee car scheme	5,360,441
	5,360,441

Creditors, Accrued and Other Liabilities as at June 30, 2022

Name	Balance
Creditors	79,123,310
Salaries & Wages Payable	1,198,299
Incentive Payable	700,000
Bonus Payable	2,422,947
Provident Fund	77,114
Provident Fund	77,114
Accrued Financial Charges	3,054,966
Accrued Fueling	74,429,864
	161,083,614

Contract Liabilities (Advance from Customers) as at June 30, 2022

Description	Advance
Customers	27,283,896



INDEPENDENT AUDITOR'S REPORT

To the members of Allied Engineering Management Company (Pvt) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Allied Engineering Management Company (Private) Limited (the Company)**, which comprise the statement of financial position as at **June 30, 2022** and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (the financial statements), and we state that we have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **June 30, 2022** and of the profit or loss and other comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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BLUE AREA JINNAH AVENUE, ISLAMABAD.
Tel: + 92 (51) 2228138 Fax: + 92 (51) 2228139 E-mail: islamabadoffice@njmi.net

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the directors' report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of accounts have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;



- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

The engagement partner on the audit resulting in this independent auditor's report is Mohammad Javaid Qasim.



NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

Dated: 19 SEP 2022
Karachi

UDIN: AR202210270plQPTtSHE

ALLIED ENGINEERING MANAGEMENT COMPANY (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

Note	2022 Rupees	2021 Rupees
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ASSETS

NON-CURRENT ASSETS

Long term investment	4	987,285,289	596,392,470
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CURRENT ASSETS

Due from related parties	5	10,519,523	16,779,976
Short term investment	6	145,628,367	50,877,928
Advances and deposits	7	9,017,205	1,838,352
Bank balances	8	3,159,703	50,147,234
		168,324,798	119,643,490

TOTAL ASSETS		1,155,610,087	716,035,960
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CAPITAL AND LIABILITIES

Authorized capital

15,000,000 (2021: 15,000,000) ordinary shares of Rs. 10/- each		150,000,000	150,000,000
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Issued, subscribed and paid up capital	9	145,600,000	145,600,000
Premium on issue of shares		93,040,000	93,040,000
Unappropriated profit		513,994,749	458,997,795
Surplus on revaluation of investment	10	390,892,819	-
		1,143,527,568	697,637,795

CURRENT LIABILITIES

Accrued expenses and other liabilities	11	1,625,883	1,607,733
Due to related parties	12	10,456,636	16,790,432
		12,082,519	18,398,165

CONTINGENCIES AND COMMITMENTS	13	-	-
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TOTAL EQUITY AND LIABILITIES		1,155,610,087	716,035,960
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The annexed notes from 1 to 28 form an integral part of these financial statements.


Chief Executive


Director

ALLIED ENGINEERING MANAGEMENT COMPANY (PRIVATE) LIMITED
BALANCE SHEET AS AT JULY 01, 2022

July 01, 2022

ASSETS

Non-current assets

Rental assets	4,541,293,777
Fixed assets - in own use	169,912,300
Intangible asset	570,486
	<u>4,711,776,563</u>

Current Assets

Spare parts	276,867,210
Due from related parties	10,519,523
Short term investment	145,628,367
Rentals receivable	633,409,042
Operation and maintenance income receivable	21,574,924
Advances, deposits, prepayments and other receivable	590,110,931
Cash and bank balances	293,583,622
Security Deposits	50,000
	<u>1,971,743,619</u>
	<u>6,683,520,182</u>

Total assets

EQUITY AND LIABILITIES

Share capital and reserves

Authorized certificate capital	<u>2,650,000,000</u>
Issued, subscribed and paid-up certificate capital	483,753,060
Premium on issue of certificates	3,272,285,487
Accumulated Profit	43,308,661
	<u>3,799,347,208</u>

LIABILITIES

Non-current liabilities

Deferred liability for staff gratuity	120,766,339
Other long-term employee benefit	24,366,426
Liability against right-of-use assets	30,738,716
Diminishing musharaka financing payable - secured	499,254,156
Long term borrowings and deferred grants	0
Deferred tax liability	713,464,499
Other long-term liabilities	20,028,049
	<u>1,408,618,185</u>

Current liabilities

Current maturity of liability against right-of-use assets	14,969,988
Current maturity of diminishing musharaka financing payable - secured	322,323,340
Current portion of long-term borrowings and deferred grants	101,747,694
Current portion of other long-term liabilities	9,362,597
Payable to the modaraba management company	10,519,525
Creditors, accrued and other liabilities	976,999,070
Contract liabilities (advance from customers)	38,386,398
Unclaimed dividend	1,246,177
	<u>1,475,554,789</u>

Total liabilities

Total equity and liabilities

	<u>2,884,172,974</u>
	<u>6,683,520,182</u>



INDEPENDENT AUDITOR'S REPORT

To the members of Allied Transport and Logistics (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Allied Transport and Logistics (Private) Limited (the Company)**, which comprise the statement of financial position as at **June 30, 2022** and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (the financial statements), and we state that we have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **June 30, 2022** and of the profit or loss and other comprehensive income or loss, the changes in equity and its cash flows for the period then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

nm

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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the directors' report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of accounts have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;



- c) investments made, expenditure incurred and guarantees extended during the period were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

The engagement partner on the audit resulting in this independent auditor's report is Mohammad Javaid Qasim.




Dated: **19 SEP 2022**
Karachi

NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

UDIN: AR2022102704ewUkKMca

Allied Transport and Logistics (Private) Limited
Statement of Financial Position
As at June 30, 2022

Note	2022 Rupees	2021 Rupees
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ASSETS

Current Assets

Bank balance

4 1,001,000 1,000,000

TOTAL ASSETS

1,001,000 1,000,000

EQUITY AND LIABILITIES

Authorized Capital

200,000,000 ordinary shares of Rs. 10/- each

2,000,000,000 2,000,000,000

Issued, Subscribed and Paid-up capital

100,000 ordinary shares of Rs. 10/- each

5 1,000,000 1,000,000

Unappropriated loss

(8,219,192) (8,044,839)

(7,219,192) (7,044,839)

LIABILITIES

Current Liabilities

Accrued expense and other liabilities

6 8,220,192 8,044,839

8,220,192 8,044,839

CONTINGENCIES AND COMMITMENTS

7 - -

TOTAL EQUITY & LIABILITIES

1,001,000 1,000,000

The annexed notes from 1 to 16 form an integral part of these financial statements.


Chief Executive


Director

ALLIED TRANSPORT & LOGISTICS (PRIVATE) LIMITED
BALANCE SHEET AS AT JULY 01, 2022
JULY 01,
2022
ASSETS
Non-current assets

Rental assets	1,405,367,910
Fixed assets - in own use	20,284,816
	<u>1,425,652,726</u>

Current Assets

Spare parts	4,444,422
Rentals receivable	316,803,562
Advances, deposits, prepayments and other receivable	44,694,598
Cash and bank balances	1,001,000
	<u>366,943,582</u>

Total assets	<u><u>1,792,596,308</u></u>
---------------------	-----------------------------

EQUITY AND LIABILITIES
Share capital and reserves

Authorized certificate capital	<u>2,000,000,000</u>
Issued, subscribed and paid-up certificate capital	1,294,321,850
Accumulated losses	(8,219,189)
	<u>1,286,102,661</u>

LIABILITIES
Non-current liabilities

Deferred liability for staff gratuity	11,989,028
Other long-term employee benefit	3,399,592
Diminishing musharaka financing payable – secured	46,526,848
Deferred tax liability	152,552,647
Other long-term liabilities	3,218,487
	<u>217,686,602</u>

Current liabilities

Current maturity of liability against right-of-use assets	1,800,000
Current maturity of diminishing musharaka financing payable - secured	88,277,390
Current portion of other long-term liabilities	2,141,954
Creditors, accrued and other liabilities	169,303,804
Contract liabilities (advance from customers)	27,283,897
	<u>288,807,045</u>

Total liabilities	<u>506,493,647</u>
--------------------------	--------------------

Total equity and Liabilities	<u><u>1,792,596,308</u></u>
-------------------------------------	-----------------------------



INDEPENDENT AUDITOR'S REPORT

To the members of Allied Engineering & Services (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Allied Engineering & Services (Private) Limited (the Company)**, which comprise the statement of financial position as at **June 30, 2022** and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (the financial statements), and we state that we have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **June 30, 2022** and of the profit or loss and other comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Offices also at:

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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the directors' report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of accounts have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Mohammad Javaid Qasim.



NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

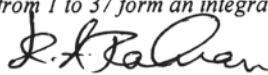
Dated: **27 SEP 2022**
Karachi

UDIN: AR202210270q8rNEcxSL

ALLIED ENGINEERING & SERVICES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	1,330,612,591	925,648,268
Capital work-in-progress	5	9,917,218	-
Long term investments	6	3,302,545,802	3,302,545,802
		4,643,075,611	4,228,194,070
CURRENT ASSETS			
Stock, stores and spare parts	7	3,013,266,640	1,902,489,362
Trade debts	8	2,456,414,905	1,493,180,496
Short term investments	9	2,451,069,821	2,929,203,142
Advances, deposits, pre-payments & other receivables	10	632,932,547	302,926,282
Amount due from related parties	11	934,602,771	511,103,272
Cash and bank balances	12	1,012,130,100	857,963,170
		10,500,416,784	7,996,865,724
TOTAL ASSETS		15,143,492,395	12,225,059,794
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
12,000,000 (2021: 12,000,000) ordinary shares of Rs. 10/- each		120,000,000	120,000,000
Issued, subscribed and paid up capital	13	99,848,820	99,848,820
Share premium		187,359,836	187,359,836
Revaluation surplus on property	14	24,985,224	24,985,224
Unappropriated profit		10,784,240,956	9,577,307,141
TOTAL SHAREHOLDERS' EQUITY		11,096,434,836	9,889,501,021
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing and government grant – secured	15	1,427,932	106,148,989
Staff retirement benefits	16	242,111,695	218,877,028
		243,539,627	325,026,017
CURRENT LIABILITIES			
Creditors		161,644,666	84,372,770
Accrued expenses and other liabilities	17	3,590,582,552	1,769,485,642
Amount due to related parties	18	-	104,672,679
Current portion of long-term financing - secured	15	51,290,714	52,001,665
Short term borrowings - secured	19	-	-
TOTAL LIABILITIES		3,803,517,932	2,010,532,756
CONTINGENCIES AND COMMITMENTS	20	-	-
TOTAL EQUITY AND LIABILITIES		15,143,492,395	12,225,059,794

The annexed notes from 1 to 37 form an integral part of these unconsolidated financial statements.


