

FOR ALL CONCERNED

**PLACEMENT OF DRAFT PROSPECTUS OF “SECURE LOGISTICS GROUP LIMITED”
ON PSX WEBSITE FOR SEEKING PUBLIC COMMENTS**

Pakistan Stock Exchange Limited [“PSX”] is pleased to inform all concerned that **Secure Logistics Group Limited [“the Company”]** has applied for revalidation of PSX approval earlier granted on February 28, 2022 to the listing application and the Draft Prospectus on the Main Board of PSX.

The total issue size of the Initial Public Offering comprises of 50,000,000 Ordinary Shares, which will be offered to the Institutional Investors / High Net-worth Individuals through Book Building Method followed by issue of shares to the General Public / Retail Investors. The floor price for the issue has been set at **PKR 12/- per share**. Arif Habib Limited is the Lead Manager / Consultant to the Issue. The Lead Manager has updated the contents of the Prospectus and has resubmitted the same to PSX for its approval.

Pursuant to Circular No. 16 of 2023 dated November 08, 2023 notified by the Securities & Exchange Commission of Pakistan (SECP), the Draft Prospectus of the Company is hereby placed on the PSX Website under the caption of “**Public Comments on Draft Prospectus of Secure Logistics Group Limited**”. Details about the issue can be reviewed through the attached Draft Prospectus of the Company.

All concerned are requested to provide their written comments on the Draft Prospectus, if any, to PSX by emailing at comments.draftprospectus@psx.com.pk latest by **COB Thursday, February 15, 2024**.



Syed Ahmad Abbas
Chief Listing Officer

Copy to:

1. The Additional Director / HOD, PMADD (SMD), SECP
2. The Chief Executive Officer, PSX
3. Secure Logistics Group Limited
4. Arif Habib Limited (Lead Manager to the Issue)

ADVICE FOR INVESTORS

INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS PROSPECTUS, **ESPECIALLY THE RISK FACTORS GIVEN AT SECTION 5**, BEFORE MAKING ANY INVESTMENT DECISION.

SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.

INVESTMENT IN EQUITY SECURITIES INVOLVES A DEGREE OF RISK AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFER UNLESS THEY CAN AFFORD TO TAKE THE RISK OF LOSING THEIR INVESTMENT. INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS OFFERING. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THE EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED AS DISCLOSED AT SECTION 5 OF THE PROSPECTUS.

ADVICE FOR INSTITUTIONAL INVESTORS AND HIGH NET WORTH INDIVIDUAL INVESTORS

A SINGLE INVESTOR CANNOT SUBMIT MORE THAN ONE BIDDING APPLICATION EXCEPT IN THE CASE OF UPWARD REVISION OF BID. IF AN INVESTOR SUBMITS MORE THAN ONE BIDDING APPLICATION THEN ALL SUCH APPLICATIONS SHALL BE SUBJECT TO REJECTION.

SUBMISSION OF CONSOLIDATED BID IS PROHIBITED UNDER these REGULATIONS. A BID APPLICATION WHICH IS BENEFICIALLY OWNED (FULLY OR PARTIALLY) BY PERSONS OTHER THAN THE ONE NAMED THEREIN SHALL BE DEEMED TO BE A CONSOLIDATED BID.

PLEASE NOTE THAT A SUPPLEMENT TO THE PROSPECTUS SHALL BE PUBLISHED WITHIN THREE WORKING DAYS OF THE CLOSING OF THE BIDDING PERIOD WHICH SHALL CONTAIN INFORMATION RELATING TO THE STRIKE PRICE, THE ISSUE PRICE, COMMITMENT BY THE SUCCESSFUL BIDDERS FOR SUBSCRIBING THE UNDERSUBSCRIBED RETAIL PORTION IN CASE OF HUNDRED PERCENT BOOK BUILDING, CATEGORY WISE BREAKUP OF THE SUCCESSFUL BIDDERS ALONG WITH NUMBER OF SHARES ALLOCATED TO THEM, DATES OF PUBLIC SUBSCRIPTION AND SUCH OTHER INFORMATION AS SPECIFIED BY THE COMMISSION.



SECURE LOGISTICS GROUP LIMITED [formerly Asia Capital Partners (Private) Limited] INITIAL PUBLIC OFFERING PROSPECTUS

Date and place of incorporation: April 18, 2013, Islamabad, **Incorporation number:** 0083505, **Registered and Corporate Office:** 10th Floor, New State Life Tower, Blue Area, Islamabad **Contact No:** 051 8779224-8, **Website:** <https://www.slg.com.pk> **Email:** info@slg.com.pk
Contact Persons: Gulraiz Afzal Khan and Amad Aleem, **Phone:** 051 2250177, **Email:** gkhan@slg.com.pk and amad.aleem@slg.com.pk

Issue Size: The Issue consists of 50,000,000 Ordinary Shares (i.e. 18.27% of the total post-IPO paid up capital of Secure Logistics Group Limited) of floor price of PKR 12.00/- each

Method of Offering: 100% Book Building Method

Book Building method and Floor Price: The entire Issue will be offered through Book Building method at a Floor Price of PKR 12.00/- per share (including premium of PKR 2.00 /- per share) with a maximum price band of up to 40%. Justification of premium is given under "Valuation", i.e. Section 4A). The Bidders shall be allowed to place Bids for hundred percent (100%) of the Issue size and the Strike Price shall be the price at which the hundred percent (100%) of the Issue is subscribed. However, the successful Bidders shall be provisionally allotted only seventy-five percent (75%) of the Issue size i.e. 37,500,000 shares and the remaining twenty-five percent (25%) i.e. 12,500,000 shares shall be offered to the retail investors through General Public portion.

Pre-IPO Private Placement: In addition to this Issue, the Company has also signed agreements to sell 55,704,113 Ordinary Shares (20.36% of the total Post-IPO Paid Up Capital) at a price of PKR 10.5/- Per share (including premium of PKR 0.5/- per share)

Retail/general public portion: General Public portion of the Issue comprises of 12,500,000 ordinary shares (25% of the total issue) at the Strike Price. In case retail portion of the Issue remains unsubscribed, the unsubscribed shares will be allotted to the successful Bidders of book building on a pro rata basis.

Public comments: Draft Prospectus was placed on PSX's website for seeking public comments starting from [.] . Public comments received were duly responded back by the Lead Manager/Consultant to the Issue.

REGISTRATION OF ELIGIBLE INVESTORS: The registration of eligible investors will commence at 9:00am on [.] /2024 and will close at 3:00 pm on [.] /2024

BIDDING PERIOD DATES: From [.] /2024 to [.] /2024 From: 9:00 am to 5:00 pm

DATE OF PUBLIC SUBSCRIPTION: From [.] /2024 to [.] /2024 (both days inclusive) From: 9:00 am to 5:00 pm

Lead Manager & Book Runner 	Book Building Portion will be Credit Underwritten By:
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Bankers to the Book Building portion of the Issue: Habib Bank Limited

Bankers for the Retail portion of the Issue:

Habib Bank Limited	Meezan Bank Limited	AlBaraka Bank Limited
Habib Metropolitan Bank Limited	Askari Bank Limited	Faysal Bank Limited

For retail portion, investors can submit application(s) through both electronic and physical mode. Electronic/online applications can be submitted through PSX's e-IPO system (PES) and CDC's Centralized E-IPO system (CES). PES and CES can be accessed via the web links <https://eipo.psx.com.pk>, and www.cdceipo.com. For details, please refer to Section 13.1.4 of the Prospectus.

Date of Publication of this Prospectus: [.] /2024

Prospectus, Bidding Form and Subscription Form can be downloaded from the following websites: <https://www.slg.com.pk/>, <http://www.psx.com.pk>, www.cdceipo.com and <http://www.arifhabibtd.com>

For further queries you may contact

Secure Logistics Group Limited: Mr. Gulraiz Afzal Khan (Chief Executive Officer), Phone: 051 8779224-8, Email: gkhan@slg.com.pk; Mr. Amad Aleem, Phone: 051-8779224-8, Email: amad.aleem@slg.com.pk; **Arif Habib Limited:** Raheel Ahmed, Phone: +92 21 3828 0271 | Email: raheel.ahmed@arifhabibtd.com

UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

A342697



Dated: January 29th, 2024

UNDERTAKING

We, Gulraiz Afzal Khan, THE Chief Executive Officer and Amad Aleem, Financial Controller OF SECURE LOGISTICS GROUP LIMITED CERTIFY THAT:

1. THE PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
2. THE INFORMATION CONTAINED IN THE PROSPECTUS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF;
3. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
4. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THIS PROSPECTUS AS A WHOLE OR ANY PART THEREOF MISLEADING; AND
5. ALL REQUIREMENTS OF THE SECURITIES ACT, 2015; THE DISCLOSURES IN PUBLIC OFFERING REGULATIONS, 2017 FOR PREPARATION OF PROSPECTUS, RELATING TO APPROVAL AND DISCLOSURES HAVE BEEN FULFILLED
6. NO CHARGES, FEE, EXPENSES, PAYMENTS ETC. HAVE BEEN COMMITTED TO BE PAID TO ANY PERSON IN RELATION TO THIS PUBLIC OFFERING EXCEPT FOR THOSE AS DISCLOSED IN THE PROSPECTUS.

FOR AND BEHALF OF SECURE LOGISTICS GROUP LIMITED



Gulraiz Afzal Khan
 Chief Executive Officer



Amad Aleem
 Financial Controller



Note: This Supplement shall be published within 3 working days of the close of Bidding Period in at least all those newspapers in which the Prospectus of SLG Limited is published.

SUPPLEMENT TO THE PROSPECTUS

This Supplement is being published pursuant to The Public Offering Regulations, 2017 and in continuation of the Prospectus of Secure Logistics Group earlier published on [●]/2024

Secure Logistics Group Limited

- FLOOR PRICE: PKR 12.00/- PER SHARE
- STRIKE PRICE: PKR XX/- PER SHARE
- ISSUE PRICE: PKR XX/- PER SHARE
- PRICE BAND (MAXIMUM 40%): PKR 16.80/- PER SHARE

Note:

Since this Issue is being made through 100% book building with 25% allocation to retail investors, therefore, underwriting of the retail portion is not required. In case the Issue remains unsubscribed, the unsubscribed shares shall be allotted to the successful bidders on pro rata basis. The successful Bidders have already given undertakings to subscribe such unsubscribed shares on pro rata basis.

Category wise Breakup of Successful Bidders

S. No	Category	No. of Bidders	No. of shares provisionally allocated
1	Commercial Banks	●	●
2	Development financial institutions	●	●
3	Mutual Funds	●	●
4	Insurance Companies	●	●
5	Investment Banks	●	●
6	Employees' Provident / Pension Funds	●	●
7	Leasing Companies	●	●
8	Modarabas	●	●
9	Securities Brokers	●	●
10	Foreign Institutional Investors	●	●
11	Any other Institutional Investors	●	●
	Total Institutional Investors	●	●
	Individual Investors:	●	●
12	Foreign Investors	●	●
13	Local	●	●
	Total Individual Investors	●	●
	GRAND TOTAL		

Glossary of Technical Terms

ACT	Securities Act, 2015
ACPL	Asia Capital Patners (Pvt) Ltd
AJK	Azad Jammu and Kashmir
BoD	Board of Directors
Bn	Billion
CAGR	Compound Annualized Growth Rate
CDC / CDCPL	Central Depository Company of Pakistan Limited
CDS	Central Depository System
CIMC	China International Marine Containers
Close Protection	Close Protection is the provision of physical personal security by a (close protection team) to a person or a group of people
Collection Bank (Book Building)	Habib Bank Limited
Commission / SECP	Securities and Exchange Commission of Pakistan
Companies Act	Companies Act, 2017
CSOs	Client Service Officers
EPS	Earnings Per Share
FSL	Fist Security (Pvt.) Limited
FY	Financial Year
GIL	Gandhara Industries Limited
GDP	Gross Domestic Product
GoB	Government of Baluchistan
GoKPK	Government of Khyber Pakhtunkhwa
GoPb	Government of Punjab
GoS	Government of Sindh
HSD	High Speed Diesel
HSEC	Health, Safety, Environment and Community
ICOC	International Court of Conduct for Security Agencies
ICT	Islamabad Capital Territory
JSPE	JS Private Equity
KPK	Khyber Pakhtunkhwa
KP	Karandaaz Pakistan
LogiServe	LogiServe (Pvt) Ltd
Mn	Million
MOI	Ministry of Interior
MSME	Micro, Small and Medium Enterprises
MVP	Minimum Viable Product
NOC	No Objection Certificate

OEMs	Original Equipment Manufacturers
PKR	Pakistan Rupee(s)
PSO	Pakistan State Oil
PSX / Exchange	Pakistan Stock Exchange Limited
PTA	Pakistan Telecommunication Authority
SBG	Saudi Bugshan Group
SBP	State Bank of Pakistan
SHC	Sindh High Court
SLG	Secure Logistics Group Ltd
SOPs	Standard Operating Procedures
SPV	Special Purpose Vehicle
SRB	Sindh Revenue Board
Static Guarding	Static Guarding is security manpower in a set place. It may involve manned services on access points, the guarding of equipment or valuables
VOIP	Voice over Internet Protocol

DEFINITIONS

Application Money

In case of bidding for shares out of the Book Building portion, the total amount of money payable by a successful Bidder which is equivalent to the product of the Strike Price and the number of shares to be allotted.

Banker to the Book Building

Any bank(s) with whom an account is opened and maintained by the Issuer for keeping the bid amount.

Habib Bank Limited has been appointed, in this IPO, as the Banker to the Book Building.

Bid

An indication to make an offer during the Bidding Period by a Bidder to subscribe to the Ordinary Shares of Secure Logistics Group at a price at or above the floor price, including upward revisions thereto. **An Eligible Investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price subject to a maximum price band of 40% of the Floor Price. Please refer to Section 12.1.2 for details.**

Bid Amount

The amount equal to the product of the number of shares Bid for and the Bid price.

Bid Collection Center

Designated offices of the Book Runner, specified branches of any of the Scheduled Bank and offices of any other institutions specified by the Commission where bids are received and processed. For this Issue, addresses of the Bid Collection Centers are provided in [Section 12.1.6 of this Prospectus](#).

Bid Price

The price at which bid is made for a specified number of shares.

Bid Revision

The Eligible Investors can revise their bids upward subject to the provision of regulation 10(2)(iii) of the PO Regulations. The bids can be revised with a price variation of not more than 10% from the prevailing indicative Strike Price in compliance with Regulation 10(2)(iii) of the PO Regulations.

As per regulation 10(2)(vi) of the PO Regulations, the bidder shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.

As per regulation 10(2)(vii) of the PO Regulations, the bidder shall not withdraw their bids.

Bidder

An Eligible Investor who makes bids for shares in the Book Building process.

Bidding Form

The form prepared by the Issuer for the purpose of making bids.

Bidding Period

The period during which bids for subscription of shares are received.

Book Building

The Bidding Period shall be of two days, from [●], 2024 to [●], 2024 both days inclusive (daily from 9:00 a.m. to 5:00 p.m.).

Book Building Account

A process undertaken to elicit demand for shares offered through which bids are collected from the Bidders and a book is built which depicts demand for the shares at different price levels.

Book Building Portion

An account opened by the Issuer with the Collection Bank. The Bidder will pay the Margin Money / Bid Amount through demand draft, pay order or online transfer in favor of the account as per the instructions given in Section 12.1.15 of this Prospectus and the balance of the Application Money, if any, shall be paid through this account after successful allocation of shares under Book Building.

Book Runner

The part of the total Issue allocated for subscription through the Book Building.

A securities broker or a scheduled bank who holds a valid license from the Commission to act as an Underwriter and has been appointed as Book Runner by the Issuer.

Arif Habib Limited has been appointed as Book Runner for this Issue.

Book Building System

An online electronic system operated by the Designated Institution for conducting Book Building.

Collection Banks

Mentioned below are the Collection Banks for the General Public portion. Account details for Collection banks are mentioned in section 13.1.7 of the Prospectus:

Habib Bank Limited

Meezan Bank Limited

Habib Metropolitan Bank Limited

Askari Bank Limited

AlBaraka Bank Limited

Faysal Bank Limited

Company

Secure Logistics Group Limited (the “Company” or “SLG” or the “Issuer”)

Company’s Legal Advisor

Faisal Atta

Commission

Securities & Exchange Commission of Pakistan (“SECP”).

Consolidated Bids

A bid which is fully or partially beneficially owned by persons other than the one named therein.

Designated Institution

Includes securities exchange, central depository or clearing house approved by the Commission to provide a system for conducting Book Building.

Pakistan Stock Exchange Limited (“PSX”) will act as the Designated Institution for this Issue.

Dutch Auction Method

The method through which Strike Price is determined by arranging all the Bid Prices in descending order along with the number of shares and the cumulative number of shares bid for at each Bid Price. The Strike Price is determined by lowering the price to the extent that the total number of shares Issued under the Book Building Portion are subscribed.

e-IPO facility

E-IPO refers to the electronic subscription of applications for subscription of securities offered in an IPO. The following systems are available for e-IPO:

(i) PSX’s e-Initial Public Offering System (PES):

PES can be accessed through the web link ‘<https://eipo.psx.com.pk>’. Investors may first register themselves on PES, free of cost, any time during the year. During the public subscription period, investors can file e-IPO applications online and make e-payment conveniently through 1LINK or NIFT.

- An investor can also register himself on PES through: the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

Similarly, on behalf of an investor, an e-IPO application can also be filed by:

- The TREC Holder with whom the investor has a sub-account, or
- The Bank with whom the investor has a bank account.

Registered investors with PES can submit their applications through the web link, ‘<https://eipo.psx.com.pk>’, 24 hours a day during the subscription period which will close at midnight on [.].

For further guidance and queries regarding PES, investors may contact PSX representative Mr. Farrukh Shahzad at phone number 111-001-122 or (021)-35274401-10, and email ‘itss@psx.com.pk’.

(ii) Centralized e-IPO System (CES): To facilitate investors, the Central Depository Company of Pakistan (“CDC”) has developed a Centralized e-IPO System (“CES”) through which applications for subscription of securities offered to the General Public can be made electronically. CES can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK’s member banks available for CES.

For making application through CES, investors must be registered with CES. Registration with CES is free of cost and can be done under

a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year.

In addition to the above, sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific Company by authorizing (adding the details of) their respective Participant(s) in CES. Consequently, authorized Participants can electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings (IPOs) and can also make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal. The securities will be credited directly in Investors' subaccount. In case the sub-account of the investor has been blocked or closed, after the subscription, then securities shall be parked into the CDC's IPO Facilitation Account and investor can contact CDC for credit of shares in its respective account

Investors who do not have CDS account may visit www.cdcpakistan.com for information and details.

For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or contact Mr. Farooq Ahmed Butt at Phone 021-34326030 and email: farooq_butt@cdcpak.com.

Investors who are registered with CES can submit their applications through the web link www.cdceipo.com 24 hours a day during the subscription period which will close at **midnight on [.]**.

Eligible Investor

An Individual and Institutional Investor whose Bid Amount is not less than the minimum bid size of PKR 1,000,000 (One Million Rupees only).

Floor Price

The minimum price per share set by the Issuer in consultation with Lead Manager. For this Issue, Floor Price is PKR 12.00 per share.

GDP

Gross domestic product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period.

General Public

All Individual and Institutional Investors including both Pakistani (residents & non-residents) and foreign investors.

Initial Public Offer (IPO)

Initial Public Offering or IPO means first time offer of securities to the general public.

Institutional Investors

Any of the following entities:

- A financial institution;
- A company as defined in the Companies Act, 2017;
- An insurance company established under the Insurance Ordinance, 2000;
- A securities broker;

	<ul style="list-style-type: none"> ▪ A fund established as Collective Investment Scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008; ▪ A fund established as Voluntary Pension Scheme under the Voluntary Pension System Rules, 2005; ▪ A private fund established under Private Fund Regulations, 2015; ▪ Any employee's fund established for beneficial of employees; ▪ Any other fund established under any special enactment; ▪ A foreign company or any other foreign legal person; and ▪ Any other entity as specified by the Commission.
Issue	<p>The Issue comprises of 50,000,000 Ordinary Shares representing 18.27% of total post-IPO paid-up capital having a Face Value of PKR 10/- each.</p> <p>The entire Issue will be issued through Book Building at a Floor Price of PKR 12.00/- per share</p> <p>Initially, 75% of the issue size or 37,500,000 Ordinary Shares will be allotted to Successful Bidders and 25% of the Issue or 12,500,000 Ordinary Shares will be Offered to Retail Investors at the Strike Price. Any unsubscribed retail portion will be allocated to Successful Bidders on a pro-rata basis.</p>
Issue Price	<p>The price at which Ordinary Shares of the Company are issued to the General Public. The Issue Price will be the Strike Price.</p>
Key Employees	<p>Chief Executive Officer, Directors, Chief Financial Officer and Company Secretary of the Company.</p>
Lead Manager	<p>Any person licensed by the Commission to act as a Lead Manager.</p> <p>Arif Habib Limited has been appointed as Lead Manager by the Issuer for this Issue.</p>
Limit Bid	<p>The bid at a Limit Price.</p>
Limit Price	<p>The maximum price (up to 40% of the Floor Price) a prospective Bidder is willing to pay for a share under Book Building.</p>
Listing Regulations	<p>Chapter 5 of the Rule Book of the Pakistan Stock Exchange Limited, titled 'Listing of Companies and Securities Regulation'.</p> <p>The aforementioned regulations can be found at the following link;</p> <p>https://www.psx.com.pk/psx/themes/psx/uploads/PSX-Rulebook-updated-on-December-06-2023.pdf</p> <p>https://www.psx.com.pk/psx/themes/psx/uploads/PSX-Rule-Book-Main-Board-5-10-2021.pdf</p>
Margin Money	<p>The partial or total amount, as the case may be, paid by a bidder at the time of registration as an Eligible Investor. The Book Runner shall collect full amount of the bid money as Margin Money in respect of bids placed by an individual investor and not less than twenty five percent (25%) of</p>

	the bid money as Margin Money in respect of bids placed by an institutional investor.
Minimum Bid Size	The Bid amount equal to One Million Rupees (PKR 1,000,000/-).
Ordinary Shares	Ordinary Shares of SLG having face value of PKR 10.00/- each.
PO Regulations	The Public Offering Regulations, 2017 https://www.secp.gov.pk/document/public-offering-regulations-2017-updated-september-15-2021/?wpdmdl=43440&refresh=63ce67a067fd21674471328
Price Band	Floor Price with an upper limit of 40% above the Floor Price, i.e. PKR 16.80/-, allowing Bidder to make Bid at Floor Price or within the Price Band
Prospectus	Prospectus means any document described or issued as a prospectus and includes any document, notice, circular, material, advertisement, and offer for sale document, publication or other invitation offering to the public (or any section of the public) or inviting offers from the public for the subscription or purchase of any securities of a company.
Registration Form	The form which is to be submitted by the Eligible Investors for registration to participate in the Book Building process.
Registration Period	The period during which registration of bidders is carried out. The registration period shall commence three days before the start of the Bidding Period from DD/MM/2024 to DD/MM/2024 from 9:00 am to 5:00 pm and shall remain open till 3:00 pm on the last day of the Bidding Period.
Related Employees	Related Employees mean such employees of the Issuer, the Book Runner, the Underwriters, and the Consultants to the Issue, who are involved in the Issue. Please refer to Section 3A (v) for further details.
Sponsor	A person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the issuing company directly or indirectly; A person who replaces the person referred to above; and A person or group of persons who has control of the issuing company whether directly or indirectly.
Step Bid	Step Bid means a series of limit bids at increasing prices. In case of a step bid the amount of each step will not be less than Rupees One Million (PKR 1,000,000/-).
Strike Price	The price per ordinary share of the Issue determined / discovered on the basis of Book Building process in the manner provided in the

Supplement to the Prospectus

Regulations, at which the shares are Issued to the successful bidders. The Strike Price will be disseminated after conclusion of Book Building through publication in at least all those newspapers in which the Prospectus was published and also posted on the websites of the Securities Exchange, Lead Manager, Book Runner and the Company.

The Supplement to the Prospectus shall be published within three (3) working days of the closing of the Bidding Period at least in all those newspapers in which the Prospectus was earlier published and disseminated through the Securities Exchange where shares are to be listed.

System

An online electronic system operated by the Designated Institution for conducting Book Building.

Interpretation:

ANY CAPITALIZED TERM CONTAINED IN THIS PROSPECTUS, WHICH IS IDENTICAL TO A CAPITALIZED TERM DEFINED HEREIN, SHALL, UNLESS THE CONTEXT EXPRESSLY INDICATES OR REQUIRES OTHERWISE AND TO THE EXTENT AS MAY BE APPLICABLE GIVEN THE CONTEXT, HAVE THE SAME MEANING AS THE CAPITALIZED / DEFINED TERM PROVIDED HEREIN.

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1. APPROVALS AND LISTING ON THE STOCK EXCHANGE

1.1 Approval of the securities and exchange commission of Pakistan

Approval of the Securities & Exchange Commission of Pakistan (the "**Commission**" or the "**SECP**") under Section 87(2) of the Securities Act, 2015 read with Section 88(1) thereof, has been obtained by Secure Logistics Group Limited ("**SLG**" or the "**Company**") for the issue, circulation and publication of this offering document (hereinafter referred to as the "**Prospectus**") vide their letter No. [●] dated [●]/2024

DISCLAIMER:

IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS APPROVAL, SECP DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY AND ANY OF ITS SCHEMES STATED HEREIN OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARD TO THEM BY THE COMPANY IN THIS PROSPECTUS.

SECP HAS NOT EVALUATED QUALITY OF THE ISSUE AND ITS APPROVAL FOR ISSUE, CIRCULATION AND PUBLICATION OF THE PROSPECTUS SHOULD NOT BE CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC / INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT DUE DILIGENCE AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE SUBSCRIBING.

1.2. Approval of the Prospectus by PSX

The Prospectus of the Company has been approved by PSX vide letter No. PSX/ GEN-_____ dated _____ in accordance with the requirements of the Listing Regulations.

DISCLAIMER:

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ADVICE FROM A SUITABLY QUALIFIED PROFESSIONAL SHOULD ALWAYS BE SOUGHT BY INVESTORS IN RELATION TO ANY PARTICULAR INVESTMENT.

1.2.1. Filing of Prospectus and other documents with the Registrar of Companies

Secure Logistics Group has delivered to the Registrar of Companies as required under Section 57 (1) of the Act, a copy of this Prospectus signed by all the Directors of the Company.

1.3. Listing at PSX

Application has been made to PSX for permission to deal in and for quotation of the shares of the Company.

If for any reason the application for formal listing is not accepted by PSX or approval for formal listing is not granted by PSX before the expiration of twenty-one days from the date of closing of the subscription period / list or such longer period not exceeding forty-two days as may, within the said twenty-one days, be notified to the applicants for permission by the PSX, the Issuer undertakes that a notice to that effect will immediately be published in the press and will refund Application Money to the applicants without surcharge as required under the provisions of Section 69 of the Companies Act.

If any such money is not repaid within eight (08) days after the Company becomes liable to repay it, the Directors of the Company shall be jointly and severally liable to repay that money from the expiration of the eighth day together with surcharge at the rate of two percent (2.0%) for every month or part thereof from the expiration of the eighth day and, in addition, shall be liable to a penalty of level 3 on the standard scale of up to PKR 100 Mn and per day penalty of PKR 500,000 during which the default continues, as defined in Section 479 of the Companies Act, 2017 in accordance with the provisions of sub-section (2) of Section 69 of the Companies Act.

As required under sub-section (3) of Section 69 of the Companies Act, the Application Money including the Bid Money, in case of Book Building, shall be deposited and kept in a separate bank account in a scheduled bank as long as the Company may become liable to repay it under sub-section (2) of Section 69 of the Companies Act; and, if default is made in complying with the said sub-section (3), the Company and every officer of the Company who authorizes or permits the default shall be liable to a penalty of level 2 on the standard scale.

2. SUMMARY OF THE PROSPECTUS

2.1. PRIMARY BUSINESS OF SECURE LOGISTICS GROUP LIMITED

Secure Logistics Group Limited (“SLG”, “Company” or the “Issuer”), previously named as Asia Capital Partners (Pvt.) Ltd (“ACPL”), was incorporated in 2013 and acted as the Holding Company for four wholly owned operational entities: (1) SecurLog (Pvt.) Ltd.; (2) Secure Track (Pvt.) Ltd.; (3) Fist Security (Pvt.) Ltd. (“FIST” or the “Subsidiary” or “FSL”); and (4) TDM (Pvt.) Ltd. The operational entities were involved in logistics, vehicle fleet management, security services and commodity trading/indenting businesses, respectively. ACPL was renamed as Secure Logistics Group Limited in August 2016.

In September 2017, the Company executed a restructuring through a Scheme of Amalgamation under Section 284 of the Companies Act, 2017. As a result of such restructuring, the subsidiaries of SLG i.e. SecurLog (Pvt.) Ltd. and Secure Track (Pvt.) Ltd., became the logistics division and the tracking division of the Company respectively. In addition to this, TDM (Pvt.) Ltd. was carved out of the Group, while FIST continued to be a hundred percent owned subsidiary of SLG.

The Company has evolved into an integrated logistics (“Logistics”); assets monitoring & tracking (“Asset Tracking”) and security services (“Security Services”) player with a unique set of horizontal synergies. There are horizontal synergies between logistics and vehicle tracking businesses. Similarly, the security service business supports vehicle tracking and to some extent, the logistics business as well.

For further details, please refer to Section 3.

The Company is operating in following business segments:

- i. **Logistics business** including long-haul and distribution (short-to-medium haul) segments covering the transportation of goods across the country. The existing long-haul segment includes bulk (coal, cement, fertilizer, etc.) and containerized cargos (food, appliances, textile, packaging material, etc.) which is served by prime movers and trailers and caters to long distance. The distribution segment covers containerized cargos (food, industrial products, appliances, packaging material, etc.) and beverages and caters to short distance.
- ii. **Assets Tracking services** which includes advance fleet management, containers tracking, fuel management solutions and cold chain management.
- iii. **Security services** through its wholly owned Subsidiary company which is involved in providing fixed guarding; close protection; cash-in-transit; and supply of electronic & mechanical security equipment.

Breakdown of consolidated revenue from different divisions is given below:

Division	CY 2019		CY 2020		CY 2021		CY 2022		6MCY 2022		CY 2023	
	Audited		Audited		Audited		Audited		Audited		Unaudited	
	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%
SLG												
Logistics												
Long Haul	913	97%	963	95%	1,245	92%	1,343	94%	955	97%	1,776	96%
Distribution	-	0%	18	2%	55	4%	64	4%	27	3%	75	4%
Asset Tracking	27	3%	36	4%	50	4%	26	2%	6	1%	-	0%
Total	940	100%	1,017	100%	1,350	100%	1,433	100%	988	100%	1,851	100%
LogiServe												
Logistics												
Asset Tracking	-	0%	-	0%	-	0%	-	0%	-	0%	29	10%
B2B Marketplace	-	0%	-	0%	-	0%	-	0%	115	100%	252	90%
Total	-	0%	-	0%	-	0%	-	0%	115	100%	281	100%
FSL												
Security Services												
Static Guarding	195	81%	161	83%	179	82%	204	86%	100	83%	226	91%
Cash in Transit	43	18%	33	17%	36	17%	31	13%	18	15%	18	7%
Close Protection	4	2%	-	0%	3	1%	1	0%	2	2%	5	2%
Total	242	100%	194	100%	218	100%	236	100%	120	100%	249	100%
Less: Intercompany Transaction	-		-		-		-		(115)		(252)	
Consolidated Revenue	1,182		1,211		1,568		1,669		1,108		2,129	

2.2. SPONSORS OF SECURE LOGISTICS GROUP LIMITED

SLG is a family-owned business. The Sponsor Shareholders (“Sponsors”) of the Company are:

1. Pervaiz Afzal Khan
2. Gulraiz Afzal Khan
3. Javed Afzal Khan

2.3. ABOUT THE EQUITY CAPITAL RAISING

The Company plans to raise equity capital through a combination of pre-IPO placement with existing shareholders and an IPO at PSX.

2.3.1. Pre-IPO

The existing shareholders comprising of Sponsors, KP and KBP will be investing at PKR 10.50 per share, which is at a 12.50% discount to the Floor Price. The individual investments will be as follows:

- 23,579,856 shares by way of new equity issue to KBP at a price of PKR 10.50 per share to raise a total of PKR 247,588,491
- 9,523,810 shares by way of new equity issue to Sponsors at a price of PKR 10.50 per share to raise a total of PKR 100,000,000
- 22,600,447 shares to be issued to KP at a price of PKR 10.50 per share to convert the Shareholder loan of a value of PKR 237,304,692

Whereas, Sponsors and KBP will be investing through cash to pre-pay their Shareholders loans which are secured against respective SBLCs, KP will be converting its existing directly cash disbursed Shareholder loan through a debt-equity swap. Accordingly, the pre-IPO investment will be comprising of an aggregate of PKR 584,893,183.

2.3.2. IPO

The Issue comprises of 50,000,000 Ordinary Shares of face value of PKR 10/- each, which contributes 18.27% of the total Post-IPO Paid Up Capital of the Company. The aggregate of pre-IPO and IPO Issue will represent 38.60% of the proforma Equity Capital.

Post IPO, the Equity Capital Structure, Shareholding pattern and Dilution is provided in the table below:

Shareholder	Current Shareholding		Pre - IPO			Dilution	Post-IPO		
	# of Shares	%holding	# of Shares	# of Shares	%holding	%holding	# of Shares	%holding	%holding
Sponsor Group									
Mr. Pervaiz Afzal Khan	38,734,406	23.07%	9,523,810	48,258,216	21.58%	1.49%	48,258,216	17.64%	3.94%
Mr. Gulraiz Afzal Khan	21,303,922	12.69%	-	21,303,922	9.53%	3.16%	21,303,922	7.79%	1.74%
Mr. Javed Afzal Khan	1	0.00%	-	1	0.00%	0.00%	1	0.00%	0.00%
	60,038,329	35.75%	9,523,810	69,562,139	31.10%	4.65%	69,562,139	25.42%	5.68%
Other Shareholders									
IPO Shares	-	0.00%	-	-	0.00%	0.00%	50,000,000	18.27%	0.00%
Mrs. Afshan Nasir	8,456,573	5.04%	-	8,456,573	3.78%	1.25%	8,456,573	3.09%	0.69%
Ms. Mahnoor Afzal Khan	33,750,582	20.10%	-	33,750,582	15.09%	5.01%	33,750,582	12.33%	2.76%
Dr. Saad Afzal Khan	18,562,818	11.05%	-	18,562,818	8.30%	2.75%	18,562,818	6.78%	1.52%
Karandaaz Pakistan	22,813,383	13.58%	22,600,447	45,413,830	20.31%	0.00%	45,413,830	16.60%	3.71%
KBP Limited	22,813,383	13.58%	23,579,856	46,393,239	20.74%	0.00%	46,393,239	16.95%	3.79%
Mr. Umair Ahsan	1,500,000	0.89%	-	1,500,000	0.67%	0.22%	1,500,000	0.55%	0.12%
	107,896,739	64.25%	46,180,303	154,077,042	68.90%	9.24%	204,077,042	74.58%	12.59%
	167,935,068	100.00%	55,704,113	223,639,181	100.00%	13.88%	273,639,181	100.00%	18.27%

The aggregate proceeds from the pre-IPO and IPO at the Floor Price are expected to be as follows

Secure Logistics Group Limited

Aggregate Proceeds Calculation

	# of Shares	Price / Share	Total Proceeds
Public Issue	50,000,000	12.00	600,000,000
Karandaaz	22,600,447	10.50	237,304,692
KBP Limited	23,579,856	10.50	247,588,491
Sponsor Shareholder	9,523,810	10.50	100,000,000
			1,184,893,183

2.4. PRINCIPAL PURPOSE OF THE EQUITY CAPITAL RAISING

The Company plans to raise PKR 584,893,183 through the pre-IPO and PKR 600,000,000/- at a Floor Price of Rs 12.00/- per share through IPO.

