

Corporate Briefing Session

For the Year 2022-2023

15th November 2023

Brief Overview

Allied Rental Modaraba was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder and is managed by Allied Engineering Management Company (Private) Limited (the 'Modaraba Management Company'), which is a wholly owned subsidiary of Allied Engineering and Services (Private) Limited. The Modaraba Management Company is incorporated in Pakistan under the Companies Ordinance, 1984 and is registered with the Registrar of Modaraba Companies and Modarabas under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

The Securities and Exchange Commission of Pakistan (the 'SECP'), vide its certificate No. SC/M/RW/ ARM/2006-166 dated 10 May 2006, authorized Allied Engineering Management Company (Private) Limited to float Allied Rental Modaraba (the Modaraba). The Modaraba commenced its operations on 10 January 2007.

The Modaraba is a perpetual Modaraba and is primarily engaged in rental / Ijarah and operation and maintenance of Caterpillar and other equipment (i.e. generators, forklifts, compactors, etc.). The registered office of the Modaraba is located at 21/3, Sector 22, Korangi Industrial Area, Karachi. The Modaraba is listed on the Pakistan Stock Exchange.

Effective from 10 January 2007, the Modaraba took over the rental business transactions and the related equipments of Allied Rental Services (Private) Limited (ARSL - an associated undertaking). The assets and liabilities acquired by the Modaraba comprise of certain fixed assets, the related lease liabilities. These were taken over under a prospectus floated by the Modaraba and approved by the SECP.

Management Information

Board of Directors

Syed Feisal Ali	Chairman
Mr. Murtaza Ahmed Ali	Chief Executive
Mr. Khwaja Ahad Rahman	Non - Executive
Mr. Ali Akbar	Non - Executive
Mr. Hassan Shehzad Abidi	Non - Executive
Mr. Abdul Rahim Suriya	Non - Executive
Mrs. Saira Nasir	Non - Executive (Independent Female Director)

Audit Committee

Mr. Abdul Rahim Suriya	Chairman
Syed Feisal Ali	Member
Mr. Ali Akbar	Member

Chief Financial Officer

Mr. Muhammad Saad

Company Secretary

Mr. Munaf Ahmed Siddiqui

Head of Internal Audit and Secretary to Audit Committee

Mr. Abid Altaf

Management Information

Human Resource and Remuneration Committee

Mr. Abdul Rahim Suriya	Chairman
Syed Feisal Ali	Member
Mr. Murtaza Ahmed Ali	Member

Strategic Management

Syed Zulqarnain Jafri	Business Unit Head - Power
Mr. Ali Ahsan	Business Unit Head - Logistics
Mr. Rashid Jehangiri	Business Unit Head – MHE, Machines and Cranes
Mr. Ali Ammar	Head of Human Resource and Business Administrator
Mr. Haider Qutbuddin	Head of Human Resource and Administration