Chief Executive


Director

Balance sheet of AESL as of July 1, 2022

ALLIED ENGINEERING & SERVICES (PRIVATE) LIMITED
BALANCE SHEET AS AT July 01, 2022

July 01, 2022

ASSETS**Non-current assets**Property and equipment
Capital work-in-progress
Long term investments

1,330,612,591
9,917,218
349,798,000
1,690,327,809

Current AssetsStock, stores and spare parts
Trade debts
Short term investments
Advances, deposits, pre-payments & other receivables
Due from related parties
Cash and bank balances

3,013,266,640
2,456,414,905
2,451,069,821
632,932,547
934,602,771
1,012,130,100
10,500,416,784
12,190,744,593

Total assets**EQUITY AND LIABILITIES****Share capital and reserves**

12,000,000 (June 30, 2021: 12,000,000) ordinary shares of Rs. 10/- each

120,000,000Issued, subscribed and paid-up capital
Share premium
Revaluation surplus on property, plant and equipment
Unappropriated profit

73,279,170
187,359,836
24,985,224
7,858,062,804
8,143,687,034

LIABILITIES**Non-current liabilities**Long term financing and government grant – secured
Staff retirement benefits

1,427,932
242,111,695
243,539,627

Current liabilitiesCreditors
Accrued expenses and other liabilities
Current portion of long term financing

161,644,666
3,590,582,552
51,290,714
3,803,517,392
4,047,057,559

Total liabilities**Total equity and liabilities****12,190,744,593**

Particulars of Creditors of ARM

Name of Creditor	Balance as at 30.06.2022
Meezan Bank Limited	220,976,761
Bank Islami Pakistan Limited	211,207,500
Askari Bank Limited	194,108,400
Mcb Islamic Bank Limited	151,558,111
Bank Al-Habib Limited	117,785,215
Bank Al-Falah Limited	117,736,028
Habib Bank Limited	41,667,259
National Bank of Pakistan	3,090,154
Total Secured Creditors	1,058,129,428
Payable to Suppliers	952,003,413
Total	<u>2,010,132,841</u>

Particulars of Creditors of AEMCL

There were no creditors as at June 30, 2022 except trade supplier as disclosed below

Name Of Supplier	Balance as at 30.06.2022
Allied Engineering & Services (Pvt) Ltd	10,456,636
Nasir Jawed Maqsood Imran	300,000
Total	10,756,636

Particulars of Creditors of ATL

There Were no creditors as at June 30, 2022 except trade supplier as disclosed below;

Name Of Supplier	Balance as at 30.06.2022
Allied Engineering & Services (Pvt) Ltd	8,175,992
Total	8,175,992

Particulars of Creditors of AESL

Name of Creditor	Balance Outstanding as at June 30, 2022
Habib Bank Limited	35,327,280
Soneri Bank Limited	17,391,366
Total Secured Creditors	52,718,646
Payable to Suppliers	161,644,666
Total	<u>214,363,312</u>

Annexure R**Details of the shares of AEMCL held by shareholders to be cancelled**

Breakup Value of AEMCL

Net Equity as per Balance Sheet as at June 30, 2022

1,143,527,568

No of paid-up shares

14,560,000

Break-up Value

78.54

Value of Investment in ARM in Books of Accounts

987,285,289

Cancellation of shares up to the amount of investment in ARM
 (ARM being Wound up by virtue of Scheme of Restructuring)
 (987,285,289 ÷ 78.54)

12,570,640

S.No	Name of Share Holder	Shareholding	Cancellation of shares as above	Revised Shareholding
1.	Allied Engineering & Services (Private) Limited	14,559,750	12,570,424	1,989,326
2.	Mr. Khwaja Ahad Rahman	4	4	0
3.	Syed Feisal Ali	2	2	0
4.	Mrs. Saira Nasir	2	2	0
5.	Mr. Murtaza Ahmed	236	202	34
6.	Mr. Ali Akbar	2	2	0
7.	Mr. Abdul Rahim Suriya	2	2	0
8.	Mr. Hasan Shahzad Abidi	2	2	0
9.	Total	14,560,000	12,570,640	1,989,360

Annexure S**Details of the shares of AESL held by shareholders to be cancelled**

Net Equity as per Balance Sheet as at June 30, 2022

11,096,434,836

No of paid-up shares

9,984,882

Break-up Value

1111.32

Value of Investment in ARM & AEMCL in Books of Accounts

2,952,747,802

Cancellation of shares due to reduction in share capital up to the amount of investment in ARM
 (ARM being Wound up by virtue of Scheme of Restructuring)
 (2,952,747,802 ÷ 1111.32)

2,656,965

S.No	Name of Share Holder	Shareholding	Cancellation of shares as above	Revised Shareholding
1.	Mr. Khwaja Ahad Rahman	4,992,441	1,328,482	3,663,959
2.	Mr. Khwaja Majid Rahman	4,991,941	1,328,349	3,663,592
3.	Mrs. Rehana Rahman	500	133	367
	Total	9,984,882	2,656,965	7,327,917

Details of the shares of AEMCL (in the name of Allied Rental Services (Private) Limited) and ATL to be issued to the main sponsors and to other sponsors according to the SWAP ratio

For ARM : AEMCL SWAP ratio is calculated as 1 : 0.211 [as per Annexure U]

Share Holder	Holding in ARM	Shares of AEMCL to be issued to the certificate holder of ARM @ 0.211 SWAP Ratio (in the name of Allied Rental Services (Private) Limited)	Shares of AEMCL to be issued to Main Sponsor by virtue of Scheme of Restructuring in proportion to their Holding	Revised Shareholding Issued
Main Sponsor				
Mr. Khwaja Ahad Rahman	5,973,845	1,259,557	20,655,564	21,915,120
Mr. Khwaja Majid Rahman	5,973,845	1,259,557	20,653,498	21,913,055
Mrs. Rehana Rahman	-	-	2,066	2,066
Other Sponsor				
AESL	151,931,073	32,033,939	(32,033,939)	-
AEMCL	43,999,997	9,277,189	(9,277,189)	-
PF	3,734,868	787,479	Note 1	787,479
Directors				
Syed Feisal Ali	2,256,650	475,804	Note 1	475,804
Mr. Murtaza Ahmed	510,629	107,663	Note 1	107,663
Mr. Ali Akbar	82,544	17,404	Note 1	17,404
Mr. Abdul Rahim Suriya	46,256	9,753	Note 1	9,753
Mr. Hasan Shahzad Abidi	7,324	1,544	Note 1	1,544
General Public	5,482,969	1,156,058	Note 1	1,156,058
	220,000,000	46,385,946	-	46,385,946

For ARM : ATL SWAP ratio is calculated as 1 : 0.588 [as per Annexure U]

Share Holder	Holding in ARM	Shares of ATL to be issued to the certificate holder of ARM @ 0.588 SWAP Ratio	Shares to be issued to Main Sponsor by virtue of Scheme of Restructuring in proportion to their Holding	Revised Shareholding Issued
Main Sponsor				
Mr. Khwaja Ahad Rahman	5,973,845	3,511,886	57,591,349	61,103,214
Mr. Khwaja Majid Rahman	5,973,845	3,511,886	57,585,590	61,097,455
Mrs. Rehana Rahman	-	-	5,759	5,759
Other Sponsor				
AESL	151,931,073	89,316,262	(89,316,262)	-
AEMCL	43,999,997	25,866,435	(25,866,435)	-
PF	3,734,868	1,326,625	Note 1	1,326,625
Directors				
Syed Feisal Ali	2,256,650	300,185	Note 1	300,185
Mr. Murtaza Ahmed	510,629	48,525	Note 1	48,525
Mr. Ali Akbar	82,544	27,193	Note 1	27,193
Mr. Abdul Rahim Suriya	46,256	4,306	Note 1	4,306
Mr. Hasan Shahzad Abidi	7,324	2,195,630	Note 1	2,195,630
General Public	5,482,969	3,223,293	Note 1	3,223,293
	220,000,000	129,332,185	-	129,332,185

NOTE 1: It has been proposed in the scheme that AESL or the main sponsor will purchase the shareholding from general public, Provident fund and Directors, who so ever desires to sell out their investment.

Statement for the calculation of SWAP Ratio as approved by the Board of Directors of Allied Engineering Management Company (Private) Limited, the management company of Allied Rental Modaraba and certified by auditors for the year ended June 30, 2022, in its meeting held on September 12, 2022.

Number of Shares to be Issued by AEMCL

Net assets being transferred to AEMCL	3,643,104,929
Breakup value of AEMCL as per audited accounts	78.54
No. of shares to be issued by AEMCL	<u>46,385,946</u>

Number of Shares to be Issued by ATL

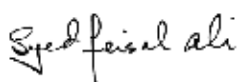
Net assets being transferred to ATL	1,293,321,853
Breakup value of ATL as per audited accounts	10
No. of shares to be issued by ATL	<u>129,332,185</u>

Calculation of SWAP Ratio

	New Shares	Old Shares ARM	SWAP Ratio
AEMCL	46,385,946	220,000,000	1 share of ARM : 0.211 share of AEMCL
ATL	129,332,185		1 share of ARM: 0.588 share of ATL
	175,718,131	220,000,000	

For and on behalf of

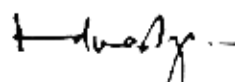
ALLIED ENGINEERING MANAGEMENT COMPANY (PRIVATE) LIMITED



Syed Feisal Ali
Director



Khwaja Ahad Rahman
Director



Murtaza Ahmed Ali
Chief Executive



Ali Akbar
Director



Abdul Rahim Suriya
Director



Saira Nasir
Director



Hassan Shehzad Abidi
Director



September 19, 2022
NJMI/706/2022

Mr. Murtaza Ahmed Ali
Chief Executive Officer
Allied Rental Modaraba
21/3, Sector no. 22
Korangi Industrial Area
Karachi

Dear Sir

AUDITOR'S CERTIFICATE ON STATEMENT FOR THE SWAP RATIO AS REQUIRED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP) VIDE LETTER NO. SC/M/PRDD/ALLIED/2022-RS-49/102

The Board of Directors of Allied Engineering Management Company (Private) Limited (AEMCL), the management company of Allied Rental Modaraba (ARM) have approved a plan to restructure the current legal structure of ARM and transfer the entire existing business of ARM, on a going concern basis, along with all its assets and liabilities, including all contingent liabilities, to two separate legal entities. The existing logistics business of ARM will be transferred to Allied Transport & Logistics (Private) Limited (ATL) whereas the other or remaining business segments of ARM will be transferred to AEMCL. The management has decided to carry-out the transfer of business at their carrying values in the books of ARM which has also been approved by the Board of Directors of AEMCL. The Board of Directors of AEMCL have decided an effective date of July 1, 2022 for effectuating the transfer of businesses.

The allocation / segregation of assets and liabilities of ARM between AEMCL and ATL have been approved by the Board of Directors of AEMCL using the figures from the audited financial statements of ARM for the year ended June 30, 2022. The Board of Directors of AEMCL have determined the swap ratio based on the net assets value as appearing in the audited financial statements of ARM and AEMCL as at June 30, 2022 and Rs 10 per share in case of ATL. ATL has been incorporated to take over the logistics business of ARM on April 7, 2021 with an authorized capital Rs. 2,000,000,000 shares of Rs. 10/- each. Sponsors have injected equity of Rs. 1,000,000 (100,000 shares of Rs. 10/- each). The Company has to date incurred preliminary expenses of Rs. 8,155,524

The above-mentioned facts and information have been incorporated in the scheme of arrangement prepared by the management (with the help of external consultant) which has also been approved by the Board of Directors. The scheme of arrangement (draft scheme) and other relevant documents were submitted with the Securities and Exchange Commission of Pakistan (SECP) -Modaraba Wing. In response, the SECP along with other information and documents has requested for a certified true copy of auditor's certificate on swap ratio.

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Offices also at:

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ISLAMABAD: OFFICE # 17, 2ND FLOOR, HILL VIEW PLAZA, ABOVE FRESCO SWEETS,
BLUE AREA JINNAH AVENUE, ISLAMABAD.
Tel: + 92 (51) 2228138 Fax: + 92 (51) 2228139 E-mail: islamabadoffice@njmi.net

Accordingly, we have been requested to provide a certificate on the annexed statement for the swap ratio which has been determined, calculated and approved as per the methodology given in the draft scheme by the Board of Directors of AEMCL, as required by the SECP vide letter no. SC/M/PRDD/ALLIED/2022-RS-49/102.

Scope of Certificate

The SECP vide letter no. SC/M/PRDD/ALLIED/2022-RS-49/102 has required ARM to provide the SECP with a certified true copy of auditor's certificate on the swap ratio. The Board of Directors of AEMCL has determined, calculated and approved the swap ratio as per the methodology given in the draft scheme, which is based on net assets value as appearing in the audited financial statements of ARM and AEMCL as at June 30, 2022 and Rs 10 per share in case of ATL.

Management Responsibility

It is the management's responsibility to prepare the statement containing the swap ratio determined, calculated and approved by the Board of Directors of AEMCL in accordance with the draft scheme submitted with the SECP. It is the management's responsibility to determine the swap ratio based on the net assets value as appearing in the audited financial statements of ARM and AEMCL as at June 30, 2022 and Rs 10 per share in case of ATL. ATL has been incorporated to take over the logistics business of ARM on April 7, 2021 with an authorized capital Rs. 2,000,000,000 shares of Rs. 10/- each. Sponsors have injected equity of Rs. 1,000,000 (100,000 shares of Rs. 10/- each). The Company has to date incurred preliminary expenses of Rs. 8,155,524.