The primary purpose of the equity capital is to deleverage the Balance Sheet in an unprecedented high interest rate environment, enhance Company's infrastructure technology base to complete the Tech-Pivot, initiative expansion into the Regional market, and other fleet related efficiencies. A more precise intended utilization of funds is listed down below in Section 4:

- **Partial debt payment:** The Company has a conservative approach towards leveraging. In current interest rate environment, the Company plans to deleverage its Balance Sheet substantially by pre-paying Senior and Subordinated Debt
- **Regional Market Expansion:** SLG plans to be a 'Regional Player' by connecting with Central Asian markets that provide attractive opportunities due to the proximity of sea ports in Pakistan.
- **Tech Pivot:** The Company plans to develop an integrated technology platform that will enhance efficiencies for the 'in-house' operational assets through real-time reservation of transportation assets, warehousing space, real-time tracking of cargos and invoicing.
- **Fleet Upgradation & Refurbishment:** It will involve fleet-wise preventative maintenance cycle, fleet wise installation of safety equipment such as drivers fatigue management systems involving specialized cameras, forward looking road-safety cameras, fuel efficiencies sensors attached to trackers and engine diagnostic software(s).
- **Containers for TIR:** These containers will be designed for Regional transport
- **Marketing & On-Boarding:** SLG plans to execute a marketing campaign in print and social media for brand building covering all Business Lines.
- **HR Capacity Building:** The Company plans to strengthen its Human Resources by adding to its senior management, improved remuneration packages and enhanced training program.

2.4.1. Total Project Cost

Line Items	Scenario A	Scenario B	Scenario C	Scenario D	Scenario E
	Floor Price	10% Strike	20% Strike	30% Strike	40% Strike
IPO Proceeds					
Public Issue	600	660	720	780	840
Pre-IPO - Cash					
✓ KBP Limited	248	248	248	248	248
✓ Sponsor Shareholder	100	100	100	100	100
Pre-IPO - Non Cash					
✓ Karandaaz Pakistan	237	237	237	237	237
Total	1,185	1,245	1,305	1,365	1,425
IPO Proceeds Utilization					
✓ Repayment (Senior Debt)	418	418	418	418	418
✓ Repayment/Conversion (Sub Debt)					
KBP Limited	248	248	248	248	248
Karandaaz Pakistan - non cash tranche	237	237	237	237	237
Sponsor Shareholder	140	162	182	217	252
	1,043	1,065	1,085	1,120	1,155
✓ Business Expansion and Initiatives					
Distribution Vehicles	25	30	40	60	80
	25	30	40	60	80
✓ New Business					
Regional Transportation (TIR Licensing & Infrastructure)	10	10	10	10	10
	10	10	10	10	10
✓ B2B Marketplace & IT Infrastructure:					
Software	9	9	9	9	9
Hardware	16	16	16	16	16
	25	25	25	25	25
✓ Efficiencies Enhancement:					
Fleet upgradation and Refurbishment (Tyres; Spares; & Misc.)	32	50	65	65	65
Containers for TIR	20	20	25	25	25
Marketing & Onboarding	5	5	10	10	10
	57	75	100	100	100
✓ HR Capacity Building	25	40	45	50	55
Total	1,185	1,245	1,305	1,365	1,425

2.4.2. Sources of Funding

The source of funding will be proceeds from the pre-IPO and IPO. The Company plans to issue a total of 55,704,113 Ordinary Shares as part of pre-IPO at a price of PKR 10.50 per share to raise PKR 347,588,491 cash and to convert PKR 237,304,692 of an existing Shareholder loan. In addition, the Company will issue 50,000,000 Ordinary Shares in its IPO at a floor price of PKR 12.00/- per share to raise PKR 600,000,000 at the Floor Price.

Source of funding is given below:

S. No	Breakup of Total Cost	PKR	%
1	Pre-IPO Proceeds:		
	Cash Tranche	347,588,491	29.34%
	Non Cash Tranche	237,304,692	20.02%
2	IPO Proceeds	600,000,000	50.64%
	Total	1,184,893,183	100%

2.4.3. Utilization of IPO Proceeds

The IPO proceeds will primarily be used for a comprehensive expansion plan focused upon the logistic business. A portion of the funds raised through the IPO will also be utilized for the partial de-leveraging of the Balance Sheet. The table below shows how the Issuer plans the utilization of c. PKR 1,185,000,000. Please also refer to Section 4.1 for more details.

Particulars	PKR	%	Expenditure Heads	PKR	%
IPO Proceeds	1,184,893,183	100%			
			Debt Settlement:		
			Repayment Senior Debt	418,000,000	35%
			Repayment/Conversion (Sub Debt)	624,893,183	53%
			Business Expansion and Initiatives		
			Distribution Vehicles	30,000,000	3%
			B2B Marketplace & IT Infrastructure:		
			Software	30,000,000	3%
			Hardware	20,000,000	2%
			Efficiencies Enhancement:		
			Fleet upgradation and Refurbishment (Tyres; Spares; & Misc.)	37,000,000	3%
			Marketing & Onboarding	5,000,000	0.4%
			HR Capacity Building	20,000,000	1.7%
Total	1,184,893,183	100%		1,184,893,183	100%

A detailed break up of funds required by the Company and expenditure is provided in Section 4.1.

2.5. JUSTIFICATION GIVEN BY THE LEAD MANAGER/CONSULTANT TO THE ISSUE IN FAVOR OF FLOOR PRICE OF PKR 12.00/- PER SHARE MAY BE SEEN AT SECTION 4A OF THE PROSPECTUS, TITLED VALUATION SECTION

2.6. QUALIFIED OPINION, IF ANY, GIVEN BY THE AUDITOR DURING THE LAST THREE FINANCIAL YEARS

No qualified opinion was given on the financial statements of the Company during the last three financial years, i.e. CY 2020 to CY 2022 and the recent Calendar year ended on December 31, 2023, by the Company's Auditors, i.e., RSM Avasi Liqat Nauman Chartered Accountants.

2.7. FINANCIAL INFORMATION – (PLEASE REFER TO SECTION 6.5 FOR FURTHER DETAILS AND COMMENTARY SELECT RATIOS)

2.7.1. Consolidated

Consolidated

PKR in millions unless otherwise stated

Line Item	CY 2019	CY 2020	CY 2021	CY 2022	6M CY 2023	CY 2023
	Audited	Audited	Audited	Audited	Audited	Unaudited
Issued, Subscribed and Paidup Capital	700	964	1,664	1,664	1,664	1,664
Reserves	153	891	563	855	1,049	1,003
Net Worth	853	1,855	2,227	2,520	2,714	2,667
Revenue	1,182	1,211	1,568	1,669	1,108	2,129
Gross Profit	502	474	598	591	455	800
Gross Margin - %	43%	39%	38%	35%	41%	38%
Operating Profit	181	270	438	383	344	619
Operating Margin - %	15%	22%	28%	23%	31%	29%
Profit After Tax	124	229	372	292	188	379
Profit After Tax Margin - %	11%	19%	24%	17%	17%	18%
Earnings per share (PKR)[1]	1.29	2.37	3.85	1.75	2.26	2.28
Break-up value per share (PKR)[2]	8.8	19.2	23.1	15.1	16.3	16.0
Earnings per share (PKR) – after issuance of Bonus shares[3]	1.29	2.37	2.23	1.75	2.26	2.28
Break-up value per share (PKR) – after issuance of Bonus shares[4]	8.8	19.2	13.4	15.1	16.3	16.0
Total Borrowings	1,258	1,078	1,164	1,407	1,427	1,433
Total Debt to Equity Ratio	148%	58%	52%	56%	53%	54%
Cashflow From Operations	281	190	214	64	466	685
Outstanding Shares (Mn) for the corresponding period[5]	96.44	96.44	166.44	166.44	166.44	166.44

- 1) Earnings per share is based on total profit after tax divided by outstanding shares of the Company at corresponding year end
- 2) Break-up value per share is based on total equity of the Company including revaluation surplus divided by outstanding shares at corresponding year end
- 3) Earnings per share is based on total profit after tax divided by outstanding shares after issuance of bonus shares after September 30, 2021
- 4) Break-up value per share is based on total equity of the Company including revaluation surplus divided by outstanding shares after issuance of bonus shares after September 30, 2021
- 5) Subsequent to September 30, 2021, SLG issued 70mn shares as bonus shares on October 14, 2021. Thus, the total outstanding shares of the Company increased from PKR 96.4 Mn shares to PKR 166.4 Mn shares.

2.8. LEGAL PROCEEDINGS

A total of eight legal proceedings at different Tax Forums and courts are currently underway. Their summary is given below and for details, please refer to Section 8 titled Legal Proceedings and Overdue Loans.

Order dated	Issuing Authority	Tax Period	Counterparty	Order Amount/ Financial Impact (PKR Mn)	Current status	Management's Stance
Pending	District Courts, Islamabad & Lahore	FY 2022	Shoaib Enterprises	3 Mn Cheque Bounce and 30 Mn financial damages	The Company provided its fleet on rental basis to one of its counter party under a Rental Transportation Agreement from September 16 th , 2022. Counter Party provided the security	No liability against the Company has been determined so far and

Order dated	Issuing Authority	Tax Period	Counterparty	Order Amount/ Financial Impact (PKR Mn)	Current status	Management's Stance
				suit filed by SLG	<p>cheque of amount PKR 3 Mn. When counter party failed to pay the rental amount, The cheque was dishonored on presentation.</p> <p>Consequently, the Company initiated legal (criminal) proceedings against the counter party in u/s 489-F of the Pakistan Penal Code ("PPC"), and filed a civil suit for recovery of PKR 3 Mn in Islamabad.</p> <p>The accused was released on bail. The counter party has also filed a suit for rendition of accounts in civil courts Lahore. Company has filed suit for financial damages against the counter party in Civil Courts Lahore for recovery of amount PKR 30 Mn.</p>	the management expects a favorable outcome in this regard.
Pending	District Courts, Islamabad & Lahore	FY 2022	MZ Enterprises	2 Mn Cheque Bounce and 15 million financial damages suit filed by SLG	<p>The Company provided its fleet on rental basis to one of its counter party under a Rental Transportation Agreement from September 16th, 2022. Counter Party provided the security cheque of amount PKR 2 Mn. When counter party failed to pay the rental amount, cheque was dishonored on presentation.</p> <p>Consequently, the Company initiated legal (criminal) proceedings against the counter party in u/s 489-F of the Pakistan Penal Code ("PPC"), and filed a civil suit for recovery of PKR 2 Mn in Islamabad.</p> <p>The accused was released on bail. The counter party has also filed a suit for rendition of accounts in civil courts Lahore. Company has filed suit for financial damages against the counter party in Civil Courts Lahore for recovery of amount PKR 15 Mn.</p>	No liability against the Company has been determined so far and the management expects a favorable outcome in this regard.

Order dated	Issuing Authority	Tax Period	Counterparty	Order Amount/ Financial Impact (PKR Mn)	Current status	Management's Stance
Pending	District Courts, Islamabad	FY 2022	TLH 410	28 Mn	Ex and Current employees committed Theft of Prime Mover, Trailer & Container along with Cargo, total loss occurred of PKR 28,000,000, only Prime Mover and PKR 360,000 has been recovered, all accused are on bail and trial has been initiated by the Court.	No liability against the Company has been determined so far and the management expects a favorable outcome in this regard.
July 27, 2021	District Courts, Islamabad	FY 19	M. A. Hamza Enterprises through Ahmed Faiz Ur Rehman	3.9 Mn	The Company provided transportation services to one of its counter party under a Transportation Agreement from November, 2018 to November, 2019. The counter party had to pay an amount of PKR 9 Mn in lieu of the transportation services and PKR 21,694,704 on account of SST under Tariff Heading 9836.000 of First Schedule of the SST on Services Act, 2011. A Settlement Agreement was signed between the parties and the counter party submitted cheques amounting to PKR 3.9 Mn as first installment. The cheques were presented to the bank and were dishonoured. Consequently, the Company initiated legal (criminal) proceedings against the counter party in August, 2020 u/s 489-F of the Pakistan Penal Code ("PPC"). The accused was arrested and later released on bail. The counter party has also filed a suit for rendition of accounts with the Honourable Senior Civil Judge, Lahore. Later on accused has been evicted by the Honourable District Courts, and appeal against acquittal is pending in Islamabad High Court.	No liability against the Company has been determined so far and the management expects a favorable outcome in this regard.
February 13, 2021	Islamabad Civil Court	FY 2020	Shaheen Freight Services	25.15 Mn	A suit for recovery of PKR 12.5 Mn was filed by one of the counter parties against the Company on January 9, 2020	The matter is pending adjudication and

Order dated	Issuing Authority	Tax Period	Counterparty	Order Amount/ Financial Impact (PKR Mn)	Current status	Management's Stance
					<p>before the Honourable Senior Civil Judge Karachi (South). The Company contested the merits of the case by filing a counter claim against the counter party while additionally contesting the jurisdiction of the Honourable Court. The Honourable Court vide Order dated February 13, 2021, passed in favour of the Company returned the plaint to the counter party for instituting the same in the Court of proper jurisdiction.</p> <p>Being aggrieved, the counter party filed a Civil Miscellaneous Appeal No. 23/ 2021 before the 12th Additional District Judge, Karachi (South). Similarly, the Company has also filed a suit for recovery of PKR 25.15 Mn against the counter party before the Honourable Court of Senior Civil Judge, Islamabad. Counter Party filed an application for maintainability, which is contested and now reserved for order.</p>	management of the Company expects a favorable outcome of the case.
August 8, 2021	Labor Court, Sahiwal	FY 2019	17 Ex-Security Guards	5.8 Mn	<p>A petition was filed by ex-contractual employees of FSL deployed by Coal Power Plant, Qadirabad, District Sahiwal under the Payment of Wages Act, 1936. FSL filed its written reply whereby the Trial Court without looking into the matter decreed the petition while FSL's application for returning the claim to the petitioners was dismissed.</p> <p>Being aggrieved, the Company filed an Appeal against the said order before the District Judge/ Presiding Officer, Labour Court whereby irregularities in the impugned order were highlighted by the Company.</p>	The matter is pending adjudication and management of the Company expects a favorable outcome of the case.
December 22, 2021	Civil Court Islamabad	FY 2021	Tayyab Shahid	1.7 Mn	A petition was filed in Civil Court West, Islamabad by an ex-	The matter is pending

Order dated	Issuing Authority	Tax Period	Counterparty	Order Amount/ Financial Impact (PKR Mn)	Current status	Management's Stance
					employee of SLG claiming unpaid wages and gratuity. The concerned employee of the Maintenance Department was facing an internal inquiry against reported financial irregularities involving vendors/suppliers. Purportedly, to avoid termination and other actions by the Company, he filed a pre-emptive petition. The Company plans to vigorously contest this case not only to rebut the bogus claim but to also recover up to PKR 3 Mn.	adjudication and management of the Company expects a favorable outcome of the case.
Pending	District Courts, Muzzaffargarh & Islamabad	FY 2021	Dalda Theft Case	7.5 Mn	SLG entered into Transportation Services Agreement with MICT and provided the transportation to MICT. During services, cargo of Dalda Foods (Client of MICT) was stolen. Later on MICT claimed that the cargo was amounting PKR 7.5 million. MICT recovered its claim from insurance company namely EFU Insurance. EFU filed arbitration application against SLG and claimed regarding the loss payment under the right of subrogation.	The matter is pending adjudication and management of the Company expects a favorable outcome of the case.

Note: There are no other pending litigations against the Company other than those already mentioned above. Furthermore, there are no outstanding legal proceedings involving the sponsors, substantial shareholders and directors which can materially impact the Company.

2.9. RISK FACTORS

For key risk factors that include Business, Operational, Finance, Legal and Other Risks, and that may have an impact on the Company, its business operations and the IPO, please refer to Section 5 of the Prospectus.

2.10. SUMMARY OF RELATED PARTY TRANSACTIONS

The related parties comprise associated undertakings, directors of the Company, key management personnel and post-employment benefit plans. The Company, in its normal course of business, carries out transactions with various related parties. Transactions entered with related parties in CY2023 are as follows:

Name	Relationship	Nature	CY 2021	CY 2022	CY 2023 June 30 th
Mr. Pervaiz Afzal Khan	Sponsor Shareholders	Shareholder Loan	-	50,546,368	43,546,368
KBP Limited	Minority Shareholder	Shareholder Loan	-	23,317,545	25,692,245
KP	Minority Shareholder	Shareholder Loan	125,000,000	187,500,000	187,500,500

3. OVERVIEW, HISTORY AND PROSPECTS

3.1. COMPANY HISTORY & OVERVIEW

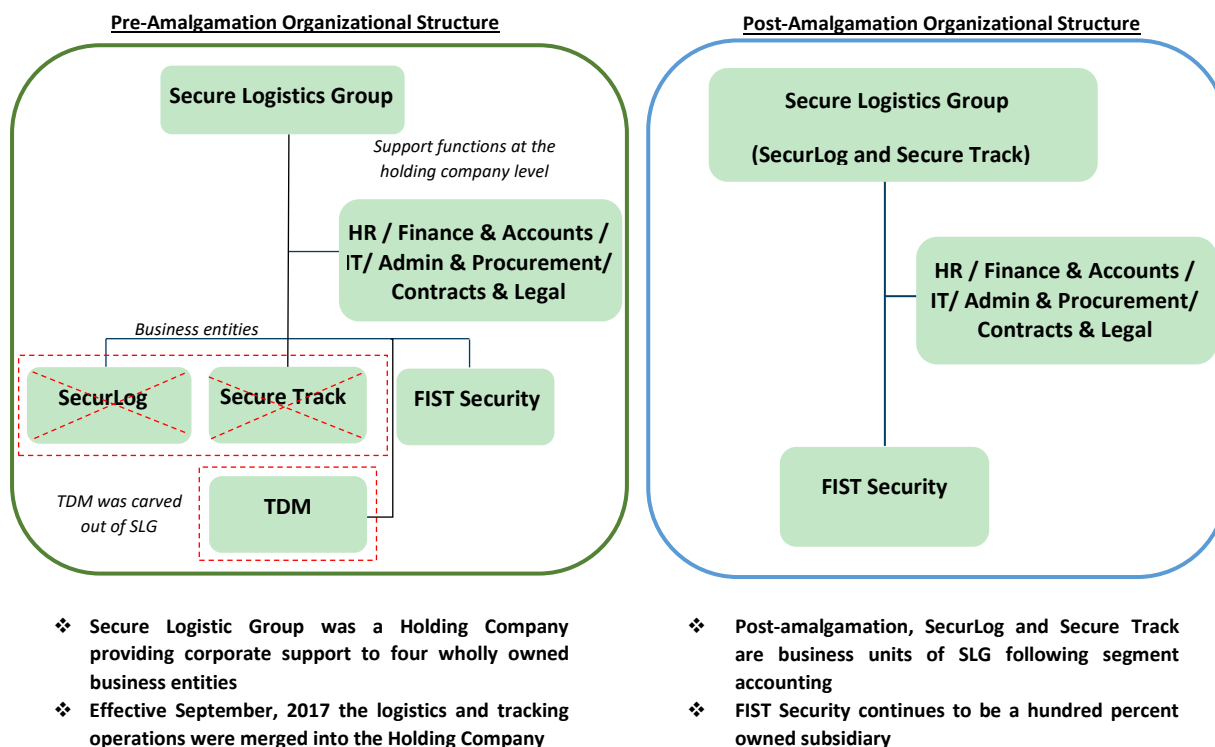
Name	Secure Logistics Group Limited
Incorporation Number	0083505
Date of Incorporation and Place	April 18, 2013 – Islamabad
Date of Commencement of business	April 18, 2013
Date of Conversion to Public Limited Company	September 15, 2021
Date of Change of Name	August 24, 2016

Secure Logistics Group (“**SLG**”, “**Company**”, or the “**Issuer**”), previously named as Asia Capital Partners (Pvt.) Ltd. (“**ACPL**”), was incorporated in 2013 and acted as the Holding Company for four wholly owned operational entities: (1) SecurLog (Pvt.) Ltd.; (2) Secure Track (Pvt.) Ltd.; (3) Fist Security (Pvt.) Ltd. (“**FIST**”, “**FSL**” or the “**Subsidiary**”); and (4) TDM (Pvt.) Ltd. The operational entities were involved in logistics, vehicle fleet management, security services and commodity trading/indenting businesses, respectively. ACPL was renamed as Secure Logistic Group in August 2016.

Company	Date of Incorporation	Date of Commencement of Business	Principle Line of Business
SecurLog (Pvt.) Ltd.	21-Feb-11	21-Feb-11	The principle business activity consists of wide range of logistics services
Secure Track (Pvt.) Ltd.	21-Feb-11	21-Feb-11	The principle business activity consist of providing assets tracking with emphasis upon vehicle tracking (fleet management services). The tracking devices are procured from established and PTA approved suppliers, please refer to Section 3.4.2 for more details
FIST Security (Pvt.) Ltd.	27-Jun-01	27-Jun-01	The Company is primarily involved in providing a wide range of security services including static guarding, mobile security, cash-in-transit services and provision of security equipment.
TDM (Pvt.) Ltd.	16-Feb-07	16-Feb-07	The Company is primarily involved in providing a wide range of Indenting and trading services mainly focused upon commodities

Note: Effective from Sept. 19, 2017, SecurLog (Pvt.) Ltd. and Secure Track (Pvt.) Ltd. were merged into SLG and are now operated as the Company’s divisions.

In September 2017, the Company executed a restructuring through a Scheme of Amalgamation under Section 284 of the Companies Act, 2017. As a resultant of such restructuring, the subsidiaries of SLG i.e. SecurLog (Pvt.) Ltd. and Secure Track (Pvt.) Ltd. became the logistics division and the tracking division of the Company respectively. In addition to this, TDM (Pvt.) Ltd. was carved out of the Group, while FIST continued to be a hundred percent owned subsidiary of SLG. The Company has evolved into an integrated logistics (“**Logistics**”), assets monitoring & tracking (“**Asset Tracking**”) and security services (“**Security Services**”) player with a unique set of horizontal synergies.



The significant benefits of the Restructuring included:

- 1) achieving optimal balance sheet size and strengthening of the businesses' ability to meet financial obligations;
- 2) facilitating incremental debt and equity capital raising for meeting the fleet expansion and other capital expenditure requirements, critical for the growth of businesses;
- 3) savings through operational efficiencies, optimizing of fixed cost structure and achievement of economies of scale; and
- 4) enhanced leveraging of the synergies between different businesses

Business services:

Logistics:

The Company is primarily involved in the Long-haul and Distribution segments (please refer to Sections 2.1 and 3.3 for a detailed description of these segments) covering the transportation of goods across the country. The existing Long-haul segment includes bulk (coal, cement, fertilizer, etc.) and containerized cargos (food, appliances, textile, packaging material, etc.).

The Distribution segment covers containerized cargos (food, industrial products, appliances, packaging material, etc.) and beverages.

Assets Tracking services:

The Company is also involved in Assets Tracking services which includes advance fleet management, containers tracking, fuel management solutions and cold chain management. It provides Assets Tracking mainly focused upon vehicle tracking sub-segment to corporate entities and individuals directly and through banks, insurance and leasing companies. The vehicle and cargo tracking services are also availed in-house, by logistics business (SecurLog).

Security Services:

SLG is also in the business of providing security services through its wholly owned Subsidiary company that includes providing fixed guarding, CIT, close protection and electronic and mechanical security equipment. Currently, FIST owns clients within the banking sector in Islamabad, Rawalpindi and Lahore.

3.2. PATTERN OF SHAREHOLDING¹

The pattern of Shareholding before pre-IPO and IPO is as follows:

Shareholder	Current Shareholding	
	# of Shares	% holding
Sponsor Group		
Mr. Pervaiz Afzal Khan	38,734,404	23.07%
Mr. Gulraiz Afzal Khan	21,303,922	12.69%
Mr. Javed Afzal Khan	1	0.00%
	60,038,327	35.75%
Other Shareholders		
Mrs. Afshan Nasir	8,456,573	5.04%
Karandaaz Pakistan	22,813,383	13.58%
KBP Limited	22,813,383	13.58%
Ms. Mahnoor Afzal Khan	33,750,582	20.10%
Dr. Saad Afzal Khan	18,562,818	11.05%
Mr. Umair Ahsan	1,500,000	0.89%
	107,896,739	64.25%
Independent Directors		
Mrs. Ammara Bashir	1	0.00%
Mr. Shahbaz Haider Agha	1	0.00%
	2	0.00%
	167,935,068	100%

- Sponsor Shareholders**

The Sponsor Shareholders, representing majority ownership have three representatives, namely; Mr. Pervaiz Khan and Mr. Gulraiz Khan. Sponsors hold executive positions, whereas one sponsor has non executive position on the board. Mr. Pervaiz Khan is the Executive Director and is responsible for all support functions. Mr. Gulraiz Khan performs the duties of CEO of SLG and its Subsidiary. For the credentials of the Sponsors, please refer to Section 7.2.

- Karandaaz Pakistan**

Karandaaz Pakistan (“KP”), a Section 42 company established in August 2014, promotes access of financing to businesses through a commercially directed investment platform, and financial inclusion for individuals by employing technology enabled solutions. KP aims to support the development of a market for Micro, Small and Medium Enterprises (“MSME”) financing by deepening access to growth capital that will result in the generation

¹ This is the current shareholding structure is based on right issue to Mr. Umair Ahsan and transfer of shares from the Mr. Perviaz Afzal Kah to Ms. Mahnoor Afzal Khan and Mr. Gulraiz Afzal Khan to Dr. Saad Afzal Khan. Consequently, the shareholding structure differs from the Auditor certificate at June 30, 2023.

of broad-based employment in Pakistan. It is sponsored by the UK Government and Bill & Melinda Gates Foundation.

- **Saudi Bugshan Group**

Saudi Bugshan Group (“SBG”) is the holding company of one of the largest conglomerates in the Middle East and North Africa region and has its headquarters in Jeddah, Saudi Arabia. Building upon a more than 90-year-old family trading history, SBG was established in 2000. It operates in a diversified set of sectors, including real estate, automotive, perfumes and cosmetics, education and healthcare.

SBG has made its investment in SLG through a Special Purpose Vehicle (“SPV”) called KBP Ltd. It is the investment arm of Saudi Bugshan through which the group participates in JVs, invests in money markets and real estate, and co-invests in private equity deals in the local, regional and global markets.

3.3. REVENUE DRIVERS

In all three business segments, the revenue drivers are distinctly different. In case of logistics (transportation), the revenue is driven by the fact that majority of all domestic freight movement is by road and railway freight is negligible.

The vehicle tracking revenue is driven by growth in demand for motor vehicles and mandatory insurance requirement for tracking devices.

The security services are an integral part of any business planning due to global, regional and domestic security situation.

SLG’s current focus is on the logistics and security business. The long haul segment constituted 81.66% of consolidated revenue for CY22. In addition, the Company is also providing assets tracking services to its clients mainly focused upon the vehicles. This is illustrated below:

Division	CY 2019		CY 2020		CY 2021		CY 2022		6MCY 2022		CY 2023	
	Audited		Audited		Audited		Audited		Audited		Unaudited	
	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%
SLG												
<u>Logistics</u>												
Long Haul	913	97%	963	95%	1,245	92%	1,343	94%	955	97%	1,776	96%
Distribution	-	0%	18	2%	55	4%	64	4%	27	3%	75	4%
Asset Tracking	27	3%	36	4%	50	4%	26	2%	6	1%	-	0%
Total	940	100%	1,017	100%	1,350	100%	1,433	100%	988	100%	1,851	100%
LogiServe												
<u>Logistics</u>												
Asset Tracking	-	0%	-	0%	-	0%	-	0%	-	0%	29	10%
B2B Marketplace	-	0%	-	0%	-	0%	-	0%	115	100%	252	90%
Total	-	0%	-	0%	-	0%	-	0%	115	100%	281	100%
FSL												
<u>Security Services</u>												
Static Guarding	195	81%	161	83%	179	82%	204	86%	100	83%	226	91%
Cash in Transit	43	18%	33	17%	36	17%	31	13%	18	15%	18	7%
Close Protection	4	2%	-	0%	3	1%	1	0%	2	2%	5	2%
Total	242	100%	194	100%	218	100%	236	100%	120	100%	249	100%
Less: Intercompany Transaction	-		-		-		-		(115)		(252)	
Consolidated Revenue	1,182		1,211		1,568		1,669		1,108		2,129	

For the two segments; logistics and tracking, and one subsidiary of the Company, the revenue drivers vary according to the nature of the business.

- **SecurLog (Logistics Business)**

As part of SLG, the logistics business is operating under the brand name of Securlog. It is the largest contributor to SLG's revenue accounting for c. 85% of consolidated revenue for the year CY22. The Company currently owns a fleet of 123 Prime Movers and Semi-Trailers each, and 67 Short-to-Medium haul Distribution vehicles - a total of 313 units of transportation assets.

The existing fleet is mostly deployed under long term contracts, renewed on yearly basis, with a diversified group of clients (please refer to Section 3.8.1.1). As and when required, the Company also undertakes project specific assignments.

The details of the two sub-segments of logistics division are as below:

A. Long-haul

The long-haul sub-segment operates in three major regions:

1. Karachi to Central Punjab – 2,600 KM
2. Karachi to Northern Punjab, and Khyber Pakhtunkhwa – 3,200 KM
3. South Punjab to Khyber Pakhtunkhwa – 1,500 KM

For these routes, the Company generates revenue through the round trip in each route with their corresponding charges.

B. Distribution

The Distribution segment was launched recently in CY20. It is based on a fixed revenue from customers (which covers vehicle financing, drivers' salary etc.) and a variable-cost-reimbursable model (which covers variable expenses including fuel and routine maintenance) in beverage as well as non-beverage sub-segments. For beverage sub-segment, currently, the Company has long-term agreement with Fatima Fertilizer whereas, for the non-beverage category, the Company has entered into long-term arrangements with several corporates including National Food, Shan Foods, etc.

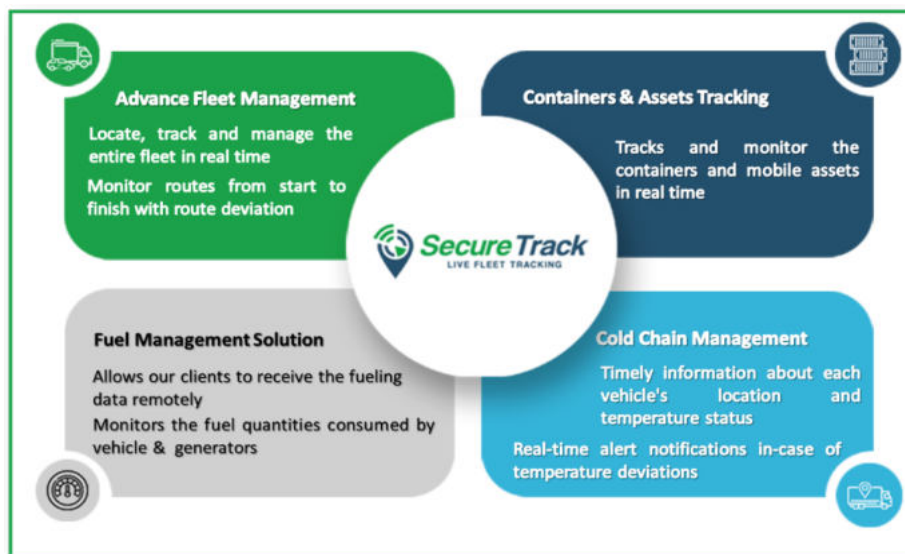
- **Secure Track (Tracking Business)**

As part of SLG, the Assets Tracking business is operating under the brand name of Secure Track. It provides vehicle and asset tracking services to corporate entities and individuals directly and through banks, insurance and leasing companies.

The vehicle and cargo tracking services are also availed by the in-house Logistics business (Securlog). The solutions offered by Secure Track to its clients assist in securing assets beside improving operational efficiencies. The vehicle tracking business provides a range of value addition features. For example, depending upon the package, a client can generate upto approximately 20 Management Information Systems (MISs). These include fuel consumption, transit time KPIs, Geo-fencing, driver behavior, etc.

The business offers installation and monitoring services around the country through a 24/7 control room manned by Clients Service Officers ("**CSOs**") operating in three shifts. While the main control room is located in Karachi, another dedicated team for SLG's fleet operates out of Lahore Regional Office.

Secure Track's unique delivery model allows packaging of a single affordable compact vehicle tracking device with open standard programming for multiple applications and services. The software (procured from a local developer) allows the clients to generate a package of Management Information Services ("**MIS**") reports as per their individual requirement. The MIS assists to inter-alia monitor and analyze driver's behavior, fuel consumption patterns and adherence to prescribed vehicle routing. The tracking capability is shared with corporate clients enabling them to track their vehicles independently on real time basis.



- **Fist Security (“FIST” or “FSL” or “Subsidiary”)**

As a subsidiary, the Security Services business operates under the brand name of Fist Security which is a leading Security Services provider with an established track-record. FIST offers ‘one stop solutions’ to its clients in all jurisdictions of the country such as Karachi, Lahore, Islamabad, Peshawar and Quetta except Gilgit Baltistan. In order to meet client’s requirements, it relies on detailed assignment specific planning; well-trained manpower; and an optimal mix of physical, mechanical and electronic measures.

FIST derives its revenue through a range of services which includes the following:



3.4. COST DRIVERS

3.4.1. SecurLog

The Logistic Business Line entails substantial Capital Expenditure (“**Capex**”) as well as Operational Expenses (“**Opex**”). The major Capex and Opex related counter-parties and the nature of expenses are discussed in the succeeding paragraphs. The names of top vendors/suppliers during the period January to December CY22 along with the items supplied and the respective procurement costs are provided in this Section 3.12.

