

KSE/N-6573

NOTICE

November 13, 2013

Reproduced hereunder financial projection received from ALLIED RENTAL MODARABA, for information of TREC Holders of the Exchange.

(Copy of the same is also available on our Website www.kse.com.pk)



ALLIED RENTAL MODARABA

Managed By: Allied Engineering Management Company (Pvt) Ltd.
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November 5, 2013

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


Dear Sir,

Purpose of Right Issues, Benefits to the Modaraba and use of funds

The Management is continuously expanding its Rental Fleet, both in Power Generation Rental business and logistics business, where it sees potential for investment and growth. This is evident of the investment made in 2012-13 whereby initially the management projected to invest Rs ONE BILLION, but ended up investing double the amount to Rs 2.1 Billion in new Rental Assets to ensure that Modaraba remains the leader in Rental Power segment and catches on the opportunity in the logistics business with blue chip companies. The growth was financed from strong internal cash generation by way of profits retention, financing from Islamic Banks, Modarabas and Islamic window of the conventional banks. This year again, the Management feels that its investment volume will INSHALLAH cross Rs 1.5 Billion mark. Therefore, we feel that there is an opportunity for our Certificate holders to invest in this growth of the Modaraba and accordingly board has decided to issue 20% Right Certificates i.e. one Right certificate for every five Certificates held at a premium of Rs. 11 per Certificate. The premium is worked out based on the Break-up Value of the Certificate as at June 30, 2013 as per audited financial statements less Cash dividend declared for the year.

Keeping in view the fact that presently the investment opportunities are limited in the country these days, this Rights Issue offers excellent opportunity to our Certificate holders. The track record of the Modaraba itself depicts the potential benefit that the Rights issue offers to Certificate holders compared to its price at the Stock Exchange. In addition, the Rights Issue will also qualify for investment rebate in terms of section 62 of the Income Tax Ordinance, 2001.

Yours truly


Murtaza Ahmed Ali
Chief Executive

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