It is also the responsibility of the management to provide all the details and information to the external auditors for the purposes of this certificate. This certificate does not relieve the management of its responsibilities.

Auditor's Responsibilities

Our responsibility is to certify the swap ratio, worked out based on the net assets value as appearing in the audited financial statements of ARM and AEMCL as at June 30, 2022 and Rs 10 per share in case of ATL, on the basis of the procedures performed on the statement prepared by the management as annexed and in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures as mentioned below:

- a) Traced the amount of net assets of AEMCL and ATL to the audited financial statements of AEMCL and ATL as of and for the period ended June 30, 2022 respectively;
- b) Traced the number of shares of AEMCL and ATL from note 9 and note 5 of the audited financial statements of AEMCL and ATL respectively;




- c) Divided the amount of net assets of AEMCL and ATL as mentioned in (a) above by the number of shares of AEMCL and ATL as mentioned in (b) above to calculate the breakup value per share of AEMCL and ATL respectively;
- d) Traced the amount of segregated net assets of ARM to be transferred to AEMCL and ATL from note 42.1 of the audited financial statements of ARM as of and for the year ended June 30, 2022;
- e) Divided the amount of segregated net assets being transferred to AEMCL as mentioned in above with the breakup value of AEMCL as mentioned in (c) above to determine the number of shares to be issued by AEMCL to certificate holders of ARM;
- f) Divided the amount of segregated net assets being transferred to ATL as mentioned in above with Rs. 10 to determine the number of shares to be issued by ATL to certificate holders of ARM; and
- g) Divided the number of shares to be issued by AEMCL and ATL as mentioned in (e) and (f) above with the number of shares in issue by ARM to arrive at the swap ratio.

Certificate

Based on our procedures mentioned under the Auditors' Responsibilities paragraph, we certify that the swap ratio has been worked out based on the net assets value as appearing in the audited financial statements of ARM and AEMCL as at June 30, 2022 and Rs 10 per share in case of ATL.

We have not carried out any procedures on the methodology for determination of swap ratio, the validity of draft scheme with respect to the requirements of the law and the suitability of the scheme for shareholders and certificate holders.

Yours truly



Nasir Javaid Maqsood Imran
Chartered Accountants
Karachi

Encls:

CALCULATION OF SWAP RATIO

	Legend	AEMCL
Net Assets being transferred	A	3,643,104,929
Breakup value of shares as per audited accounts	B	78.5390

Number of shares to be issued	C = A / B	46,385,946
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	Legend	ATL
Net Assets being transferred	D	1,293,321,853
Issue value per share	E	10.00

Number of shares to be issued	F = D / E	129,332,185
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	Legend	New Shares	Old Shares of ARM	Swap Ratio (New shares / old shares of ARM)
AEMCL	C	46,385,946	220,000,000	1 share of ARM: 0.211 share of AEMCL
ATL	F	129,332,185		1 share of ARM: 0.588 share of ATL



Annexure V

Memorandum of Association of AEMCL as altered/adopted for the purpose of change of name and the object clause

MEMORANDUM OF ASSOCIATION

1. The name of the company is Allied Rental Services (Private) Limited.
2. The registered office of the company will be situated in the Province of Sindh.
3.
 - (i) The principal line of business of the company shall be to engage in the rental business by managing a rental fleet of equipments comprising of Power Generation Equipment, Material Handling Equipment and Construction Machinery. The company shall provide rental services across Pakistan through its offices at Lahore, Islamabad, Multan, Faisalabad, Peshawar & Quetta as well as in the countries around the globe like Middle east and Afghanistan using the Dealership network of CAT RENTAL STORE, the Brand identity of Caterpillars Rental Division after analyzing the financial risks and obtaining the Customs and other regulatory approvals.
 - (ii) Except for the businesses mentioned in sub-clause (iii) hereunder, the company shall engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.
 - (iii) Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, Modaraba management company, Stock Brokerage business, forex, real estate business, managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.
 - (iv) It is hereby undertaken that the company shall not:
 - (a) engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;
 - (b) launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business;
 - (c) engage in any of the permissible business unless the requisite approval, permission, consent or licence is obtained from competent authority as may be required under any law for the time being in force.
4. The liability of the members is limited.
5. The authorized capital of the company is Rs.2,265,000,000/- (Rupees Two Billion, Two Hundred Sixty Five Million only) divided into 226,500,000 (Two Hundred Twenty-six Million, Five Hundred Thousand) ordinary shares of Rs.10/- (Rupees ten only) each.

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a company, in pursuance of this memorandum of association.

S.No	Name and surname (present & former) in full (in Block Letters))	Father's/ Husband's Name in full	Nationality(ies) with any former Nationality	Occupation	Usual residential address in full or the registered/ principal office address for a subscriber other than natural person	Number of shares taken by each subscriber (in figures and words)	Signatures
1	Mr. Asif Rahman	Khwaja Abdul Rahman (Late)	Pakistani		13-A Malabar House, Clifton Karachi	1	Sd/-
2	Mr. Syed Feisal Ali	Syed Shafqat Ali	Pakistani		34/1, Khayaban-e- Defence Society Karachi	1	Sd/-
3	Mr. Murtaza Ahmed Ali	Ahmed Ali	Pakistani		C-67A, 9th Commercial st.defence Phase 4 Karachi	1	Sd/-
4	Mr. Farrukh Jawed Siddique	Ashar Siddique	Pakistani		R-2, Al-Hilal Society, Block 4 & 5, KDA Scheme No.7 Karachi	1	Sd/-
5	Mr. Syed Anwarul Hasan	Syed Abdul Hasan	Pakistani		J-201 Ruffi Lake Drive, Gulistan-Jahur Karachi	1	Sd/-
6	Mr. Tajdar Ahmed	Syed Hazaar Ahmed	Pakistani		House No 29 Brigadier Federal B area Karachi	1	Sd/-
7	Mr. Raees Akhtar	Mohammad Habib Khan	Pakistani		655/17 Gulberg Federal B Area Karachi	1	Sd/-
	Total number of shares taken (in figures and words)					7	

Dated : 13th day of September, 2001

Witness to above signatures: (For the documents submitted in physical form)

Signature	Sd/-
Full Name (in Block Letters)	Noman Zaheer
Nationality	Pakistani
Occupation	Private Service
Usual residential address	Room 60-63 Karachi Stock Exchange

THE COMPANIES ACT, 2017

(PUBLIC COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION

OF

ALLIED RENTAL SERVICES LIMITED

1. In these Articles unless there be something in the subject matter of context inconsistent therewith:

"The Articles" means these Articles of Association as originally framed or as from time to time altered by special resolution.

The "Company" means **ALLIED RENTAL SERVICES LIMITED**.

"ACT" means the Companies Act, 2017.

"Board" means the Board of Directors of the Company for the time being.

"Chairman" means the Chairman of the Board appointed from time to time.

"Chief Executive" means the Chief Executive of the Company appointed from time to time.

"Commission" means the Securities and Exchange Commission of Pakistan constituted under the Securities and Exchange Commission of Pakistan Act, 1997.

"Directors" means the Directors of the Company for the time being.

"Dividend" includes bonus.

"Member" means a member of the Company.

"Month" means calendar month according to the English Calendar.

"Office" means the Registered office of the Company for the time being.

"Register" means the register of members to be kept pursuant to Section 119 of the Act.

"Special Resolution" has the meaning assigned thereto by Clause (66) of sub-section (1) of section 2.

"Seal" means the Common Seal of the Company.

"In writing" and "written" means written, typewritten, lithographed, stamped or printed or words represented or reproduced through any other mode in a visible form or partly in one of the said forms and partly in another.

Words importing the singular number also include the plural, and vice versa and words importing the masculine gender also includes the feminine gender.

Reference in these Articles to any provision of the Act shall, where the context so admits, be construed as a reference to such provision as specified or re-enacted by any statute for the time being in force.

Save as aforesaid, any words or expressions defined in the Act shall, if not consistent with the subject or context, bear the same meaning in these Articles.

2. The Regulations contained in Table 'A' to the First Schedule to the Act shall be the regulations of this company so far as these are applicable to a public Company.

CAPITAL

3. The authorized capital of the company is Rs.750,000,000 divided into 75,000,000 shares of Rs. 10/- (Rupees ten only) each.

PUBLIC COMPANY

4. The Company is to be a Public company.

5. None of the funds of the Company shall be employed in the purchase of, or lent on the security of shares of the Company and the Company shall not, except as authorized by Section 83 of the Act give any financial assistance for the purpose of or in connection with any purchase of shares in the Company.
6. Subject to the provision of the Act and these presents the shares shall be under the control of the Directors who may allot or dispose of the same to such persons and on such terms and conditions as they think fit.
7. Share Certificates shall be issued under the seal of the Company and signed by any two Directors for the time being of the Company.
8. Every member shall be entitled to one Certificate for all the shares registered in his name allotted at one time and/or in such manner as may be decided by the Board of Directors.
9. Every Share Certificate shall specify the member and numbers of the Shares in respect of which it is issued and the amount paid thereon.
10. The certificates of shares registered in the name of two or more persons shall be delivered to the first named on the Register.

TRANSFER AND TRANSMISSION OF SHARES

11. A share may at any time be transferred by a member or other person entitled to transfer provided it is approved by the Board of Directors.
12. The transfer of share shall be effected by an instrument in writing in the usual common form modified so as to suit the circumstances of the parties and shall be executed both by the transferor and the transferee and duly stamped according to law, whose execution be attested by at least one witness, who shall add his address and occupation, and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.
13. Every instrument of transfer shall be left at the office for registration duly stamped accompanied by the certificate of shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. The Company shall retain all instruments of transfer, which are to be registered, but any instrument of transfer that the Directors may decline to register shall, on demand, be returned to the person depositing the same.
14. No fee will be charged for registering transfer of share.
15. The Directors shall decline to register or acknowledge any transfer of shares provided in their reasonable opinion such transfer is being conducted in contravention of the Act or provisions of these Articles. If the Directors refuse to register a transfer of any shares, they shall within thirty days after the date on which the transfer was lodged with the Company send, to the transferee and the transferor, notice of the refusal.
16. The transfer book and register of members may be closed for any time or times not exceeding in the whole thirty days in each year, in accordance with the manner specified in Section 125 of the Act.
17. Subject to provision of Section 83 the Directors may by unanimous decision admit any person not already a member to become a member by issue of new shares or by transfer of existing shares.
18. The executors, administrators, heirs, or nominees, as the case may be, of a deceased sole holder of a share shall be the only persons recognized by the Company as having any title to the share. In the case of share registered in the name of two or more holders, the survivors shall be the only persons recognized by the Company as having any title to the share.
19. Any person becoming entitled to a share in consequence of the death or insolvency of member shall, upon such evidence being produced as may from time to time be required by the Directors, have right, either to be registered as a member in respect of the share, or, instead of being registered himself, to make such transfer of the share as the deceased or insolvent person could have made; but the Directors shall, in either case, have same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or insolvent person before the death or insolvency.

GENERAL MEETING

20. An Annual General Meeting of the Company shall be held in accordance with Section 132 of Companies Act, 2017 within sixteen months from the date of its incorporation and thereafter once at least in every calendar year within 120 days following the close of its financial year, at such time and place as the directors may determine.
21. Twenty one days clear notice at least specifying the place, the day and the hour of the general meeting and in the case of special business twenty one days' notice specifying the general nature of such business shall be given to the members but accidental omission to give such notice to or non-receipt of such notice by any member shall not invalidate the proceedings of the general meeting.
22. All General Meetings other than Annual General Meeting shall be called Extraordinary General Meetings.
23. No business shall be transacted at any General Meeting unless quorum of members is present. The members present in person who represent at least 25% of the total voting power either of their own or as proxies would constitute a quorum.