Prime Movers (Long-haul Vehicles): The Long-haul fleet consists of 220 to 336 HPs HOWO model commercial vehicles manufactured by China Heavy Duty Vehicles Company’s SinoTruk (“**SinoTruk**”). SinoTruk is the largest manufacturer of heavy-duty commercial vehicles in China with an installed capacity of 240,000 units per year.

The company's vertically integrated operations are spread across 19 manufacturing facilities which has an in-house capability of manufacturing all key components such as engines, transmissions and axles. Specifically, the engines are manufactured under license from Styer Motors of Austria and MAN Group of Germany which is also its second-largest shareholder.

Distribution Vehicles (Short-to-Medium Haul): The short-to-medium haul vehicles fleet consist of Isuzu's 130 HP model procured from Gandhara Industries Ltd ("GIL"). GIL is the second largest assembler of Japanese origin commercial vehicles in Pakistan.

Semi-Trailers: SLG has procured Semi-trailers from three manufacturers – CIMC China, Auto Expert (Lahore) and AutoCom (Karachi). Both domestic players assemble semi-trailers in their well-established workshops using major parts of Chinese origin.

High Speed Diesel & Lubricants: High Speed Diesel ("HSD") is a major Opex and the Company procures it through a fuel purchasing mechanism involving a long-term Agreement with Pakistan State Oil ("PSO") and designated fuel stations on predetermined routes. The Company has established its customized bulk-fuel facility at its Lahore Marshalling Yard that has facilitated storage upto 50,000 liters of HSD and filling of Company owned fleet.

Fuel and lubricant costs, representing 53.37% of consolidated service costs in CY 2022 and 54.76% in June 2023, are heavily influenced by international market prices and foreign exchange rates, emphasizing the need for effective risk management against price volatility and currency fluctuations.

Spare Parts & Tyres: The other important component of the maintenance strategy is spare parts and tyres. SLG has existing arrangements with multiple supply sources for spare parts and tyres. For example, the Company procures tyres locally in addition to importing directly from China. The fundamental component of the spare parts strategy is to utilize the spare parts from sources approved by Original Equipment Manufacturers ("OEM").

Spare parts consumption accounted for 1.11% of service costs in CY 2022 and 1.42% in June 2023, with prices linked to foreign exchange rates and government customs regulations, highlighting the impact of external factors on operational expenses.

Currently, the Company capitalizes the cost of tyres with a yearly depreciation charge of 40%. Prices of tyres are also linked to foreign exchange rate parity as these are not manufactured locally and are either imported from China directly or are imported tyres procured from the local market.

Way expenses, covering truck drivers' salaries, road tolls, octroi, fees, and cess, amounted to PKR 140 Mn in CY 2022, accounting for 13% of consolidated service costs. In June 2023, the company reported expenses of PKR 132 Mn, constituting 20.27% of service costs. These expenditures are influenced by minimum wage rates, road tolls, and cess, highlighting their correlation with regulatory and operational factors.

Maintenance Workshops: The most critical aspect of maintenance strategy are the long-term maintenance contracts with the OEM – approved vendors. During the Warranty Period, the OEMs were obligated to provide full range of services under the provisions of the Warranty Policy. Beyond this period, the services are being provided by approved Dealer workshops of SinoTruk and GIL.

LogiServe

The tech based logistics, HSE and Security services will involve Capex to cover upgrading and improvements in software, procurement of hardwares and Opex for technical services, connectivity and cloud based data storage.

The Assets Tracking Business Line procures tracking hardware from multiple sources. The brands used are Teltonika, Seeworld, AOT, Coyotix and Gosafe. The Company owned tracking software, with source codes, is capable of supporting almost all brands of hardware being used in Pakistan. The back-end support infrastructure comprises of Company owned Servers with the main and back-up Servers located in Karachi and Islamabad respectively. The Company has long-term data connectivity Agreements with Telenor Pakistan, Jazz and Ufone. The connectivity packages are structured to provide uninterrupted and reliable connectivity for Secure Track's operation.

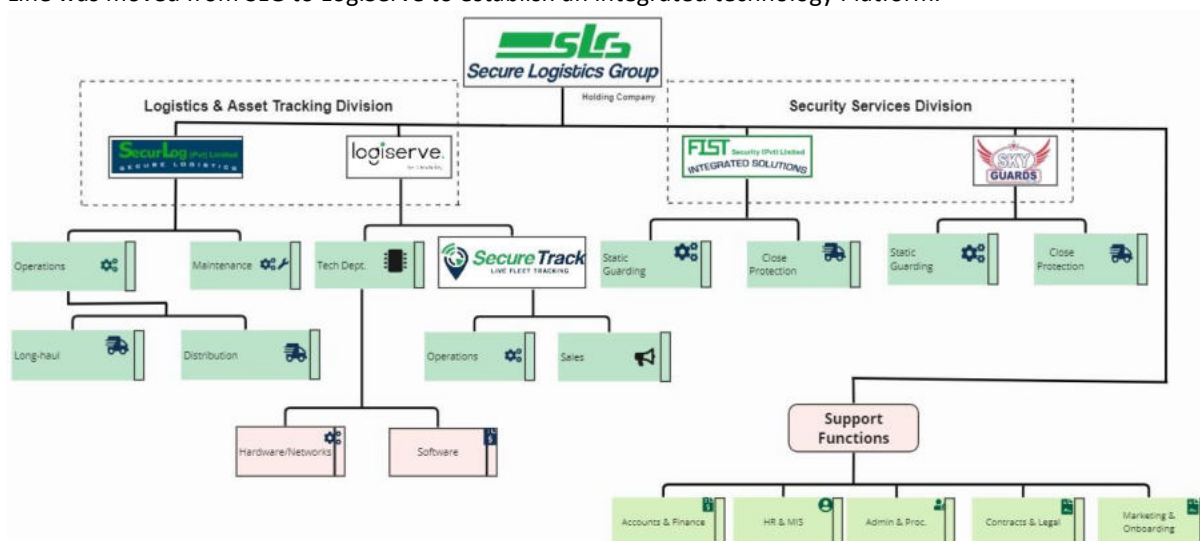
Security Services

FIST & SkyGuards

The Security Services Business Lines also entails regular Capex and ongoing Opex. The former mainly includes procurement of security and telecommunication equipment. The latter relates to all items with a maximum useful life of one year such as fuel, uniforms, related accessories, rents and utilities. All procurements are executed in adherence with the Procurement Policy and upon implementation by year end, and through the Procurement Module of SAP B1, the Enterprise Resource Planning (“ERP”) software being used by the Secure Logistic Group and its Subsidiary Companies.

3.5. COMPANY ORGANOGRAM

The SLG’s organization structure is graphically elaborated below. Post integration, the Asset Tracking Business Line was moved from SLG to LogiServe to establish an integrated technology Platform.



Considering the services nature of the businesses, the management is cognizant of the quality of its Human Resources (“HR”). The centralized HR Department is mainly responsible for all recruitment & selection with the exception of logistic drivers and security guards), training, compensation & benefits, performance management, employees’ relation, training, etc. The drivers hiring is mainly carried out through third party HR Services firms and security guards are hired by the Subsidiary company’s operational staff directly.

The aggregate headcount is provided in the following tabulated summary:

Summary of Aggregate Headcount					
Business/Functions	Management	Non-Management		Total	Remarks
		Permanent	Contractual		
Executives	2	-	-	2	
Businesses					
SecurLog	5	15	283	303	
Secure Track	3	22	-	25	
FIST Security & Sky Guard	7	14	2,859	2,880	
Support Functions					
HR & MIS	3	-	-	3	
IT & Central Filing	2	1	-	3	
Finance & Accounts	10	4	-	14	

Admin & Procurement	2	14	-	16
Legal & Contracts	2	-	-	2
Total Head Count	36	70	3,142	3,248 (A)

Description	Total Head Count	Drivers	Security Personnel	Office Staff
	A	B	C	=A-B-C
Staff	3,248	283	2,859	106

Note: In the financial statements, only management personnel and operational staff are included. The number of drivers and security guards are not included in the financial statements as they are not formally contracted employees.

3.6. KEY MILESTONES

Under the existing management, since 2009, the Group has had an operational history of over 12 years. During this period, the Secure Logistic Group and its Subsidiary company have evolved into an integrated Logistic entity with in-house Asset Tracking and Security Services businesses.



Years	Events
2013	• Formation of holding company Asia Capital Partners (Pvt.) Ltd.
2016	• Holding Company renamed to Secure Logistics Group
2017	• Corporate restructuring
2019	• 1 st round of capital raising through convertible TFC of PKR 600 Mn placed to JS Bank and Pakistan Catalyst fund
2020	• 2 nd round of capital raising through private placement of shares to Saudi Bugshan and Karandaaz Pakistan
2022	• Acquisition of LogiServe, a STZA licensee company
2023	• Acquisition of Sky Guard

3.6.1. Round 1 Capital Raising – Convertible TFC - 2019

In 1QCY19, the Company successfully closed, PKR 600 Mn convertible Term Finance Issue. The funds were utilized for major fleet expansion by way of an addition of 54 Prime Movers & Semi-Trailers each. Movable fixed assets (Prime Movers and Trailers) were offered as part of the security. Subsequent to this issuance, during CY 2021, the conversion option has been removed from the TFC issue with the consent of JS Bank Ltd. and Pakistan Catalyst Fund.

Tenor	4 years
Maturity Date	December 31, 2022
Rate of Return	3M KIBOR - 1%
Coupon Payment Frequency	Quarterly
Date of Issue	January 14, 2019

Participants and their Participation Amount:	
JS Bank Ltd.	PKR 288 Mn
Pakistan Catalyst Fund	PKR 312 Mn
Amount Outstanding as at Sept. 30, 2021 ²	PKR 110 Mn



3.6.2. Round 2 Capital Raising – Private Placement of Equity - 2020

In 1Q CY20, another round of Capital Raising, by way of PKR 1.2 Bn equity issue was successfully closed. With a view to maintain the growth momentum, the equity funds were primarily utilized for further scaling up of businesses through addition of 34 Prime Movers / Semi-Trailers and 62 Distribution Vehicles.

Date of Issue	February 14, 2020 April 30, 2020
Mode of Issuance	Private Placement
Fresh Issue or Offer for Sale	Fresh Issue
Number of Shares Issued	26,436,858
Price/Share	PKR 45.39/-
Participants and their Participation Amount: ³	
Saudi Bugshan	PKR 600 Mn
Karandaaz Pakistan	PKR 600 Mn



3.7. INFRASTRUCTURE OVERVIEW

The service capacity of SLG and the Subsidiary company is backed by its Human Resources, Operational Assets and Country-wide infrastructure.

² PKR 52.8 Mn and PKR 57.2 Mn is payable to JS Bank Ltd. and Pakistan Catalyst Fund of JSPE, respectively

³ 11,982,746 shares each were issued to Saudi Bugshan and Karandaaz Pakistan on February 14, 2020 and 1,235,683 shares each were issued on April 30, 2020

3.7.1. Operational Assets

Considering the services nature of SLG and FIST Security's business lines, the operating assets primarily include moveable fixed assets.

Operational Assets	Model	Manufacturer	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023 (Jun)
SLG*							
Prime Movers	HOWO A7	SinoTruk	124	158	158	156	134
Semi-Trailers	Flatbed & walls	CIMC, Autocom & Auto Expert	124	158	158	158	134
Distribution Vehicles	NPR	GIL (Isuzu)	-	30	62	37	37
FSL**							
CIT Vehicles	NKR & Hilux	GIL & Toyota	15	15	15	15	15
Operational Vehicles & Motorcycles	T-King & Hilux	SinoTruk & Toyota	20	25	27	27	30
Fuel Station			-	-	-	1	1

*The average useful life of Prime Movers, Semi-Trailers and Distribution Vehicles is upto 25 years, 20 years and 15 years respectively

** The average useful life of CIT vehicles is upto 20 years and upto 10 years of Operational Vehicles



3.7.2. Country-Wide Infrastructure Footprint

The nation-wide footprint of SLG and its Subsidiary includes the Head Office, three Regional Offices and two marshaling yards. The Company is headquartered in Islamabad with regional offices in Karachi, Islamabad and Lahore and marshalling yards in Islamabad (Hattar) and Lahore that are all rented.

The country-wide infrastructure is given below:

Corporate Office

10th Floor, New State Life Tower, Blue Area Islamabad

Regional Offices

North	Flat # 29, Rehman Plaza, I-8 Markaz, Islamabad
Central	26.5 KM Multan Road, Lahore
South	House Sister Lounge Z-525, Darulaman C H Society, Off National Stadium Karachi

Marshalling Yards

Lahore	26.5 KM Multan Road, Lahore
--------	-----------------------------

Local & International Accreditations

Since inception, SLG and FIST Security have been awarded different accreditations and awards that recognizes the quality of operations. These include ISO 9001:2019 and ACCA Approved Employer.

FSL was declared the winner of “Pakistan Fast Growth – 100” and “Arabia – 500”, for being one of the hundred fastest growing Security Services company in Pakistan (ranked 1st) and amongst the top five hundred in larger



Middle East, respectively. These awards are managed by the ‘All World Network’, an organization formed under the Institute of Strategy & Competitiveness, Harvard Business School.

Memberships

SLG and its Subsidiary company are Members of several trade bodies including Air Cargo Agents Association of Pakistan, All Pakistan Security Agencies Association (“APSAA”) and Pakistan Banking Association (“PBA”). In addition, the Subsidiary company is one of the very few security companies in Pakistan, which is a member / signatory of International Code of Conduct for Security Agencies (“ICoC”).



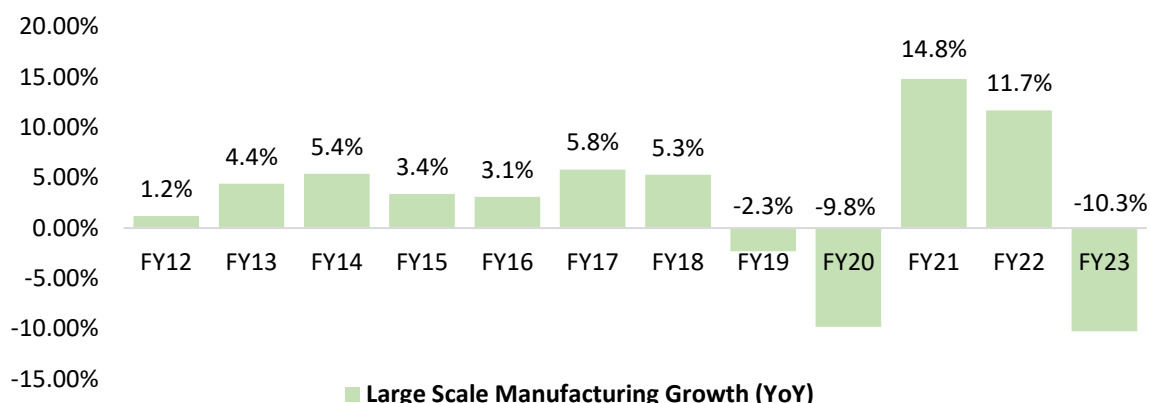
3.8. SERVICES PORTFOLIO END USERS, DEMAND FOR THE PRODUCTS AND NAMES OF THE COMPETITORS

3.8.1. SecurLog

3.8.1.1. End Users & Demand

Demand of the logistics industry in Pakistan is mainly generated by large scale manufacturing and food & beverage consumption. Since 2011, the large-scale manufacturing growth trend has been as follows:

Large Scale Manufacturing Growth (YoY)



Most existing clients have been availing SLG's services for many years. The Company's staff keeps close liaison with all its clients at three tiers: (1) CEO conducts regular meetings with the senior management of each client; (2) Operations Managers meet regularly with their counter parts; and (3) the supervisory staff meets clients' supervisory staff at loading & unloading points.

The details of major customers of SecurLog are given below;

PKR in millions

Customer Name	CY20		CY21		CY22		6M CY23		CY23		Formal Agreement
	Revenue	SecurLog Revenue %	Revenue	SecurLog Revenue %	Revenue	SecurLog Revenue %	Revenue	SecurLog Revenue %	Revenue	SecurLog Revenue %	
Super Khataki Goods	62	6%	-	-	-	-	91	9%	125	13%	Yes
Fatima Fertilizers Company Ltd	67	7%	78	6%	105	7%	65	7%	94	10%	Yes
Wazir Transport Goods	38	4%	108	8%	84	6%	64	6%	76	8%	Yes
Pak Arab	-	-	-	-	102	7%	63	6%	76	8%	Yes
Shan Foods (Pvt.) Ltd.	-	-	49	4%	96	7%	59	6%	67	7%	Yes
Mitchells	-	-	-	-	78	5%	57	6%	77	8%	Yes
National Food Limited	89	9%	49	4%	83	6%	41	4%	56	6%	Yes
Syntronix Limited	-	-	75	6%	102	7%	38	4%	64	6%	Yes
Urooj Enterprises	-	-	36	3%	73	6%	31	3%	73	8%	Yes
Marine Services Pvt. Ltd.	41	4%	51	4%	-	-	16	2%	56	6%	Yes
Kohat Cement	-	-	-	-	111	8%	10	1%	43	4%	Yes
Ehsan Enterprises Goods Transport Company	-	-	97	7%	-	-	-	-	37	4%	Yes
Pepsi (Lotte Akhtar Beverages Pvt. Ltd)	-	-	34	3%	-	-	-	-	-	-	Yes
Nestle Pakistan Ltd.	-	-	35	3%	-	-	-	-	-	-	Yes
ProLog	66	6%	-	-	-	-	-	-	-	-	Yes
SA Logistics	45	4%	-	-	-	-	-	-	51	5%	Yes
Olympia Chemical Ltd.	41	4%	-	-	-	-	-	-	-	-	Yes
Pak Asia Cargo Services	35	3%	-	-	75	5%	-	-	-	-	Yes
Okara Goods	30	3%	-	-	-	-	-	-	-	-	Yes
MA HAMZA	-	-	-	-	-	-	-	-	87	9%	Yes
Cherat Cement Company Ltd.	-	-	-	-	-	-	-	-	-	-	Yes
Fecto Cement Ltd.	-	-	-	-	-	-	-	-	-	-	Yes
Straight Freight	-	-	-	-	-	-	-	-	-	-	Yes
Fast Logistics Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	Yes
Maple Leal Cement Factory Ltd.	-	-	-	-	-	-	-	-	-	-	Yes
Alfal Goods	-	-	-	-	-	-	-	-	-	-	Yes
AA Traders	-	-	-	-	-	-	-	-	-	-	Yes
Haji Steel and Cement Traders	-	-	-	-	-	-	-	-	-	-	Yes
Bestway Cement Ltd.	-	-	-	-	-	-	-	-	-	-	Yes
Al-Awan Enterprises	-	-	-	-	-	-	-	-	-	-	Yes
NovaTex Limited	-	-	-	-	-	-	-	-	-	-	Yes
Al-Hammad Enterprises	-	-	56	4%	-	-	-	-	-	-	Yes
Total	514	53%	668	51%	915	65%	535	53%	988	53%	
Total SecurLog Revenue	963	100%	1,300	100%	1,407	100%	982	100%	1,851	100%	
Total Consolidated Revenue	1,211		1,568		1,568		1,108		2,129		

* As per industry practice, the Company has the capacity and arrangements in place to optimize deployment of fleet by diverting short-term excess capacity to the clients/projects where it expects higher yields while staying in compliance with contractual obligations with all its clients.

All the above mentioned agreements are long term in nature. Whilst the long-term agreements with clients provide the broader contractual terms, the actual revenue fluctuates due to different reasons for individual businesses.

For Logistics segment, there is a variation in loads because factories do not operate at same capacity throughout the year. The reasons are varying demand for the product, different durations for maintenance and other shut downs. Furthermore, clients utilise vehicles for different destinations. Example: National Food has a different rate for Karachi-Sheikupura and Karachi-Islamabad.

3.8.1.2. Competitors

The Logistics Industry is a highly fragmented. The Long and indeed Short-haul segments of the Logistic Industry have generally been unstructured with small size fleet ownership through sole proprietorships or loose family associations. Over the past few years, selective corporatization has taken place with investors entering the industry through corporate entities. However, due to the large capital expenditure requirement, the average Long-haul fleet size of corporate entities averages between 70-100 units.

The largest road freight transporters control less than 2 percent of the total market share and almost 85% of the entities involved in the logistics and road freight sector are owner-operator companies. Few of the competitors are mentioned below:

1. Allied Logistics
2. BSL (Pvt.) Limited Pakistan
3. DHL Global Forwarding Pakistan (Private) Limited
4. TCS (Pvt.) Ltd.
5. National Logistics Cell
6. PTN (Private Limited)

3.8.2. LogiServe

3.8.2.1 Tech Pivot (Company Owned And Third Party's Fleets)

3.8.2.1.1 End Users & Demand

Tech Pivot Logistics with part SLG vehicles and 3rd party market vehicles has started, however, this segment will pickup impetus as soon as SLG's own application is commissioned (work in progress). Presently the clients under this segment include following:

1. HTN Logistics
2. AJ Transport Company
3. Shakoor & Company
4. Jason Enterprise

3.8.2.1.2 Competitors

In last 2-3 years, many companies started Tech Pivot Logistics with mixed client response. The difference between these companies and SLG is that, we are the only company which also owns a large fleet thus providing flexibility to mix third party and own fleet vehicles. In case of other competitors, the reliance was on third party

vehicles only, which at times were not available to them, thus creating dissatisfied clientele. The major competitors in this segment are:

1. Truck it in
2. Truckestan
3. Lorreyz
4. Bridgelinx

3.8.2.2 Asset Tracking

3.8.2.2.1 End Users & Demand

The business's major clients are Insurance Companies with lease financing banks at the back end. Secure Track's clients list also include corporate entities that have installed trackers on respective company owned vehicles.

Insurance Companies



Corporate & Other Entities



The business has signed a strategic partnership Agreement with Telenor. As per the Agreement Telenor, (as part of its Telemate product), utilizes Secure Track's services for tracker installations and de-installation.

PKR in millions

Customer	CY 2020		CY 2021		CY 2022		6MCY 2023		CY 2023		Formal Agreement
	Rev	Secure Track Revenue %	Rev	Secure Track Revenue %	Rev	Secure Track Revenue %	Rev	Secure Track Revenue %	Rev	Secure Track Revenue %	Yes/No
Telenor Pakistan (Pvt.) Ltd.	-	-	3	6%	4	15%	3	46%	9	31%	Yes
Jubilee General Insurance Company Ltd.	-	-	3	6%	2	8%	2	23%	4	14%	Yes
Alfalah Insurance Company Ltd.	6	17%	8	16%	6	23%	-	23%	2	7%	Yes
IGI General Insurance Ltd.	2	6%	-	-	-	-	1	8%	5	17%	Yes
Adamjee Insurance Company Ltd.	5	14%	5	10%	2	8%	-	-	4	14%	Yes
Shaheen Insurance Company Ltd.	-	-	1	2%	-	-	-	-	-	-	Yes
Bank of Punjab	8	22%	-	-	-	-	-	-	-	-	Yes
Total	21	58%	20	40%	14	54%	6	100%	24	83%	
Total Secure Track Revenue	36	100%	50	100%	26	100%	6	100%	29	100%	
Consolidated Revenue	1,211		1,568		1,669		1,108		2,129		

All the above mentioned agreements are long term in nature. The revenue for tracking segment depends upon incremental sales and the annual renewal amounts decrease along with the insured value over years.

3.8.2.2.2 Competitors

Key competitors of the Company are as follows:

1. TPL Trakker Ltd.
2. Falcon I (Pvt.) Ltd.
3. I Technology
4. Crescent Tracking (Pvt.) Ltd.

5. eDrive Technology
6. JWF Trackers (Pvt.) Ltd.

3.8.3 Fist Security

3.8.3.1 End Users & Demand

FIST Security & Sky Guard (recently acquired Security Company) served a wide range of clients spread across almost all the jurisdictions within Pakistan. Both Subsidiary companies' clients operate in several industries including Banks, Foreign missions, NGOs, Oil & Gas, FMCGs, Pharmaceuticals, etc. Some of the major clients in last three (3) years are as follows:

Embassies & Foreign Missions



Corporate & Other Entities



PKR in millions

Customer	CY 2020		CY 2021		CY 2022		Jun 23		CY 2023		Formal Contract
	Rev	FIST Rev %	Rev	FIST Rev %	Rev	FIST Rev %	Rev	FIST Rev %	Rev	FIST Rev %	
Telenor Pakistan (Pvt.) Ltd.	-	-	55	8%	55	8%	27	8%	146	56%	Yes
IBM Italia SPA Pakistan Branch	46	7%	24	3%	24	4%	12	3%	36	14%	Yes
Pfizer Pakistan Ltd.	29	5%	14	2%	14	2%	7	2%	14	5%	Yes
Saudi Pak Industrial and Agricultural Investment Company Ltd.	25	4%	12	2%	12	2%	6	2%	29	11%	Yes
Bayer Pakistan (Pvt.) Ltd.	14	2%	9	1%	9	1%	6	2%	36	14%	Yes
Zong (CMPak Ltd.)	31	5%	32	5%	-	-	-	-	-	-	Yes
Nestle Pakistan Ltd.	48	8%	29	4%	29	4%	-	-	-	-	Yes
Huawei Technologies Pakistan (Pvt.) Ltd.	63	10%	10	1%	-	-	-	-	-	-	Yes
Hubco Narowal Energy Ltd.	21	3%	9	1%	9	1%	-	-	-	-	Yes
Orient Petroleum Pty Ltd.	16	3%	6	1%	-	-	-	-	-	-	Yes
Total	293	47%	200	28%	152	22%	58	17%	261	37%	
Gross FIST Revenue	617		709		683		351		699		

It is important to mention that almost 75% of these clients have been utilizing our services for more than three years and almost 30% of these clients are in the fifth year. We take it as a manifestation of client satisfaction, achieved through team's commitment and dedication towards quality services.

All the above mentioned agreements are long term in nature. For FIST & Sky Guard Security, the revenue per party is directly correlated to (a) the number of security guards deployed which clients adjust on occasions, (b) the close protection assignments fluctuate with the number of Executives travelling.

3.8.3.2 Competitors

Key competitors in security services segment are as follows:

- 1 Askari Guards Pvt. Ltd.
- 2 Blink Security Services
- 3 Phoenix Security Pvt. Ltd.
- 4 Premier Security Services
- 5 Reichert Security Services (Pvt.) Ltd.
- 6 Sarimad Security Pvt. Ltd.
- 7 Security & Management Services Pvt. Ltd. (SMS)
- 8 Vital Security Pvt. Ltd.
- 9 Zims Security Pvt. Ltd.

3.9 INTELLECTUAL PROPERTY RIGHTS

The Company's Intellectual Property Rights comprise of several registered Trade Marks (Logos).

Trade Mark	Filing Date	Trade Mark No.	Registration Date
Secure Logistics Group	April 18, 2021	296630	October 3, 2022
Secure Track	April 18, 2021	296615	October 3, 2022
FIST Security	April 18, 2021	296622	October 3, 2022
LogiServe	Sep 21, 2022	676224	October 17, 2023

3.10 DETAILS OF MATERIAL PROPERTY

The details of significant material properties in form of moveable fixed assets are provided in Section 3.7.1. In addition to the moveable assets mentioned in 3.7.1, the Company owns a large stock of spare parts and stocks with a book value of PKR 486 Mn as at Dec 31, 2022; a variety of IT hardware and software; telecom and security equipment. All Rupee figures are in millions in the following table.

Operational Assets	Model	Manufacturer	CY 2021		CY 2022		Jun - 23		CY 2023	
			Qty	Value	Qty	Value	Qty	Value	Qty	Value
Prime Movers	HOWO A7 & 7	SinoTruk	158	1,300	156	1,371	134	1,428	123	1,511
Semi-Trailers	Flatbed & walls	CIMC, Autocom & Auto Expert	158	1,298	158	1,307	134	1,323	123	1,305
Distribution Vehicles	NPR	GIL (Isuzu)	62	199	37	113	37	111	37	109
CIT Vehicles	NKR & Hilux	GIL (Isuzu) & Toyota	15	90	15	81	15	76	-	-
Operational Vehicles & Motorcycles[1]*	T-King & Hilux	SinoTruk & Toyota	27	21	27	16	30	14	30	13
Vehicles, Spare Parts, Tyres; diesel Lubricants, etc.[2]**	HOWO 7; NPR; Misc. Lubricants; GreeForce etc.	SinoTruk; Isuzu; PSO; Total Parco; Kaixon (China)	n/a	278	n/a	486	n/a	485	n/a	485
Trackers	Seeworld S102; G1C/ V Track 2; FMB920 & ET300	Auto - Telematics; Jimi Lab; Teltonika & AOT	2,835	102	3,100	91	3450	96	3450	77
Software(s)[3]**	Iwitness Fleet Software; Secure Track Tracking & Fleet Solution; Auxo; Coyotix Tracking & Navigation software	Iwitness; SJ Solutions; Telenor; Coyotix	4	48	4	38	4	36	4	30
Security Equipment	Weapons; Wireless Communication, Access Control, Surveillance Equipment & Mechanical Barriers	Daudsons; Teknoed; Imported (Turkish & Chinese Manufactures)	n/a	26	n/a	23	n/a	102	n/a	100

3.11 FUTURE PROSPECTS

3.11.1 Regional play

SLG plans to be a 'Regional Player' by connecting with Central Asian markets that provide attractive opportunities due to the proximity of sea ports in Pakistan. As such, in Phase I, SLG plans to commence round trip long-haul transportation of cargos to and from Tashkent (Uzbekistan) through Afghanistan. The city has emerged as a Regional Logistics hub and connects Turkmenistan, Kyrgyzstan and Kazakhstan. In Phase II, As the opportunity arises, SLG will also pursuing logistics assignments on the CPEC route to Western China (Kashgar). In this regard

SLG has affiliations with major Chinese and other global logistics and freight companies for “project specific” transportation of goods.

SLG has already received the Enrollment Certificate from the ministry of communication vide letter dated Dec 4th, 2023. The Company currently awaiting the final issuance of the license from Pakistan National Committee of the International Chamber of Commerce.

3.11.2. Tech Pivot

Under this initiative, the Company will not only offer a technology driven client interface to its existing clients for real-time booking, tracking and invoicing but will also help in scaling up of the business by connecting with third party small to medium fleet owners whose assets will be deployed with Secure Logistics’ client base. As such, the 3PL Logistics App will help scale-up the business beyond the capacity of in-house operating assets capacity. A hybrid integrated logistics player with in-house complimentary real-time tracking and security services. The hybrid model envisages reasonable company-owned and Third party (Partner Companies) operational assets fully integrated with and operationalize through a technology model.

The integrated technology platform will comprise of six key technology modules that will revolve around the contracted B2B Market App. The contracted B2B Market App will be integrated by a partner Fintech firm for the processing of payments. Many aspects of this integrated tech platform will be of proprietary nature.

Phase I – March to May 2024

- ✓ Third Party fleet contracted but deployed manually involving entities owning more than ten (10) commercial vehicles

Phase II – June 2024 Onwards

- ✓ Third party fleet through B2B Marketplace App

Phase III – September 2024 Onwards

- ✓ Partial scaling of the Distribution Segment (vehicles) and initiation of the warehousing segment to enable a full spectrum of 3PL services including long and medium-haul transportation; warehousing and inventory management
- ✓ Incremental investment in HR and Technology
- ✓ Same services as Phase II & Warehousing/inventory management solutions

3.12 VENDORS TO THE ISSUER

Below is a list of key suppliers and vendors of SLG, largely pertaining to Prime Movers, Distribution Vehicles, Semi-Trailers, Fuel and Tyres. The major procurement as CY22 include:

PKR in millions						
Vendor	Country	Vendor	CY 2020	CY 2021	CY 2022	CY 2023
CAPEX						
1 SinoTruk (Dysin)	China / Pakistan	Prime Movers	-	20	132	106
2 Auto Expert	Pakistan	Semi-Trailers/ Fuel Tanks	-	247	87	211
3 IH · Iqbal Hussian Mian	Pakistan	Tyres	19	25	71	98
4 GIL (Isuzu)	Pakistan	Distribution Vehicles	205	4	-	-
5 GreeForce	China	Tyres	-	30	-	-
6 Mian Shafique	Pakistan	Tyres	-	-	-	-
Subtotal			224	326	290	415
OPEX						
7 PSO	Pakistan	Fuel and Lubricants	156	226	209	256
8 TFES · The Fuel Expert	Pakistan	Fuel and Lubricants	209	168	236	145
9 Various (Dysin, SinoCapital)	Pakistan	Maintenance Workshops	15	9	11	6
10 Total Parco	Pakistan	Fuel and Lubricants	-	17	4	15
11 Gree Force	China	Tyres	45	-	-	-
12 Mian Shafique	Pakistan	Tyres	50	-	-	65
13 Various	Pakistan	Tyres	25	-	-	-
Subtotal			500	420	460	487
Total			724	746	750	902

3.13 All Government and Other Approvals which are Material and Necessary for Carrying on the Business of the Issuer

SLG and its Subsidiary are in full compliance with requisite No Objection Certificates (“**NOCs**”), Consents and Approvals from related Government entities and Regulatory Bodies.