Auditors

A. F. Ferguson & Co. Chartered Accountants

Shari'ah Advisor

Mufti Irshad Ahmad Aijaz

Legal Advisor

Mr. Khalil Ahmed Siddiqui, Advocate

Credit Rating



JCR-VIS Ratings

August 07, 2023
Karachi

Our Products

Power rental

Diesel Upto
1000 kVA

Gas Rental

D3500 Series

Operation &
Maintenance

Our Products

Cranes & machines rental



Lighting
Towers



CAT
Machines



Cranes

Our Products

Inbound & Out bound Logistics rental

Inbound Logistics / Material Handling Equipment's

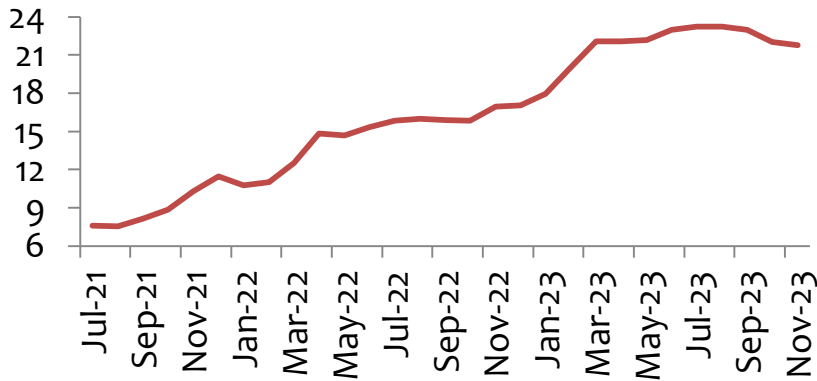


Outbound Logistics

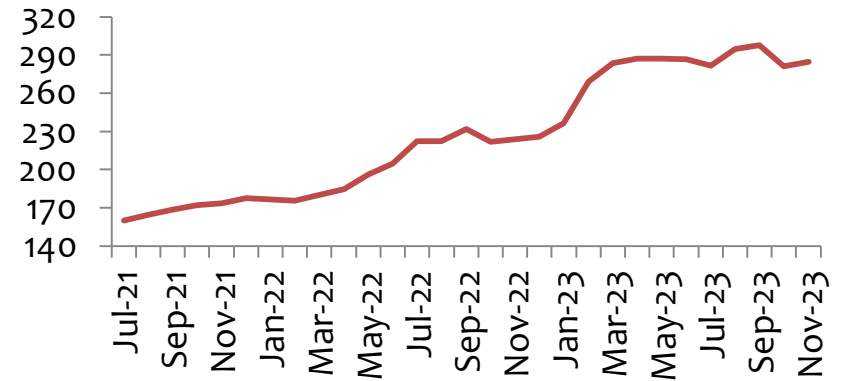


Economy

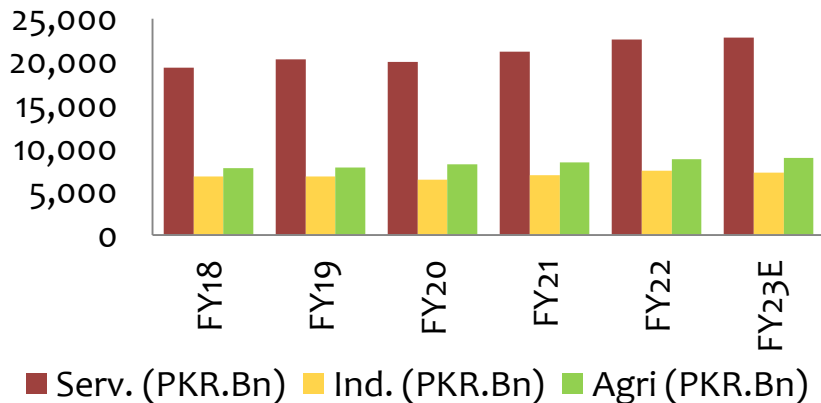
6 Month KIBOR



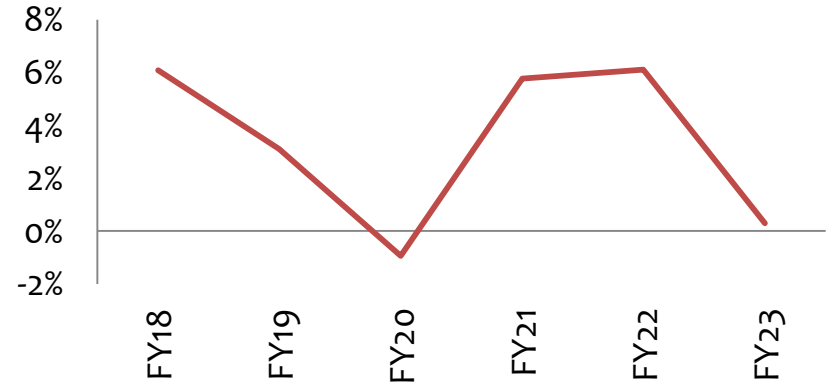
PKR/US\$



GDP Composition



GDP Growth



Financial Snapshot

Key Figures – Balance Sheet	Jun 30, 2023	Jun 30, 2022	% Increase / Decrease
Total Assets	8,584,431,358	8,306,790,692	3.34%
Ijarah assets	6,189,453,588	5,946,661,687	4.08%
Current Assets	2,190,486,457	2,169,361,403	0.97%
Current Liabilities – Others	1,581,130,958	1,744,059,123	-9.34%
Current & Long Term Liabilities - DM	839,595,605	1,058,129,428	-20.65%
Financial Charges - DM	175,268,170	111,905,835	56.62%
Average rate of Financing	18.47%	8.35%	
Long Term Liabilities – Others	29,403,987	23,246,536	26.49%
Capital & Reserves	5,238,174,666	4,936,426,782	6.11%
No. Of Certificates	2,200,000,000	2,200,000,000	0.00%
Break up value (Rs.)	23.81	22.44	