VOTES OF MEMBERS

24. Subject to any special conditions or restrictions as to voting upon which any shares may be issued or may for the time being be held, on a show of hands every Member present in person shall have one vote, and on a poll every Member present in person or by proxy shall have one vote for every share held by him in respect of which he is entitled to vote, provided that for election of Directors the provisions of Section 159 shall apply. In case of joint holders of shares, the name that appear first in the register shall be accepted for the voting purpose and the rest of members are excluded for the same.

PROXIES

25. Any member entitled to attend and vote at a meeting may appoint any other person to vote as his proxy who must be a member of the Company. The proxies must be lodged with the Company not later than 48 hours before the time of meeting. The instrument appointing a proxy shall be in writing signed by the appointer or by the attorney duly authorized in writing.

DIRECTORS

26. Until otherwise determined by the Company in General Meeting the number of directors shall be not less than two.
27. The Present directors of the Company are:

- i) Mr. Khwaja Ahad Rahman
- ii) Mr. Syed Feisal Ali
- iii) Mr. Murtaza Ahmed ali
- iv) Mr. Ali Akbar
- v) Mr. Abdul Rahim Suriya
- vi) Mr. Hassan Shehzad Abidi
- vii) Mrs. Saira Nasir

The said directors shall hold office until the election of directors in the first annual general meeting of the Company.

28. The remuneration of the directors shall from time to time be determined by the Directors or the Company in general meeting subject to the provisions of the Act.
29. Save as provided in section 165, no person shall be appointed as a director unless he is a member of the company. There shall, however, be no prohibition on a person to be appointed as a Director if he or she is not a member of the Company in case he or she is nominated as such by a foreign company which is a shareholder of the Company.
30. A Director, may with the approval of the Board, appoint an Alternate Director to act for him during his absence for a period of not less than ninety days from Pakistan and such appointment shall have effect and such appointee while he holds office as Alternate Director shall be entitled to receive notice of meetings and vacate office if any when the appointer returns to Pakistan or vacates office as Director or removes the appointee from office, and any appointment and removal under this Article shall be effected by notice in writing under the hand of the Director making the same.
31. A Director shall be capable of contracting and entering into any arrangement with the Company and participating in the profits of any contract or arrangement with the company in the same manner as if he were not a Director, subject nevertheless to the following provision namely:
- (a) before the contract is entered with or soon thereafter as he becomes interested therein, he shall disclose to the Board, of his interest in the contract or arrangement and
 - (b) after he becomes interested he shall not vote in respect of the contract arrangement or any matter arising thereon and if he does vote, his vote shall not be counted.

POWERS AND DUTIES OF DIRECTORS

32. The business of the Company shall be managed by the directors who in addition to the powers and authorities by these regulations or otherwise expressly conferred upon them may exercise all such powers and do all acts and things as may be exercised or done by the Company and are not hereby or by Act of the Legislature expressly directed or required to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of the Acts of the Legislature and of these regulations, from time to time, made by the Company in General Meeting provided that no regulations so made shall invalidate any prior act of the directors which would have been valid if such regulation had not been made.
33. Without prejudice to the general powers conferred by the last preceding clause and the other powers conferred by these regulations it is hereby expressly declared that the directors shall have the following powers:
- (1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
 - (2) To purchase or otherwise acquire for the Company all proper rights or privileges which the Company is authorized to acquire at such price and generally on such terms and conditions as they think fit.

- (3) At their discretion, to pay for property, rights or privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company and such shares may be issued either as fully paid up or with amounts credited as paid thereon as may be agreed upon and any such bonds, debentures or other securities may be specifically charged upon all or any of the property of the Company.
- (4) To secure the fulfillment to any contracts or engagements entered into by the Company by way of mortgage upon all or any of the property of the Company or in such other manner as they may think fit.
- (5) To appoint any person to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purpose and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee.
- (6) To refer any claim or demand by or against the Company to Arbitration and observe and perform the awards.
- (7) To make and give receipts, release or other discharge for money payable to the Company for the claim and demands of the Company.
- (8) To determine who shall be entitled to sign on the Company's behalf, bills, receipts, acceptances, endorsements, cheques, releases, contracts and documents.
- (9) To invest and deal with any of the monies of the Company upon such securities (not being shares in the Company) and in such manner as they think fit and from time to time vary or release such investment.
- (10) To give any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company such sums as they think proper as a reserve fund to meet contingencies or special dividends, or for repairing, improving and maintaining any property of the company and for such other purposes as the directors shall in their absolute discretion think conducive to the interest of the company and invest the several sums to set aside upon such investments (other than shares of the Company) as they may think fit and from time to time deal with any and vary such investments and dispose of all or any part thereof for the benefit of the Company and to divide the reserve fund into such special funds as they think fit with full power to employ the assets constituting the reserve fund in the business of the Company and that without being bound to keep the same separate from other assets.
- (11) From time to time to make, vary and repeal the rules and regulations for conducting the business of the Company.
- (12) To delegate all or any of their powers to any Manager or other officer of the Company as they may from time to time deem fit.

POWERS TO BORROW

34. The directors may from time to time and on such terms and conditions as they think fit, borrow any sums of money for and on behalf of the Company from banks and financial institutions and from other organization and persons under any permitted system of financing whether providing for payment on mark-up, profit or some other form of return, and in particular the directors may raise money on the basis of mark-up on price, musharika, modaraba or any other permitted mode of financing, and without prejudice to the generality of the foregoing, the directors may exercise all or any of the powers of the Company arising under the Act. The directors may themselves advance money to the Company on such terms and conditions as may be approved by the Board of Directors for the purpose of the Company's business.
35. The directors may exercise all the powers of the Company from time to time to secure the payment of such money in such manner and upon such terms and conditions as the directors think fit and to mortgage and charge its undertakings or property, movable and/or immovable, or any part thereof and to issue debentures, participation terms certificates, term finance certificates and other securities whether outright or as security for any obligation or liability or debt of the Company.
36. Subject to the provisions of these Articles and the Act in regard to the issue of securities, the Directors may exercise all or any of the powers of the Company, and in particular the Directors may issue any instrument or certificate representing redeemable capital or participatory redeemable capital, and the directors may issue any debenture or other securities at discount, premium or otherwise and with special privilege as to redemption, surrender, drawing, allotment of shares, attending and voting at General Meeting of the Company and otherwise.

PROCEEDINGS OF DIRECTORS

37. (a) The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. A Director may, and the Secretary on the requisition of a Director shall, at any time, summon a meeting of the Directors. Questions arising at any meeting shall be decided by a majority of votes. It shall be necessary to give notice of a meeting of directors to any director for the time being absent from Pakistan.
- (b) Subject to any rules framed under any regulation, circular or directive issued pursuant to the Act and any modification thereof from time to time, the Directors or members of a committee may hold a meeting through telephone or video conferencing where it is not possible for the Directors or members of a committee to be physically present at the venue of the meeting, provided that the requirement of requisite quorum and other legal formalities relating to holding of such meetings must be observed strictly.

38. The quorum of the meetings of the Directors shall be at least two Directors.
39. The Chairman shall preside as Chairman at every meeting of Directors. If there is no Chairman or if at any meeting he is not present within 10 minutes after the time appointed for holding the same or is unwilling to act as chairman, the Directors present may choose one of their number to be Chairman of the meeting.
40. The Directors may delegate any of their powers not required to be exercised in their meeting to committees consisting of such member or members of their body (and where required and permissible, other personnel) as they think fit and may from time to time revoke such delegation. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Directors.
41. A committee may elect a Chairman of its meetings, if no such Chairman is elected, or if at any meeting the chairman is not present at the time appointed for holding the same or is unwilling to act as chairman, the members present may choose one of their number to be chairman of the meeting.
42. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present. The quorum for a meeting of a committee consisting of two or more members, unless otherwise determined by the committee, shall be two.
43. All acts done by any meeting of Directors or of a committee of Directors, or by any person acting as a Director shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified or had vacated office or were not entitled to vote be as valid as if every such person had been duly appointed and was qualified to be a Director.
44. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the directors shall be as effective and valid as if it had been passed at a meeting of Directors duly convened and held (subject to Section 183).
45. The Directors shall cause minutes to be made in books provided for the purpose and record therein the names of the Directors present at each meeting of the Directors and of any committee of the Directors and all resolutions and proceedings at all meetings of the Company and of the Directors and of committees of the Directors.
46. Any such minutes if purporting to be signed by the Chairman of the meeting at which the proceedings took place, or by the Chairman of the next succeeding meeting, shall be evidence of the proceedings.

CHIEF EXECUTIVE

47. The directors shall appoint a Chief Executive in accordance with the provision of Sections 186 and 187 of the Act.
48. Subject to the provisions of the Act and the Articles, the Company may by arrangement vest in such Chief Executive, the general management or the business of the Company and such of the powers and duties as may be permitted by the Act and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions and generally upon such terms to remuneration and otherwise as may be agreed between the Company and Chief Executive.

FILLING OF VACANCIES

49. At the first Annual General Meeting of the Company, all the directors shall stand retired from office and directors shall be elected in their place in accordance with Section 159 for a term of three years.
50. The directors shall comply with the provisions of Sections 154, 157 to 159, 161 and 163 relating to the election of directors and matters ancillary thereto.
51. Subject to the provisions of the Act the Company may from time to time in Annual General Meeting increase or decrease the number of directors.
52. Any casual vacancy occurring on the Board of directors may be filled up by the directors but the person so chosen shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is chosen was last elected as Director.

DIVIDEND AND RESERVE

53. The Company in General Meeting may declare dividends, but amount of dividends shall not exceed the recommendation made by the board of directors.
54. The directors may from time to time pay the interim dividend for the year to shareholders of the Company if the same is justified.
55. No dividend shall be paid otherwise than out of profits for the year or the profit brought from the previous year.
56. The directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall at the discretion of the directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the Company may be properly applied, and pending such applications may, at the like discretion, either be employed in the business of Company or be invested in such investments (other than shares of the Company) as the Directors, may subject to the provisions of the Act, from time to time think fit.

57. If the existing members approve the dividends in the General Meeting, the same may be distributed within the period as may be specified or within 30 days of that meeting.
58. If several persons are registered as joint holders of any share any one of them may give effectual receipt for any dividend payable on the share.

THE SEAL

59. The Directors shall provide for the safe custody of the seal and; the seal shall not be affixed to any instrument except by the authority of a Resolution of the Board of Directors or by a committee of directors authorized in that behalf by the Directors and in the presence of at least one Director and of the Secretary or such other person as the Directors may appoint for the purpose; and those one Director and Secretary or other person as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

ACCOUNTS

60. The Directors shall cause to be kept proper books of accounts with respect to all sums of money received and expended by the Company and matter in respect of which such receipt and expenditure took place and of all sales and purchases of goods by the company and of all assets, and liabilities of the Company as required under Section 220 of the Act.
61. The books of accounts shall be kept at the registered office of the Company or at any other place as the Directors may think fit and shall be open to inspection by the Directors during business hours.
62. At each Annual General Meeting in every year the Directors shall lay before the members a profit and loss account and a balance sheet made up to a date not more than 120 days before the meeting from the time when the last preceding account and Balance sheet were made up or in the case of the First such account within sixteen months from the date of incorporation of the Company.
63. Every such Balance Sheet shall have attached thereto the Auditors' Report subject to Sections 226 and 227 of the Act and shall be accompanied by a Report of the Directors as to the state of affairs of the Company and as to the amount, if any, which they recommended to be paid out of the profits by way of dividend or bonus to the members and the amount, if any, which they decide to carry to reserve according to the provisions in that behalf hereinbefore contained and such account and Balance Sheet shall be signed by the Chief Executive and a Director.

AUDIT

64. Once at least in every year the accounts of the Company shall be examined and correctness of the Balance Sheet certified by one or more Auditor or Auditors in accordance with Section 246 and its duties will be regulated under Sections 248 and 249 of the Companies Act, 2017.