S. No	Type of Approval	Authority	Valid from	Valid till	Renewal Frequency
SLG					
1	Communication Frequencies	PTA	6-Dec-19	27-Oct-24	5 years
2	CVAS (Vehicle Tracking)	PTA	5-Sep-17	4-Sep-32	15 years
LogiServe					
3	LogiServe	STZA	1-Jul-2022	30-Jun-2032	10 years
FSL					
4	Security Services License	MOI	30-Apr-01	-	Open Ended
5	NOC – Security Services	ICT	24-Feb-23	24-Feb-24	Annual
6	NOC – Security Services	GoPb	22-Feb-23	22-Feb-25	Annual
7	NOC – Security Services	GoS	31-Dec-22	31-Dec-23	Annual
8	NOC – Security Services	GoKPK	30-Jul-23	30-Jul-24	Annual
9	NOC – Security Services	GoB	17-Feb-23	17-Feb-24	Annual

3.14 ASSOCIATED COMPANIES

Name of Company	Nature of Business	Nature of Relationship	Shareholding of the Company
TDM (Pvt.) Ltd.	The Company is primarily involved in providing a wide range of Indenting	Associated company by way of shareholding of the Sponsor. Mr. Pervaiz A.	Nil

	and trading services mainly focused upon commodities	Khan holds 100 percent equity in TDM (Pvt.) Ltd.	
Strategic Energy Ventures (Pvt.) Ltd.	A dormant trading company	Associated Company by way of directorship/ shareholding of the Sponsors	Nil
Green Power (Pvt.) Ltd;	The Company was established for Wind Power Projects. It is a dormant shell company	Associated Company by way of directorship/ shareholding of Mr. Pervaiz Khan and Mr. Javed Afzal Khan	Nil
Zest Trading (Pvt.) Ltd.	A dormant trading company without any assets/ liabilities	Associated Company by way of directorship/ shareholding of Mr. Pervaiz Khan	Nil
Murree Brewery	Manufacturing of alcoholic beer, Pakistan Made Foreign Liquor (PMFL), nonalcoholic beer, aerated water (non-alcoholic products), juices and food products, mineral water, glass bottles and jars	Mr. Shahbaz Haider Agha is company's director	Nil
Hellenic Sun Insurance Brokers Pvt. Ltd	n/a	Mr. Shahbaz Haider Agha is company's CEO/owner	Nil
Premier Sugar Mills & Distillery Company Ltd.	n/a	Mr. Shahbaz Haider Agha is company's director	Nil
Zahidjee Textile Limited	Manufacturing and sale of yarn, and export of all kinds of value added fabrics and textile made-ups	Mr. Shahbaz Haider Agha is company's director	Nil

3.15 RELATED PARTY TRANSACTIONS

The related parties comprise of associated undertakings, Directors of the Company and key management personnel. The Company, in the normal course of business, carries out transactions with various related parties. Transactions entered with related parties are as follows:

Name	Relationship	Nature	CY 2021	CY 2022	6M CY 2023
Mr. Pervaiz Afzal Khan	Sponsor Shareholders	Shareholder Loan	-	50,546,368	43,546,368
KBP Limited	Minority Shareholder	Shareholder Loan	-	23,317,545	25,692,245
KP	Minority Shareholder	Shareholder Loan	125,000,000	187,500,000	187,500,500

3.16 INDUSTRIES OVERVIEW

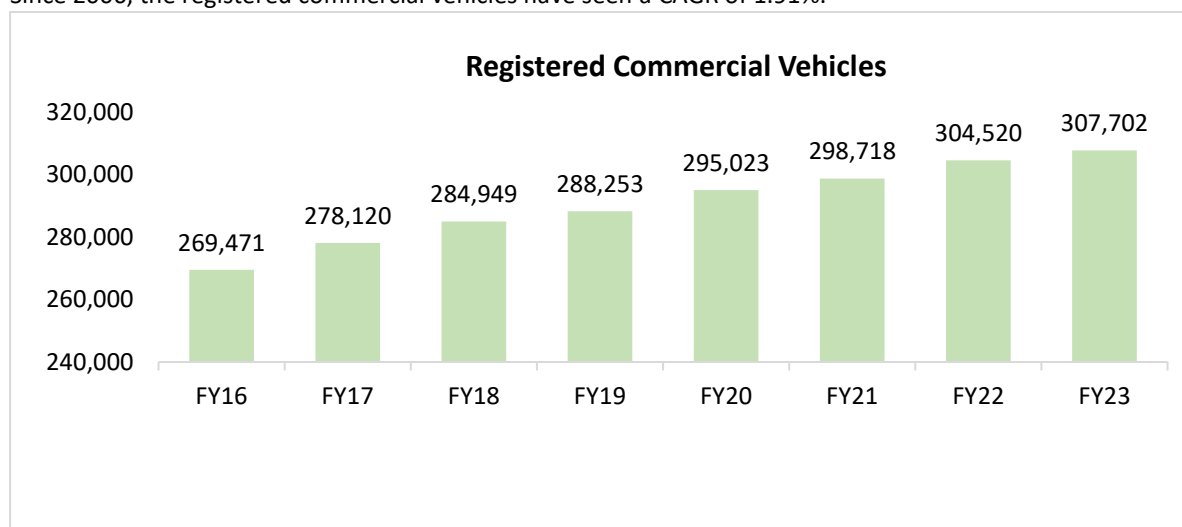
3.16.1 Logistics

The Logistic Industry is one of the most important service industry in Pakistan. As per Pakistan Bureau of Statistics, the industry inclusive of its subsectors such as transportation and warehousing accounted for 15.6% of the GDP in FY2023.

The transportation segment of Logistic sector is further divided into different modes of transport i.e. air, sea, railway and road. Road transport accounts for more than 95% of the inland freight carriage in Pakistan and is the backbone of logistics. Most clients prefer road transport over railway or other modes of transportation due

to cost, time, reliability and easy accessibility. On the other hand, over the years, due to lack of investments, the railway in Pakistan has depleted and not much developed.

Since 2006, the registered commercial vehicles have seen a CAGR of 1.91%.



Pakistan has given prime importance to developing hard infrastructure during the last two decades to facilitate the flow of goods and to ease access to the markets but still there is a long way to go. Given below is a comparison of Logistic Performance Index scores of comparable markets. Pakistan is below regional peers with similar economies.

Country	LPI Score ⁴
Vietnam	3.3
India	3.2
Indonesia	3.2
Malaysia	3.2
Philippines	2.9
Bangladesh	2.6
Pakistan	2.4

Pakistan is ranked at 123 among 160 countries on the aggregated Logistic Performance Index⁵ (LPI) in 2018. It puts Pakistan behind even some Asian countries due to relatively less spending on infrastructure projects including airports and highways. India is at 44th position while Sri Lanka stands at 94th in the list. As per National Transport & Research Centre, as of FY 2023, the total road length of Pakistan is around 500,750 KMs. Based on increased Regional trade activity and large-scale manufacturing, the Logistics industry is very well poised to grow exponentially. Furthermore, the development of CPEC related infrastructure including Gwadar Port will inevitably give further impetus to the logistics industry.

3.16.2 Logistics (Tech Based)

Sudden rise of e-commerce coupled with capacity constraints and congestions in transportation of goods strengthen the need for tech driven greater visibility across supply chain. The Covid-19 pandemic accelerated e-commerce further. Supply chain visibility gained global attention during the past three years due to disruption. Supply chain and transport visibility has become a priority with companies, because they need:

- More Flexibility and agile supply chains
- Real time visibility to pinpoint arrival times

⁴ Pakistan Export Strategy Logistics 2023-2027

⁴ <https://lpi.worldbank.org/2018>

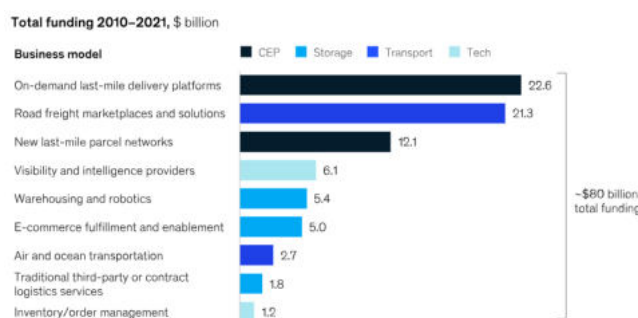
⁵ The LPI (Logistics Performance Index) is an interactive benchmarking tool created by The World Bank to help countries identify the challenges and opportunities they face in their performance on trade logistics and what they can do to improve their performance

- Swift on-line documentation
- On-Line Payments

Fragmented market structure characterized by trucking companies in the Road-freight segment further necessitated the need for Marketplace driven solution. Difference between traditional and tech-based logistics startups are diminishing:

- Traditional logistics players are adding digital capacity to be able to offer instant quotations, bookings, visibility during cargo movement, etc
- Tech Startups are increasingly complimenting their digital business models with operational capabilities

Digital capabilities through Marketplace is a much faster route for scaling up because high capex requirement preclude fast track organic growth. Digital Logistis space attracted US\$80 Bn during 2010-2021 as follows:

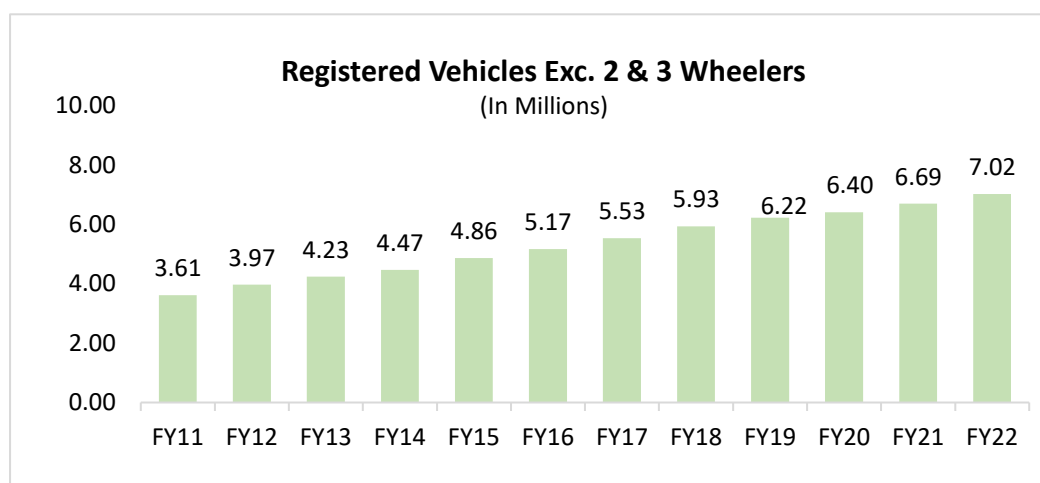


3.16.3 Assets Tracking

Pakistan is the world's 6th most populous country with a population of over 241 Mn. Over 54% of the Country's population is aged below 24 years, offering a strong and growing consumer base for the auto industry. With these favorable demographics, the Country's per capita consumption of cars is expected to increase in foreseeable future. Increased car consumption will give a rise to the tracking business of the Company. In Pakistan, the Asset Tracking business is primarily represented by the live tracking of vehicles. Accordingly, 80% of all insured vehicles have installed trackers.

The Assets Tracking services industry derives a significant portion of its demand from the automobile industry as vehicle tracking is the most commonly used application of tracking technology.

The growth in vehicle industry is represented in the graph given below:



The vehicle tracking industry mostly comprises of small size players with approximately 20 largest companies managing 10,000 or more deployed tracking units each. Due to sub- standard devices and service-related issues,

the insurance companies' trend is towards using the services from large and well-established players with a proven track record.

There is an increasing trend of service delivery apps catered towards providing consumers with maximum convenience. The Coronavirus outbreak has further augmented this trend as various restrictions made consumers reliant on different Apps such as Food Panda, Careem, Bykia etc for delivery of food, groceries and other items. Tracking services within these apps enable users to keep tabs on the status of their deliveries.

The development of various Special Economic Zones (SEZs) alongside a number of CPEC projects has also created opportunities in cargo tracking and fleet management for the tracking industry. This is expected to be an area of growth for the industry in contrast with automobile tracking which is a relatively saturated market. Following are the end users of vehicle tracking companies:

- Vehicles leased by banks and leasing companies through Insurance plus Tracking packages;
- Vehicles sold directly by the showrooms (retail clients);
- Corporate entities covering staff, administrative and operation vehicles;
- Logistics companies;
- Government funded schemes such as Green Cab, Orange Cab, etc.; and
- Rent a car companies.

Furthermore, in the particular case of logistic industry, quite often, the end client requires of the logistic service provider to not only provide real time tracking of the commercial vehicle but to also secure the containerized cargos through tracker enabled locking seals. The expected growth in the intra-regional, specifically China Pakistan Economic Corridor ("CPEC"), the statutory tracking system requirements will provide an additional impetus to the vehicle tracking industry.

There are currently c. 166 organizations⁶ which have obtained the Class Value Added Services ("CVAS") license under the vehicle tracking service category from the Pakistan Telecommunication Authority ("PTA"). A significant number of these firms use this service to meet internal requirements. Only one firm i.e., TPL Trakker Limited, which provides tracking services is listed on the Pakistan Stock Exchange, the remaining are private firms. There has been a steady increase in the number of licenses each year, with 13 new licenses issued since the beginning of 2020.

3.16.4 Security Services

Security Services industry is highly fragmented, with ten largest companies in the sector accounting for almost 25% of the guard force. The industry comprises of six major service categories:

- ✓ Manned guarding
- ✓ Close Protection / Executive Protection
- ✓ Provision and Installation of Security Equipment to include
 - Electronic Surveillance Equipment
 - Mechanical Barriers
 - Control Rooms Equipment
- ✓ Security Analyses & Reports
- ✓ Security Audit of large manufacturing concerns, buildings and offices
- ✓ Provision of Security Managers / Coordinators

These services are mainly availed by multinationals, domestic corporates, foreign missions and NGOs. The categories of assets to be protected include manufacturing units, warehouses, office premises and other infrastructure such as Telecom Towers.

⁶ PACRA report: Sector Study – Vehicle Tracking

3A SHARE CAPITAL AND RELATED MATTERS

3A (i) Share Capital

The current Share Capital is as follows:

No. of shares	%	Shareholders	Face Value (PKR)	Premium (PKR)	Total (PKR)
AUTHORIZED CAPITAL					
250,000,000		Ordinary shares of PKR 10/- each	10	-	2,500,000,000
ISSUED, SUBSCRIBED, & PAID UP CAPITAL					
72,935,068		Issued for Cash: 'Ordinary Shares of PKR. 10/- each	10	-	729,935,068
95,000,000		Issued as Bonus Shares: Ordinary Shares of PKR 10/- each	10	-	950,000,000
167,935,068		Total			1,679,350,680

ISSUED, SUBSCRIBED & PAID-UP CAPITAL OF SECURE LOGISTICS GROUP IS HELD AS FOLLOWS:

No. of shares	Shares held by Directors/ Sponsors of the Company	Face Value (PKR)	Premium (PKR)	Total (PKR)
Sponsor Shareholders				
38,734,404	Mr. Pervaiz Afzal Khan	10	-	387,344,040
21,303,922	Mr. Gulraiz Afzal Khan	10	-	213,039,220
1	Mr. Javed Afzal Khan	10		10
Other Shareholders				
8,456,573	Ms. Afshan Nasir	10	-	84,565,730
33,750,582	Ms. Mahnoor Afzal Khan	10	-	337,505,820
18,562,818	Dr. Saad Afzal Khan	10	-	185,628,180
1,500,000	Mr. Umair Ahsan	10	-	15,000,000
22,813,383	M/s Karandaaz Pakistan	10	-	228,133,830
22,813,383	M/s KBP Limited	10	-	228,133,830
Independent Directors				
1	Ammara Bashir	10	-	10
1	Shahbaz Hyder Agha	10	-	10
167,935,068	Total Paid up Capital			1,679,350,680
Pre-IPO Share Allocation				
9,523,810	Mr. Pervaiz Afzal Khan	10	0.50	100,000,000
22,600,447	M/s Karandaaz Pakistan	10	0.50	237,304,692
23,579,856	M/s KBP Limited	10	0.50	247,588,491
223,639,181	Total Paid up Capital – Post Pre-IPO			2,264,243,863
Present Issue of Ordinary Shares – IPO				
50,000,000	Issuance through IPO	10	2.0	600,000,000
273,639,181	Total Paid up Capital – Post IPO			2,864,243,863
IPO Share Allocation				
37,500,000	Allocations to Institutions / Individual Investors through Book Building process at Strike Price	10	2.0	450,000,000
12,500,000	General Public Portion	10	2.0	150,000,000
50,000,000	Total Issue Size			600,000,000

3A (ii) Sponsors Shares to be kept in Blocked Form

Sponsors	Shareholding (Shares)	% Post IPO Paid-up Capital
Mr. Pervaiz Afzal Khan	48,258,214	17.64%
Mr. Gulraiz Afzal Khan	21,303,922	7.79%
Mr. Javed Afzal Khan	1	0.00%
Total	69,562,137	25.42%

Note:

1. As per regulation 5(1) of the PO Regulations, the sponsors of the Company shall retain their entire shareholding in the Company for a period of not less than twelve months from the last date for public subscription;
2. As per regulation 5(2) of the PO Regulations, the sponsors of the Company shall retain not less than twenty-five percent of the paid up capital of the Company for not less than three financial years from the last date for the public subscription;
3. As per regulation 5(3) of the PO Regulations, the shares of the sponsors mentioned at (1) and (2) above shall be kept unencumbered in a blocked account with central depository;
4. Subject to compliance with sub-regulation 1 and 2 of regulation 5 of the PO Regulations and with the prior approval of the securities exchange, the sponsors of the Company may sell their shareholding through block-sale to any other person who shall be deemed sponsor for the purposes of the PO Regulations.

3A (iii) Present Issue

The aggregate pre-IPO and IPO Issue comprises of 105,704,113 Ordinary Shares of face value of PKR 10/- each, which contributes 38.62% of the total Post-IPO Paid Up Capital of the company

The entire IPO Issue of 50,000,000 Ordinary Shares will be offered through the Book Building process at a Floor Price of PKR 12.00/- per share with a price band of 40% above the floor price which is PKR 16.80/- per share.

The bidders shall be allowed to place bids for hundred percent (100%) of the Issue size and the Strike Price shall be the price at which the hundred percent (100%) of the Issue is subscribed. However, the successful bidders shall be provisionally allotted only seventy-five percent (75%) of the Issue size i.e. 37,500,000 shares and the remaining twenty-five percent (25%) i.e. 12,500,000 shares shall be offered to the retail investors. Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis.

3A (iv) Shares Issued in Preceding Years

S. No	No. of Shares Issued	Par Value	Consideration	Total Value (PKR)	Date of Issuance / Allotment
1	1,453,271	100	Cash/Bank	145,327,100	June 2014
2	380,000	100	Bonus	38,000,000	June 2016
3	796,550	100	Cash/Bank	79,655,000	July 2016
4	650,000	100	Cash/Bank	65,000,000	April 2017
5	520,000	100	Cash/Bank	52,000,000	July 2017
6	700,000	100	Bonus	70,000,000	November 2017
Total	4,499,821			449,982,100	
Post-Split of Par Value					
S. No	No. of Shares Issued	Par Value	Consideration	Total Value (PKR)	Date of Issuance / Allotment
7	44,998,210	10	Split	449,982,100	September 2017
8	25,000,000	10	Bonus Issue	250,000,000	July 2019
9	23,965,492	10	Bank	239,654,920	February 2020
10	2,471,366	10	Bank	24,713,660	April 2020
11	70,000,000	10	Bonus Issue	700,000,000	October 2021
12	1,500,000	10	Rights Issue	15,000,000	January 2024

Total	167,935,068	1,679,350,680
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Other than the above mentioned shares, there has been no issuance of shares since incorporation of the Company.

3A (v) Related Employees

- Related Employees of the Company (**Secure Logistics Group**) are as follows:

S. No	Name	Designation
1	Pervaiz Afzal Khan	Head of Support Functions
2	Gulraiz Afzal Khan	Chief Executive Officer
3	Amad Aleem	Financial Controller
4	Faisal Atta	Company Secretary

- Related employees of the Lead Manager and Book Runner (**Arif Habib Limited**) are as follows:


S. No	Name	Designation
1	Shahid Ali Habib	Chief Executive Officer
2	Yousaf Bashir	Managing Director, Investment Banking
3	Muhammad Farhan Rizvi	Director, Investment Banking
4	Hamza Amir	Assistant Vice President, Investment Banking
5	Rafia Jawaid	Assistant Vice President, Investment Banking
6	Hassan Saeed	Associate, Investment Banking
7	Nabeel Zafar	Associate, Investment Banking
8	Malik Harris Rehman	Analyst, Investment Banking
9	Raheel Ahmed	Analyst, Investment Banking
10	Saif Ul Haq	Analyst, Investment Banking
11	Mariam Khan	Junior Analyst, Investment Banking
12	Sila Hannan	Junior Analyst, Investment Banking

Note:

- As per regulation 7(9) of the PO Regulations the associates of the Lead Manager and the Book Runner shall not in aggregate make bids in excess of ten (10%) percent of the shares offered through Book Building. Provided that it shall not apply to such associates of the Lead Manager and the Book Runner that are Financial Institutions, Mutual Funds and Insurance companies
- As required under regulation 20(10) of the PO Regulations, Related Employees of the Issuer, Lead Manager/Consultant to the Issue and Book Runner to the Issue shall not participate in the bidding for shares.

UNDERTAKING OF THE SPONSORS OF THE ISSUER REGARDING IPO UTILIZATION

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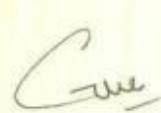



Pakistan Stock Exchange
Stock Exchange Building
Stock Exchange Road
Karachi - 74000, Pakistan

UNDERTAKING

We, (1) **Pervaiz Afzal Khan** son of Javed Afzal Khan, being Director of Secure Logistics Group Limited CNIC No. **61101-3828368-9**, resident of Islamabad and (2) **Gulraiz Afzal Khan** son of Javed Afzal Khan, being Director of Secure Logistics Group Limited CNIC No. **35200-8527685-9**, resident of Islamabad, do hereby state on solemn affirmation on behalf of the Secure Logistics Group Limited as under:

- (1) That we are the sponsors, directors and shareholder/owner of the shares of Secure Logistics Group Limited (the "Issuer");
- (2) That the IPO Proceeds of Secure Logistics Group Limited shall be utilized as per the purpose disclosed in the Prospectus.

	
Pervaiz Afzal Khan Director Secure Logistics Group Limited	Gulraiz Afzal Khan Director Secure Logistics Group Limited
Dated: 29.01.24	



4. PRINCIPAL PURPOSE OF THE ISSUE AND FUNDING ARRANGEMENTS

4.1. PRINCIPAL PURPOSE OF THE ISSUE

In order to continue meeting the growing demand of logistics, the Company aims to issue new equity with 50,000,000 new shares at the Floor Price of PKR 12.00 per share raising a total of PKR 600,000,000.

The primary purpose of the equity issue is to deleverage the Balance Sheet in an unprecedented high interest rate environment, enhance Company's infrastructure technology base to complete the Tech-Pivot, initiative expansion into the Regional market, and other fleet related efficiencies. A more precise intended utilization of funds is listed down below:

- **Partial debt payment:** The Company has a conservative approach towards leveraging. In current interest rate environment, the Company plans to deleverage its Balance Sheet substantially by pre-paying Senior and Subordinated Debt
- **Regional Market Expansion:** SLG plans to be a 'Regional Player' by connecting with Central Asian markets that provide attractive opportunities due to the proximity of sea ports in Pakistan.
- **Tech Pivot:** The Company plans to develop an integrated technology platform that will enhance efficiencies for the 'in-house' operational assets through real-time reservation of transportation assets, warehousing space, real-time tracking of cargos and invoicing.
- **Fleet Upgradation & Refurbishment:** It will involve fleet-wise preventative maintenance cycle, fleet wise installation of safety equipment such as drivers fatigue management systems involving specialized cameras, forward looking road-safety cameras, fuel efficiencies sensors attached to trackers and engine diagnostic software(s).
- **Containers for TIR:** These containers will be designed for Regional transport
- **Marketing & On-Boarding:** SLG plans to execute a marketing campaign in print and social media for brand building covering all Business Lines.
- **HR Capacity Building:** The Company plans to strengthen its Human Resources by adding to its senior management, improved remuneration packages and enhanced training program.

4.1.1. Total IPO Proceeds

S. No	Breakup of Total IPO Proceeds	Total Proceeds (PKR)	%
Debt Settlement:			
1	Repayment Senior Debt	418,000,000	35.28%
2	Repayment/ Conversion (Sub Debt)	624,893,183	52.74%
Business Expansion and Initiatives:			
3	Distribution Vehicles	25,000,000	2.11%
4	Regional Transportation Infrastructure	10,000,000	0.84%
B2B Marketplace & IT Infrastructure:			
5	Software	9,000,000	0.76%
6	Hardware	16,000,000	1.35%
Efficiencies Enhancement:			
7	Fleet upgradation and Refurbishment (Tyre, Spares & Misc)	32,000,000	2.70%
8	Containers for TIR	20,000,000	1.69%

9	Marketing & Onboarding	5,000,000	0.42%
	HR Capacity Building	25,000,000	2.11%
	Total IPO Proceeds	1,184,893,183	100.00%

4.1.2. Sources of Funds

S. No	Mode of Financing	PKR	%
1	Pre IPO	584,893,183	49.36%
2	IPO	600,000,000	50.64%
	Total IPO Proceeds	1,184,893,183	100%

4.1.3. Utilization of Proceeds

Sr.No	IPO Proceeds Utilization	Amounts in (PKR Mn)
1	Repayment (Senior Debt)	418
2	Repayment/ Conversion (Sub Debt)	
	KBP Limited	248
	Karandaz Pakistan - non cash tranche	237
	Sponsor Shareholder	140
3	Business Expansion and Initiatives	
	Distribution Vehicles	25
4	New Business	
	Regional Transportation (TIR Licensing & Infrastructure)	10
5	B2B Marketplace & IT Infrastructure:	
	Software	9
	Hardware	16
6	Efficiencies Enhancement:	
	Fleet upgradation and Refurbishment (Tyre, Spares & Misc)	32
	Containers for TIR	20
	Marketing & Onboarding	5
7	HR Capacity Building	25
	Total IPO Proceeds	1,185

4.1.4. Additional Disclosures relating to Purpose of the Issue

4.1.4.1. Details of Loan Proposed to be Repaid

The Company has a conservative approach towards leveraging. In current interest rate environment, the Company plans to deleverage its Balance Sheet substantially by pre-paying Senior and Subordinated Debt as shown below. Based on repayment of PKR 1,043 Mn debt at the current borrowing costs of 3 Months Kibor+ 1.50% for Senior and 3 Months Kibor + 0.5% for Subordinated debt, the Company will be increasing its Net Profit by approximately PKR 230 Mn. As soon as the interest rates stabilise at an optimal borrowing rate, the company will re-leverage at better terms and conditions.

The Company plans to pay-off the following facilities:

S. No	Lender	Facility	Mark-up / Commission	Outstanding (PKR Mn)	Repayment through IPO (PKR Mn)
1	Habib Bank Limited	Long Term Loan	3 Months Kibor+ 1.5%	287.20	287.20
2	Faysal Bank Limited	Diminishing Musharka	3 Months Kibor+ 2.0%	68.90	68.90

3	Faysal Bank Limited	Diminishing Musharka	3 Months Kibor+ 1.5%	61.90	61.90
4	Subordinated Loan I	Term Loan	3 Months Kibor + 0.5%	237.00	237.00
5	Subordinated Loan II	Term Loan/ Provision of Security	3 Months Kibor + 0.5%	449.76	140.00
6	Subordinated Loan III	Term Loan/ Provision of Security	3 Months Kibor + 0.5%	248.00	248.00

4.1.4.2. Implementation Schedule

Particulars	Start Date	Completion Date	Status
Deleveraging through Debt (Pre-Payment)	Mar 24	Mar 24	Debt will be paid immediately upon receipt of IPO proceeds
New Business:			
Regional Transportation (TIR)	Mar 24	Dec 24	For representative offices and infrastructure in Aghanistan and Uzbekistan
Software	Mar 24	May 24	
Hardware	Mar 24	May 24	This amount is dedicated for software development and procurement of related hardwares
Efficiencies Enhancement:			
Fleet upgradation & Refurbishment Containers for TIR	Mar 24	Apr 24	The efficences enhanscement includes Capex for improvement in existing and procurement of new fixied assets; and Opex for branding and HR capacity building
Marketing & On-Boarding	Mar 24	Dec 24	
HR Capacity Building	Mar 24	Dec 24	The Company plans to strengthen its Human Resources with enhanced training programs

4.1.4.3. Regional Market Expansion

SLG plans to be a 'Regional Player' by connecting with Central Asian markets that provide attractive opportunities due to the proximity of sea ports in Pakistan. As such, in Phase I, SLG plans to commence round trip long-haul transportation of cargos to and from Tashkent (Uzbekistan) through Afghanistan. The city has emerged as a Regional Logistics hub and connects Turkmenistan, kyrgyzstan and Kazakhstan. In Phase II, As the opportunity arises, SLG will also pursuing logistics assignments on the CPEC route to Western China (Kashgar). In this regard SLG has affiliations with major Chinese and other global logistics and freight companies for "project specific" transportation of goods. SLG has already received the Enrollment Certificate from the ministry of communication vide letter dated Dec 4th, 2023. The Company currently awaiting the final issuance of the license from Pakistan National Committee of the International Chamber of Commerce

4.1.4.4. IT Infrastructure and B2B Marketplace

Capex

The details and breakdown of capex for Logistics Tech-Platform and the capex relating to upgradation of IT infrastructure are shown as below:

<u>Line Items</u>	<u>Quantity (units)</u>	<u>Unit Cost</u>	<u>Total Cost (PKR)</u>
<u>IT Infrastructure⁷</u>			
Dell Servers - R 730 Intel Xeon Processor E5-2600	3.0	1,125,000	3,375,000
Server Machines, E2630 10 Core Processors	3.0	1,200,000	3,600,000
Cisco ASA 5515-X Adaptive Security Appliance	4.0	500,000	2,000,000
Cisco Switches 24 & 48 Ports	6.0	160,000	960,000
Voltronic Power Backups 10KVA	4.0	230,000	920,000
Voltronic Power Backups 3KVA	6.0	70,000	420,000
Cisco RV325 Dual GigaBit WAN VPN Router	4.0	55,000	220,000
Ubiquiti Unifi Wi-Fi Routers AP-AC-LR	6.0	25,000	150,000
Cisco ASA 5515-X Adaptive Security Appliance	2.0	500,000	1,000,000
Server Rack HP 42U	2.0	360,000	720,000
HIK Vision IR DS-2DE7232IW-DE	8.0	80,000	640,000
HIK Vision DVR DS-7232HQHI-K2	1.0	50,000	50,000
Cisco RV325 Dual GigaBit WAN VPN Router	1.0	55,000	55,000
Backbone Connectivity	3.0	370,000	1,110,000
Screens	12.0	65,000	780,000
Subtotal			16,000,000
<u>B2B App</u>			
Development cost ⁸	1.0	9,000,000	9,000,000
Subtotal			
Total			25,000,000

4.1.4.5. Fleet upgradation and Containers

An amount of PKR 30 Mn has been allocated for the Fleet Upgradation. It will involve fleet-wise preventative maintenance cycle, fleet wise installation of safety equipment such as drivers fatigue management systems involving specialized cameras, forward looking road-safety cameras, fuel efficiencies sensors attached to trackers and engine diagnostic software(s).

Another amount of PKR 45 Mn is allocated for the purpose of procuring specialize 10 TIR containers. The containers will be fabricated by a reputable local manufacturer through a competitive bidding process based on the Company's procurement policy. These containers will be designed for Regional transport. Currently, SLG does not own any containers and the containers used in operations are rented by the Company.

The breakdown about the assets to be procured is given below;

<u>Line Items</u>	<u>Proposed Vendor</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost (PKR)</u>	<u>Expected Date of Order Placement</u>	<u>Expected Date of Delivery</u>
Fleet Upgradation & Refurbishment	Local	-	-	32,000,000	March	April
Containers	Local	10	2,000,000	20,000,000	March	April

⁷ The IT equipment mentioned above will be procured from the ready market. The Company shall solicit quotes from relevant distributors at the time and shall procure from the best available sources. It is further clarified that various distributors may provide different equipment mentioned above. Furthermore, the Company will procure brand new equipment for the project.

⁸ Development cost: This pertains to the cost for development of B2B application as mentioned in detail here-above. The cost of PKR 9 Mn mentioned above is based on a study conducted by the management and sponsors and their interaction with various developers of applications of such nature.

Total	52,000,000
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4.1.4.6. Marketing & On-Boarding

SLG plans to execute a marketing campaign in print and social media for brand building covering all Business Lines. For Post-IPO year long marketing campaign, an amount of PKR 5 Mn has been allocated. The Company also plans to advertise its Tech Pivot (B2B) Market App to sign up the commercial vehicles of the Partner Companies to sign up their commercial vehicles

4.1.4.7. HR Capacity Building

SLG is cognizant of the services nature of its Business Lines. The Company plans to strengthen its Human Resources by adding to its senior management, improved remuneration packages and enhanced training program. For this purpose, an amount of PKR 25 Mn has been allocated for use in CY 2024.

4.2. Utilization of excess IPO funds, in case the Strike Price is determined above the Floor

Any excess funds raised, in case the Strike Price is determined above the Floor Price, would be utilized to repay balance debt, financing of additional Distribution segment and other identified initiatives, as shown below:

IPO Proceeds Utilization

✓ Repayment (Senior Debt)	418	418	418	418	418
✓ Repayment/Conversion (Sub Debt)					
KBP Limited	248	248	248	248	248
Karandaaz Pakistan - non cash tranche	237	237	237	237	237
Sponsor Shareholder	140	162	182	217	252
	<u>1,043</u>	<u>1,065</u>	<u>1,085</u>	<u>1,120</u>	<u>1,155</u>
✓ Business Expansion and Initiatives					
Distribution Vehicles	25	30	40	60	80
	<u>25</u>	<u>30</u>	<u>40</u>	<u>60</u>	<u>80</u>
✓ New Business					
Regional Transportation (TIR Licensing & Infrastructure)	10	10	10	10	10
	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
✓ B2B Marketplace & IT Infrastructure:					
Software	9	9	9	9	9
Hardware	16	16	16	16	16
	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>
✓ Efficiencies Enhancement:					
Fleet upgradation and Refurbishment (Tyres; Spares; & Misc.)	32	50	65	65	65
Containers for TIR	20	20	25	25	25
Marketing & Onboarding	5	5	10	10	10
	<u>57</u>	<u>75</u>	<u>100</u>	<u>100</u>	<u>100</u>
✓ HR Capacity Building	25	40	45	50	55
Total	1,185	1,245	1,305	1,365	1,425

4.2.1. Warehousing

The deliveries from factory to wholesale dealer's doorstep in a 3PL operations model can be facilitated through the availability of the warehousing services which is the middle link of the supply chain. The Company will be entering Warehousing segment in a phased manner over CY25, CY26, CY27 and CY28. The management plans to establish seven warehouses with an aggregate warehousing space of 1,120,000 square feet to serve domestic and regional trade clientele. The warehouses will be synchronized with the Distribution vehicles' hubs and will operate through a hub and spoke concept.

Location	Warehousing Area (Square Ft)	Location	Area (Square Ft)	Location	Area (Square Ft)	Location	Area (Square Ft)
Phase – I (2025)		Phase – II (2026)		Phase – III (2027)		Phase – IV (2028)	
Lahore	160,000	Peshawar	160,000	Gawadar	160,000	Multan	160,000
Karachi (Port Qasim)	160,000	Hattar	160,000	Faisalabad	160,000		
Total	320,000		320,000		320,000		160,000

The establishment of first warehouse in Phase I at a cost of Rs 520 Mn will be financed through internal cash flows and possible debt at better terms current rates. The first warehouse is contemplated to be located in Quaid-e-Azam Special Economic Zone (near Lahore).

S. No	Location	Land Area (Acres)	Cost Per Acre (PKR Mn)	Total Cost Land (PKR Mn)	Covered Area (sq. ft.)	Warehouse using Space (5 vertical pallets)	Construction Cost & Expenses (PKR Mn)	Total Cost	Funded through IPO Proceeds (PKR Mn)	Funded through Operating Cash (PKR Mn)
1	Lahore	2.5	26.6	66.25	50,000 sq. feet	160,000	483.75	520	-	520
Total										

Note: The above mentioned estimated cost of PKR 520 Mn includes the cost of procurement of land/plot, construction of warehouses (which include material cost and labor cost) and all other relevant expenditure (internal fixtures/racks, forks, lifts, RFID technology, safety equipment, external cranes etc.) required on the said properties. Also, the warehouses will be multi storied buildings which have higher costs as compared to a single storied building.