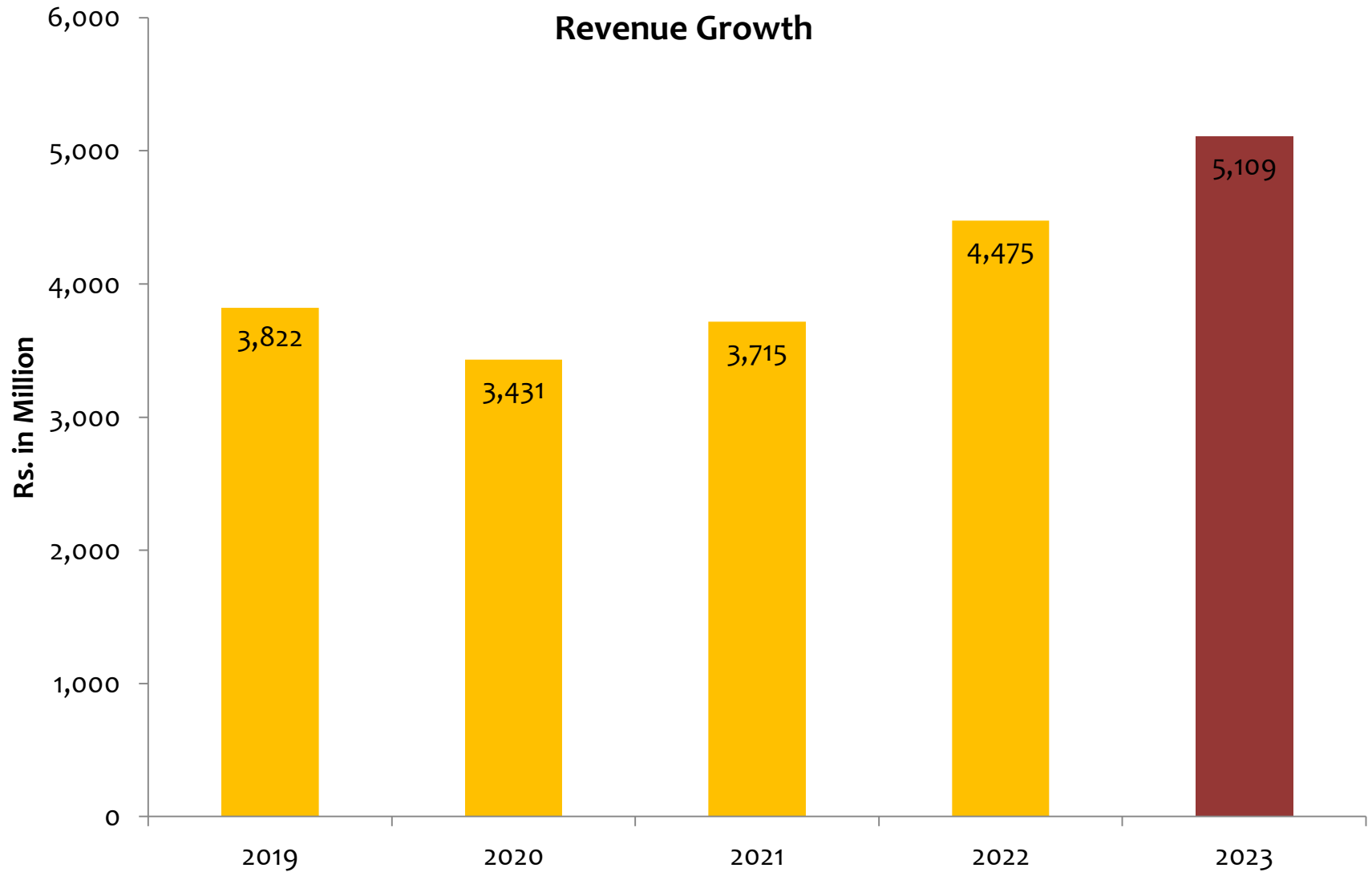
Business Review

Profit and Loss (Rupees in '000')	June 30, 2023	June 30, 2022	YOY %
REVENUE	5,720,421	4,982,304	14%
Less: Sales Tax	611,829	507,336	20%
Net revenue	5,108,592	4,474,967	14%
LESS: OPERATING EXPENSES	3,632,807	3,234,510	12%
Operating Profit	1,475,785	1,240,457	19%
Administrative and distribution Expenses	349,774	308,477	13%
Provision against potential Ijarah losses	32,985	131,700	-75%
Workers Welfare Fund	14,250	11,808	21%
Finance Cost	181,209	130,542	39%
Management Company Remuneration	10,000	10,000	0%
Other Income	81,780	80,575	2%
Taxation	667,962	343,660	94%
Net Profit	301,383	384,845	-22%