NOTICES

65. Any notice or document may be served by the Company on any Member either personally or by sending it by post to such Member at his registered address. Where a notice or document is sent by post, service of the notice deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.
66. A member who has no registered address in Pakistan may from time to time notify in writing to the Company an address which shall be deemed as his registered address within the meaning of the last preceding Article.
67. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the Register in respect of the share.
68. A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name, by the title of representatives of the deceased, or assignees of the insolvent or by any like description, at the address, if any, in Pakistan supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

WINDING UP

69. (a) If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the ACT, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company whether they consist of property of the same kind or not.
- (b) For the purpose aforesaid the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

70. Every officer or agent for the time being of the company may be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal arising out of his dealings in relation to the affairs of the company, except those brought by the company against him, in which judgment is given in his favour or in which he is acquitted, or in connection with any application under section 492 in which relief is granted to him by the Court.

SECRECY

71. Every director, manager, secretary, auditor, trustee, officer, agent, accountant or any other person employed in the business of the Company shall unless authorized by the directors observe strict secrecy respecting all transaction of the Company with customers and the individuals concerning the accounts and matter relating thereto and shall not reveal any of the matters which may come to his knowledge in the discharge of his duties except when authorized so to do by the directors or by law or by the person to whom such matters relate.

DISPUTE RESOLUTION

72. In the event that a dispute, claim or controversy arises between the Company, its management or its shareholders, or between the shareholders inter-se, or the Directors inter-se, all steps shall be taken to settle the dispute and resolve the issue through mediation by an accredited before taking recourse to formal dispute resolution such as arbitration or litigation.

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a company, in pursuance of this memorandum of association.

S.No	Name and surname (present & former) in full (in Block Letters))	Father's/ Husband's Name in full	Nationality(ies) with any former Nationality	Occupation	Usual residential address in full or the registered/ principal office address for a subscriber other than natural person	Number of shares taken by each subscriber (in figures and words)	Signatures
1	Mr. Asif Rahman	Khawaja Abdul Rahman (Late)	Pakistani		13-A Malabar House, Clifton Karachi	1	Sd/-
2	Mr. Syed Feisal Ali	Syed Shafqat Ali	Pakistani		34/1, Khayaban-e- Defence Society Karachi	1	Sd/-
3	Mr. Murtaza Ahmed Ali	Ahmed Ali	Pakistani		C-67A, 9th Commercial st.defence Phase 4 Karachi	1	Sd/-
4	Mr. Farrukh Jawed Siddique	Ashar Siddique	Pakistani		R-2, Al-Hilal Society, Block 4 & 5, KDA Scheme No.7 Karachi	1	Sd/-
5	Mr. Syed Anwarul Hasan	Syed Abdul Hasan	Pakistani		J-201 Ruffi Lake Drive, Gulistan-Jahur Karachi	1	Sd/-
6	Mr. Tajdar Ahmed	Syed Hazoor Ahmed	Pakistani		House No 29 Brigadier Federal B area Karachi	1	Sd/-
7	Mr. Raees Akhtar	Mohammad Habib Khan	Pakistani		655/17 Gulberg Federal B Area Karachi	1	Sd/-
	Total number of shares taken (in figures and words)					7	

Dated : 13th day of September, 2001

Witness to above signatures: (For the documents submitted in physical form)

Signature	Sd/-
Full Name (in Block Letters)	Noman Zaheer
Nationality	Pakistani
Occupation	Private Service
Usual residential address	Room 60-63 Karachi Stock Exchange

THE COMPANIES ACT, 2017

(PUBLIC COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION

OF

ALLIED TRANSPORT AND LOGISTICS LIMITED

1. In these Articles unless there be something in the subject matter of context inconsistent therewith:

"The Articles" means these Articles of Association as originally framed or as from time to time altered by special resolution.

The "Company" means **ALLIED TRANSPORT AND LOGISTICS LIMITED**.

"ACT" means the Companies Act, 2017.

"Board" means the Board of Directors of the Company for the time being.

"Chairman" means the Chairman of the Board appointed from time to time.

"Chief Executive" means the Chief Executive of the Company appointed from time to time.

"Commission" means the Securities and Exchange Commission of Pakistan constituted under the Securities and Exchange Commission of Pakistan Act, 1997.

"Directors" means the Directors of the Company for the time being.

"Dividend" includes bonus.

"Member" means a member of the Company.

"Month" means calendar month according to the English Calendar.

"Office" means the Registered office of the Company for the time being.

"Register" means the register of members to be kept pursuant to Section 119 of the Act.

"Special Resolution" has the meaning assigned thereto by Clause (66) of sub-section (1) of section 2.

"Seal" means the Common Seal of the Company.

"In writing" and "written" means written, typewritten, lithographed, stamped or printed or words represented or reproduced through any other mode in a visible form or partly in one of the said forms and partly in another.

Words importing the singular number also include the plural, and vice versa and words importing the masculine gender also includes the feminine gender.

Reference in these Articles to any provision of the Act shall, where the context so admits, be construed as a reference to such provision as specified or re-enacted by any statute for the time being in force.

Save as aforesaid, any words or expressions defined in the Act shall, if not consistent with the subject or context, bear the same meaning in these Articles.
2. The Regulations contained in Table 'A' to the First Schedule to the Act shall be the regulations of this company so far as these are applicable to a public Company.

CAPITAL

3. The authorized capital of the company is Rs. 2,000,000,000 (Rupees Two billion only) divided into 200,000,000 (Two hundred million) ordinary shares of Rs.10/- (Rupees ten only) each.

PUBLIC COMPANY

4. The Company is to be a Public company.
5. None of the funds of the Company shall be employed in the purchase of, or lent on the security of shares of the Company and the Company shall not, except as authorized by Section 83 of the Act give any financial assistance for the purpose of or in connection with any purchase of shares in the Company.
6. Subject to the provision of the Act and these presents the shares shall be under the control of the Directors who may allot or dispose of the same to such persons and on such terms and conditions as they think fit.
7. Share Certificates shall be issued under the seal of the Company and signed by any two Directors for the time being of the Company.
8. Every member shall be entitled to one Certificate for all the shares registered in his name allotted at one time and/or in such manner as may be decided by the Board of Directors.
9. Every Share Certificate shall specify the member and numbers of the Shares in respect of which it is issued and the amount paid thereon.
10. The certificates of shares registered in the name of two or more persons shall be delivered to the first named on the Register.

TRANSFER AND TRANSMISSION OF SHARES

11. A share may at any time be transferred by a member or other person entitled to transfer provided it is approved by the Board of Directors.
12. The transfer of share shall be effected by an instrument in writing in the usual common form modified so as to suit the circumstances of the parties and shall be executed both by the transferor and the transferee and duly stamped according to law, whose execution be attested by at least one witness, who shall add his address and occupation, and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.
13. Every instrument of transfer shall be left at the office for registration duly stamped accompanied by the certificate of shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. The Company shall retain all instruments of transfer, which are to be registered, but any instrument of transfer that the Directors may decline to register shall, on demand, be returned to the person depositing the same.
14. No fee will be charged for registering transfer of share.
15. The Directors shall decline to register or acknowledge any transfer of shares provided in their reasonable opinion such transfer is being conducted in contravention of the Act or provisions of these Articles. If the Directors refuse to register a transfer of any shares, they shall within thirty days after the date on which the transfer was lodged with the Company send, to the transferee and the transferor, notice of the refusal.
16. The transfer book and register of members may be closed for any time or times not exceeding in the whole thirty days in each year, in accordance with the manner specified in Section 125 of the Act.
17. Subject to provision of Section 83 the Directors may by unanimous decision admit any person not already a member to become a member by issue of new shares or by transfer of existing shares.
18. The executors, administrators, heirs, or nominees, as the case may be, of a deceased sole holder of a share shall be the only persons recognized by the Company as having any title to the share. In the case of share registered in the name of two or more holders, the survivors shall be the only persons recognized by the Company as having any title to the share.
19. Any person becoming entitled to a share in consequence of the death or insolvency of member shall, upon such evidence being produced as may from time to time be required by the Directors, have right, either to be registered as a member in respect of the share, or, instead of being registered himself, to make such transfer of the share as the deceased or insolvent person could have made; but the Directors shall, in either case, have same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or insolvent person before the death or insolvency.

GENERAL MEETING

20. An Annual General Meeting of the Company shall be held in accordance with Section 132 of Companies Act, 2017 within sixteen months from the date of its incorporation and thereafter once at least in every calendar year within 120 days following the close of its financial year, at such time and place as the directors may determine.

21. Twenty one days clear notice at least specifying the place, the day and the hour of the general meeting and in the case of special business twenty one days' notice specifying the general nature of such business shall be given to the members but accidental omission to give such notice to or non-receipt of such notice by any member shall not invalidate the proceedings of the general meeting.
22. All General Meetings other than Annual General Meeting shall be called Extraordinary General Meetings.
23. No business shall be transacted at any General Meeting unless quorum of members is present. The members present in person who represent at least 25% of the total voting power either of their own or as proxies would constitute a quorum.

VOTES OF MEMBERS

24. Subject to any special conditions or restrictions as to voting upon which any shares may be issued or may for the time being be held, on a show of hands every Member present in person shall have one vote, and on a poll every Member present in person or by proxy shall have one vote for every share held by him in respect of which he is entitled to vote, provided that for election of Directors the provisions of Section 159 shall apply. In case of joint holders of shares, the name that appear first in the register shall be accepted for the voting purpose and the rest of members are excluded for the same.

PROXIES

25. Any member entitled to attend and vote at a meeting may appoint any other person to vote as his proxy who must be a member of the Company. The proxies must be lodged with the Company not later than 48 hours before the time of meeting. The instrument appointing a proxy shall be in writing signed by the appointer or by the attorney duly authorized in writing.

DIRECTORS

26. Until otherwise determined by the Company in General Meeting the number of directors shall be not less than two.
27. The first directors of the Company shall be:

1. **Mr. Khwaja Ahad Rahman**
2. **Mr. Khwaja Abdul Majid Rahman**

The said directors shall hold office until the election of directors in the first annual general meeting of the Company.

28. The remuneration of the directors shall from time to time be determined by the Directors or the Company in general meeting subject to the provisions of the Act.
29. Save as provided in section 165, no person shall be appointed as a director unless he is a member of the company. There shall, however, be no prohibition on a person to be appointed as a Director if he or she is not a member of the Company in case he or she is nominated as such by a foreign company which is a shareholder of the Company.
30. A Director, may with the approval of the Board, appoint an Alternate Director to act for him during his absence for a period of not less than ninety days from Pakistan and such appointment shall have effect and such appointee while he holds office as Alternate Director shall be entitled to receive notice of meetings and vacate office if any when the appointer returns to Pakistan or vacates office as Director or removes the appointee from office, and any appointment and removal under this Article shall be effected by notice in writing under the hand of the Director making the same.
31. A Director shall be capable of contracting and entering into any arrangement with the Company and participating in the profits of any contract or arrangement with the company in the same manner as if he were not a Director, subject nevertheless to the following provision namely:
 - (a) before the contract is entered with or soon thereafter as he becomes interested therein, he shall disclose to the Board, of his interest in the contract or arrangement and
 - (b) after he becomes interested he shall not vote in respect of the contract arrangement or any matter arising thereon and if he does vote, his vote shall not be counted.

POWERS AND DUTIES OF DIRECTORS

32. The business of the Company shall be managed by the directors who in addition to the powers and authorities by these regulations or otherwise expressly conferred upon them may exercise all such powers and do all acts and things as may be exercised or done by the Company and are not hereby or by Act of the Legislature expressly directed or required to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of the Acts of the Legislature and of these regulations, from time to time, made by the Company in General Meeting provided that no regulations so made shall invalidate any prior act of the directors which would have been valid if such regulation had not been made.