The land for all warehouses will be procured from the respective SEZs for which initial discussions with Board of Investment (“BOI”) has already been carried out. The procurement of land and development of warehouses will make the warehousing segment of SLG eligible for a SEZ status. This in turn will lead to certain specific tax benefits which includes one-time exemption from custom duty on all imported equipment and 10-years tax holiday covering warehousing segment turnover and corporate tax.

In Phase I and II, Lahore, Karachi and Islamabad/Rawalpindi (through Hattar) will act as the main hubs. Subsequently, in Phase III and Phase IV, warehousing space will be added in other regional cities such as Peshawar, Faisalabad, Gawadar to expand the 3PL logistic operation through a hub and spoke concept. By leveraging upon the existing client base and potential clients with whom discussions are already underway, the warehousing segment will focus upon dry food, dry and cold chain pharmaceuticals, electronics and technology materials.

4.2.2. Distribution Vehicles

The existing Distribution segment was initiated in FY20. It covers containerized cargos including food, industrial products, appliances, packaging material, etc. With a view to supplement the existing fleet of Distribution vehicles, the Company aims to add ten Distribution vehicles to be able to supplement this segment. It is proposed that brand new vehicles will be purchased from the existing suppliers however, no agreements have been executed yet.

Details	Current Vehicles	Post IPO Vehicles	Differential
Distribution Vehicles	37	42	5

Details	Supplier	Quantity	Price per unit (PKR Mn)	Amount (PKR Mn)
Distribution Vehicles	GIL (ISUZU)*	5	5	25

* GIL was established in Karachi by General Motors Overseas Distribution Corporation U.S.A. in 1963. The Bibojee Group acquired these facilities from General Motors and renamed it Gandhara Industries Limited. The major business activities of the company comprise progressive manufacturing, assembling and marketing of Isuzu Products i.e. DMAX Pickups, Trucks, Bus Chassis, Fabrication of Bus and Load bodies. To accomplish its mission, the company has a countrywide dealer's network for marketing its products.

4.2.3. Undertaking on Reporting of Utilization of Proceeds

As per clause (i) and (ii) of regulation 16 of the PO Regulations, the Company shall:

1. report detailed break-up of the utilization of the proceeds of the issue in its post issue quarterly / half-yearly and annual accounts; till the fulfillment of the commitments mentioned in the prospectus, and;
2. submit a half yearly progress report and annual progress report reviewed by the auditor providing the status of the commitments mentioned in the prospectus to PSX till the fulfillment of the commitments mentioned in the prospectus as per the format given in regulation 16 of the PO Regulations.
3. submit a final report reviewed by the auditor after the fulfillment of the commitments given in the prospectus

4A VALUATION SECTION

The Ordinary Shares of SLG are being issued at Floor Price of PKR 12.00/- per share which is at a premium of PKR 2.00/- per ordinary share to the face value of PKR 10.0/- per ordinary share. The Lead Manager has reviewed the business performance of the Company and in their opinion the Floor Price of PKR 12.00/- per share is justified based on:

4A (i) Qualitative Growth Drivers

A wide range of Industry and Business Line specific variables augur well for SLG and its Subsidiaries. These include:

i. Logistics

- ✓ Increasing demand and supply gap
- ✓ Central Asia and CPEC-driven investment in roads/port infrastructure
- ✓ Initiation of Central Asia/CPEC logistics (TIR)
- ✓ Company-owned fleet to cater to client's needs on a long-term contractual basis
- ✓ Trained and experienced team that facilitates planning and execution for optimal logistic solutions
- ✓ Unique combination of logistics with in-house security and Vehicle tracking capability

ii. Assets Tracking

- ✓ Well-established auto industry with growth potential
- ✓ Growing commercial vehicles segment
- ✓ Increasing demand to secure containers (cargos), specifically in regional trade, through live tracking
- ✓ Company-owned dedicated 24/7 Control Room ("CMC") manned by trained manpower
- ✓ Tracking capability shared with corporate clients enabling them to track their shipments in real-time
- ✓ Customized MIS for each client according to their needs

iii. Security Services

- ✓ Prevailing Security Situation
- ✓ Increasing demand for corporatized security
- ✓ Top ten in terms of deployed guards
- ✓ Diversified clients base
- ✓ Large asset base which inter-alia includes operational and armored vehicles.

Macro Business Variables

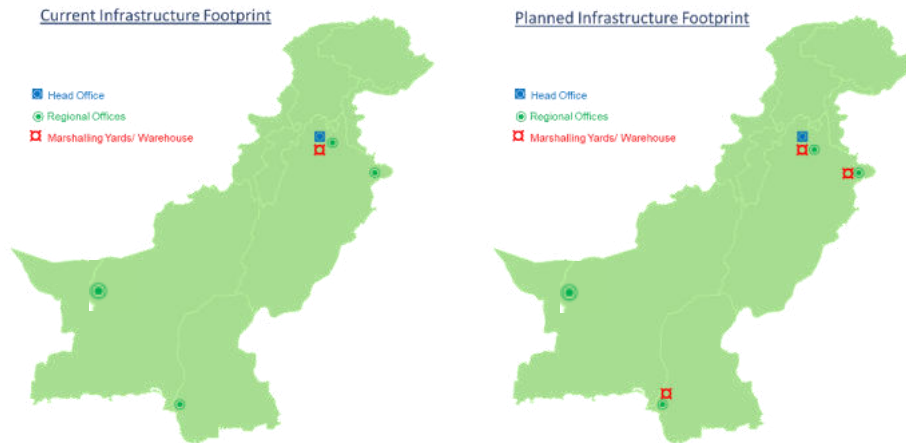
In addition to the above mentioned value drivers, additional attributes that add value to SLG's Business Lines, include:

i. Management Strategy

- ✓ Experienced management
- ✓ Market & Industry Knowledge
- ✓ Structured business plan and strategy

ii. Countrywide Infrastructure Footprint

- ✓ The Company's offices and Marshalling Yards network provides it a country-wide infrastructure foot print. It helps in smooth management of operations



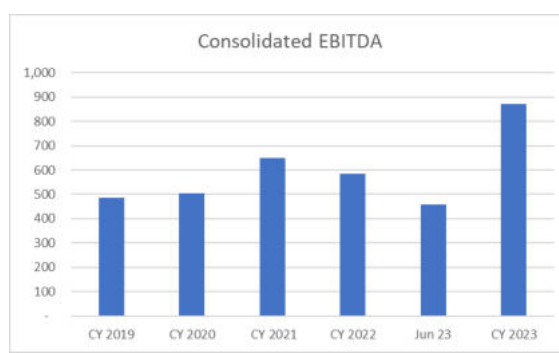
A pictorial representation of SLG and its Subsidiary is given below:



- iii. **SOPs & Controls**
 - ✓ Management controls and SOPS (ISO ratings)
 - ✓ Fully complaint of all statutory laws and regulations
- iv. **Business Model**
 - ✓ B2B
 - ✓ Diversified Business segments with horizontal synergies`
- v. **Governance Structure**
 - ✓ Significant shareholding with International Investors
 - ✓ Diversified Shareholder Group
 - ✓ A Public Ltd Company
- vi. **Branding**
 - ✓ Recognition through Accreditation & Rewards
- vii. **Credit Rating**
 - ✓ PACRA rating of Single A with a “Stable” outlook

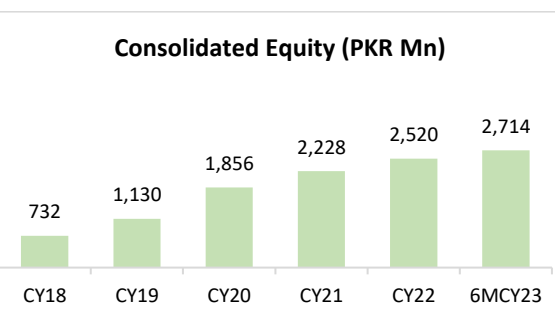
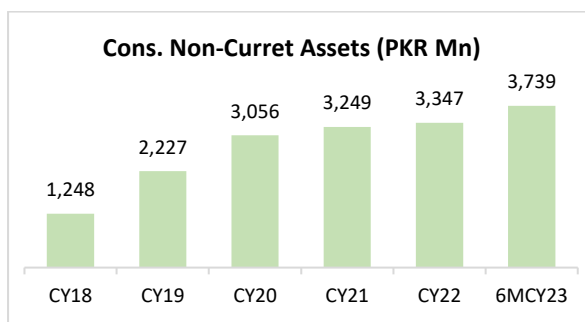
4A (ii) Financial Performance

The net profit of the company has experienced substantial growth, demonstrating a CAGR of about 29.33% from CY18 to 2022. The net profit, in terms of value, has increased from PKR 104 Mn in 2018 to PKR 291 Mn in 2022. This signifies the company's effective management of its operational costs and resources. This consistent increase in net profit reflects the company's ability to generate positive returns. The EBITDA margins exhibit a consistent performance, peaking at 54.44% in Year 1 and sustained around 34-40% in subsequent years.



Margins on Consolidated basis	CY 2018 Audited	CY 2019 Audited	CY 2020 Audited	CY 2021 Audited	CY 2022 Audited	6MCY 2023 Audited
Gross Margin	54.08%	42.52%	39.14%	38.17%	35.45%	37.55%
EBITDA Margin	54.44%	40.71%	42.15%	41.50%	35.47%	17.80%
Net Margin	25.32%	16.12%	18.91%	23.74%	17.44%	16.97%

SLG has continuously invested in its fleet size and other non-current assets which grew, on consolidated basis, at a CAGR of c. 27.97% over the period CY 2018 to CY 2022. Total Equity of the Company has grown at a CAGR of c. 36.21% over the period of CY 2018 to CY 2022. The consolidated non-current assets and equity for CY 2022 stood at PKR 3,347 Mn and PKR 2,520 Mn, respectively.



4A (iii) Operational Matrix & Control Environment

SLG and its Subsidiary maintains a robust control environment. Broadly speaking, the control measures consist of (a) assets protection through accurate logging and insurance of assets; (b) financial, accounting and commercial controls; (c) elaborate Human Resources policies; (d) data protection through IT infrastructure; and (e) dedicated operational SOPs by each business. Together, all of these measures facilitate smooth operation and help mitigate risks. The Operational Risk Mitigation Matrix is graphically represented as follows:



4A (iv) Diversified Shareholding Group & Corporate Governance

SLG's diversified shareholding structure and its BoD Members' complimentary qualifications and experiences have helped in formulating effective policy guidelines for the management's perusal. The Company is one of the very few logistic industry entities with reputable international investors. Please also refer to Section 7.2 for profile of Directors.

4A (v) Experienced Management

Led by Mr. Pervaiz Khan and Mr. Gulraiz Khan, each of the management staff has suitable educational qualification and relevant experience in his/her area of expertise. The staff is hired through a well-defined recruitment process. Please also refer to Section 7.4 for profile of key management staff.

4A (vi) Structured Growth Strategy for Next 5 Years

SLG has formulated a well thought out growth strategy from 2022 and beyond. The deployment of capital to be raised through the New Issue will transform the logistic business into a 3PL logistic player as discussed in detail in Section 4.1.

4A (vii) CPEC Driven Benefits

As the envisaged CPEC and other Regional trade opportunities open up, SLG is well paced to leverage its infra structure foot print, proforma asset base and range of services that the Company can offer to benefit from such opportunities.

As regards the foot print specifically, it is worth mentioning that the Company's second major Marshalling Yard and a warehousing facility will be established in Islamabad's suburbs (Hattar) within a few KMs of Motorway as well as the GT Road along the main CPEC artery.

4A (viii) Accreditations & Awards

The numerous Accreditations and Awards achieved by SLG and its Subsidiary reflect the quality of operations across business lines. For details, please refer to Section 3.6.

4A (ix) Brand Building Strategy

The Company has a stated goal to achieve brand recognition through quality of service supported by a robust marketing campaign. The marketing campaign will be aimed at the target B2B market and mainly rely upon selective print media, digital (social) media and permanent display of logos on all Company owned commercial vehicles and containers. The brand recognition to be gained through these initiatives is expected to enhance Company's valuation. For brand recognition, company has also applied for registration of trade marks and logos.

4A (x) Justification for Floor Price

Based on our review, the Lead Manager is of the opinion that the historical performance of the Company, diversified clientele segments and the demand for their services indicates sustainability of business performance in the future.

The shares of the Company are being issued at a Floor price of PKR 12.00/-per share while, post issuance of bonus shares the book value per share worked out to be PKR 16.30 per share.

4A (xi) Post IPO Free Float Disclosure

Post private placement through Pre-IPO and IPO, the number of issued shares will increase from 167,935,068 Ordinary Shares to 273,639,181 Ordinary Shares. The free float status post IPO is presented in the below table:

Description	Number of shares	% Shareholding status
Held by Sponsors and Directors	69,562,139	25.42%
Held by Other Shareholders	154,077,042	56.31%
Held by General Public – Free Float	50,000,000	18.27%
Total	273,639,181	100.00%

4A (xii) Peer Group Analysis

Comparable peers are defined in terms of the similar nature of products and services offered by the Company, similar revenues and profits, and target market etc. SLG offers logistic, tracking and security services. There are numerous companies that provide services that are similar to SLG however, they are not listed and cannot be compared due to lack of information.

Although, there are no listed peers that are directly comparable to SLG however, TPL Trakker Ltd. may be compared to the tracking services division of SLG, Secure Track.

5. RISK FACTORS

5.1. INTERNAL RISKS

5.1.1. Operations Risks

5.1.1.1. Risk of delay in Placing Orders or Procurement of Transportation Assets/Vehicles

The main assets procured by the Company are commercial vehicles, other transportation assets, including Semi-trailers and containers, IT hardware and softwares. The lead time for delivery these assets, from the day of placing the order, can be up to 3-6 months. Therefore, the orders are needed to be planned accordingly. If there is any delay in placing orders / procurement of the said assets, then it might result in a backlog for SLG in completing the services for its clients.

5.1.1.2. Vendor Concentration Risk

The Company has long term agreements with PSO and Shell Pakistan, for the procurement of fuel and lubricants. These items cumulatively make up a significant portion of SLG's annual purchases hence, the Company is dependent on the aforementioned suppliers. Therefore, a shortage in supply from these suppliers, can have an adverse effect on the operations of SLG.

5.1.2. Financial & Legal Risks

5.1.2.1. Risk of High Leverage

As at June 30th, 2023, the Company had long-term debt (senior and subordinated) and short-term borrowings of PKR 886 Mn and PKR 194 Mn, respectively. The long-term borrowings are mainly lease financing of vehicles whereas, the short-term debt is meant to meet working capital requirements of the Company. With a consolidated Debt Equity ratio of 33:67 on June 30th, 2023, the Company is moderately leveraged. Post IPO, the Company has a well thought out debt management strategy to help mitigate all debt associated risks.

By March 15th, 2024, the total outstanding long term debt is expected to be PKR 1,352 Mn and short term debt is forecasted to be PKR 175 Mn. An amount of PKR 1,043 Mn long term debt is expected to be paid from the IPO proceeds. Consequently, the Debt Equity ratio is expected to decrease 11:89.

5.1.2.2. Liquidity Risk

As at June 30th, 2023, the total Current Assets of the Company stood at PKR 977 Mn against Current Liabilities of PKR 1,012 Mn translating into a Current Ratio 0.98 times. Historically, the Company's fast pace growth led to the utilization of maximum available cash for capital expenditure, resulting in the shortfalls in availability of free cash and that impacted the Current Ratio. Post IPO, after the planned deleveraging, the Current Ratio is expected to increase to 1.13. In future, the Company wants to maintain a Current Ratio between 1.5 times to 1 time.

5.1.2.3. Credit Risk

In view of the B2B business model, the main credit risk of the Company arises from exposures to corporate clients on account of outstanding receivables. With a view to mitigate this risk, the management assesses the credit quality of the clients, taking into account their financial position, past experience and other factors. With regards to the any non corporate clients, the Company receives 75% of the invoiced amount upfront and balance within 1-3 day of delivery of goods.

5.1.2.4. Interest Rate Risk

The Company has entered into short and long-term financing agreements with lenders. These borrowings are based upon a variable rate pegged against benchmark 3-months KIBOR. Accordingly, any further increase in KIBOR will increase the Company's borrowing cost more and resultantly impact the profitability. Post IPO and

deleveraging, as a listed entity, the Company plans to mitigate the interest rate risk as much as possible by structuring its borrowings with a floor and a cap provision.

5.1.2.5. Foreign Exchange Risk

As mentioned in 5.1.1.1, the maintenance of Company's fleet is dependent upon imported parts and tyres. An adverse foreign exchange movement against PKR will inflate the price of imports, thus increasing the direct cost. Such a scenario will negatively affect the profitability of the Company. The Company's endeavor is to lock-in the price of imported items for maximum possible tenures.

5.1.2.6. Pending Legal Proceedings

The Company is a claimant as well as a defendant in a total of 8 cases involving tax and commercial matters. The details of all these legal proceedings are discussed under Section 8. To the best of management's knowledge, there are no other pending legal proceedings other than those already disclosed in Section 8. The Company's management is confident of favorable outcomes of these proceeding, therefore, no provision in this regard has been made in the financial statements. However, any adverse decision against of the Company will have an impact on the profitability of the Company.

5.1.2.7. Non-Compliance with SECP and PSX Regulations

In the event of non-compliance with any regulatory requirements of SECP or PSX, the Company may be placed on the Defaulter Segment of PSX which may potentially hamper trading in the Company's shares leading up to potential suspension in the trading.

5.2. EXTERNAL RISKS

5.2.1. Business Risks

5.2.1.1. Slow Down in Economic Activities & Cost Overrun

A further slowdown in the general economic activity may affect the businesses of SLG and its Subsidiary Companies. Such slow down, as witnessed during past few years pandemic, impacted clients' operation. Consequently, it impacted SLG's and its Subsidiaries business and correspondingly the financial results. Nonetheless, as a result of effective mitigation strategies involving operation and financial management, the Company was able to protect its bottom line.

5.2.1.2. Increased Competition

SLG's and its Subsidiary's business lines are part of industries with substantial demand-supply gap. However, in case of logistics, as the gradual trend goes towards corporatization, competition gradually increases. However, at the same time it will give impetus and strengthen the trend towards utilizing the services of corporatized logistic entities only.

5.2.1.3. Fuel

HSD is the single largest direct expense in logistic operations. Although, the fuel expense is a pass through to the clients and the increase in fuel price is accordingly adjusted, any long-term shortage in the HSD supply can impact the operation. The Company has built a 50,000 litres storage.

5.2.1.4. Import of Spare Parts and Tyres

Most spare parts and tyres are imported from China. These imports are exposed to fluctuations in foreign exchange rate. The Company partially mitigates this risk by locking-in the prices for a period of three months which it is trying to increase to six months. Lately, the domestic production of Radical commercial vehicle tyre tyres has further reduce the risks associated with imported tyres.

5.2.1.5. Risk of Non-Procurement of Land

As disclosed in the Prospectus, SLG plans to procure land in Special Economic Zones (SEZs) for development of its warehouses. If the Company is not successful in procuring the land with SEZs, it will not achieve the status of a SEZ company benefit from related benefits. Alternatively, the procurement of land from other sources will increase the cost of development of the warehouses.

5.2.1.6. Risk of Theft while the vehicles are en-route

Theft is a common threat to logistics and supply chain businesses where the vehicles are intercepted on route and the onboard goods are stolen. This can be a costly risk for the company because the insurance company may not cover the losses. In such case the company will have to pay the clients for the damages out of its own resources.

5.2.1.7. Potential Change in Regulatory and Custom Duties/ Regulatory Risk

The cost of imported spare parts and tyres are subject to regulatory and custom duties. Any increase in such duties will also result in an increase in the direct cost and consequently have a negative impact on the profitability.

As part of its mitigation strategy against this particular risk, the Company's Administration & Procurement Department: (a) closely follows the Regulatory and Custom Duties regime with assistance from notable Tax Consultants; (b) in case of direct imports, utilizes the services of reputable Clearing Agents; and (c) for directly imported and locally procured materials, strictly implements the Company's Procurement Policy to achieve the optimal pricing levels.

5.2.1.8. Delays in Expansion Plan

The delays in expansion plan due to any unforeseen reasons will impact the projected profitability, however, it will be mitigated to an extent by planning capital expenditure outlays that are in phases with maximum possible payments to vendors/ suppliers made at the end of procurement(s) cycle. In this way, the finance team will be able to maximize the interest income from available cash to partially compensate for the delays in income from operations of incremental assets planned through the expansion projects.

5.2.1.9. Capital Market Risk

After being listed on the securities exchange, the price of Company's shares will be determined by market forces driven by socio-economic events (local & international), capital & money market's behavior and Company's performance. As such, the value of the Company's share will be subject to fluctuation(s) based on combined impact of market forces identified above.

5.2.1.10. Under Subscription Risk

The Issue of SLG may be under-subscribed due to lack of interest on the part of the investors. The Book Building process shall be considered as cancelled if:

- The Company does not receive bids for the number of shares allocated under the Book Building portion;
- The Company does not receive at least 40 bids.

In such an eventuality, the bid money submitted by investors shall be refunded subsequently.

NOTE: IT IS STATED THAT ALL MATERIAL RISK FACTORS HAVE BEEN DISCLOSED AND THAT NOTHING HAS BEEN CONCEALED IN THIS RESPECT.

Certificate by Chief Executive Officer and chief Financial Officer of the Issuer

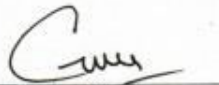
Dated: December 26th, 2023Subject: Certificate by the Chief Executive Officer and Financial Controller of the Issuer

We being the Chief Executive Officer and Financial Controller of Secure Logistics Group Limited (the "Issuer") accept absolute responsibility for the disclosures made in the Prospectus. We hereby certify that we have reviewed the Prospectus and that it contains all the necessary information with regard to the issue and constitutes full, true and plain disclosures of all material facts relating to the shares being offered through this Prospectus and that nothing has been concealed

The information contained in this Prospectus is true and correct to the best of our knowledge and the opinions and intends expressed herein are honestly held.

There are no other facts, the omission of which makes this Prospectus as a whole or any part thereof misleading.

For and on behalf of Secure Logistics Group Limited



Gulraiz Afzal Khan
Chief Executive Officer



Amad Aleem
Financial Controller

Head Office

10th Floor, New State Life Tower
F-7/4, Blue Area, Islamabad
Tel: +9251 877 9224-8

North Region

PLOT # 16, Near ID & NC, I-11/3
Islamabad
Tel: +9251 877 9470

Central Region


26 KM, Multan Road
Lahore
Tel: +9242 3547 8096-8

South Region

House Sister Lounge Z-525, Darulaman C H Society
Off National Stadium Road, Beside Liaquat Library Karachi.
Tel: +92 21 345 3440-9

Undertaking by the Company and its Sponsors

A342696



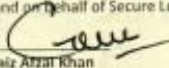
Date: 30.01.2024
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange road
Karachi - 74000, Pakistan

UNDERTAKING BY THE COMPANY AND ITS SPONSORS

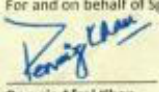
Secure Logistics Group Limited and its Sponsors undertake that


- Neither the Company nor its directors, sponsors or substantial shareholders have been holding office of the directors, or have been sponsors or substantial shareholders in any Company:
 - Which had been declared defaulter by the securities exchange or futures exchanges; or
 - Whose TRE certificate has been cancelled or forfeited by the Exchange, PMEX or any other registered stock exchange of Pakistan that existed prior to integration of stock exchanges pursuant to Integration Order number 01/2016 dated January 11, 2016 issued by the Commission due to non-compliance of any applicable rules, regulations, notices, procedures, guidelines etc.
- Which has been de-listed by the Exchange due to its non-compliance of any applicable provision of PSX Regulation.
- None of the Sponsors, Major Shareholders, Directors or Management of the Company as well as the Company itself or its Associated Company / Entity have been found guilty of being engaged in any fraudulent activity. The Company has made full disclosure regarding any / or all cases in relation to involvement of the person named above in any alleged fraudulent activity i.e. pending before any Court of Law / Regulatory Body / Investigation Agency in or outside of the country.

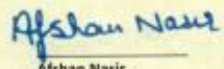
For and on behalf of Secure Logistics Group Limited



Gulraiz Afzal Khan
CEO


For and on behalf of Sponsors and Directors of Secure Logistics Group Limited


Pervaiz Afzal Khan
Director


Javed Afzal Khan
Director


Afshan Nasir
Director


Faisal Atta
Company Secretary



Statement by the Issuer

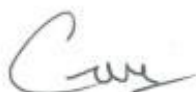


January 12th, 2024

The Chief Executive
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

On behalf of Secure Logistics Group Limited ("SLG" or the "Company"), I hereby confirm that all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Public Offering Regulations, 2017 and the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited has been disclosed in the Prospectus and that whatever is stated in Prospectus and the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and behalf of Secure Logistics Group Limited



Gulraiz Afzal Khan
Chief Executive Officer

Head Office

10th Floor, New State Life Tower
F-7/4, Blue Area, Islamabad
Tel: +9251 877 9224-8

North Region

Plot # 16, Near ID & NC, I-11/3
Islamabad
Tel: +9251 877 9470

Central Region

26 KM, Multan Road
Lahore
Tel: +9242 3547 9096-8

South Region

House Sister Lounge Z-525, Darulaman C H Society
Off National Stadium Road, Beside Liaquat Library Karachi
Tel: +92 21 345 3440-9

Statement by Consultant to the Issue/Lead Manager



29th January, 2024

The Chief Executive
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Being mandated as the Lead Manager to this Initial Public Offering of Secure Logistics Group Limited through the Book Building mechanism, we hereby confirm that all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Public Offering Regulations, 2017 has been disclosed in the Prospectus and that whatever is stated in Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

We have examined the business model and audited financial statements of the Issuer and based on the same, material Information including risks that would enable the investors to make an informed decision has been disclosed in the prospectus.

For and on behalf of Arif Habib Limited


Yousaf Bashir
 Managing Director, Investment Banking


Farhan Rizvi
 Director, Investment Banking

Head Office / Corporate Office: Arif Habib Centre, 23 M.T. Khan Road, Karachi | UAN: +92 21 113 245 111 | Fax: +92 21 3242 0653

Lahore Office: Office No. 9-1 & 9-4, Ground Floor, LSE Plaza, 15, Khayal-e-Akwan-e-Iqbal, Lahore. | Tel: +92 42 3631 3700 - 13, 3631 3741 - 04

Islamabad Office: Office No. 506, 5th Floor, 15th Towers, Jinnah Avenue, Islamabad | Tel: +92 51 289 4505 - 06

Peshawar Office: F16-F17, 1st Floor, The Mall Tower, Peshawar Cantt | Tel: +92 91 5253593

Faisalabad Office: Office No. 04, 3rd Floor, Legacy Tower, Kohinoor City, Faisalabad. | Tel: +92 41 8531050-3

Multan Office: Office No. 05, 3rd Floor, The United Mall, Plot No. 74, Abdali Road, Multan. | Tel: +92 61 6514412

cs@arifhabib.com | www.arifhabib.com | www.ahitrade.com

TREC Holder of the Pakistan Stock Exchange Ltd. | Branch Reg. No. BOA-010 / 01

5.3. STATEMENT BY BOOK RUNNER



29th January, 2024

The Chief Executive
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Being mandated as the Book Runner to this Initial Public Offering of Secure Logistics Group Limited through the Book Building process, we hereby confirm that all material information as required under the Companies Act 2017, Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Public Offering Regulations, 2017 has been disclosed in this Prospectus and that whatever is stated in Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and behalf of Arif Habib Limited


Yousaf Beshir
Managing Director, Investment Banking


Farhan Rizvi
Director, Investment Banking

Head Office / Corporate Office: Arif Habib Centre, 29 M.T. Khan Road, Karachi (UAN: +92 21 111 245 111 / Fax: +92 21 3242 8659)
Lahore Office: Office No. G-5 & G-6, Ground Floor, LSE Plaza, 29, Khayaban-e-Arman-e-Iqbal, Lahore, (Tel: +92 42 3631 3700 - 13, 3631 3761 - 44)
Islamabad Office: Office No. 506, 5th Floor, LSE Towers, Jinnah Avenue, Islamabad (Tel: +92 51 289 4505 - 06)
Peshawar Office: F16-F17, 3rd Floor, The Mall Tower, Peshawar Cantt (Tel: +92 91 5253913)
Faisalabad Office: Office No. 04, 3rd Floor, Legacy Tower, Bohloolpur City, Faisalabad. (Tel: +92 41 8531010-3)
Multan Office: Office No. 05, 3rd Floor, The United Mall, Plot No. 74, Abdali Road, Multan. (Tel: +92 61 4514412)
online@arifhabib.com | www.arifhabib.com | www.shitrade.com
TREC Holder of the Pakistan Stock Exchange Ltd. | Branch Reg No. BOA-058 / 01

6. FINANCIAL INFORMATION

6.1. AUDITORS REPORT AS CERTIFICATE ON ISSUED, SUBSCRIBED AND PAID- UP CAPITAL



RSM Awaiz Hyder Liaquat Nauman
Chartered Accountants

Plot# 18 -B-1, 1st Floor,
Chohan Plaza, G-8, Markaz
Islamabad, Pakistan.

T: +92 (51) 2340490 & 93
F: +92 (51) 2340476

islamabad@rsm-pakistan.pk
www.rsm-global/pakistan

January 26, 2024

The Company Secretary
Secure Logistics Group Limited
Plot # 16, Sanitaryware Market
I-11/3, Islamabad.

**Subject: AUDITORS' CERTIFICATE ON ISSUED, SUBSCRIBED AND PAIDUP CAPITAL
UNDER PUBLIC OFFERING REGULATIONS, 2017**

Dear Sir:

We have been requested to provide you with a certificate on Issued, Subscribed and Paid-up Capital of the Secure Logistics Group Limited (the "Company") as at June 30, 2023 as required under Clause 11(i) of Section 1 of the First Schedule to the Public Offering Regulations, 2017.

Scope of Certificate

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for Initial Public Offering as required under Clause 11(i) of Section 1 of the First Schedule to the Public Offering Regulation, 2017 for onward submission to Pakistan Stock Exchange ("PSX").

Management's Responsibility

It is the responsibility of the management to ensure compliance with the Clause 11(i) of Section 1 of First Schedule to the Public Offering Regulations, 2017. The management's responsibilities include causing the maintenance of the adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularity. This certificate does not relieve the management from its responsibilities.

Auditors' Responsibilities

Our responsibility is to certify Issued, Subscribed and Paid-up Capital of the Company as at June 30, 2023 in accordance with the "Guidelines for Issue of Certificate for Special Purpose by Practicing Chartered Accountant Firms" issued by Institute of Chartered Accountants of Pakistan. Our verification was limited to verify the Issued, Subscribed and Paid-up Capital of the Company from the documents submitted by the Company to regulators including Securities and Exchange Commission of Pakistan.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Other Offices at:
Lahore : 92 (42) 3587 7731-3
Karachi : 92 (21) 3565 5975-6
Faisalabad : 92 (41) 854 1165/854 1985
Quetta : 92 (81) 282 9809
Peshawar : 92 (91) 5278310/527 7205
Kabul : 93 (799) 058155

RSM Awaiz Hyder Liaquat Nauman is a member of the RSM network and trades as RSM. RSM is the trading name used by the member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

**Certificate**

Based on the procedures mentioned above, we certify that the Issued, Subscribed and Paid-up Capital of the Company as at June 30, 2023 is as follows:

all figures are in Rupees except shares

Line Item	June 30, 2023
Authorized Share Capital	2,500,000,000
Issued, Subscribed and Paid-up Capital – (166,435,068 Ordinary Shares of Rs10/- each fully paid).	1,664,350,680

	Number of Shares of Rs10/- each	Rupees
Mr. Pervaiz Afzal Khan	72,484,988	724,849,880
Mr. Gulraiz Afzal Khan	39,866,740	398,667,400
Mr. Javed Afzal Khan	1	10
Mrs. Afshan Nasir	8,456,573	84,565,730
Karandaaz Pakistan	22,813,383	228,133,830
KBP Limited	22,813,383	228,133,830
Mr. Umair Ahsan	-	-
Family & Associates	-	-

Restriction on Use and Distribution

This certificate is being issued on the specific request of the management of the company for the purpose of inclusion in prospectus to be issue for Initial Public Offering and for onward submission to PSX. This report is solely for the purpose set forth in the scope mentioned above and is not to be used or distributed for any other purpose. This report is restricted to the facts stated herein.



RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS
ISLAMABAD-PAKISTAN

6.2. AUDITOR CERTIFICATE ON BREAKUP VALUE PER SHARE



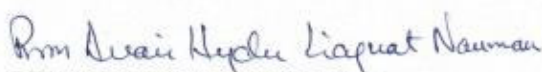


all figures are in Rupees except shares

Line Item	Note	June 30, 2023
Issue, Subscribed and Paid-up Capital		1,664,350,680
Unappropriated Profits – Revenue Reserves		613,560,358
Share Premium		435,631,420
Revaluation Surplus on Property, Plant and Equipment – Capital Reserves		-
Total Shareholders' Equity – including Revaluation Surplus on Property, Plant and Equipment	A	2,713,542,458
Total Shareholders' Equity – excluding Revaluation Surplus on Property, Plant and Equipment	B	2,713,542,458
Number of Ordinary Shares of Rs 10/- each	C	166,435,068
Break-up Value per Ordinary Share of Rs 10/- each (including Revaluation Surplus on Property, Plant and Equipment)	D = A / C	16.30
Break-up Value per Ordinary Share of Rs 10/- each (excluding Revaluation Surplus on Property, Plant and Equipment)	E = B / C	16.30

Restriction on Use and Distribution

This certificate is being issued on the specific request of the management of the company for the purpose of inclusion in prospectus to be issue for Initial Public Offering and for onward submission to PSX. This report is solely for the purpose set forth in the scope mentioned above and is not to be used or distributed for any other purpose. This report is restricted to the facts stated herein.


RSM AWAIZ HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS
ISLAMABAD-PAKISTAN

6.3. AUDITOR REPORT UNDER CLAUSE I OF SECTION II OF FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017



RSM Awaiz Hyder Liaquat Nauman
Chartered Accountants

Plot# 18 -B-1, 1st Floor,
Chohan Plaza, G-8, Markaz
Islamabad, Pakistan.

T: +92 (51) 2340490 & 93
F: +92 (51) 2340476

islamabad@rsm-pakistan.pk
www.rsm-global/pakistan

January 26, 2024

The Board of Directors
Secure Logistics Group Limited,
Plot # 16, Sanitaryware Market
I-11/3, Islamabad.