Historical Financial Data

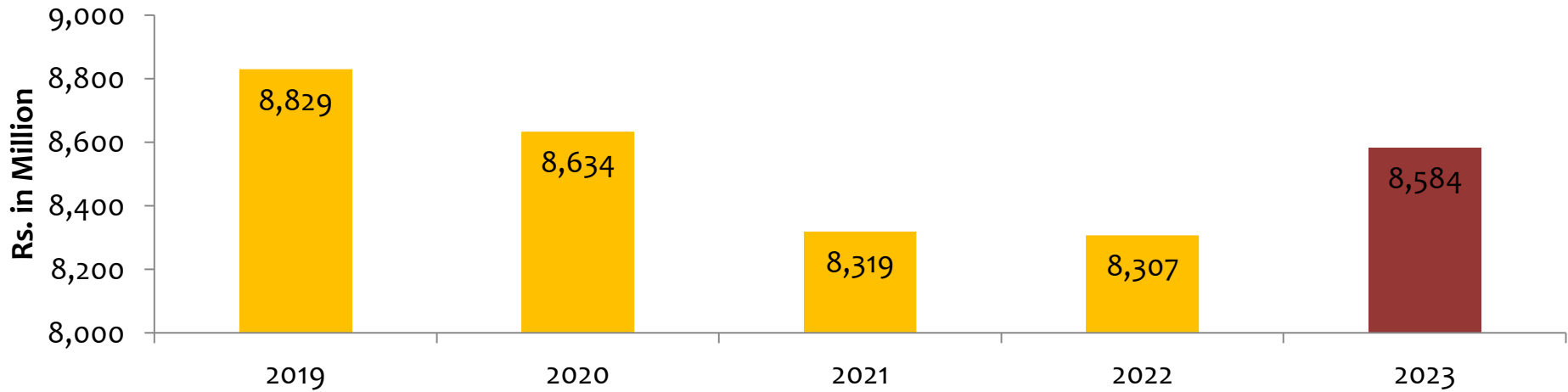
Rs. Mn	FY23	FY22	FY21	FY20	FY19	FY18
Total Assets	8,584	8,307	8,319	8,634	8,829	9,036
Current Assets	2,190	2,169	2,215	2,254	2,183	2,100
Current Liabilities	1,581	1,744	1,666	1,584	1,981	1,704
Shareholders Equity	5,238	4,936	5,666	5,352	5,334	5,151
Gross Profit	1,476	1,240	854	869	915	938
Net Profit	301	385	532	228	383	395
Return on Assets	3.57	4.63%	6.28	2.61	4.29	4.54
Return on Equity	5.92	7.84%	9.66	4.26	7.30	8.06
EPS	1.37	1.75	2.42	1.03	1.74	1.89
Cash Dividend	0.00	0.00	1.50	0.75	1.00	1.00
Book Value/Certificate	23.81	22.44	25.75	24.33	24.24	25.75