33. Without prejudice to the general powers conferred by the last preceding clause and the other powers conferred by these regulations it is hereby expressly declared that the directors shall have the following powers:

- (1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- (2) To purchase or otherwise acquire for the Company all proper rights or privileges which the Company is authorized to acquire at such price and generally on such terms and conditions as they think fit.
- (3) At their discretion, to pay for property, rights or privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company and such shares may be issued either as fully paid up or with amounts credited as paid thereon as may be agreed upon and any such bonds, debentures or other securities may be specifically charged upon all or any of the property of the Company.
- (4) To secure the fulfillment to any contracts or engagements entered into by the Company by way of mortgage upon all or any of the property of the Company or in such other manner as they may think fit.
- (5) To appoint any person to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purpose and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee.
- (6) To refer any claim or demand by or against the Company to Arbitration and observe and perform the awards.
- (7) To make and give receipts, release or other discharge for money payable to the Company for the claim and demands of the Company.
- (8) To determine who shall be entitled to sign on the Company's behalf, bills, receipts, acceptances, endorsements, cheques, releases, contracts and documents.
- (9) To invest and deal with any of the monies of the Company upon such securities (not being shares in the Company) and in such manner as they think fit and from time to time vary or release such investment.
- (10) To give any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company such sums as they think proper as a reserve fund to meet contingencies or special dividends, or for repairing, improving and maintaining any property of the company and for such other purposes as the directors shall in their absolute discretion think conducive to the interest of the company and invest the several sums to set aside upon such investments (other than shares of the Company) as they may think fit and from time to time deal with any and vary such investments and dispose of all or any part thereof for the benefit of the Company and to divide the reserve fund into such special funds as they think fit with full power to employ the assets constituting the reserve fund in the business of the Company and that without being bound to keep the same separate from other assets.
- (11) From time to time to make, vary and repeal the rules and regulations for conducting the business of the Company.
- (12) To delegate all or any of their powers to any Manager or other officer of the Company as they may from time to time deem fit.

POWERS TO BORROW

34. The directors may from time to time and on such terms and conditions as they think fit, borrow any sums of money for and on behalf of the Company from banks and financial institutions and from other organization and persons under any permitted system of financing whether providing for payment on mark-up, profit or some other form of return, and in particular the directors may raise money on the basis of mark-up on price, musharika, modaraba or any other permitted mode of financing, and without prejudice to the generality of the foregoing, the directors may exercise all or any of the powers of the Company arising under the Act. The directors may themselves advance money to the Company on such terms and conditions as may be approved by the Board of Directors for the purpose of the Company's business.
35. The directors may exercise all the powers of the Company from time to time to secure the payment of such money in such manner and upon such terms and conditions as the directors think fit and to mortgage and charge its undertakings or property, movable and/or immovable, or any part thereof and to issue debentures, participation terms certificates, term finance certificates and other securities whether outright or as security for any obligation or liability or debt of the Company.
36. Subject to the provisions of these Articles and the Act in regard to the issue of securities, the Directors may exercise all or any of the powers of the Company, and in particular the Directors may issue any instrument or certificate representing redeemable capital or participatory redeemable capital, and the directors may issue any debenture or other securities at discount, premium or otherwise and with special privilege as to redemption, surrender, drawing, allotment of shares, attending and voting at General Meeting of the Company and otherwise.

PROCEEDINGS OF DIRECTORS

37. (a) The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. A Director may, and the Secretary on the requisition of a Director shall, at any time, summon a meeting of the Directors. Questions arising at any meeting shall be decided by a majority of votes. It shall be necessary to give notice of a meeting of directors to any director for the time being absent from Pakistan.
- (b) Subject to any rules framed under any regulation, circular or directive issued pursuant to the Act and any modification thereof from time to time, the Directors or members of a committee may hold a meeting through telephone or video conferencing where it is not possible for the Directors or members of a committee to be physically present at the venue of the meeting, provided that the requirement of requisite quorum and other legal formalities relating to holding of such meetings must be observed strictly.
38. The quorum of the meetings of the Directors shall be at least two Directors.
39. The Chairman shall preside as Chairman at every meeting of Directors. If there is no Chairman or if at any meeting he is not present within 10 minutes after the time appointed for holding the same or is unwilling to act as chairman, the Directors present may choose one of their number to be Chairman of the meeting.
40. The Directors may delegate any of their powers not required to be exercised in their meeting to committees consisting of such member or members of their body (and where required and permissible, other personnel) as they think fit and may from time to time revoke such delegation. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Directors.
41. A committee may elect a Chairman of its meetings, if no such Chairman is elected, or if at any meeting the chairman is not present at the time appointed for holding the same or is unwilling to act as chairman, the members present may choose one of their number to be chairman of the meeting.
42. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present. The quorum for a meeting of a committee consisting of two or more members, unless otherwise determined by the committee, shall be two.
43. All acts done by any meeting of Directors or of a committee of Directors, or by any person acting as a Director shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified or had vacated office or were not entitled to vote be as valid as if every such person had been duly appointed and was qualified to be a Director.
44. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the directors shall be as effective and valid as if it had been passed at a meeting of Directors duly convened and held (subject to Section 183).
45. The Directors shall cause minutes to be made in books provided for the purpose and record therein the names of the Directors present at each meeting of the Directors and of any committee of the Directors and all resolutions and proceedings at all meetings of the Company and of the Directors and of committees of the Directors.
46. Any such minutes if purporting to be signed by the Chairman of the meeting at which the proceedings took place, or by the Chairman of the next succeeding meeting, shall be evidence of the proceedings.

CHIEF EXECUTIVE

47. The directors shall appoint a Chief Executive in accordance with the provision of Sections 186 and 187 of the Act.
48. Subject to the provisions of the Act and the Articles, the Company may by arrangement vest in such Chief Executive, the general management or the business of the Company and such of the powers and duties as may be permitted by the Act and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions and generally upon such terms to remuneration and otherwise as may be agreed between the Company and Chief Executive.

FILLING OF VACANCIES

49. At the first Annual General Meeting of the Company, all the directors shall stand retired from office and directors shall be elected in their place in accordance with Section 159 for a term of three years.
50. The directors shall comply with the provisions of Sections 154, 157 to 159, 161 and 163 relating to the election of directors and matters ancillary thereto.
51. Subject to the provisions of the Act the Company may from time to time in Annual General Meeting increase or decrease the number of directors.
52. Any casual vacancy occurring on the Board of directors may be filled up by the directors but the person so chosen shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is chosen was last elected as Director.

DIVIDEND AND RESERVE

- 53. The Company in General Meeting may declare dividends, but amount of dividends shall not exceed the recommendation made by the board of directors.
- 54. The directors may from time to time pay the interim dividend for the year to shareholders of the Company if the same is justified.
- 55. No dividend shall be paid otherwise than out of profits for the year or the profit brought from the previous year.
- 56. The directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall at the discretion of the directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the Company may be properly applied, and pending such applications may, at the like discretion, either be employed in the business of Company or be invested in such investments (other than shares of the Company) as the Directors, may subject to the provisions of the Act, from time to time think fit.
- 57. If the existing members approve the dividends in the General Meeting, the same may be distributed within the period as may be specified or within 30 days of that meeting.
- 58. If several persons are registered as joint holders of any share any one of them may give effectual receipt for any dividend payable on the share.

THE SEAL

- 59. The Directors shall provide for the safe custody of the seal and; the seal shall not be affixed to any instrument except by the authority of a Resolution of the Board of Directors or by a committee of directors authorized in that behalf by the Directors and in the presence of at least one Director and of the Secretary or such other person as the Directors may appoint for the purpose; and those one Director and Secretary or other person as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

ACCOUNTS

- 60. The Directors shall cause to be kept proper books of accounts with respect to all sums of money received and expended by the Company and matter in respect of which such receipt and expenditure took place and of all sales and purchases of goods by the company and of all assets, and liabilities of the Company as required under Section 220 of the Act.
- 61. The books of accounts shall be kept at the registered office of the Company or at any other place as the Directors may think fit and shall be open to inspection by the Directors during business hours.
- 62. At each Annual General Meeting in every year the Directors shall lay before the members a profit and loss account and a balance sheet made up to a date not more than 120 days before the meeting from the time when the last preceding account and Balance sheet were made up or in the case of the First such account within sixteen months from the date of incorporation of the Company.
- 63. Every such Balance Sheet shall have attached thereto the Auditors' Report subject to Sections 226 and 227 of the Act and shall be accompanied by a Report of the Directors as to the state of affairs of the Company and as to the amount, if any, which they recommended to be paid out of the profits by way of dividend or bonus to the members and the amount, if any, which they decide to carry to reserve according to the provisions in that behalf hereinbefore contained and such account and Balance Sheet shall be signed by the Chief Executive and a Director.

AUDIT

- 64. Once at least in every year the accounts of the Company shall be examined and correctness of the Balance Sheet certified by one or more Auditor or Auditors in accordance with Section 246 and its duties will be regulated under Sections 248 and 249 of the Companies Act, 2017.

NOTICES

- 65. Any notice or document may be served by the Company on any Member either personally or by sending it by post to such Member at his registered address. Where a notice or document is sent by post, service of the notice deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.
- 66. A member who has no registered address in Pakistan may from time to time notify in writing to the Company an address which shall be deemed as his registered address within the meaning of the last preceding Article.
- 67. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the Register in respect of the share.
- 68. A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name, by the title of representatives of the deceased, or assignees of

the insolvent or by any like description, at the address, if any, in Pakistan supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

WINDING UP

69. (a) If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the ACT, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company whether they consist of property of the same kind or not.
- (b) For the purpose aforesaid the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

70. Every officer or agent for the time being of the company may be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal arising out of his dealings in relation to the affairs of the company, except those brought by the company against him, in which judgment is given in his favour or in which he is acquitted, or in connection with any application under section 492 in which relief is granted to him by the Court.

SECRECY

71. Every director, manager, secretary, auditor, trustee, officer, agent, accountant or any other person employed in the business of the Company shall unless authorized by the directors observe strict secrecy respecting all transaction of the Company with customers and the individuals concerning the accounts and matter relating thereto and shall not reveal any of the matters which may come to his knowledge in the discharge of his duties except when authorized so to do by the directors or by law or by the person to whom such matters relate.

DISPUTE RESOLUTION

72. In the event that a dispute, claim or controversy arises between the Company, its management or its shareholders, or between the shareholders inter-se, or the Directors inter-se, all steps shall be taken to settle the dispute and resolve the issue through mediation by an accredited before taking recourse to formal dispute resolution such as arbitration or litigation.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company, in pursuance of these Articles of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names:

Name and Surname (present and former in full in block letters) with Father's/ Husband's name	Incorporation Number/CNIC/ Passport	Nationality	Occupation	Residential address	Number of shares taken by each subscriber	Signature
Khwaja Ahad Rahman s/o Khwaja Asif Rahman	4230135375311	Pakistan	Business	House No. 65/1, Old Clifton, Karachi	50,000 (Fifty thousand only)	--S/D--
Khwaja Abdul Majid Rahman s/o Khwaja Asif Rahman	4230103170589	Pakistan	Business	House No. 65/1, Old Clifton, Karachi	50,000 (Fifty thousand only)	--S/D--
TOTAL					100,000 (One hundred thousand only)	

Dated this 31st day of March 2021

بسم الله الرحمن الرحيم


الحمد لله رب العالمين، والصلاة والسلام على رسوله الكريم، وعلى آله وصحبه أجمعين، وبعد!

Shari'ah Certificate for Scheme of Arrangement of Allied Rental Modaraba (ARM)

The Chief Executive of Allied Engineering Management Company (Private) Limited, the management company of Allied Rental Modaraba, has forwarded us a copy of the Scheme of Arrangement dated April 14, 2022 (*the scheme*) U/ss. 279 to 283 and 285 read with section 505(1)(c) of the Companies Act, 2017 for the division/demerger of Allied Rental Modaraba (**ARM**) and transfer of the specified assets, liabilities, obligations and undertakings of the Modaraba with and into Allied Engineering Management Company (Private) Limited (**AEMCL**) and Allied Transport and Logistics (Private) Limited (**ATL**) along with all ancillary matters as per details provided in the scheme, including alteration of object clause of Memorandum of Association of **AEMCL**, change of name of **AEMCL** as Allied Rental Services (Private) Limited (**ARSL**), allotment/issuance of shares of **ARSL** and **ATL** as per swap ratio as specified in the scheme, to the certificate holders of **ARM** in lieu of the certificates held by the certificate holders of **ARM**.