Dear Sirs

Subject: AUDITOR'S REPORT UNDER CLAUSE I OF SECTION II OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

We have been requested to provide you with a report with respect to information of the Secure Logistics Group Limited (the "Company") as required under Clause I of Section 2 of the First Schedule to the Public Offering Regulation, 2017.

Scope of Report

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for Initial Public Offer as required under Clause I of Section 2 of the First Schedule to the Public Offering Regulation, 2017 for onward submission to Pakistan Stock Exchange (PSX).

Management Responsibility

The responsibility for preparation and fair presentation of the financial information and non-financial information is primarily that of the management of the Company. The management's responsibilities include causing the maintenance of the adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevent and detection of frauds and irregularity. This report does not relieve the management from its responsibilities.

Auditors' Responsibility

Our responsibility is to report the information as required under Clause I of Section 2 of the First Schedule to the Public Offering Regulation, 2017. Our report is being issued 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 validating the correctness of financial information and non-financial information included in this report (including annexures). For this purpose, we traced the requisite information from the audited interim financial statements for the six months period ended June 30th, 2023 and audited financial statements for years ended on December 31, 2022, December 31, 2021, December 31, 2020, December 31, 2019 and December 31 2018 in terms of the requirements of Clause I of Section 2 of the First Schedule to the Public Offering Regulation, 2017.

Auditor's report

Based on our procedures mentioned in the preceding paragraph, we are pleased to state the following:

1. We have audited the interim financial statements for the six months period ended June 30th, 2023.
2. In terms of the requirement under Clause I of Section 2 of the First Schedule to the Public Offering Regulation, 2017, and based on the audited financial statements, we state as under:
 - a. Summary of consolidated and standalone assets, liabilities and shareholder's equity of the Company and its subsidiaries for the six months period ended on June 30th, 2023 and years ended on December 31, 2022, December 31, 2021, December 31, 2020, December 31, 2019 and December 31, 2018 is included in Annexure 'A' of this report:

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RSM Awaiz Hyder Liaquat Nauman is a member of the RSM network and trades as RSM. RSM is the trading name used by the member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.



- b. The consolidated and standalone statements of profit or loss of the Company and its subsidiaries for the six months period ended on June 30th, 2023 and years ended on December 31, 2022, December 31, 2021, December 31, 2020, December 31, 2019 and December 31, 2018 is included in Annexure 'B' of this report.
 - c. The consolidated and standalone statements of comprehensive income of the Company and its subsidiaries for the six months period ended on June 30th, 2023 and years ended on December 31, 2022, December 31, 2021, December 31, 2020, December 31, 2019 and December 31, 2018 is included in Annexure 'B' of this report.
3. No dividend was declared by the Company during the six months period ended June 30th, 2023. A dividend of PKR 120,000,000 (Rupees One Hundred Twenty Million only) was declared by Company for the years ended December 31st, 2020, and no dividend was declared by the Company for the years ended 31st December 2022, 31st December 2021, 31st December 2019 and December 31, 2018.
4. For the six months period ended June 30th, 2023, year ended December 31st, 2022 and December 31st, 2021 the Company had two subsidiaries whereas had one subsidiary on years ended on December 31st, 2020, December 31st, 2019 and December 31, 2018.

Restriction on use and distribution

This certificate is being issued on the specific request of the management of the Company for the purpose of inclusion in prospectus to be issued for Initial Public Offer and for onward submission to Pakistan Stock Exchange Limited. Accordingly, this should not be used distributed to any other third party without our prior consent. This report is solely for the purpose set forth in the scope mentioned above and is not to be used or distributed for any other purpose. This report is restricted to the facts stated herein and the attachments.


RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS
ISLAMABAD



Secure Logistics Group Limited		Annexure A					
Consolidated Statement of Financial Position		June 30, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
		(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Non current assets							
Property and Equipment		3,636,043,831	3,203,013,235	3,173,351,895	2,811,077,838	1,881,076,919	11,123,643,613
Intangible assets		34,580,962	38,423,292	48,029,117	50,850,650	54,894,820	57,864,586
Long term investment		-	-	-	181,951,446	277,378,838	17,876
Security deposits		68,818,525	105,887,200	27,768,600	18,660,100	13,227,500	11,947,590
		3,739,443,318	3,347,323,827	3,248,949,612	3,064,488,034	2,226,328,067	11,193,472,775
Current assets							
Trade debtors		274,058,675	294,985,804	234,648,964	146,341,439	247,500,428	164,991,819
Stores and spares		483,026,043	485,913,009	278,226,359	206,868,801	165,993,011	94,779,418
Advances and other receivables		101,052,464	100,751,360	70,446,894	265,669,037	187,079,309	102,841,178
Advance income tax		5,197,740	41,249,868	58,438,894	-	-	-
Cash and bank balances		2,143,693	55,320,242	74,465,728	21,166,893	12,448,262	11,652,247
		863,478,616	987,420,123	716,326,839	640,046,199	612,623,060	333,363,854
Total Assets		4,602,921,934	4,334,743,950	3,965,276,451	3,704,534,234	2,838,951,127	11,526,836,629
Share capital and reserves							
Authorized capital		2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000	1,000,000,000	500,000,000
250,000,000 (2022: 250,000,000) Ordinary shares of Rs. 10/- each							
Issued, subscribed and paid up capital							
106,435,068 (2022: 106,435,068) Ordinary shares of Rs. 10/- each fully paid in cash		1,664,350,680	1,664,350,680	1,664,350,680	964,350,680	794,072,100	449,582,100
Share premium		435,631,420	435,631,420	435,631,420	935,631,420	-	-
Accumulated profits		608,192,302	420,214,189	127,416,475	442,331,171	323,843,069	300,736,015
Reserve surplus		5,579,649	-	-	9,686,890	11,524,268	28,876,031
Total		2,713,754,051	2,520,196,289	2,227,398,575	2,352,000,161	1,129,541,437	779,196,146
Non current liabilities							
Liability against assets subject to finance lease		22,003,673	67,644,374	164,735,177	275,133,872	308,127,326	363,662,198
Term finance certificates (TFCs)		-	-	-	300,000,000	300,000,000	-
Long term loan		225,873,868	271,376,000	320,528,000	-	-	-
Employee benefits obligations		16,319,560	14,077,127	11,262,187	8,293,644	7,715,730	1,052,000
Salary refunding - long term portion		-	-	-	87,923,272	-	-
Salary refunding - long term portion		-	-	-	-	-	-
Deferred taxation		194,008,349	196,930,250	220,950,811	-	-	-
Loan from associates		254,738,613	261,363,913	125,000,000	-	-	-
Deferred government grants		-	-	4,465,189	9,321,365	-	-
		714,744,463	811,291,664	855,921,284	680,470,393	615,843,065	362,704,198
CURRENT LIABILITIES							
Term finance certificates (TFCs)		-	-	110,000,000	-	-	-
Creditors, accrued and other payables		168,319,234	124,178,315	154,806,660	247,546,701	795,099,104	156,623,140
Provision for taxation		51,763,227	51,044,941	75,769,398	-	-	-
Current portion of leasing liability		55,853,975	97,844,017	132,122,684	117,266,450	111,800,746	87,561,852
Current portion of long term loan		73,986,656	61,046,000	41,877,412	-	-	-
Unearned income		32,251,887	1,487,933	10,287,093	9,720,468	14,666,745	-
Short term borrowings		792,246,243	647,882,791	280,979,925	195,639,844	172,198,029	145,349,254
Salary refunding - short term portion		-	-	56,013,590	101,868,407	-	-
		1,174,423,021	982,955,997	881,856,592	672,055,879	1,093,764,624	384,526,286
Total liabilities		1,888,167,481	1,794,347,661	1,737,777,876	1,322,526,043	1,709,607,689	747,348,484

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Secure Logistics Group Limited

Statement of Financial Position

	June 30, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Non current assets						
Property and Equipment	3,358,950,462	3,073,772,969	2,855,798,985	2,641,464,922	1,728,375,899	953,143,693
Intangible assets	34,063,712	37,847,458	47,309,323	49,990,907	53,770,143	56,438,739
Long term investments	405,372,215	253,484,777	233,036,167	188,366,912	277,528,828	226,530,551
Security deposits	68,618,525	102,768,608	27,768,608	18,660,108	13,227,500	11,947,500
	3,867,203,494	3,467,873,744	3,163,913,079	2,898,262,841	2,072,702,370	1,248,060,483
Current assets						
Trade debtors	175,204,622	186,315,156	144,533,618	70,450,551	151,824,626	74,763,857
Stores and spares	481,026,043	483,913,009	278,226,359	286,868,801	165,593,061	54,779,410
Advances and other receivables	66,566,213	67,282,269	11,789,589	539,510	158,775,897	73,009,232
Advance income tax	-	18,688,743	385,519,145	245,969,756	-	-
Due from associated company	11,944,351	13,882,785	-	-	-	-
Cash and bank balances	623,658	32,358,817	54,188,631	3,690,414	3,532,306	6,566,109
	735,364,887	801,360,019	735,857,262	526,878,832	479,715,890	289,138,608
Total Assets	4,602,568,381	4,272,333,763	3,909,070,341	3,425,141,673	2,552,418,260	1,487,209,091
Share capital and reserves						
Authorized capital	2,500,000,000	2,500,000,000	2,500,000,000	1,000,000,000	2,500,000,000	500,000,000
250,000,000 (2022: 250,000,000) Ordinary shares of Rs. 10/- each						
Issued, Subscribed and paid up capital	1,664,350,680	1,664,350,680	1,664,350,680	964,350,680	699,982,100	449,982,100
166,435,068 (2022: 166,435,068) Ordinary shares of Rs. 10/- each fully paid up cash						
Share premiums	435,631,420	435,631,420	435,631,420	935,631,420	-	-
Revaluation surplus	-	-	-	-	-	16,896,578
Accumulated profits	613,560,358	423,579,307	380,807,841	297,877,721	188,137,599	200,532,575
Total	2,713,542,458	2,523,561,407	2,480,789,941	2,197,859,821	888,119,699	787,411,253
Non current liabilities						
Liability against assets subject to finance lease	17,369,211	67,644,374	164,023,907	267,766,478	288,304,606	332,269,880
Finance facility from HBL	-	-	329,528,000	-	-	-
Long term loan	225,873,868	271,376,000	-	-	-	-
Employee benefit obligation	13,942,252	10,481,527	-	-	-	572,000
Salary refunding - long term portion	-	-	-	18,287,708	-	-
Deferred taxation	184,216,872	188,259,466	6,515,622	6,515,632	123,884,381	-
Loan from associates	256,738,613	261,363,913	142,276,845	177,551,128	-	82,011,781
Gratuity Funds	-	-	8,562,730,000	6,348,143,000	6,040,198,000	-
Deferred government dues	-	-	1,236,821	2,288,951	-	-
	696,140,816	799,084,620	682,143,923	478,752,839	617,629,188	414,833,661
CURRENT LIABILITIES						
Term finance certificates (TFCs)	-	-	110,000,000	300,000,000	300,000,000	-
Payable against redemption of TFCs	-	-	-	-	366,335,901	-
Due to associated companies	163,566,572	110,549,146	-	-	-	-
Term finance certificates (TFCs)	-	-	-	-	-	-
Creditors, accrued and other payables	111,088,777	81,694,042	163,744,049	194,154,353	369,452,772	144,052,139
Provision for taxation	37,534,433	28,083,236	-	-	-	-
Current portion of leasing liability	55,655,975	92,981,515	124,483,875	104,827,470	100,598,090	71,253,047
Current portion of long term loan	73,986,456	61,846,000	-	-	-	-
Unearned income	32,251,887	1,487,933	10,287,093	9,720,668	14,666,745	-
Subordinated loan	-	-	125,000,000	-	-	-
Short term borrowings	718,201,209	573,745,564	190,762,795	120,910,000	95,815,868	67,188,751
Salary refunding - short term portion	-	-	19,923,251	19,717,531	-	-
Current Portion of Finance Facility From HBL	-	-	41,877,412	-	-	-
	1,192,885,309	949,587,336	786,076,475	749,329,822	1,246,865,376	284,995,177
	1,889,828,125	1,748,672,356	1,438,220,408	1,228,081,652	1,864,295,565	699,847,838

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Flu Security (Private) Limited
Statement of Financial Position

Annexure A

	June 30, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Non current assets						
Property and Equipment	153,076,458	120,772,258	147,338,345	169,532,916	152,701,603	178,499,523
Intangible assets	518,231	575,835	779,754	899,743	1,124,877	1,405,846
Long term investment	-	-	-	-	-	-
Security deposits	-	-	-	-	-	17,076
	153,594,689	121,348,093	148,118,100	170,432,659	153,826,480	179,922,445
Current assets						
Trade debt	98,854,053	97,876,608	89,715,547	75,891,088	95,875,802	89,327,162
Advances and other receivables	34,486,231	32,456,091	575,785	19,159,791	28,303,412	29,771,947
Advances income tax	5,197,740	22,561,065	40,189,010	-	-	-
Due from related party	163,966,572	116,545,145	142,276,845	177,551,128	123,884,382	82,011,781
Cash and bank balances	1,419,833	22,862,225	20,277,097	16,116,479	8,923,556	5,086,129
	383,924,431	289,339,134	293,834,084	290,718,486	255,989,532	206,997,027
Total Assets	537,519,120	410,687,227	441,952,184	461,151,145	409,816,012	376,919,472
Share capital and reserves						
Authorized capital	130,000,000	130,000,000	130,000,000	130,000,000	130,000,000	130,000,000
1,300,000 (2022: 1,300,000) Ordinary shares of Rs. 10/- each						
Issued, Subscribed and paid up capital						
940,000 (2022: 940,000) Ordinary shares of Rs. 10/- each fully paid up	94,000,000	94,000,000	94,000,000	94,000,000	94,000,000	94,000,000
Accumulated profits	203,430,683	154,177,235	96,833,790	47,921,892	172,978,723	142,643,992
Reserves surplus	5,579,848	6,199,609	7,749,512	9,686,890	10,268,102	11,979,453
Total	303,010,531	254,376,844	198,583,302	151,608,782	277,236,825	248,623,445
Non current liabilities						
Finance Lease Liabilities	-	-	711,278	7,377,394	19,822,728	29,382,318
Employee benefit obligation	4,777,708	3,675,200	2,679,457	1,945,541	1,675,541	480,000
Salary refunding - long term portion	-	-	-	49,633,564	-	-
Deferred taxation	9,791,477	10,218,127	15,799,863	14,999,645	3,034,870	1,680,254
Loan from association	-	-	-	-	-	-
Deferred government grant	-	-	3,238,288	6,832,414	-	-
	15,569,185	13,893,327	22,418,878	99,875,978	25,433,139	31,462,572
CURRENT LIABILITIES						
Creditors, accrued and other payables	52,175,816	37,893,932	49,181,226	34,586,898	6,292,353	9,019,234
Provision for taxation	14,228,794	22,941,405	17,688,611	5,656,587	13,176,123	1,953,278
Finance Lease Liabilities	-	4,634,502	7,648,808	12,432,980	11,282,656	10,808,805
Current portion of long term loan	-	-	-	-	-	-
Unearned income	-	-	-	-	-	-
Subordinated loan	-	-	-	-	-	-
Short term borrowings	74,045,034	73,837,227	70,217,140	74,729,644	76,382,181	76,160,542
Salary refunding - short term portion	-	-	76,090,139	62,170,876	-	-
	140,449,644	134,672,564	228,788,844	209,577,185	107,853,290	97,941,654
Total Liabilities	293,459,175	389,049,408	427,372,146	461,185,967	385,090,115	346,565,099

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Logi Serve (Private) Limited
Statement of Financial Position

Annexure A

	June 30, 2023 (Rupees)	December 31, 2022 (Rupees)
Non current assets		
Property and Equipment	106,631,797	-
Leasehold Improvements	12,750,673	13,938,009
Security deposits		2,918,700
	119,382,470	16,856,709
Current assets		
Advances and other receivables	-	972,900
Cash and bank balances	100,000	100,000
	100,000	1,072,900
Total Assets	119,482,470	17,929,609
Share capital and reserves		
Authorized capital	100,000	100,000
10,000 (2022: 10,000) Ordinary shares of Rs. 10/- each		
Issued, Subscribed and paid up capital		
100,000 (2022: 100,000) Ordinary shares of Rs. 10/- each fully paid in cash	100,000	100,000
Share premium	-	-
Accumulated profits	102,383,477	(1,082,068)
Revaluation surplus	-	-
	102,483,477	(982,068)
CURRENT LIABILITIES		
Due to related party	11,944,351	13,802,785
Creditors, accrued and other payables	5,054,642	5,108,892
	16,998,993	18,911,677
Total Liabilities	16,998,993	18,911,677

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Secure Logistics Group Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income

Annexure B

	June 30, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Revenue - net	1,107,571,330	1,669,040,381	1,567,893,211	1,210,690,811	1,181,664,188	641,120,666
Cost of services	(952,586,083)	(1,078,187,288)	(978,362,489)	(736,856,360)	(679,255,862)	(325,165,247)
Gross profit	154,985,245	590,853,093	589,530,722	473,834,451	502,408,326	315,955,419
Administrative expenses	(81,892,794)	(796,748,965)	(339,403,949)	(175,186,979)	(142,445,809)	(58,574,683)
Other expense	(29,330,535)	(11,468,424)	-	-	-	-
Operating profit	343,761,766	582,635,684	438,126,773	298,647,472	359,962,517	213,380,736
Finance costs	(127,312,665)	(139,979,065)	(303,536,628)	(106,205,470)	(142,273,890)	(86,665,079)
Share of profit from associate	-	-	-	-	-	-
Expected credit losses	-	(4,596,504)	-	-	-	-
Other income	11,287,385	24,644,234	19,765,359	77,583,776	30,235,934	8,446,290
Profit before tax for the period	227,716,480	262,713,349	354,355,504	279,425,378	247,724,561	171,161,997
Taxation	(39,407,120)	22,827,095	17,448,750	(41,476,251)	57,225,549	(26,255,954)
Profit after tax for the period	188,309,355	285,540,444	371,804,254	237,949,127	304,950,110	150,906,043
Other comprehensive income for the year	-	-	-	-	-	-
Items that will not be subsequently reclassified to profit or loss - net of tax	-	-	-	-	-	-
Remeasurement gain on defined benefit obligation	-	1,123,123	154,240	-	-	-
Remeasurement loss on defined benefit obligation of subsidiary	-	-	-	-	-	-
	-	1,123,123	154,240	-	-	-
Total comprehensive income for the year	188,309,355	286,663,567	371,958,494	237,949,127	304,950,110	150,906,043

Secure Logistics Group Limited
Statement of Profit or Loss and Other Comprehensive Income

	June 30, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Revenue - net	-	1,432,454,922	1,350,089,681	1,016,689,681	939,712,843	409,832,315
Cost of services	-	(1,018,660,791)	(910,744,160)	(683,543,887)	(559,480,601)	(288,210,873)
Gross profit	-	413,794,131	439,345,521	333,145,794	380,232,242	221,621,442
Administrative expenses	-	(101,379,841)	(83,334,959)	(93,401,309)	(74,035,981)	(45,594,875)
Cost on redemption of TFCs	-	-	-	-	(64,333,901)	-
Other expense	-	(11,468,424)	-	-	-	-
Operating profit	-	300,945,866	356,010,562	239,744,485	239,860,360	176,026,567
Finance costs	-	(121,950,903)	(78,617,348)	(99,200,611)	(128,278,852)	(41,721,778)
Expected credit losses	-	(7,855,825)	-	-	-	-
Share of profit from associate	-	55,766,914	46,379,130	30,838,084	28,613,381	-
Other income	-	14,341,416	18,434,457	75,131,327	30,235,934	8,446,290
Profit before tax for the period	-	245,247,468	336,207,691	256,113,485	170,430,823	142,751,079
Taxation	-	45,319,825	35,255,286	(27,173,363)	(56,941,426)	(14,029,931)
Profit after tax for the period	-	290,567,293	371,462,977	228,940,122	113,489,399	128,721,148
Other comprehensive income for the year	-	-	-	-	-	-
Items that will not be subsequently reclassified to profit or loss - net of tax	-	-	-	-	-	-
Remeasurement gain on defined benefit obligation	1,398,462	1,398,462	338,250	-	-	-
Remeasurement loss on defined benefit obligation of subsidiary	(275,339)	(275,339)	(184,010)	-	-	-
	1,123,123	1,123,123	154,240	-	-	-
Total comprehensive income for the year	1,123,123	290,690,416	371,607,217	228,940,122	113,489,399	128,721,148

Rsm



FIST Security (Private) Limited

Annexure B

Statement of Profit or loss and other comprehensive income

	June 30, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Revenue - net	119,713,182	236,585,459	217,803,530	194,001,130	241,551,345	231,288,551
Cost of services	(29,492,542)	(59,520,497)	(59,618,529)	(52,921,873)	(119,775,281)	(140,954,374)
Gross profit	90,220,640	177,064,962	158,185,001	141,079,257	121,776,064	90,334,177
Administrative expenses	(24,786,864)	(94,260,836)	(78,066,568)	(51,785,878)	(68,609,838)	(52,979,907)
Cost on redemption of TFCs	-	-	-	-	-	-
Other expense	-	-	-	-	-	-
Operating profit	65,433,776	82,798,126	80,118,433	89,293,379	53,166,226	37,354,170
Finance costs	(6,840,161)	(18,019,262)	(24,919,280)	(11,004,859)	(13,995,838)	(8,943,251)
Expected credit losses	-	(740,679)	-	-	-	-
Other income	2,094,544	10,902,818	9,330,902	2,852,449	-	-
Profit before tax for the period	62,688,159	74,941,013	64,529,055	85,140,977	39,170,388	28,410,919
Taxation	(13,875,551)	(17,491,131)	(8,148,505)	(14,302,893)	(20,284,125)	(8,226,023)
Profit after tax for the period	48,812,608	57,449,882	56,380,550	70,838,084	18,886,263	20,184,896
Other comprehensive income for the year	-	-	-	-	-	-
Items that will not be subsequently reclassified to profit or loss - net of tax	-	-	-	-	-	-
Remeasurement gain on defined benefit obligation	-	-	-	-	-	-
Remeasurement loss on defined benefit obligation of subsidiary	(179,721)	(275,339)	(184,010)	-	-	-
	(179,721)	(275,339)	(184,010)	-	-	-
Total comprehensive income for the year	48,632,887	57,174,543	56,196,540	70,838,084	18,886,263	20,184,896

Legi Serve (Private) Limited

Statement of Profit or loss and other comprehensive income

	June 30, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Revenue - net	115,000,000	-	-	-	-	-
Cost of services	-	-	-	-	-	-
Gross profit	115,000,000	-	-	-	-	-
Administrative expenses	(11,534,455)	(1,062,068)	-	-	-	-
Operating profit	103,465,545	(1,062,068)	-	-	-	-
Finance costs	-	-	-	-	-	-
Expected credit losses	-	-	-	-	-	-
Profit/(Loss) before tax for the period	103,465,545	(1,062,068)	-	-	-	-
Taxation	-	-	-	-	-	-
Profit/(Loss) after tax for the period	103,465,545	(1,062,068)	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	103,465,545	(1,062,068)	-	-	-	-

Rsm

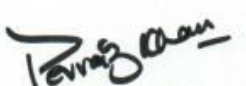
6.4. LATEST AUDITED ACCOUNTS AS AT 30TH JUNE 2023

SECURE LOGISTICS GROUP LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	Audited June 30, 2023 (Rupees)	Audited December 31, 2022 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	3,636,043,831	3,203,013,235
Intangible assets	6	34,580,962	38,423,292
Long term security deposits	7	68,818,325	105,687,300
		3,739,443,118	3,347,123,827
CURRENT ASSETS			
Trade debts	8	274,058,675	284,185,804
Stores and spares	9	481,026,043	485,913,009
Advances, deposits and other receivables	10	101,052,464	100,751,260
Advance income tax		5,197,740	41,249,808
Cash and bank balances	11	2,143,493	55,320,242
		863,478,416	967,420,123
		4,602,921,534	4,314,543,950
EQUITY AND LIABILITIES			
SHARE CAPITAL			
Issued, subscribed and paid up capital	12	1,664,350,680	1,664,350,680
Revaluation surplus		5,579,649	-
Share premium		435,631,420	435,631,420
		2,105,561,749	2,099,982,100
RESERVES			
Accumulated profits		608,192,302	420,214,189
		2,713,754,051	2,520,196,289
NON CURRENT LIABILITIES			
Liability against assets subject to finance lease	13	22,003,673	67,644,374
Long term loan	14	225,873,868	271,376,000
Employee benefit obligation	15	16,119,960	14,077,127
Deferred tax	16	194,008,349	196,930,250
Loan from associates	17	256,738,613	261,363,913
Deferred government grant		-	-
		714,744,462	811,391,664
CURRENT LIABILITIES			
Term finance certificates (TFCs)		-	-
Creditors, accrued and other payables	18	168,319,234	124,178,315
Provision for taxation		51,763,227	51,044,941
Current portion of leasing liability	13	55,855,975	97,616,017
Current portion of long term loan	14	73,986,456	61,046,000
Unearned income		32,251,887	1,487,933
Short term borrowings	19	792,246,243	647,582,791
Salary refinancing - short term portion		-	-
		1,174,423,021	982,955,997
		4,602,921,534	4,314,543,950
CONTINGENCIES AND COMMITMENTS			
	20		

The annexed notes from 1 to 38 form an integral part of these consolidated condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

SECURE LOGISTICS GROUP LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED June 30, 2023

	Note	Half year ended	
		Audited June 30, 2023 (Rupees)	Unaudited June 30, 2022 (Rupees)
Revenue - net	21	1,107,571,330	869,655,704
Cost of services	22	(652,586,085)	(560,693,123)
Gross profit		454,985,245	308,962,581
Administrative expenses	23	(81,892,950)	(83,336,673)
Other expense	24	(29,330,535)	-
Operating profit		343,761,760	225,625,909
Share of profit from associate		-	31,658,575
Finance costs	25	(127,332,665)	(43,446,360)
Expected credit losses	8	-	-
Other income	26	11,287,385	1,643,077
Profit before tax for the period		227,716,480	215,481,200
Taxation	27	(39,467,125)	(16,100,178)
Profit after tax for the period		188,249,355	199,381,022

The annexed notes from 1 to 38 form an integral part of these consolidated condensed interim financial statements.

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CHIEF EXECUTIVE OFFICER

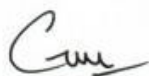


DIRECTOR

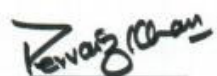
SECURE LOGISTICS GROUP LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED JUNE 30, 2023

	Audited	Unaudited
	30 June	30 June
	2023	2022
Note	(Rupees)	(Rupees)
Profit/(Loss) for the period	188,249,355	199,381,022
Remeasurement loss on defined benefit obligation	(271,242)	-
Other comprehensive loss for the period	(271,242)	-
Total comprehensive income for the period	187,978,113	199,381,022

The annexed notes from 1 to 38 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director

SECURE LOGISTICS GROUP LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2023

Note	Half year ended	
	Audited June 30, 2023 (Rupees)	Unaudited June 30, 2022 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	227,716,480	215,481,200
Adjustment for non-cash items :		
Interest expense	25 127,332,665	48,648,357
Depreciation and amortization	22, 23 106,696,839	80,649,306
Exchange loss on loan	24 2,374,699	-
Loss on disposal of fixed assets	24 26,955,836	-
Unrealized gain	26 (4,706,127)	-
Gratuity expense	23.1 1,660,802	1,232,456
Share of profit from associated company	-	(31,658,575)
Cash flows before working capital changes	488,031,194	314,352,744
Changes in working capital		
(Increase)/decrease in current assets:		
Advances, deposits and other receivables	(301,204)	(9,136,564)
Trade debts	10,127,129	(13,514,530)
Stores and spares	4,886,966	39,804,176
(Increase)/decrease in current liabilities		
Unearned income	30,763,954	(6,259,944)
Creditors, accrued and other liabilities	44,140,919	(33,291,086)
	5,625,615	
Net working capital changes	89,617,763	(16,772,333)
Cash generated from operations	577,648,957	297,580,412
Income tax paid	(7,094,166)	(31,522,898)
Finance cost paid	(104,124,253)	(50,262,501)
Gratuity paid	-	-
Net cash flow generated from operating activities	466,430,538	215,795,013
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of equipment	(290,246,774)	(207,912,241)
Disposal of equipment	72,010,000	-
Long term security deposits-Addition	36,868,975	-
Net cash used in investing activities	(181,367,799)	(207,912,241)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of salary refinance	-	(53,150,210)
Repayment of TFC loan	-	(55,000,000)
Loan from associates	(4,625,301)	-
Lease rental paid	(99,076,118)	(84,489,390)
ROU - Initial direct cost paid	(346,729,845)	-
Long term loan (repaid) / received	(32,561,676)	-
Net cash flow generated from financing activities	(482,992,939)	(192,639,600)
Net cash outflow during the year	(197,930,200)	(184,756,828)
Cash and cash equivalents at beginning of period	(592,262,549)	(186,514,228)
Cash and cash equivalents at the end of year	(790,192,749)	(371,271,057)

The annexed notes from 1 to 38 form an integral part of these consolidated condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

6.5. SUMMARY OF FINANCIAL HIGHLIGHTS OF SECURE LOGISTICS GROUP LIMITED

The audited financials of the Company can be downloaded from the following link: <https://www.slg.com.pk/>

6.5.1. Consolidated

	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	6MCY2023	CY 2023
PKR Mn	Audited	Audited	Audited	Audited	Audited	Audited	Un Audited
Income Statement							
Net Revenue	410	1,182	1,211	1,568	1,669	1,108	2,129
Cost of Goods Sold	(188)	(679)	(737)	(969)	(1,077)	(653)	(1,329)
Gross Profit	222	502	474	599	592	455	800
Administrative Expenses	(46)	(143)	(175)	(159)	(197)	(82)	(170)
Other Income/(Expense)	8	30	78	20	9	(18)	(1)
Operating Profit	184	390	377	459	404	344	629
Financial Charges	(42)	(142)	(106)	(104)	(140)	(127)	(218)
Profit/(Loss) before Taxation	143	248	270	355	264	228	411
Taxation	(39)	(57)	(41)	17	28	(40)	(32)
Profit/(Loss) after Taxation	104	190	229	372	291	188	379
EBITDA	223	481	510	651	592	451	872
Depreciation and Amortization	39	91	134	192	189	107	243
Balance Sheet							
	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	Jun 2023	CY 2023
	Audited	Audited	Audited	Audited	Audited	Audited	Un Audited
Non-Current Assets	1,248	2,227	3,056	3,249	3,347	3,739	3,537
Current Assets	209	613	450	716	967	864	977
Total Assets	1,457	2,839	3,507	3,965	4,315	4,603	4,514
Equity	450	794	1,900	2,100	2,100	2,100	2,662
Surplus on revaluation of fixed assets	17	12	-	-	-	6	5
Total Equity	732	1,130	1,856	2,228	2,520	2,714	2,667
Salaries Financing	-	-	190	96	-	-	-
Liabilities against assets	332	308	275	165	68	22	82

subject to finance lease							
Long Term Securities	-	-	-	-	-	226	-
Term Finance Certificate	-	300	300	110	-	-	-
Current Portion of non-current liabilities	72	112	117	174	159	130	49
Short-Term Borrowings	69	172	196	261	648	792	748
Non-Current Liabilities	415	616	693	856	833	715	846
Current Liabilities	310	1,094	958	881	962	1,174	1,000
Stores and spares	55	166	207	278	486	481	479
Trade debts	75	248	146	235	284	274	362
Trade and other payables	169	795	201	154	103	168	118
Fixed Assets	1010	1,936	3,038	3,221	3,203	3,670	3,446
Cash Flow Statement	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	6MCY2023	CY 2023
	Audited	Audited	Audited	Audited	Audited	Audited	Un Audited
Cash Flow from Operating Activities	181	234	190	308	162	466	685
Cash Flow from Investing Activities	(155)	(810)	(1,066)	(385)	(291)	(181)	(414)
Cash Flow from Financing Activities	(25)	577	844	64	(276)	(483)	(131)
Net increase in cash and cash equivalents	1	0.3	9	(12)	(406)	(198)	140
Cash and cash equivalents at the beginning of the year	6	12	12	(174)	(187)	(592)	(592)
Net Cash Balance	7	12	21	(187)	(592)	(790)	(452)
Capex	155	810	1,062	378	305	290	459
Growth	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	6MCY2023	CY 2023
	Audited	Audited	Audited	Audited	Audited	Audited	Un Audited
Sales Growth (%)	(55.58%)	188.33%	2.46%	29.50%	6.45%	-	92%

EBITDA							
Growth (%)	(7.60%)	116%	6%	27.51%	(9.01%)	-	91%
Profit after tax Growth (%)	(11.91%)	83.60%	20.18%	62.58%	(21.78%)	-	102%
Margins							
Gross Margin(%)	54.08%	42.52%	39.14%	38.17%	35.45%	41.06%	37.55%
Operating Profit Margin	45.01%	33.00%	31.11%	29.27%	24.18%	31.05%	29.54%
EBITDA Margin (%)	54.44%	40.71%	42.15%	41.50%	35.47%	40.70%	40.96%
Profit after tax Margin (%)	25.32%	16.12%	18.91%	23.74%	17.44%	16.97%	17.80%
Profitability Ratios	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	6MCY2023	CY 2023
	Audited	Audited	Audited	Audited	Audited	Audited	Un Audited
Earnings per share (PKR) ⁹	1.48	1.98	2.37	2.24	1.75	1.13	2.28
Break-up value per share (PKR) ¹⁰	10.46	11.71	19.24	13.39	15.14	16.25	16.03
Earnings per share (PKR) – after issuance of Bonus shares ¹¹	2.31	2.72	2.37	2.24	1.75	1.13	2.28
Break-up value per share (PKR) – after issuance of Bonus shares ¹²	16.28	16.14	19.24	13.39	15.15	16.25	16.03
Return on equity (%) ¹³	14.17%	16.87%	12.34%	16.71%	11.55%	6.93%	14.24%
Return on assets (%) ¹⁴	7.12%	6.71%	6.53%	9.39%	6.75%	4.08%	8.39%
Outstanding shares (Mn) ¹⁵	70.00	96.44	96.44	166.44	166.44	166.64	166.44
Balance Sheet Ratios	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	Jun 2023	CY 2023
	Audited	Audited	Audited	Audited	Audited	Audited	Un Audited

⁹ Earnings per share is based on total profit after tax divided by outstanding shares of the Company at the corresponding period end

¹⁰ Book Value per share is calculated by dividing equity of the Company including revaluation surplus by outstanding shares of the Company at the corresponding period end

¹¹ Earnings per share is based on total profit after tax divided by outstanding shares after issuance of bonus shares after September 30, 2021

¹² Break-up value per share is based on total equity of the Company including revaluation surplus divided by outstanding shares after issuance of bonus shares after September 30, 2021

¹³ Return of equity is based on profit after tax divided by average equity

¹⁴ Return on asset is based on profit after tax divided by average total assets of the Company

¹⁵ Subsequent to September 30, 2021, SLG issued 70mn shares as bonus shares on October 14, 2021. Thus, the total outstanding shares of the Company increased from PKR 96.4 Mn shares to PKR 166.4 Mn shares

Fixed Asset Turnover ¹⁶	0.41	0.61	0.40	0.49	0.52	0.30	1.62
Asset Turnover ¹⁷	0.28	0.42	0.35	0.40	0.39	0.24	2.12
Current Ratio	0.67	0.56	0.47	0.81	1.01	0.74	0.98
Capex to total Assets	0.11	0.29	0.30	0.10	0.07	0.06	0.10
Receivable Turnover (days)	67	76	44	55	62	90.3	62.06
Inventory Turnover (days)	106	89	102	105	165	269	131.51
Payable Turnover (days)	328	427	100	58	35	94	32.40
Leverage Ratios	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	Jun 2023	CY 2023
	Audited	Audited	Audited	Audited	Audited	Audited	Un Audited
Debt to Equity	0.10	0.15	0.11	0.12	0.26	0.29	0.26
Debt to Total Capital	0.09	0.13	0.10	0.10	0.20	0.23	0.19
EBITDA/Interest	5.35	3.38	4.80	6.28	4.23	3.55	4.00
Debt / EBITDA	0.31	0.36	0.38	0.40	1.09	1.76	1.12
(EBITDA-CAPEX)	378	1,292	1,572	1,029	897	741	413
(EBITDA-CAPEX)/Interest	9.07	9.08	14.80	9.93	6.41	5.83	1.89
Interest Coverage Ratio ¹⁸	4.42	2.74	3.55	4.43	2.88	2.71	0.32

Commentary on Select Ratios

i. Profitability

During the period CY 2018 to CY 2022, the Company's Revenue and Profit After Taxation posted a 4 -year CAGR of 42% and 29%, respectively. The Cost of Goods sold was 61%, 62%, 65% and 59% as a percentage of Revenue in CY 2020, CY 2021 and CY 2022 and CY 2023 (June), respectively. Similarly, the Administrative Expenses as a percentage of Revenue were 14%, 10%, 12% and 8% in CY 2020, CY 2021, CY 2022 and CY 2023 (June), respectively.