Business Review

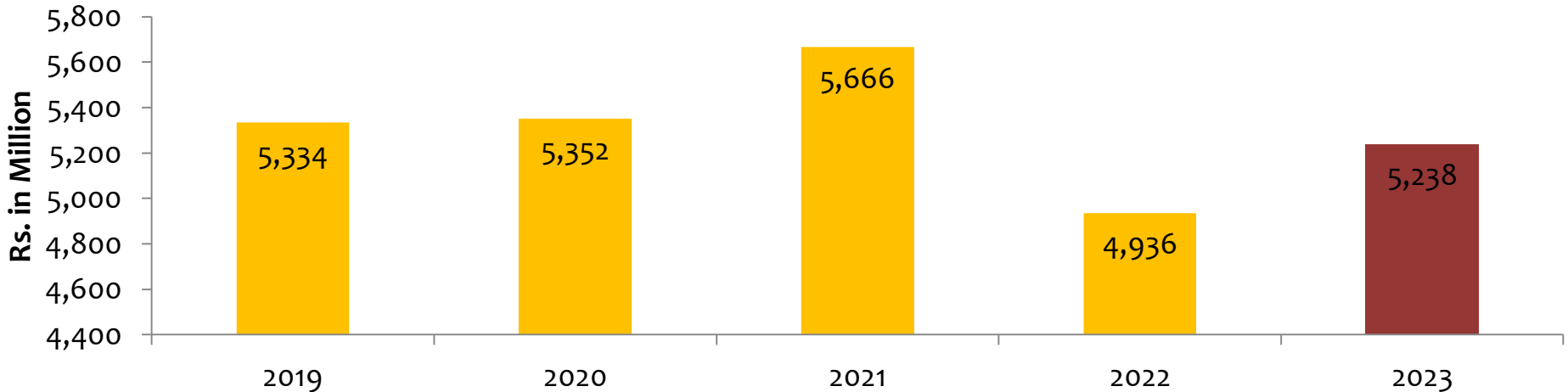


Business Review

Assets Growth



Equity Growth



Business Review

Cash & Stock Dividend History

Year	Cash Dividend	Stock Dividend
2011	23%	25%
2012	30%	10%
2013	30%	5%
2014	30%	0%
2015	20%	0%
2016	10%	0%
2017	15%	0%
2018	10%	10%
2019	10%	0%
2020	7.5%	0%
2021	15%	0%
2022	0%	0%
2023	0%	0%
TOTAL	2,982,375,000	473,750,000

Information Technology

At arm, state of the art information technology infrastructure is in place that supports every aspect of the business model of arm managed by in-house it team.

Microsoft AX is being used as ERP at ARM, with the following integrated addons / systems

- SYCOR - Rental [a German based add on to handle the rental business].
- SYCOR – Service & maintenance Module to handle the repair and maintenance of the rental fleet.
- In house developed Trip management system [TMS] to handle the logistics business.
- Use of Business Intelligence tools for management to have hand on information for better decision making.
- Use of Microsoft CRM to manage vast portfolio of customers

Future Outlook

Restructuring of the Modaraba

- As mentioned in previous annual and quarterly reports due to withdrawal of the Tax Exemption on Modarabas with effect from July 1, 2021, as announced earlier, the Management decided to restructure its current legal structure of the Modaraba and separate the existing businesses with all its assets and liabilities, including all contingent liabilities into two separate Private Limited Companies, one for the Rental Business of all Machines and Equipment and another for the Logistics business. The petition for the scheme of arrangement was filed in the Sindh High Court (SHC) on October 10, 2022. Thereafter the SHC accepted the petition for hearing and ordered to convene the Extra Ordinary General Meeting of the certificate holders / shareholders of the Modaraba and other petitioner companies and publication of the petition in the official gazette. The Extra ordinary general meetings of all the petitioner companies were conducted on November 25, 2022 wherein, the resolution approving the scheme of arrangement was passed unanimously by the certificate holders / shareholders of all the petitioner companies. Thereafter, the minutes of the meetings of all the petitioners were submitted in the SHC. All the relevant information / disclosures were timely made to the stakeholders through PSX data portal. The publication in the official gazette has been completed in the month of October 2023. At present only the final hearing at SHC to decide on the matter is pending, hence, the petition is awaiting the final decision. In compliance with regulatory and listing requirements all appropriate and relevant disclosures were made during the year on the PSX Board to timely inform our Certificate holders. The modaraba management expects to get approval from the SHC before June 30, 2024.

Future Outlook

Strengths and Growth Opportunities

- Strong Brand Name: Caterpillar and SANY.
- Strategy to continuously invest in new technologies, new products, new markets and new segments.
- Biggest Rental Fleet in the market.
- Complete rental solution provider for all sorts of Equipment's to our customers from Power to Logistics to Machines. Present in ALL RENTAL SEGMENTS.
- Strong Customer base like FWO, Packages, Nestle, Schlumberger, Engro, Unilever.
- Trained and Experienced Team of Managers, Technicians and Operators.
- Rental opportunities on CPEC projects; DIAMER BHASHA DAM / MOTORWAYS.

Macro Economic and Business Challenges

- Complex Federal and Provincial Tax Laws.
- Rupee Devaluation / Inflation resulting in increases of both Capital and Revenue costs
- Pakistan one of the lowest on the HDI. Availability of Skilled Workforce due to Lack of Investment and neglect of our Education Sector, specially Vocational Training.

Thank You
Q&A