I have examined the scheme from Shariah perspective and found it is a change in form of a Modaraba which is being executed according to rules and laws and with permission of regulatory authorities. I hereby certify that nothing in the said scheme is objectionable from Shari'ah perspective.

And Allah knows the best.


Irshad Ahmad Aijaz
Shariah Advisor
Allied Rental Modaraba
18 May, 2022



Allied Engineering Management Company (Private) Ltd.

21/3, Sector No. 22, Korangi Industrial Area, Karachi-74900, G.P.O. Box 940 Karachi - 74200, UAN : 111 250 250
Tel: (021) 35066901-13, 35113621-25 Fax: (021) 35066915 & 35066916
Website: www.arm.com.pk

Extract of the Board Resolution

A meeting of the Board of Directors (BOD) of Allied Engineering Management Company (Private) Limited, the management company of Allied Rental Modaraba, was held on April 14, 2022 at 09:00 a.m. at the registered office of the company in which the following resolutions were passed:

Resolved that:

- i. The Scheme of Arrangement dated April 14, 2022 (**the scheme**) U/ss. 279 to 283 and 285 read with section 505(1)(c) of the Companies Act, 2017 for the division/demerger of Allied Rental Modaraba (**ARM**) and transfer of the specified assets, liabilities, obligations and undertakings of the Modaraba with and into Allied Engineering Management Company (Private) Limited (**AEMCL**) and Allied Transport and Logistics (Private) Limited (**ATL**) along with all ancillary matters as per details provided in the scheme, including alteration of object clause of Memorandum of Association of **AEMCL**, change of name of **AEMCL** as Allied Rental Services (Private) Limited (**ARSL**), allotment/issuance of shares of **ARSL** and **ATL** as per swap ratio as specified in the scheme, to the certificate holders of **ARM** in lieu of the certificates held by the certificate holders of **ARM** be and is hereby approved;
- ii. The allotment/issuance of shares of **ARSL** and **ATL** as per swap ratio to the main sponsors (as defined in article 1.42 of this scheme and details given in article 5) being the ultimate beneficial owners of Allied Engineering and Services (Private) Limited (**AESL**) against the investment of **AESL** in **ARM** be and is hereby approved;
- iii. Mr. Murtaza Ahmed Ali Chief Executive of the company (**AEMCL**) be and is hereby authorised to sign the scheme, petition u/ss. 279 to 283 and 285 of the Companies Act, 2017 read with section 505(1) © ibid and all ancillary applications for the purpose, seeking the sanction of the honorable High Court of Sindh, and take all necessary steps thereto;
- iv. Mr. Jawed Hussain, Advocate be and is hereby appointed as the Consultant to the Merger and authorised to represent, communicate and coordinate with Securities & Exchange Commission of Pakistan on behalf of **AEMCL** and **ARM** for the resolution of all the matters and compliance thereof in connection with the scheme and take all necessary steps for the purpose subject to approval of the board of **AEMCL**;
- v. Mr. Jawed Hussain, Advocate is further authorised to represent, communicate and coordinate with Chairman, Competition Commission of Pakistan on our behalf and take all necessary steps in connection with the scheme under the Competition Act, 2010 subject to approval of the board of **AEMCL**;
- vi. Mr. Chaudhry Atif Rafiq, Advocate be and is hereby appointed as the counsel to prepare and file petition u/ss. 279 to 283 and 285 of the Companies Act, 2017 read with section 505(1) © ibid and all ancillary applications for the purpose, seeking the sanction of the honorable High Court of Sindh, to the scheme.



Allied Engineering Management Company (Private) Limited
Management Company of Allied Rental Modaraba

Allied Engineering Management Company (Private) Ltd.

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Website: www.arm.com.pk

Extract of the Board Resolution

A meeting of the Board of Directors (BOD) of Allied Engineering Management Company (Private) Limited, the management company of Allied Rental Modaraba, was held on September 12, 2022 at 02:00 p.m. at the registered office of the company in which the following resolutions were passed:

Resolved that:

- i. Resolved that the audited financial statement of Allied Rental Modaraba (ARM) for the year ended on 30.06.2022 be and is hereby approved
- ii. Further Resolved that pursuant to "no objection" from the Securities & Exchange Commission of Pakistan (SECP) vide letter dated June 23, 2022 on the proposed Scheme of demerger of Allied Rental Modaraba (ARM), completion of the process of obtaining the NOCs of the creditors of ARM on 12th September, 2022 and the completion of audit of financial statements of ARM and all other companies in the Scheme of Arrangement dated April 14, 2022 (*the Scheme*) for the year ended June 30, 2022 and in order to comply with the requirements of section 282(2)(e) of the Companies Act, 2017, the effective date of the Scheme shall be July 1, 2022 instead of January 1, 2022 which was previously approved by the Board in its meeting held on 14.4.2022.
- iii. Further Resolved that as a result of above, the following revised swap ratio, calculated on the basis of financial statement of ARM for the year ended on June 30, 2022, be and is hereby approved subject to the certificate from the auditors:

Revised SWAP ratio:

Company Name	SWAP as at June 30, 2022
ARM : AEMCL	1 : 0.211
ARM : ATL	1 : 0.588

- iv. Further Resolved that as a result of above, consequent changes in the scheme and its annexures be and are hereby approved.
- v. Further Resolved that except for the above, all other terms and conditions of the draft Scheme approved on April 14, 2022 shall remain unchanged.
- vi. Further Resolved that in accordance with Sections 96 and 131 of the Securities Act, 2015 and Clause 5.6.1(a) of the Rule Book of the Exchange, an announcement for the above purposes shall be made to PSX.



Secretary

Allied Engineering Management Company (Private) Limited
Management Company of Allied Rental Modaraba

Allied Engineering Management Company (Private) Ltd.

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Extract of the Board Resolution

A meeting of the Board of Directors (BOD) of Allied Engineering Management Company (Private) Limited, was held on April 14, 2022 at 10:00 a.m. at the registered office of the company in which the following resolutions were passed:

Resolved that:

- i. The Scheme of Arrangement dated April 14, 2022 (**the scheme**) U/ss. 279 to 283 and 285 read with section 505(1)(c) of the Companies Act, 2017 for the division/demerger of Allied Rental Modaraba (**ARM**) and transfer of the specified assets, liabilities, obligations and undertakings of the Modaraba with and into Allied Engineering Management Company (Private) Limited (**AEMCL**) and Allied Transport and Logistics (Private) Limited (**ATL**) along with all ancillary matters as per details provided in the scheme, including alteration of object clause of Memorandum of Association of **AEMCL**, change of name of **AEMCL** as Allied Rental Services (Private) Limited (**ARSL**), allotment/issuance of shares of **ARSL** and **ATL** as per swap ratio as specified in the scheme, to the certificate holders of **ARM** in lieu of the certificates held by the certificate holders of **ARM** be and is hereby approved;
- ii. The allotment/issuance of shares of **ARSL** and **ATL** as per swap ratio to the main sponsors (as defined in article 1.42 of this scheme and details given in article 5) being the ultimate beneficial owners of Allied Engineering and Services (Private) Limited (**AESL**) against the investment of **AESL** in **ARM** be and is hereby approved;
- iii. Mr. Murtaza Ahmed Ali Chief Executive of the company (**AEMCL**) be and is hereby authorised to sign the scheme, petition u/ss. 279 to 283 and 285 of the Companies Act, 2017 read with section 505(1) © ibid and all ancillary applications for the purpose, seeking the sanction of the honorable High Court of Sindh, and take all necessary steps thereto;
- iv. Mr. Jawed Hussain, Advocate be and is hereby appointed as the Consultant to the Merger and authorised to represent, communicate and coordinate with Securities & Exchange Commission of Pakistan on behalf of **AEMCL** for the resolution of all the matters and compliance thereof in connection with the scheme and take all necessary steps for the purpose subject to approval of the board of **AEMCL**;
- v. Mr. Jawed Hussain, Advocate is further authorised to represent, communicate and coordinate with Competition Commission of Pakistan on our behalf and take all necessary steps in connection with the scheme under the Competition Act, 2010 subject to approval of the board of **AEMCL**;
- vi. Mr. Chaudhry Atif Rafiq, Advocate be and is hereby appointed as the counsel to prepare and file petition u/ss. 279 to 283 and 285 of the Companies Act, 2017 read with section 505(1) © ibid and all ancillary applications for the purpose, seeking the sanction of the honorable High Court of Sindh, to the scheme.



Secretary

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Website: www.arm.com.pk

Extract of the Board Resolution

A meeting of the Board of Directors (BOD) of Allied Engineering Management Company (Private) Limited, was held on September 12, 2022 at 10:30 a.m. at the registered office of the company in which the following resolutions were passed:

Resolved that:

- i. Resolved that the audited financial statement of Allied Engineering Management Company (Private) Limited for the year ended on 30.06.2022 be and is hereby approved
- ii. Further Resolved that pursuant to "no objection" from the Securities & Exchange Commission of Pakistan (SECP) vide letter dated June 23, 2022 on the proposed Scheme of demerger of Allied Rental Modaraba (ARM), completion of the process of obtaining the NOCs of the creditors of ARM on 12th September, 2022 and the completion of audit of financial statements of AEMCL and all other companies in the Scheme of Arrangement dated April 14, 2022 (*the Scheme*) for the year ended June 30, 2022 and in order to comply with the requirements of section 282(2)(e) of the Companies Act, 2017, the effective date of the Scheme shall be July 1, 2022 instead of January 1, 2022 which was previously approved by the Board in its meeting held on 14.4.2022.
- iii. Further Resolved that as a result of above, the following revised swap ratio, calculated on the basis of financial statement of ARM for the year ended on June 30, 2022, be and is hereby approved subject to the certificate from the auditors:

Revised SWAP ratio:

Company Name	SWAP as at June 30, 2022
ARM : AEMCL	1 : 0.211
ARM : ATL	1 : 0.588

- iv. Further Resolved that as a result of above, consequent changes in the scheme and its annexures be and are hereby approved.
- v. Further Resolved that except for the above, all other terms and conditions of the draft Scheme approved on April 14, 2022 shall remain unchanged.



Secretary

Allied Engineering Management Company (Private) Limited

Extract of the Board Resolution

A meeting of the Board of Directors (BOD) of Allied Transport and Logistics (Private) Limited, was held on April 14, 2022 at 11:30 a.m. at the registered office of the company in which the following resolutions were passed:

Resolved that:

- i. The Scheme of Arrangement dated April 14, 2022 (**the scheme**) U/ss. 279 to 283 and 285 read with section 505(1)(c) of the Companies Act, 2017 prepared by Allied Engineering Management Company (Private) Limited (**AEMCL**) in consultation with our company for the division/demerger of Allied Rental Modaraba (**ARM**) and transfer of the specified assets, liabilities, obligations and undertakings of the Modaraba with and into Allied Engineering Management Company (Private) Limited (**AEMCL**) and Allied Transport and Logistics (Private) Limited (**ATL**) along with all ancillary matters as per details provided in the scheme, including change of name of **AEMCL** as Allied Rental Services (Private) Limited (**ARSL**) and allotment/issuance of shares of **ARSL** and **ATL** as per swap ratio as specified in the scheme, to the certificate holders of **ARM** in lieu of the certificates held by the certificate holders of **ARM** be and is hereby approved;
- ii. Mr. Khwaja Majid Rahman Chief Executive of the company (**ATL**) be and is hereby authorised to sign the scheme, petition u/ss. 279 to 283 and 285 of the Companies Act, 2017 read with section 505(1) © ibid and all ancillary applications for the purpose, seeking the sanction of the honorable High Court of Sindh, and to take all necessary steps thereto;
- iii. Mr. Jawed Hussain, Advocate be and is hereby appointed as the Consultant to the Merger and authorised to represent, communicate and coordinate with SECP on behalf of **ATL** for the resolution of all the matters and compliance thereof in connection with the scheme and take all necessary steps for the purpose subject to approval of the board of **ATL**;
- iv. Mr. Chaudhry Atif Rafiq, Advocate be and is hereby appointed as the counsel to prepare and file petition u/ss. 279 to 283 and 285 of the Companies Act, 2017 read with section 505(1) © ibid and all ancillary applications for the purpose, seeking the sanction of the honorable High Court of Sindh, to the scheme.