Notwithstanding the impact of COVID-19, adverse political and economic conditions on overall business environment during the period CY2020 to CY2022, the Group has reported consistent Net Profits. The minor decline in CY 2022 was attributed to extra-ordinary devaluation of PKR against USD and increase in borrowing rates.

¹⁶ Fixed asset turnover is calculated by dividing revenue with average fixed assets of the Company

¹⁷ Asset turnover is calculated by dividing revenue with average total assets of the Company

¹⁸ Interest coverage ratio is calculated by dividing EBIT by finance cost

ii. Liquidity

The Company's liquidity, reflected in the Current Ratio, has shown variations. Starting at 0.67 in CY18 and reducing to 0.56 in CY19, there were challenges in meeting short-term obligations. A positive shift occurred in CY20, indicating improved liquidity management. This trend continued in CY21, and predominantly, by CY22, the Current Ratio rose significantly to 1.01, greater than the threshold of 1.0.

As at June 30th, 2023, the Current Ratio was reported to be 0.98x. On annualized basis, as at December 31st, 2023, it is expected to be at 1.13x.

iii. Growth Ratios

Due to major scaling up of the business, from CY 2018 to CY 2022, the Company's Sales grew up by a 4-year CAGR of 42%. Correspondingly, between CY 2018 and CY 2022 the EBITDA has grown by a 4-year CAGR of 28%.

As at December 31st, 2023, the Company reported a growth in Sales and EBITDA by 49% and 28% respectively.

iv. Profitability Ratios

EPS started at 1.48 and tipped at 2.37 in CY20 before a slight decline to 1.75 in CY22. The ROE showed fluctuations 14.17% in CY 2018, increasing to 16.87% in CY 2019, then decreasing to 12.34% in CY 2020, followed by an increase to 16.71% in CY 2021, and a subsequent decrease to 11.55% in CY 2022. ROA showed variability, starting at 7.12% and peaking at 9.39% in CY21. These metrics collectively provide insights into the company's overall profitability and its ability to generate returns for both shareholders and assets over the specified period.

As at December 31st, 2023, the Company reported a growth in EPS, ROE and ROA by 22%, 29% and 24% respectively.

v. Turnover Ratio

The Company's working capital efficiency metrics showed dynamic trends. Receivable turnover improved from 67 days in CY18 to 55 days in CY21, followed by an increase to 62 days in CY22. Inventory turnover varied, decreasing to 89 days in CY19 but notably increasing to 165 days in CY22. Payable turnover exhibited substantial variability, decreasing from 328 days in CY18 to 35 days in CY22, suggesting evolving efficiency in payment practices.

As at June 30th, 2023, the Company reported an improvement in Turnover Ratios. The Inventory Turnover, Receivable Turnover and Payable Turnover Ratios were 132 days, 62 days and 32 days respectively. On annualized basis, as at December 31st, 2023, these ratios were of 92 days, 65 days and 56 days.

vi. Leverage Ratio

The Company's leverage ratios over the observed period reflect fluctuations in its capital structure and financial risk. The Interest Coverage ratio started at 4.42 in CY18, declined to 2.74 in CY19, increased to 4.43 in CY21, and decreased again to 2.88 in CY22, indicating variations in its ability to cover interest expenses. Concurrently, the debt to equity ratio rose from 0.10 in CY18 to 0.26 in CY22, suggesting an increased reliance on debt financing. Similarly, the Debt to Total Capital Ratio increased from 0.09 in CY18 to 0.20 in CY22, signaling a growing proportion of Debt in the overall capital structure. These trends highlight shifts in the company's financial risk and underscore the importance of ongoing monitoring and analysis to ensure prudent management of debt and sustained financial stability.

As at June 30th, 2023, the Company reported a Interest Coverage and Debt to Total Capital Ratio by 0.20 and 0.23 respectively which remained the same if calculated on an annualized basis.

SUMMARY OF REVENUE OF SECURE LOGISTICS GROUP

6.5.2. Consolidated Revenue

Division	CY 2019		CY 2020		CY 2021		CY 2022		6MCY 2022		CY 2023	
	Audited		Audited		Audited		Audited		Audited		Unaudited	
	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%
SLG												
Logistics												
Long Haul	913	97%	963	95%	1,245	92%	1,343	94%	955	97%	1,776	96%
Distribution	-	0%	18	2%	55	4%	64	4%	27	3%	75	4%
Asset Tracking	27	3%	36	4%	50	4%	26	2%	6	1%	-	0%
Total	940	100%	1,017	100%	1,350	100%	1,433	100%	988	100%	1,851	100%
LogiServe												
Logistics												
Asset Tracking	-	0%	-	0%	-	0%	-	0%	-	0%	29	10%
B2B Marketplace	-	0%	-	0%	-	0%	-	0%	115	100%	252	90%
Total	-	0%	-	0%	-	0%	-	0%	115	100%	281	100%
FSL												
Security Services												
Static Guarding	195	81%	161	83%	179	82%	204	86%	100	83%	226	91%
Cash in Transit	43	18%	33	17%	36	17%	31	13%	18	15%	18	7%
Close Protection	4	2%	-	0%	3	1%	1	0%	2	2%	5	2%
Total	242	100%	194	100%	218	100%	236	100%	120	100%	249	100%
Less: Intercompany Transaction	-		-		-		-		(115)		(252)	
Consolidated Revenue	1,182		1,211		1,568		1,669		1,108		2,129	

6.5.3. Consolidated Expenditure

In PKR Mn	CY 2019	CY 2020	CY 2021	CY 2022	6MCY22 Audited	CY 2023 Un-Audited
Cost of Sales	679	737	969	1,077	653	1,329
Selling, General and Administrative Expenses	143	175	159	197	82	170
Finance Costs	142	106	104	140	127	218

6.6. SUMMARY OF OTHER INCOME

In PKR Mn	CY 2019	CY 2020	CY 2021	CY 2022	6MCY 2023 Audited	CY 2023 Un-Audited
Other Income (PKR Mn)	30	78	20	9	11.28	9.7
Other income as % of operating profit (%)	7.75%	20.71%	4.31%	2.13%	5.8%	2.5%
Other income as % of net sales (%)	2.56%	6.44%	1.26%	0.51%	0.11%	0.4%

6.7. SUMMARY OF MATERIAL PURCHASES

Following is the list of vendors that represent more than 50% of Opex undertaken by the Company in CY20 and CY22:

PKR in millions						
Vendor	Country	Vendor	CY 2020	CY 2021	CY 2022	CY 2023
CAPEX						
1 SinoTruk (Dysin)	China / Pakistan	Prime Movers	-	20	132	106
2 Auto Expert	Pakistan	Semi-Trailers/ Fuel Tanks	-	247	87	211
3 IH · Iqbal Hussian Mian	Pakistan	Tyres	19	25	71	98
4 GIL (Isuzu)	Pakistan	Distribution Vehicles	205	4	-	-
5 GreeForce	China	Tyres	-	30	-	-
6 Mian Shafique	Pakistan	Tyres	-	-	-	-
Subtotal			224	326	290	415
OPEX						
7 PSO	Pakistan	Fuel and Lubricants	156	226	209	256
8 TFES · The Fuel Expert	Pakistan	Fuel and Lubricants	209	168	236	145
9 Various (Dysin, SinoCapital)	Pakistan	Maintenance Workshops	15	9	11	6
10 Total Parco	Pakistan	Fuel and Lubricants	-	17	4	15
11 Gree Force	China	Tyres	45	-	-	-
12 Mian Shafique	Pakistan	Tyres	50	-	-	65
13 Various	Pakistan	Tyres	25	-	-	-
Subtotal			500	420	460	487
Total			724	746	750	902

6.8. CONTINGENCIES AND COMMITMENTS

As of June 30th, 2023, the Company has commitments from various banks against letter of guarantee amounting to PKR 11.50 Mn, mainly to the fuel suppliers.

6.9. COMPARATIVE FINANCIAL ANALYSIS WITH PEER GROUP COMPANIES

Comparable peers are defined in terms of the similar nature of products and services offered by the Company, similar revenues and profits, and target market etc. SLG offers logistic, tracking and security services. There are numerous companies that provide services that are similar to SLG however, they are not listed and cannot be compared due to lack of information.

6.10. REVALUATION OF FIXED ASSETS

The Company's property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for land which is stated at cost

The Company carried out revaluation of its fixed assets in 2016 by Crowe Horwath, Chartered Accountants. Fixed assets shown in the financial statements are at re-valued amount. No subsequent revaluation of fixed assets has been carried out by the Company

6.11. DIVIDEND POLICY

The Company intends to follow a consistent profit distribution policy for its members, subject to profitability, availability of adequate cash flows, the Board's recommendation and shareholders' approval, where required.

The rights in respect of capital and dividends attached to each ordinary share are and will be the same. The Company in its general meeting may declare dividends but no dividend shall exceed the amount recommended by the Directors. Dividend, if declared in the general meeting, shall be paid according to the provisions of the Companies Act.

The Board of Directors may from time to time declare interim dividends as appear to it to be justified by the profits of the Company. No dividend shall be paid otherwise than out of the profits of the Company for the year or any other undistributed profits.

No unpaid dividend shall bear interest or mark-up against the Company. The dividends shall be paid within the period laid down in the Companies Act.

Under Section 242 of the Companies Act, any dividend payable in cash by a listed company, shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder.

Therefore, the applicants must fill-in the relevant part of the Shares Subscription Form under the heading, "Dividend Mandate" Details of dividends and/or bonus shares issued over the past five years is as follows:

Description	CY18	CY19	CY20	CY21	CY22	June 2023
Dividends (PKR)	-	-	120,000,000	-	-	-
Dividend Payout(%)	-	-	52%	-	-	-
Bonus Shares	-	25,000,000	-	-	-	-

Covenants / Restriction on Payment of Dividends:

Not Applicable

6.11.1. Eligibility for Dividend

The ordinary shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

6.12. DIVIDEND PAYOUT OF LISTED ASSOCIATED COMPANIES

There are no listed associated companies over which SLG has control.

7. BOARD AND MANAGEMENT OF THE COMPANY

7.1. BOARD OF DIRECTORS

SLG

S. No	Name	Designation	Address	CNIC	Current Directorships	Past Directorships	Directorship in SLG since
1	Pervaiz A. Khan	Executive Director & Head of Support Functions	House 28, street 18, F-6/2, Islamabad	61101-3828368-9	TDM (Pvt.) Ltd.; LogiServe (Pvt.) Ltd.; Strategic Energy Ventures (Pvt.) Ltd; Green Power (Pvt.) Ltd; Zest Trading (Pvt.) Ltd.	Uch Power I & II, PSO, Privatisation Commission, Government Power Holding, LUMS	31/Oct/13
2	Gulraiz A. Khan	CEO & Executive Director	House 47, street 2, E-11/2, Islamabad	35200-8527685-9	Fist Security; LogiServe (Pvt.) Ltd; Strategic Energy Ventures (Pvt.) Ltd.	Nil -	31/Oct/13
3	Javed Afzal Khan	Non-executive Director	House 28, street 18, F-6/2, Islamabad	61101-8162142-9	Green Power (Pvt.) Ltd; TDM (Pvt.) Ltd	Nil	30/Apr/21
4	Afshan Nasir	Non-Executive Director	House No. 336, Street 66, Sector I-8/3, Islamabad	61101-7182378-0	Strategic Energy Ventures (Pvt.) Ltd.	Nil	31/Oct/13
5	Faraz Minai	Non-Executive Director	Flat No. B-23, Street No. 7, Mohallah Askari 4, Apartments Gulistan Johar, Karachi Sharki	91509-0117106-5	Kings College Hospital – Saudi Arabia (Kingdom of Saudi Arabia) Sofitel Cairo (Arab Republic of Egypt) Secure Logistics (Pakistan)		31/Jan/2023
6	Shahbaz Haider Agha	Independent Director	House No. 71-A, Main Gulberg, Lahore Cantt , Lahore	35200-1478720-7	Hellenic Sun Insurance Brokers Pvt. Ltd.; Murree Brewery Company Ltd.; Premier Sugar Mills & Distillery Company Ltd.; Zahidjee Textile Ltd.	Samba Bank	4/Nov/21
7	Amara Bashir	Independent Director	House No. D-112, Phase 5, DHA, Lahore	35202-9743200-8	Vital Agri Nutrients (Pvt.) Ltd.	Nil	4/Nov/21

7.2. PROFILES OF DIRECTORS

7.2.1. Pervaiz Afzal Khan – Head of Support Functions and Executive Director

Mr. Pervaiz Afzal Khan holds MBA and MIA from Columbia University, New York with 39 years of diversified experience in public and private sectors: investment banking and energy industry. He also served as CEO, Uch Power I and II (Pvt.) Ltd. which operates as part of a USD 2.5 Bn Uch energy complex. Mr. Khan was Country Delegate Pakistan for GDF Suez (the Group Holding Company) and a member of International Power's Asia Excom, responsible for supervising an aggregate portfolio of 5,000 M/Ws. He has been member of several Board of Directors/Supervisory Bodies: Privatization Commission, PSO, Government Power Holdings (Pvt.) Ltd, Lahore University of Management Sciences and the Ambassador Program (for Pakistan) of Columbia Business School.

7.2.2. Gulraiz Afzal Khan – Chief Executive Officer and Executive Director

Mr. Gulraiz Afzal Khan holds a Master's degree in Strategic Studies from Command & General Staff College (CGSC), Fort Leavenworth, USA. He is also an Honor graduate and a winner of "George S. Patton Jr." Medal. He has done his MBA from London Business School and has attended Armed Forces War Course, Islamabad. Gulraiz has over twenty-two years of military experience in Command, Staff and Operational appointments.

Mr. Gulraiz Afzal Khan is also the CEO and Executive Director of FSL.

7.2.3. Javed Afzal Khan, – Non-Executive Director

Mr. Javed Afzal Khan has had 30 years plus experience in private and public sectors mainly focusing on Travel and Tourism industry. He has served in American Express Travel, PIA and Pakistan Tourism Development Corporation. He holds a Bachelor of Arts from Punjab University.

7.2.4. Mrs. Afshan Nasir – Non-Executive Director

Mrs. Afshan Nasir is a house-wife who has spent extensive time in charitable and philanthropic activities. She holds a Bachelor of Arts from Punjab University and is currently pursuing a two years' duration certification in Religious Studies (Tafseer & Tajweed).

7.2.5. Faraz Minai – Non-Executive Director/ Nominee Director of KBP

Mr. Faraz Minai is a nominated director of KBP. He holds a B.Sc. in Economics and MIS from Purdue University and an M.B.A. from London Business School. He is the Managing Partner of Andalus Holdings, an investment holding company based out of Abu Dhabi, U.A.E. Prior to co-founding Andalus Holdings, Faraz worked with Ashmore Group's private equity team focusing on healthcare investments across MENAP. Before joining Ashmore, Faraz was Head of Investments and Portfolio Management for Saudi Bugshan Holding, managing multibillion dollar portfolio of operating entities and diversified assets. Faraz has also spent 10 years with the French banking group Credit Agricole. In his last role with Credit Agricole, Faraz was head of corporate and institutional coverage for Saudi Arabia (largest market in MENA) and was a member of the bank's regional ALCO. Before moving to the Middle East in 2006, Faraz worked as a consultant with Accenture in Washington D.C. Deutsche Bank in New York., he has worked at the Investment Division of Fauji Foundation, an endowment fund created for the benefit of veterans and their families, with an investment portfolio in excess of USD 2.5 Bn.

7.2.6. Shahbaz Haider Agha – Independent Director

Mr. Shahbaz Haider Agha is an independent director of the Company. He holds MBA Executive from National College of Business Administration & Economics, Lahore; BS Finance from Indiana University, USA; and BA Economics from Government College, Lahore. He is serving as the CEO in Hellenic Sun Insurance Brokers and the Managing Partner of Hellenic Sun. In addition to this, he is serving as a Director of Murree Brewery Company Ltd, Premier Sugar Mills, Kinetic Power Ltd, and Lead Investment. He was formerly a Director of Samba Bank Limited.

7.2.7. Amara Bashir – Independent Director

Ms. Amara Bashir is an independent director of the Company. She has done his MBA in Marketing from Punjab University. She is a highly experienced senior business professional with proven success in strategic business partnering. She has also worked in North America, Europe and Asia with extensive exposure to international

business management practices. She specializes in human resources with focus upon a variety of sectors including union and non-union environments.

7.3. NUMBER OF DIRECTORS

Pursuant to Section 154 of the Companies Act, 2017 a listed Company shall not have less than seven (7) directors. At present, the Board consists of 8 directors, including the Chief Executive Officer.

7.4. PROFILE OF SENIOR MANAGEMENT

The Company

7.4.1. Pervaiz Afzal Khan – Head of Support Functions

Mr. Pervaiz Afzal Khan holds MBA and MIA from Columbia University, New York with 39 years of diversified experience in public and private sectors, investment banking and energy industry. He also served as CEO, Uch Power I and II (Pvt.) Ltd. which operates as part of a USD 2.5 Bn Uch energy complex. Mr. Khan was Country Delegate Pakistan for GDF Suez (the Group Holding Company) and a member of International Power's Asia Excom, responsible for supervising an aggregate portfolio of 5,000 M/Ws. He has been member of several Board of Directors/Supervisory Bodies: Privatization Commission, PSO, Government Power Holdings (Pvt.) Ltd, Lahore University of Management Sciences and the Ambassador Program (for Pakistan) of Columbia Business School.

He is mainly responsible for senior level supervision of all Support Functions (Accounts & Finance, HR, IT, Administration & Procurement and Legal & Contracts).

7.4.2. Gulraiz Afzal Khan – Chief Executive Officer

Mr. Gulraiz Afzal Khan holds a Master's degree in Strategic Studies from Command & General Staff College (CGSC), Fort Leavenworth, USA. He is also an Honor graduate and a winner of "George S. Patton Jr." Medal. He has done his MBA from London Business School and has attended Armed Forces War Course, Islamabad with over twenty-two years of military experience in Command, Staff and Operational appointments.

He is mainly responsible for managing all operations matters concerning the logistic and security services businesses.

7.4.3. Qamar Pasha – General Manager Finance, Accounts and IT

Mr. Pasha is a Fellow Member of Institute of Chartered Accountants of Pakistan with 15+ years of diverse experience in multinational listed companies at C level in corporate finance, M&A, digital, accounting and reporting. He successfully led and raised debt and equity capital for green and brownfield infrastructure projects in power generation, construction and cement sectors in MENA region. Additionally, he also led and closed M&A deals with a cumulative worth of USD 70 Mn in GCC and broader MENA region in media, trade fair and exhibition industry.

FSL

7.1.1. Gulraiz Afzal Khan – Chief Executive Officer

Mr. Gulraiz Afzal Khan holds a Master's degree in Strategic Studies from Command & General Staff College (CGSC), Fort Leavenworth, USA. He is also an Honor graduate and a winner of "George S. Patton Jr." Medal. He has done his MBA from London Business School and has attended Armed Forces War Course, Islamabad with over twenty-two years of military experience in Command, Staff and Operational appointments.

7.2. QUALIFICATION OF DIRECTORS

No person shall be appointed as a Director of the Company who is ineligible to be appointed as Director on any one or more of the grounds enumerated in Section 153 of the Companies Act or any other law for the time being in force.

7.3. APPOINTMENT AND ELECTION OF DIRECTORS AND CHIEF EXECUTIVE

The directors of the Company are elected for a term of three years in accordance with the procedure laid down in Section 159 of the Companies Act and Article 57.

As per Article 54, the directors shall comply with the provisions of Sections 154 to 159 and Sections 161 and 167 relating to the election of Directors and matters ancillary thereto.

As per Article 57, the Company may by resolution in general meeting, remove a director in accordance with the provisions of the Companies Act.

The current Board of Directors were appointed in Q1 2020 and has undergone changes as and when the vacancy fallen vacant. **November 4th, 2021.**

7.4. INTEREST OF DIRECTORS AND PROMOTERS

The directors may deem to be interested to the extent of fees payable to them for attending the Board meetings. The Directors performing whole time services in the Company may also be deemed interested in the remuneration payable to them by the Company. The nominee directors have interest in the Company to the extent of representing the Sponsors in the capital of the Company.

Following directors are holding ordinary shares of the Company:

Name of Shareholder	Designation	Numbers of Shares held	Value of Shares held
Pervaiz Afzal Khan	Head of Support Functions	38,734,406	387,344,060
Gulraiz Afzal Khan	Chief Executive Officer	21,303,922	213,039,220
Afshan Nasir	Non-Executive Director	8,456,573	84,565,730
Javed Afzal Khan	Non-Executive Director	1	10
Shahbaz Haider Agha	Independent Director	1	10
Amara Bashir	Independent Director	1	10
Total		68,494,901	684,949,010

7.5. REMUNERATION OF THE DIRECTORS

As per article 58, the remuneration of the directors shall from time to time be determined by the Board of the Company in general meeting subject to the provisions of the Act.

As per article 69, the terms and conditions and remuneration of the Chief Executive shall be determined by the Board.

Given below is the remuneration paid to the directors over the last three years:

Name of Director	Designation	CY 2020	CY 2021	CY 2022	CY 2023 (June 30 th)
Gulraiz A. Khan	Chief Executive Officer / Executive Director	6,240,000	4,680,000	4,680,000	2,340,000
Pervaiz A. Khan	Head of Support Functions / Executive Director	12,020,000	6,600,000	6,600,000	3,300,000

Note: the above mentioned includes salary, housing expense, medical expenses transport allowances

In addition to the above remuneration, a Company owned vehicle, Toyota Fortuner, is in the use of the CEO.

Furthermore, the following is the cumulative value of the benefits and perquisites paid to Directors in the relevant periods but who has left Directorship and are not shown separately. Executives are the senior management of the Company and does not hold any shares.

Name of Director	Designation	CY 2020	CY 2021	CY 2022	CY 2023 (June 30 th)
Other Directors	Directors	2,344,000	2,344,000	2,340,000	1,150,000

Note: the above mentioned includes salary, housing expense, medical expenses transport allowances

Apart from the remuneration, executive directors of the Company were not paid any compensation in Q3 CY21 for attending the BoD meetings.

Furthermore, no compensation has been paid to the Independent and Non-Executive Directors for attending the BoD meetings. Going forward, the Company shall pay for boarding, lodging and travel expenses of such Non-Executive and Independent Directors for attending BoD meetings.

7.6. BENEFITS TO PROMOTERS AND OFFICERS

No benefit has been given or is intended to be given by the Company to the promoters and officers of the Company other than remuneration for services rendered by them as full-time executives of the Company.

7.7. VOTING RIGHTS

As per article 45, on a show of hands every member entitled to vote and present in person or by proxy shall have one vote except for election of directors in which case the provisions of Section 159 shall apply. On a poll every member shall have voting rights as laid down in Section 134.

According to article 48, a member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll or through the video link, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.

7.8. AUDIT COMMITTEE

The Board of Directors has set up an effective internal audit function managed by suitable qualified and experienced personnel who are conversant with the policies and procedures of the Company and are involved in the internal audit function on a full-time basis.

The Audit Committee comprises of the following members:

- Shahbaz Haider Agha, Independent Director - Chairman
- Gulraiz A. Khan
- Faraz Minai

7.9. HUMAN RESOURCE AND REMUNERATION COMMITTEE

The Board of Directors has set up an effective Human Resources function managed by suitable and qualified personnel who are conversant with the policies & procedures of the Company and are involved in Human Resources function on a full-time basis.

The Human Resource and Remuneration Committee comprises of the following members:

- Ammara Bashir, Independent Director - Chairman
- Gulraiz A. Khan
- Faraz Minai

7.10. BORROWING POWERS OF DIRECTORS

As per article 27, the Board may from time to time borrow any moneys for the purposes of the Company from the members or from any other persons, firms, companies, corporations, institutions or banks, without indulging in the investment business or the directors may themselves advance any money to the Company.

As per article 28, Board may secure payment of such sum or sums of money in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures, debenture stocks or redeemable capital of the Company, or by mortgage or charge or other security on the whole or any

part of the property, assets and rights of the Company (both present and future), or by making, drawing, accepting or endorsing on behalf of the Company any promissory note or bills of exchange or giving or issuing any other security of the Company.

As per article 29, any bonds, debentures or other securities issued or to be issued by the Company shall be under the control of the Board, subject to the provisions of the Articles, which may issue / assign them upon such terms and conditions and in such manner and for such consideration as shall be considered by the Board to be for the benefit of the Company.

7.11. POWERS OF DIRECTORS

As per article 61, the business of the Company shall be managed by the directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not by the Act or any statutory modification thereof for the time being in force, or by these regulations, required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Act or to any of these regulations, and such regulations being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

As per article 62, the directors shall appoint a chief executive in accordance with the provisions of Sections 186 and 187 of the Act.

As per article 63 and the provisions of Section 183(2) of the Act, the Board may exercise all powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets (both present and future), and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company.

As per article 64, the directors shall duly comply with the provisions of the Act, or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the registration of the particulars of mortgages, charges and pledge affecting the property of the Company or created by it, to the keeping of a register of the directors, and to the sending to the registrar of an annual list of members, and a summary of particulars relating thereto and notice of any consolidation or increase of share capital, or subdivision of shares, and copies of special resolutions and a copy of the register of directors and notifications of any changes therein.

7.12. INDEMNITY AVAILABLE TO DIRECTORS AND OTHER EMPLOYEES OF THE COMPANY

As per article 116, every director, chief executive, manager or officer of the Company or any person (whether an officer of the Company or not), employed by the Company as an auditor or advisor shall be indemnified out of the funds of the Company against any liability incurred by him, as such director, chief executive, manager, officer, auditor or advisor, in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted, or in connection with any application under Section 492 of the Act in which relief granted to him by court.

As per article 117, no director, chief executive, manager or officer of the Company will be liable for the acts, receipts, neglects or defaults of any other directors or any officer or for joining in any receipt of other act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the directors, chief executive, or other officer for or on behalf of the Company, or for insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arises from the bankruptcy, insolvency, or torturous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by an error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

7.13. CORPORATE GOVERNANCE

The Company shall comply with all the rules and regulations applicable to the Company with regards to the Listed Companies (Code of Corporate Governance) Regulation, 2019.

8. LEGAL PROCEEDINGS AND OVERDUE LOANS

8.1. LEGAL PROCEEDINGS

Order dated	Issuing Authority	Tax Period	Counterparty	Order Amount / Financial Impact (PKR Mn)	Current status	Management's Stance
Pending	District Courts, Islamabad & Lahore	FY 2022	Shoaib Enterprises	3 Mn Cheque Bounce and 30 Mn financial damages suit filed by SLG	<p>The Company provided its fleet on rental basis to one of its counter party under a Rental Transportation Agreement from September 16th, 2022. Counter Party provided the security cheque of amount PKR 3 Mn. When counter party failed to pay the rental amount, The cheque was dishonored on presentation.</p> <p>Consequently, the Company initiated legal (criminal) proceedings against the counter party in u/s 489-F of the Pakistan Penal Code ("PPC"), and filed a civil suit for recovery of PKR 3 Mn in Islamabad.</p> <p>The accused was released on bail. The counter party has also filed a suit for rendition of accounts in civil courts Lahore. Company has filed suit for financial damages against the counter party in Civil Courts Lahore for recovery of amount PKR 30 Mn.</p>	No liability against the Company has been determined so far and the management expects a favorable outcome in this regard.
Pending	District Courts, Islamabad & Lahore	FY 2022	MZ Enterprises	2 Mn Cheque Bounce and 15 million financial damages suit filed by SLG	<p>The Company provided its fleet on rental basis to one of its counter party under a Rental Transportation Agreement from September 16th, 2022. Counter Party provided the security cheque of amount PKR 2 Mn. When counter party failed to pay the rental amount, cheque was dishonored on presentation.</p> <p>Consequently, the Company initiated legal (criminal) proceedings against the counter party in u/s 489-F of the</p>	No liability against the Company has been determined so far and the management expects a favorable outcome

Order dated	Issuing Authority	Tax Period	Counterparty	Order Amount / Financial Impact (PKR Mn)	Current status	Management's Stance
					<p>Pakistan Penal Code ("PPC"), and filed a civil suit for recovery of PKR 2 Mn in Islamabad.</p> <p>The accused was released on bail. The counter party has also filed a suit for rendition of accounts in civil courts Lahore. Company has filed suit for financial damages against the counter party in Civil Courts Lahore for recovery of amount PKR 15 Mn.</p>	in this regard.
Pending	District Courts, Islamabad	FY 2022	TLH 410	28 Mn	Ex and Current employees committed Theft of Prime Mover, Trailer & Container along with Cargo, total loss occurred of PKR 28,000,000, only Prime Mover and PKR 360,000 has been recovered, all accused are on bail and trial has been initiated by the Court.	No liability against the Company has been determined so far and the management expects a favorable outcome in this regard.
July 27, 2021	District Courts, Islamabad	FY 19	M. A. Hamza Enterprises through Ahmed Faiz Ur Rehman	3.9 Mn	The Company provided transportation services to one of its counter party under a Transportation Agreement from November, 2018 to November, 2019. The counter party had to pay an amount of PKR 9 Mn in lieu of the transportation services and PKR 21,694,704 on account of SST under Tariff Heading 9836.000 of First Schedule of the SST on Services Act, 2011. A Settlement Agreement was signed between the parties and the counter party submitted cheques amounting to PKR 3.9 Mn as first installment. The cheques were presented to the bank and were dishonoured. Consequently, the	No liability against the Company has been determined so far and the management expects a favorable outcome in this regard.

Order dated	Issuing Authority	Tax Period	Counterparty	Order Amount / Financial Impact (PKR Mn)	Current status	Management's Stance
					Company initiated legal (criminal) proceedings against the counter party in August, 2020 u/s 489-F of the Pakistan Penal Code (" PPC "). The accused was arrested and later released on bail. The counter party has also filed a suit for rendition of accounts with the Honourable Senior Civil Judge, Lahore. Later on accused has been evicted by the Honourable District Courts, and appeal against acquittal is pending in Islamabad High Court.	
February 13, 2021	Islamabad Civil Court	FY 2020	Shaheen Freight Services	25.15 Mn	<p>A suit for recovery of PKR 12.5 Mn was filed by one of the counter parties against the Company on January 9, 2020 before the Honourable Senior Civil Judge Karachi (South). The Company contested the merits of the case by filing a counter claim against the counter party while additionally contesting the jurisdiction of the Honourable Court. The Honourable Court vide Order dated February 13, 2021, passed in favour of the Company returned the plaint to the counter party for instituting the same in the Court of proper jurisdiction.</p> <p>Being aggrieved, the counter party filed a Civil Miscellaneous Appeal No. 23/ 2021 before the 12th Additional District Judge, Karachi (South). Similarly, the Company has also filed a suit for recovery of PKR 25.15 Mn against the counter party before the Honourable Court of Senior Civil Judge, Islamabad. Counter Party filed an application for maintainability, which is contested and now reserved for order.</p>	The matter is pending adjudication and management of the Company expects a favorable outcome of the case.

Order dated	Issuing Authority	Tax Period	Counterparty	Order Amount / Financial Impact (PKR Mn)	Current status	Management's Stance
August 8, 2021	Labor Court, Sahiwal	FY 2019	17 Ex-Security Guards	5.8 Mn	<p>A petition was filed by ex-contractual employees of FSL deployed by Coal Power Plant, Qadirabad, District Sahiwal under the Payment of Wages Act, 1936. FSL filed its written reply whereby the Trial Court without looking into the matter decreed the petition while FSL's application for returning the claim to the petitioners was dismissed.</p> <p>Being aggrieved, the Company filed an Appeal against the said order before the District Judge/ Presiding Officer, Labour Court whereby irregularities in the impugned order were highlighted by the Company.</p>	The matter is pending adjudication and management of the Company expects a favorable outcome of the case.
December 22, 2021	Civil Court Islamabad	FY 2021	Tayyab Shahid	1.7 Mn	<p>A petition was filed in Civil Court West, Islamabad by an ex-employee of SLG claiming unpaid wages and gratuity. The concerned employee of the Maintenance Department was facing an internal inquiry against reported financial irregularities involving vendors/suppliers. Purportedly, to avoid termination and other actions by the Company, he filed a pre-emptive petition. The Company plans to vigorously contest this case not only to rebut the bogus claim but to also recover up to PKR 3 Mn.</p>	The matter is pending adjudication and management of the Company expects a favorable outcome of the case.
Pending	District Courts, Muzaffargarh & Islamabad	FY 2021	Dalda Theft Case	7.5 Mn	<p>SLG entered into Transportation Services Agreement with MICT and provided the transportation to MICT. During services, cargo of Dalda Foods (Client of MICT) was stolen. Later on MICT claimed that the cargo was amounting PKR 7.5 million. MICT recovered its claim from insurance company namely EFU Insurance. EFU filed arbitration application against SLG and</p>	The matter is pending adjudication and management of the Company expects a favorable outcome

Order dated	Issuing Authority	Tax Period	Counterparty	Order Amount / Financial Impact (PKR Mn)	Current status	Management's Stance
					claimed regarding the loss payment under the right of subrogation.	of the case.