Zeeshan
Secretary

Allied Transport and Logistics (Private) Limited

Extract of the Board Resolution

A meeting of the Board of Directors (BOD) of Allied Transport and Logistics (Private) Limited, was held on September 12, 2022 at 11:00 a.m. at the registered office of the company in which the following resolutions were passed:

Resolved that:

- i. Resolved that the audited financial statement of Allied Transport and Logistics (Private) Limited, for the year ended on 30.06.2022 be and is hereby approved
- ii. Further Resolved that pursuant to "no objection" from the Securities & Exchange Commission of Pakistan (SECP) vide letter dated June 23, 2022 on the proposed Scheme of demerger of Allied Rental Modaraba (ARM), completion of the process of obtaining the NOCs of the creditors of ARM on 12th September, 2022 and the completion of audit of financial statements of ATL and all other companies in the Scheme of Arrangement dated April 14, 2022 (*the Scheme*) for the year ended June 30, 2022 and in order to comply with the requirements of section 282(2)(e) of the Companies Act, 2017, the effective date of the Scheme shall be July 1, 2022 instead of January 1, 2022 which was previously approved by the Board in its meeting held on 14.4.2022.
- iii. Further Resolved that as a result of above, the following revised swap ratio, calculated on the basis of financial statement of ARM for the year ended on June 30, 2022, be and is hereby approved subject to the certificate from the auditors:

Revised SWAP ratio:

Company Name	SWAP as at June 30, 2022
ARM : AEMCL	1 : 0.211
ARM : ATL	1 : 0.588

- iv. Further Resolved that as a result of above, consequent changes in the Scheme and its annexures be and are hereby approved.
- v. Further Resolved that except for the above, all other terms and conditions of the draft Scheme approved on April 14, 2022, shall remain unchanged.
- vi. Further Resolved that instead of Mr. Khwaja Majid Rahman, Chief Executive of the company; Mr. Ali Akbar, Chief Financial Officer of the company be and is hereby authorized to sign the petition u/ss. 279 to 283 and 285 of the Companies Act, 2017 read with section 505(1) © ibid and all ancillary applications for the purpose, seeking the sanction of the honorable High Court of Sindh, and to take all necessary steps thereto.

Zeeshan
Secretary

Allied Transport and Logistics (Private) Limited

Allied Engineering & Services (Pvt.) Ltd.

21/3, Sector No. 22, Korangi Industrial Area, Karachi-74900, Pakistan.

UAN: 111 250 250 Tel: (021) 3506 6901-13 Fax: (021) 3506 6915 & 16 Email: admin@aesl.com.pk

Extract of the Board Resolution

A meeting of the Board of Directors (BOD) of Allied Engineering and Services (Private) Limited, was held on April 14, 2022 at 11:00 a.m. at the registered office of the company in which the following resolutions were passed:

Resolved that:

- i. The Scheme of Arrangement dated April 14, 2022 (**the scheme**) U/ss. 279 to 283 and 285 read with section 505(1)(c) of the Companies Act, 2017 prepared by Allied Engineering Management Company (Private) Limited (**AEMCL**) in consultation with our company for the division/demerger of Allied Rental Modaraba (**ARM**) and transfer of the specified assets, liabilities, obligations and undertakings of the Modaraba with and into Allied Engineering Management Company (Private) Limited (**AEMCL**) and Allied Transport and Logistics (Private) Limited (**ATL**) along with all ancillary matters as per details provided in the scheme, including change of name of **AEMCL** as Allied Rental Services (Private) Limited (**ARSL**) and allotment/issuance of shares of **ARSL** and **ATL** as per swap ratio as specified in the scheme, to the certificate holders of **ARM** in lieu of the certificates held by the certificate holders of **ARM** be and is hereby approved;
- ii. The allotment/issuance of shares of **ARSL** and **ATL** as per swap ratio to the main sponsors (as defined in article 1.42 of this scheme and details given in article 5) being the ultimate beneficial owners of Allied Engineering and Services (Private) Limited (**AESL**) against their indirect investment in **ARM** through **AESL** be and is hereby approved;
- iii. Consequent upon the allotment/issuance of shares of **ARSL** and **ATL** as per swap ratio to the main sponsors being the ultimate beneficial owners of **AESL** against their indirect investment in **ARM** through **AESL**, in terms of resolution No. ii above, the reduction in the paid up share capital of **AESL** by Rs. 27,547,880 be and is hereby approved;
- iv. Mr. Khwaja Ahad Rahman Chief Executive of the company (**AESL**) be and is hereby authorised to sign the scheme, petition u/ss. 279 to 283 and 285 of the Companies Act, 2017 read with section 505(1) © ibid and all ancillary applications for the purpose, seeking the sanction of the honorable High Court of Sindh, and take all necessary steps thereto;
- v. Mr. Jawed Hussain, Advocate be and is hereby appointed as the Consultant to the Merger and authorised to represent, communicate and coordinate with SECP on behalf of AEMCL for the resolution of all the matters and compliance thereof in connection with the scheme and take all necessary steps for the purpose subject to approval of the board of AEMCL;
- vi. Mr. Chaudhry Atif Rafiq, Advocate be and is hereby appointed as the counsel to prepare and file petition u/ss. 279 to 283 and 285 of the Companies Act, 2017 read with section 505(1) © ibid and all ancillary applications for the purpose, seeking the sanction of the honorable High Court of Sindh, to the scheme.

Zeeshaan
Secretary

Allied Engineering and Services (Private) Limited

LAHOREPh: (042) 37511618-23
UAN: 111 250 250**ISLAMABAD**Ph: (051) 2227000-04
UAN: 111 250 250**MULTAN**Ph: (061) 4590701-4
UAN: 111 250 250**FAISALABAD**

Ph: (041) 8784643

PESHAWAR

Ph: (091) 5830445-6

QUETTA

Ph: (081) 2822196

Allied Engineering & Services (Pvt.) Ltd.

21/3, Sector No. 22, Korangi Industrial Area, Karachi-74900, Pakistan.

UAN: 111 250 250 Tel: (021) 3506 6901-13 Fax: (021) 3506 6915 & 16 Email: admin@aesl.com.pk

Extract of the Board Resolution

A meeting of the Board of Directors (BOD) of Allied Engineering and Services (Private) Limited, was held on September 12, 2022 at 11:30 a.m. at the registered office of the company in which the following resolutions were passed:

Resolved that:

- i. Resolved that the audited financial statement of Allied Engineering and Services (Private) Limited, for the year ended on 30.06.2022 be and is hereby approved
- ii. Further Resolved that pursuant to "no objection" from the Securities & Exchange Commission of Pakistan (SECP) vide letter dated June 23, 2022 on the proposed Scheme of demerger of Allied Rental Modaraba (ARM), completion of the process of obtaining the NOCs of the creditors of ARM on 12th September, 2022 and the completion of audit of financial statements of AESL and all other companies in the Scheme of Arrangement dated April 14, 2022 (*the Scheme*) for the year ended on June 30, 2022 and in order to comply with the requirements of section 282(2)(e) of the Companies Act, 2017, the effective date of the Scheme shall be July 1, 2022 instead of January 1, 2022 which was previously approved by the Board in its meeting held on 14.4.2022.
- iii. Further Resolved that as a result of above, the following revised swap ratio, calculated on the basis of financial statement of ARM for the year ended on June 30, 2022, be and is hereby approved subject to the certificate from the auditors:

Revised SWAP ratio:

Company Name	SWAP as at June 30, 2022
ARM : AEMCL	1 : 0.211
ARM : ATL	1 : 0.588

- iv. Further Resolved that consequent upon the change in the breakup value of shares as per audited financial statement of the company for the year ended on 30.06.2022 the amount of reduction in the paid up share capital of the company (AESL) to be Rs. 26,569,650, be and is hereby approved; instead of Rs. 27,547,880 previously approved in the meeting held on 14.4.2022 and mentioned in clause Recital 5(7), clause 5.5,
- v. Further Resolved that as a result of above, consequent changes in the scheme and its annexures be and are hereby approved.
- vi. Further Resolved that except for the above, all other terms and conditions of the draft Scheme approved on April 14, 2022, shall remain unchanged.
- vii. Further Resolved that instead of Mr. Khwaja Ahad Rahman, Chief Executive of the company; Mr. Ali Akbar, Chief Financial Officer of the company be and is hereby authorized to sign the petition u/ss. 279 to 283 and 285 of the Companies Act, 2017 read with section 505(1) © ibid and all ancillary applications for the purpose, seeking the sanction of the honorable High Court of Sindh, and to take all necessary steps thereto.

Zeeshan
Secretary

Allied Engineering and Services (Private) Limited

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PESHAWAR

Ph: (091) 5830445-6

QUETTA

Ph: (081) 2822196

Proxy Form

Allied Rental Modaraba

Managed by: Allied Engineering
Management Company (Private) Limited

I / We _____

of _____

being a member of Allied Rental Modaraba and holder of _____ Certificates

as per Certificate _____ Register Folio No. _____ and / or CDC Participant

ID No. _____ and Sub Account No. _____

hereby appoint _____ of _____

or failing him / her of _____

As my proxy to represent me and on my behalf at the Extra Ordinary General of the
Modaraba to be held on 25th day of November 2022 and at any adjournment there of.

Signed this _____ day of _____ 2022

WITNESSES:

1 Signature: _____

Name: _____

Address: _____

CNIC / or: _____

Passport No.: _____

Signature

Revenue
Stamp
Rs. 5 /-

(Signature should agree with
specimen signature registered
with the Modaraba)

2 Signature: _____

Name: _____

Address: _____

CNIC / or: _____

Passport No.: _____

Note: Proxies in order to be effective must be received by the Modaraba not less than 48 hours before the meeting. A proxy must be a certificate holder of the Modaraba. CDC Certificate holders and their proxies are each requested to submit attested photocopy of their Computerized National Identity Card or Passport with this proxy form.

تشکیل نیابت داری

میں/ہم _____

رکن _____ بحیثیت الائیڈ رینٹل مضاربہ _____ کے

_____ سرٹفکیٹ بمطابق سرٹفکیٹ رجسٹرڈ فو لیو نمبر _____

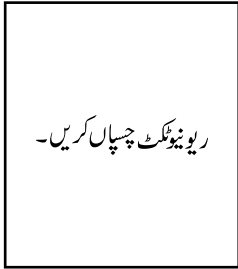
_____ اور ذیلی کھاتہ نمبر _____

محترم / محترمہ _____ ساکن _____

بصورت دیگر محترم / محترمہ _____ ساکن _____

کو اپنی جگہ مورخہ 25 نومبر، 2022 کو منعقد یا ملتوی ہونے والے غیر معمولی اجلاس عام میں رائے دہندگی کے لیے اپنا نمائندہ مقرر کرتا / کرتی ہوں۔

گواہ:



(دستخط کمپنی میں پہلے سے موجود نمونہ کے مطابق ہونے چاہئے)

دستخط

1 دستخط _____

نام _____

پتہ _____

سی این آئی سی یا پاسپورٹ نمبر _____

2 دستخط _____

نام _____

پتہ _____

سی این آئی سی یا پاسپورٹ نمبر _____

نوٹ: پراکسیز کے موثر ہونے کے لیے ضروری ہے کہ ان کی تفصیل اجلاس شروع ہونے سے 48 گھنٹے قبل مضاربہ کو موصول ہو جائے۔

سی ڈی سی شیئر سرٹفکیٹ ہولڈرز اور ان کے پراکسیز سے گزارش ہے کہ وہ اپنے قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ فوٹو کاپی مضاربہ کو پیش کرنے سے قبل اس کے ساتھ منسلک کریں۔