There are no other pending litigations against the Company other than those already mentioned above. Further, there are no outstanding legal proceedings involving the sponsors, substantial shareholders and directors and its subsidiary i.e. FSL which can materially impact the Company.

8.2. OVERDUE LOANS

There are no overdue loans (local or foreign currency) on the Company, its Sponsor and promoters, substantial shareholders, directors and associated group companies (over which the Company has control). The Company, its CEO, its directors and its Sponsors, under the oath, undertake that they have no overdue payment to any financial institutions.

8.3. ACTIONS TAKEN BY PSX AGAINST THE ISSUER OR ASSOCIATED LISTED COMPANIES OF THE ISSUER DURING THE LAST THREE YEARS DUE TO NON-COMPLIANCE OF ITS REGULATIONS

The details of the non-compliance of PSX Regulations committed by associated listed company of M/s. Secure Logistics Group Limited is as under:

Name of companies	Violation of Clause	Description	PSX Letter dated	Enforcement Action taken by PSX
Murree Brewery Company Limited	5.6.4.[clause 5.6.1.(d)]	Failed to timely disclose the transactions executed by the directors, CEOs, substantial shareholders or executives of a Listed Company or their spouses (Regulated Persons) where he / she is a director, CEO, substantial shareholder or executive, as the case may be, within 2 days in light of the PSX Regulations.	10-Jun-2020	The Company was advised to be careful in future in light of the explanation received from the Company.

9. UNDERWRITING ARRANGEMENT, COMMISSION, BROKERAGE AND OTHER EXPENSES

9.1. UNDERWRITING

Book Building Portion

Arif Habib Limited has been appointed as the Book Runner to the Issue. The Book Runner will credit underwriter 50,000,000 shares being offered for subscription through the book building representing 100% of the Issue as required under regulation 7(6) of the PO Regulations, with the limitations in effect that the Book Runner shall only underwrite the default portion of the Book Building, if any, at the Strike Price determined through the Book Building process.

General Public Portion

The General Public Portion of the Issue has not been underwritten in terms of regulation 7(4) of the Regulations.

9.2. BUY BACK / REPURCHASE AGREEMENT

THE BOOK RUNNER IN THE CAPACITY AS UNDERWRITER OF THE BOOK BUILDING PORTION HAS NOT ENTERED INTO ANY BUY BACK / RE-PURCHASE AGREEMENT WITH THE COMPANY OR ANY OTHER PERSON IN RESPECT OF THIS ISSUE OF SHARES.

ALSO, NEITHER THE COMPANY NOR ANY OF ITS ASSOCIATES HAVE ENTERED INTO ANY BUY BACK / RE-PURCHASE AGREEMENT WITH THE BOOK RUNNERS IN THE CAPACITY AS UNDERWRITER OR ITS ASSOCIATES. THE COMPANY AND ITS ASSOCIATES SHALL NOT BUY BACK / RE-PURCHASE SHARES FROM THE BOOK RUNNERS AND ITS ASSOCIATES TAKEN UP, IF ANY, BY IT IN CAPACITY AS THE BOOK RUNNER.

9.3. COMMISSION OF THE BANKERS TO THE ISSUE

Commission at the rate of 0.25% (inclusive of all taxes) of the amount collected on allotment in respect of successful applicants will be paid by the Company to the Bankers to the Issue for services to be rendered by them in connection with the Retail Portion of the Issue.

9.4. FEES AND EXPENSES FOR E-IPO SYSTEMS

Commission on application received through PES and CES will be paid to PSX and CDC which shall not be more than 0.8% of the amount of the total applications. PSX and CDC will share the fee with other participants of PES and CES at a ratio agreed amongst them.

9.5. BROKERAGE

For this Issue, brokerage shall be paid to the TRE Certificate Holders of PSX at the rate of 1.00% of the value of shares (including premium, if any) on successful applications for Book Building and General Public Portion. No brokerage shall be payable in respect of shares taken up by the Successful Bidders pursuant to under subscription of retail portion of the Issue.

9.6. ESTIMATED EXPENSES OF THE ISSUE

Expenses to the Issue are estimated not to exceed PKR **31,655,000/-**. The break-up of these preliminary expenses is given below:

Particulars	Rate	Expense (PKR)
Lead Manager and Book Runner Fees ¹⁹	2.00%	12,000,000
Commission to bankers for General Public ²⁰	0.25%	375,000
CDC and PSX e-IPO facility charges	0.80%	240,000
Bankers to the issue out of pocket expenses		300,000
Broker's Commission	1.00%	6,000,000
PSX Initial Listing fee		1,500,000
PSX Service fee		50,000
PSX Book Building software charges		1,000,000
Share Registrar, Transfer Agent and Balloting Agent		800,000
Marketing & Printing Expenses		7,000,000
CDC Fresh Issue fee ²¹	0.14%	1,706,246
CDC Eligibility fee		800,000
SECP Supervisory fee		150,000
SECP IPO Application Processing fee		200,000
Miscellaneous Expenses		1,000,000
Total		33,121,246

¹⁹ Please note that fee mentioned in percentages above are calculated on the basis of floor price. The actual fee will be finalized once the strike price is determined in the book building process

²⁰ Commission for Banker to General public is based on assumption of 100% general public subscription through Bankers to the Issue

²¹ CDC Fresh Issue fee is on the overall Issue comprising of pre-IPO & IPO

10. MISCELLANEOUS INFORMATION

10.1. REGISTERED OFFICE/ CORPORATE OFFICE

10.1.1. Registered Office

Plot 16, Near IDC I-11/3, Islamabad

Tel: 051-4433743-5

Email: info@slg.com.pk

10.1.2. Corporate Offices

- 10th Floor, New Statelife Tower, Blue Area Islamabad
Tel: (051) 8779224-27
- 26 km Multan Road, Lahore
Tel: (042) 35774237-38
- House Sister Lounge Z-525, Darulaman C H Society, Off National Stadium Karachi
Tel: 021-34534409

10.2. BANKERS AND FINANCIAL INSTITUTIONS TO THE COMPANY

S.No	Name	Address	Contact no.	Email
1	Askari Bank Limited	13-I, F-7 Markaz Branch, F-7 Markaz, Islamabad	051-2608525	khawaja.nauman@askaribank.com.pk
2	Habib Bank Limited	1st Floor, Capital City Centre, G-10 Markaz, Islamabad	051-2352494	zoheb.sattar@hbl.com
3	Faysal Bank Limited	78-West, Jinnah Avenue, Blue Area Islamabad	051 2344241	shahbaz.rana@faysalbank.com

10.3. AUDITORS OF THE COMPANY

Name: RSM

Address: 1st Floor, Plot # 18/B/1, Chohan Plaza, G8 Markaz

Contact Person: Naveed Abbas

Designation: Managing Partner

Tel: 051 2340490/93

Email: islamabad@rsm-pakistan.com.

10.4. LEGAL ADVISOR OF THE COMPANY

Name: Faisal Atta

Address: 10th Floor, New Statelife Tower, Blue Area Islamabad

Tel: +92 345 5011490

Email: faysal@slg.com.pk

10.5. COMPUTER BALLOTTERS & SHARE REGISTRAR

Name: **CDC Share Registrar Services Limited**

Address: CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400.

Email: muhammad_sarwar@cdcsl.com

Website: www.cdcPakistan.com

Phone: 021-111 111 500

10.6. LEAD MANAGER & BOOK RUNNER

Name: **Arif Habib Limited**

Address: Arif Habib Center

23, MT Khan Road, Karachi

Tel: 021-3889 9223, 021-3889 9224

Fax: 021-3243 3542

Email; raheel.ahmed@arifhabibltd.com

Website: www.arifhabibltd.com

10.7. BANKER TO THE ISSUE FOR BOOK BUILDING

Habib Bank Limited

10.8. BANKERS TO THE ISSUE FOR GENERAL SUBSCRIPTION

S. No	Banks
1	Al Baraka Bank Pakistan
2	Askari Bank Limited
3	Habib Bank Limited
4	Habib Metropolitan Bank
5	Meezan Bank Limited
6	Faysal Bank Limited

11. MATERIAL CONTRACTS

11.1.1. Details of Short-Term Financing Facilities

Bank	Facility	Date of Disbursement /Sanction	Expiry/ Review Date	Limit (PKR Mn)	Outstanding as at June 30, 2023	Markup / Commission
SLG						
Faysal Bank Limited	Facility 1 - Running Finance Facility	2016	2024	18.00		3 Month Kibor + 1.50%
	Facility 2 - Letter of Guarantee	2016	2024	20.00		0.25% Per Quarter
	Facility 3 - Letter of Guarantee	2016	2024	1.50		0.25% Per Quarter
Askari Bank Limited	Facility 1 - Running Finance Facility	2017	2024	105.00		1 Month Kibor + 1.25%
	Facility 2 - Letter of Guarantee	2017	2024	35.00		0.45 % Per Quarter
Habib Bank Limited	Facility 1 - Letter of Guarantee	2020	2024	30.00		0.2% Per Quarter Flat
	Facility 1 - Running Finance Facility	2017	2024	70.00		3 Month Kibor + 1.50%
	Facility 2 - Running Finance Facility	2021	2024	391		3 Month Kibor + 0.5%
	Facility 3 - Running Finance Facility	2021	2024	178.13		3 Month Kibor + 0.5%
FSL						
Faysal Bank Limited	Facility 1 - Running Finance Facility	2016	2024	46.00		3 Month Kibor + 1.50%
	Facility 2 - Letter of Guarantee	2016	2024			0.25% Per Quarter
Habib Bank Limited	Facility 1 - Running Finance Facility	2020	2024	30.00		3 Month Kibor + 1.50%
Total				285.50		

11.1.2. Details of Long-Term Financing Facilities

Bank	Facility	Date of Disbursement /Sanction	Expiry/ Review Date	Limit (PKR Mn)	Outstanding as at June 30 th , 2023	Markup / Commission
Faysal Bank Limited	Facility 1 - Vehicle Lease Financing	27-Jun-18	2016	204.00		3 Month Kibor + 2%
Askari Bank Limited	Facility 1 - Vehicle Lease Financing	25-Jun-20	2017	88.50		1 Month Kibor + 1.50%
Bank Alfalah Limited	Facility 2 - Vehicle Lease Financing	12-Jun-18	2017	86.53		6 Month Kibor + 1.75%
Habib Bank Limited	Facility 1 - Vehicle Lease Financing	30-Mar-21	2020	380.00		3 Month Kibor + 1.50%
SLG- Subordinated Loan						
Karandaaz	Subordinated Loan I	17-Dec-21	2021	187.50		3 Month Kibor + 0.50%
Sponsor	Subordinated Loan II	21-Mar-22	2022	43		Interest Free
SBG	Subordinated Loan III	5-Jun-22	2022	26		Interest Free
Total						

11.1.3. Details of Letters of Credit/ Bank Guarantees

BG Number	Bank	Beneficiary	Value PKR
3462PBG003222	Faysal Bank Limited	PSO	5 million
IGT22730068423PK	Habib Bank Limited	Shell	2.5 million
IGT22730152223PK	Habib Bank Limited	Shell	2.5 million

3048PBG003222	Faysal Bank Limited	Fatima Fertilizers	2 million
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11.2. Suppliers & Vendors

All business lines have a different set of vendors and suppliers. In most cases, the procurements and services are carried out under long-term arrangements. Such long-term contracts, wherever possible, provide a hedge against price escalation during the contracted period. The main suppliers and vendors in logistic business include the fuel (PSO), tyres and spare parts suppliers and workshop service providers. Similarly, the vehicle fleet management business suppliers and vendors are hardware suppliers, software and connectivity services provider. Finally, in case of security services, the main procurements involve security and communication equipment, uniforms and related accessories.

Vendor	Goods / Service Procured	Formal Agreement	Long term or Short term Agreement
		Yes/No	
PSO	Fuel	Yes	Long term
Shell	Fuel	Yes	Long term
SJ Solutions	Tracker / software	Yes	Short Term
Telenor	Connectivity	Yes	Long term

No Agreements have been executed so far with suppliers for the expansion.

11.3. INSPECTION OF DOCUMENTS AND CONTRACTS

Copies of the Memorandum and Articles of Association, the Audited Financial Statements, the Auditor's Certificates, Information Memorandum and copies of the agreements referred to in this Prospectus may be inspected during usual business hours on any working day at the registered office of the Company from the date of publication of this Prospectus until the closing of the subscription list.

11.4. MEMORANDUM OF ASSOCIATION

The Memorandum of Association, inter alia, contains the objects for which the Company was incorporated and the business which the Company is authorized to undertake. A copy of the Memorandum of Association is annexed to this Prospectus and with every issue of the Prospectus except the one that is released in newspapers as advertisement.

11.5. FINANCIAL YEAR OF THE COMPANY

The financial year of the Company commences on January 1 and ends of December 31.

12. BOOK BUILDING PROCEDURE/INSTRUCTIONS FOR REGISTRATION AND BIDDING

12.1. BOOK BUILDING PROCEDURE

12.1.1. Brief Structure

The Present Issue 50,000,000

The Issue comprises of 50,000,000 Ordinary Shares of face value worth PKR 10/- each, which constitutes 18.27% of the Post-IPO Paid Up Capital of the Company.

The entire Issue of 50,000,000 Ordinary Shares will be offered through the Book Building process at a Floor Price of PKR 12.00/- per share with a price band of 40% above the floor price i.e. PKR 16.80-.

The bidders shall be allowed to place bids for hundred percent (100%) of the Issue size and the Strike Price shall be the price at which the hundred percent (100%) of the Issue is subscribed. However, the successful bidders shall be provisionally allotted only seventy-five percent (75%) of the Issue size i.e. 37,500,000 shares and the remaining twenty-five percent (25%) i.e. 12,500,000 shares shall be offered to the retail investors.

Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis.

The bidders shall give an undertaking along with the application that they would subscribe to the unsubscribed shares, if any, by the retail investors and their remaining bid money would remain deposited/ blocked till allotment of unsubscribed shares, if any, of the retail portion to them on pro-rata basis. In case the retail portion is fully subscribed, the bid money shall be unblocked within one (1) working day or refunded within three (3) working days of the closing of the public subscription.

Within 3 working days of the closing of the Bidding Period, a Supplement to the Prospectus will be published in at least all those newspapers in which the Prospectus is published. The Supplement will contain information related to the Strike Price, the Offer Price, dates of the Public Subscription, and category wise break-up of the Successful Bidders. Format of the Supplement is given on page 3 of this Prospectus.

12.1.2. Types of Bids and Procedure for making a Bid

Book Building is a process whereby investors bid for a specific number of shares at various prices. The Issuer set a Floor Price, which is the minimum / lowest price a Bidder can bid at. An order book of bids is maintained by the Book Runner, which is then used to determine the Strike Price through the “**Dutch Auction Method**”.

Under the Dutch Auction Method, the Strike Price is determined by lowering the Bid Price to the extent that the total number of shares issued through the Book Building process are subscribed.

A bid by a Bidder can be a “**Limit Bid**”, or a “**Step Bid**”, each of which are explained below:

- **Limit Bid:** Limit bid is at the Limit Price, which is the maximum price a Bidder is willing to pay for a specified number of shares.

In such a case, a Bidder explicitly states a price at which he / she / it is willing to subscribe to a specific number of shares. For instance, a Bidder may bid for 1 Mn shares at PKR 12.00 per share, based on which the total Application Money would amount to PKR 12.00 Mn. In this case the Bid Amount will be also PKR 12.00 Mn. Since the Bidder has placed a Limit Bid of PKR 12.00 per share, this indicates that he / she / it is willing to subscribe the shares at a price up to PKR 12.00 per share.

- **Step Bid:** A series of Limit Bids at increasing prices. The amount of any individual step shall not be less than PKR. 1,000,000.
- Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. A Bidder may, for instance, make a bid for 0.7 Mn shares at PKR 12.00 per share, 0.6 Mn shares at PKR 13.00 per share and 0.5 Mn shares at PKR 14.00 per share. Therefore, in essence the Bidder has placed one Step Bid comprising of three Limit Bids at increasing prices. The Application Money would amount to PKR 23.20 Mn,

which is the sum of the products of the number of shares Bid for and the Bid price of each Limit Bid. In such a case, (i) Individual Investors shall deposit PKR 23.20 Mn in the Book Building Account as Margin Money which is 100% of PKR 23.20 Mn and (ii) Institutional Investors shall deposit at least PKR 5.80 Mn in the Book Building Account as Margin Money which is 25% of PKR 23.20 Mn.

RESTRICTIONS:

- (i) **AN ELIGIBLE INVESTOR SHALL NOT:**
 - (a) MAKE BID BELOW THE FLOOR PRICE AND ABOVE THE UPPER LIMIT OF THE PRICE BAND;
 - (b) MAKE BID FOR MORE THAN 10% OF THE SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION
 - (c) MAKE A BID WITH A PRICE VARIATION OF MORE THAN 10% OF THE PREVAILING INDICATIVE STRIKE PRICE AS PER REGULATION 10(2)(iii) OF THE PO REGULATIONS
 - (d) PLACE CONSOLIDATED BID
 - (e) MAKE MORE THAN ONE BID SEVERALLY OR JOINTLY
 - (f) MAKE DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME; PROVIDED THAT INCASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME; AND
 - (g) WITHDRAW BID
- (ii) **RELATED EMPLOYEES OF THE ISSUER, LEAD MANAGER AND THE BOOK RUNNER SHALL NOT PARTICIPATE IN THE BIDDING PROCESS.**
- (iii) **NO PERSON SHALL TAKE PART IN THE BOOK BUILDING PROCESS, DIRECTLY OR INDIRECTLY SEVERALLY OR JOINTLY IN ANY MANNER OR ENGAGE IN ANY ACT OR PRACTICE WHICH CREATE A FALSE AND MISLEADING APPEARANCE OF ACTIVE BIDDING FOR RAISING OR DEPRESSING STRIKE PRICE IN THE BOOK BUILDING PROCESS.**
- (iv) **AS PER REGULATION 7(8) OF THE PO REGULATION, THE ASSOCIATES OF THE ISSUER AS DISCLOSED IN THE PROSPECTUS SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PER CENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.**
- (v) **AS PER REGULATION 7(9) OF THE PO REGULATIONS, THE ASSOCIATES OF THE LEAD MANAGER TO THE ISSUE AND BOOK RUNNER SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PERCENT OF THE SHARES OFFERED THROUGH BOOK BUILDING. PROVIDED THAT IT SHALL NOT APPLY TO SUCH ASSOCIATES OF THE LEAD MANAGER AND THE BOOK RUNNER THAT ARE FINANCIAL INSTITUTIONS, MUTUAL FUNDS AND INSURANCE COMPANIES.**

LIST OF ASSOCIATED COMPANIES AND UNDERTAKINGS OF THE ISSUER, NAMES OF RELATED EMPLOYEES OF THE ISSUER, LEAD MANAGER AND BOOK RUNNERS ARE PROVIDED IN SECTIONS 3.14 AND 3A (v).

Once the Bidding Period has lapsed and the book has been built, the, Strike Price shall be determined on the basis of Dutch Auction Method.

Successful Bidders shall be intimated, within one (1) working day of the closing of the Bidding Period, about the Strike Price and the number of shares provisionally allotted to each of them. The bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain deposited or blocked till allotment of unsubscribed retail portion, if any, to them on pro-rata basis. Upon intimation by the Book Runner of the final allocation, successful institutional bidders shall deposit their balance margin money within (3) days of such intimation. **Where a successful Bidder defaults in payment of shares allotted to him / her / it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.**

As per regulation 9(16) of the PO Regulations, the successful bidders shall be issued shares at the time of issuance of shares to the retail investors. Shares to successful bidders shall be issued only in the form of book-entry through credit in their respective CDS accounts (Investors Account or Sub-Account). All the bidders shall, therefore, provide number of their CDS accounts in the bid application.

The Bidders must provide the bank account details in their Bidding form, so that cash dividend can be credited into their respective International Bank Account Number (IBAN).

12.1.3. Mechanism for Determination of Strike Price

1. At the close of the bidding period, the Strike Price shall be determined on the basis of Dutch Auction Method by the Designated Institution. Under this methodology, the Strike Price is determined by lowering the price to the extent that the total shares offered under the Book Building Portion are subscribed.
2. The Order Book shall display the bid prices in a tabular form in descending order along with the number of shares bid for and the cumulative number of shares at each price level.
3. As per the regulation 9(12) of the PO Regulation, in case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted on proportionate basis against the bids made at the Strike Price.

The mechanism for determination of the Strike Price can be understood by the following illustration:

1. Number of shares being Issued through the Book Building: 50,000,000 Ordinary Shares
2. Floor Price: PKR 12.00/- per Ordinary Share with maximum price band of 40% i.e. PKR 16.80/-per share
3. Bidding Period: From [●]/2024 to [●]/2024
4. Bidding Time: 9:00am – 5:00pm
5. Bidding Revision Time (Upward Revision only): 9:00am – 5:00pm on all days

Bidder	Price (PKR/share)	Quantity	Cumulative Number of shares	Category of Order
Institution A	16.65	5,000,000	5,000,000	Limit Price
Institution B	16.05	5,500,000	10,500,000	Limit Price
HNWI A	15.10	4,500,000	15,000,000	Step Bid
Institution C	14.80	5,200,000	20,200,000	Limit Price
Institution D	14.35	5,100,000	25,300,000	Limit Price
Institution E	14.10	1,000,000	26,300,000	Limit Price
HNWI B	14.00	3,000,000	29,300,000	Limit Price
HNWI A	13.95	2,500,000	31,800,000	Step Bid
Institution F	13.85	4,500,000	36,300,000	Limit Price
Institution G	13.70	2,500,000	38,800,000	Limit Price
Institution H	13.40	2,000,000	40,800,000	Limit Price
HNWI C	13.10	3,750,000	44,550,000	Limit Price
Institution I	12.70	2,000,000	46,550,000	Step Bid
Institution H	12.50	2,000,000	48,550,000	Limit Price
Institution J	12.10	1,450,000	50,000,000	Step Bid
HNWI E	12.00	7,000,000	57,000,000	Limit Price

Strike Price determine
through Dutch Auction
Method

Bid has been
revised upwards
and placed at
PKR 13.40

Total shares bid for
at and above the
Floor Price

On the basis of the figures provided in the above illustration, according to the Dutch Auction Method, the Strike Price would be set at PKR 12.00 per share to sell the required quantity of 50,000,000 ordinary shares.

At PKR 16.65 per share, investors are willing to buy 5,000,000 shares. Since 45,000,000 shares are still available, therefore the price will be set lower.

At PKR 16.05 per share, investors are willing to buy 5,500,000 shares. Since 39,500,000 shares are still available, therefore the price will be set lower.

At PKR 15.10 per share, investors are willing to buy 4,500,000 shares. Since 35,000,000 shares are still available, therefore the price will be set lower.

At PKR 14.80 per share, investors are willing to buy 5,200,000 shares. Since 29,800,000 shares are still available, therefore the price will be set lower.

At PKR 14.35 per share, investors are willing to buy 5,100,000 shares. Since 24,700,000 shares are still available, therefore the price will be set lower.

At PKR 14.10 per share, investors are willing to buy 1,000,000 shares. Since 23,700,000 shares are still available, therefore the price will be set lower.

At PKR 14.00 per share, investors are willing to buy 3,000,000 shares. Since 20,700,000 shares are still available, therefore the price will be set lower.

At PKR 13.95 per share, investors are willing to buy 2,500,000 shares. Since 18,200,000 shares are still available, therefore the price will be set lower.

At PKR 13.85 per share, investors are willing to buy 4,500,000 shares. Since 13,700,000 shares are still available, therefore the price will be set lower.

At PKR 13.70 per share, investors are willing to buy 2,500,000 shares. Since 11,200,000 shares are still available, therefore the price will be set lower.

At PKR 13.40 per share, investors are willing to buy 2,000,000 shares. Since 9,200,000 shares are still available, therefore the price will be set lower.

At PKR 13.10 per share, investors are willing to buy 3,750,000 shares. Since 5,450,000 shares are still available, therefore the price will be set lower.

At PKR 12.70 per share, investors are willing to buy 2,000,000 shares. Since 3,450,000 shares are still available, therefore the price will be set lower.

At PKR 12.50 per share, investors are willing to buy 2,000,000 shares. Since 1,450,000 shares are still available, therefore the price will be set lower.

At PKR 12.10 per share, investors are willing to buy 1,450,000 shares. **Since after bidding for 4,000,000 shares at PKR 12.10 per share, no shares will be available therefore the Strike Price will be set at PKR 12.10 per share for the entire lot of 50,000,000 shares.**

The bidders who have placed bids at prices above the Strike Price (which in this illustration is PKR 12.00 per share), will become entitled for allotment of shares at the Strike Price and the differential would be refunded.

In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares shall be allotted against the bids made at the Strike Price on proportionate basis as per regulation 9(12) of the PO Regulations.

The Bidders who have made bids below the Strike Price shall not qualify for allotment of shares and the Book Runner shall intimate the respective banks for unblocking their Bid Money within one (1) working day of the close of the bidding period as per regulation 9(13) of the PO Regulation and the refunds, where required to such bidders shall be made within three (3) working days from the close of the bidding period

Since this Issue is being made through 100% book building, as per the regulation 7(4) of the PO Regulation, the Bidder shall be allowed to place bids for hundred (100%) percent of the issue size and the strike price shall be the price at which hundred (100%) percent of the issue size is subscribed. However, the successful bidders would be allotted and issued only seventy-five (75%) percent of the issue size and the remaining twenty-five (25%) percent would be offered to the retail investor. The bidders shall give an undertaking along with the application that they would subscribe to the unsubscribed shares, if any, out of the retail portion of the Issue and their remaining bid money would remain deposited/ blocked till allotment of such unsubscribed shares to them on pro-rata basis.

The bid money of bidders shall remain deposited or blocked till allotment of unsubscribed shares, if any, to them on pro rata basis as per regulation 9(15) of PO Regulation.

In case retail portion of the Issue is fully subscribed, the bid money shall be unblocked within one (1) working day or refunded within three (3) working days of the closing of the public subscription.

12.1.4. Timeframe for intimation to the successful bidders and mechanism for payment of the balance amount by the successful bidders

Successful bidders shall be intimated, within one (1) working day of the closing of the bidding period, the Strike Price and the number of shares provisionally allotted to each of them. Upon intimation by the Book Runner of the final allocation, successful institutional bidders shall deposit their balance margin money within (3) days of such intimation. **Where a successful Bidder defaults in payment of shares allotted to it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.**

12.1.5. Book Runner to the Issue:

Arif Habib Limited has been appointed by the Issuer as Lead Manager & Book Runner to this Issue.

Roles and Responsibilities of the Book Runner

The Book Runner to the issue shall be responsible to:

1. ensure that necessary infrastructure and electronic system is available to accept bids and to conduct the whole Book Building process in a fair, efficient and transparent manner;
2. ensure blocking of bid and margin money of the Bidders in their respective accounts;
3. the Book Runner must be financially capable for honoring its commitments arising out of defaults by their investors, if any;
4. use the software provided by the Designated Institution for the Book Building on such terms and conditions as may be agreed with the Designated Institution through an agreement in writing;
5. ensure that the software used for Book Building is based on Dutch Auction Method for display of the order book and determination of the strike price;
6. ensure that the bidders can access to the System and can revise their bids electronically using the user ID and the password;
7. ensure that it has obtained list and Unique Identification Number (UIN) of the associates of the Issuer, the Lead Manager and all the related employees;
8. ensure that names and UIN of all the persons mentioned under Section 3A(v) are entered and capped in a manner as prescribed in the PO Regulations before commencement of the Bidding Period;
9. ensure that no bid or bids exceeding ten per cent (10%), in aggregate, is or are made by the associated companies and associated undertakings of the Issuer;
10. ensure that no bid in aggregate exceeding five per cent (5%) is made by the associated companies and associated undertakings of the Lead Manager and the Book Runner;
11. enter into an underwriting agreement with the Issuer with respect to underwriting of the Book Building portion for covering the default risk;
12. establish bid collection centres at least in Islamabad, all the provincial capitals, Azad Kashmir and Gilgit/Baltistan;
13. maintain record of all the bids received; and
14. ensure that all the Bids received in the Bid Collection Centers are entered into the system developed by the Designated Institution for the purpose of Book Building within the prescribed time.

The Book Runner have established bid collection centers at the following addresses (direct & fax numbers in all centers).

12.1.6. Bid Collection Centers

The Book Runner has established bid collection centers at the following addresses:

Karachi		
Contact Officer:	Raheel Ahmed	Muhammad Sheryar Khan
Designation	Analyst	Assistant Relationship Manager
Direct No.:	021 38280271	17413
Phone No.:	0321 4453635	0300 2166593
Email:	Raheel.ahmed@arifhabibltd.com	Muhammad.khan62@hbl.com
Organization	Arif Habib Limited	Habib Bank Limited
Postal Address:	Arif Habib Limited Arif Habib Centre, 23 M.T Khan Road, Karachi	Habib Bank Limited (2525) - HBL Tower Branch, Teen Talwaar, Clifton, Karachi
Karachi		
Contact Officer:	Faisal Parekh	Asad Abbas Najfi
Designation	Manager Equity	Manager
Direct No.:	+92-21-32434558, +92-21-32462988	051 289 5341
Contact No.:	0321 2137865	0345 5111156
Email:	faisalparekh@gmail.com	asad.abbasnajfi@arifhabibltd.com
Organization	Arif Habib Limited	Arif Habib Limited
Postal Address:	Office Room No. 640,641,642 Stock Exchange Building, Karachi	Office No. 506, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad

Lahore		
Contact Officer:	Muhammad Junaid Akram	Umair Hassan
Designation	Senior Officer	Assistant Relationship Manager
Direct No.:	042-3631 3707	-
Contact No.:	0304 7072702	0334-5814682

Email:	muhammad.junaid@arifhabibltd.com	umair.hassan3@hbl.com
Organization	Arif Habib Limited	Habib Bank Limited
Postal Address:	Office No. G-5 & G-6, Ground Floor, LSE Plaza, 19 Khayaban-e-Aiwan-e-Iqbal Lahore	Transaction & Employee Banking, 2nd floor HBL RHQ, 102-103, Upper Mall, Lahore
	Islamabad	Faisalabad
Contact Officer:	Saad Ahmed	Sajid Mehmood
Designation	Assistant Relationship Manager	Relationship Manager
Direct:	55191	041-2541122
Contact No.:	03009894926	0333-6515633
Email:	saad.ahmed5@hbl.com	sajid.mehmood4@hbl.com
Organization	Habib Bank Limited	Habib Bank Limited
Postal Address:	Habib Bank Limited (0874) - Islamabad Corporate - HBL Tower, Blue Area, Jinnah Avenue, Islamabad	Transaction & Employee Banking, HBL RHQ Office # 22 Regency Plaza Opposite PIA office The Mall, Faisalabad

	Sialkot	Azad Kashmir
Contact Officer:	Gulraiz Sajjad	Syed Amir Ali Gardezi
Designation	Assistant Relationship Manager	Assistant Relationship Manager
Direct:	-	51534
Contact No.:	0320-4557660	03455888604
Email:	gulraiz.sajjad2@hbl.com	amir.gardezi50@hbl.com
Organization:	Habib Bank Limited	Habib Bank Limited
Postal Address:	Transaction & Employee Banking, Habib Bank Center, Paris Road, Sialkot	Habib Bank Limited (1165) - Chattar Domel, R.H.Q - Near Apex Cash & Carry, Gojra Bypass Road, Muzaffarabad
	Gilgit/Baltistan	Multan
Contact Officer:	Fawad Ali	Arsalan Mehmood
Designation	Assistant Relationship Manager	Relationship Manager
Direct:	53546	
Contact No.:	03429524197	0301-4033689
Email:	fawad.ali3@hbl.com	arslan.mehmood@hbl.com
Organization:	Habib Bank Limited	Habib Bank Limited
Postal Address:	Habib Bank Limited (0107) - Gilgit, HBL Area Office, N.L.I Market, Shahrah -E-Quaid -E- Azam, Gilgit	Transaction & Employee Banking, 3rd Floor, HBL RHQ Building, Multan

	Peshawar	Abbottabad
Contact Officer:	Umer Hayat Khan	Junaid Ahmed
Designation	Assistant Relationship Manager	Assistant Relationship Manager
Direct:	53124	55607
Contact No.:	03365033369	03060221212
Email:	umer.khan5@hbl.com	junaid.ahmed8@hbl.com
Organization:	Habib Bank Limited	Habib Bank Limited
Postal Address:	Habib Bank Limited (0224) Prop. # 15, Saddar Road, Peshawar Cantt., Peshawar	Habib Bank Limited (2365) - Mandian Branch, Zaman Plaza, Near Ayub Medical College, Mansehra Road, Abbottabad.

12.1.7 Roles and Responsibilities of the Designated Institution

PSX being provider of the Book Building System (Designated Institution), shall ensure that Book Building System shall smoothly perform following functions:

1. Record name, UIN, National Tax Number (NTN), postal and email addresses, land line and cell numbers, International Bank Account Number (IBAN) and branch address and complete CDS Account Number (i.e. Investor Account Number or Sub-Account Number);
2. Provide a mechanism for registration of the bidders before commencement of the bidding period till 03:00 p.m. on the last day of the Bidding Period and require the investors to provide at least such information as mentioned above;
3. Generate bidders' Internet Protocol (IPs) address and keep record of all IP addresses from where the bids are placed;
4. Record the number of shares bid for, the Bid Price, type of the bid i.e. Limit Bid or Step Bid, date and time of the entry of the bid;
5. Display the bids revised, and date and time of upward revision;

- a. Neither allow withdrawal of bid, nor accept the bids placed at a Bid Price that is below the Floor Price or above 10% of the Indicative Strike Price at any point of time and above the upper limit of the Price Band;
6. Display live the total number of shares offered for sale, the Floor Price, Price Band, total number of bids received, total number of shares bid for and the indicative Strike Price;
7. Build an order book showing demand for the shares at various price levels in a descending order along with the accumulated number of shares bid for and percentage of total shares offered under the Book Building Portion;
8. Discover the strike price at the close of the Bidding Period;
9. Generate alerts for the Bidders via Short Message Service ("SMS") through cell phones and emails upon entry of the bid, at the time of upward revision of the bid, upon variation in the Indicative Strike Price and upon discovery of the strike price; and
10. Ensure that the system must provide the bidders the option to upward revise their bids online or through the Book Runner during the period permitted under these PO Regulations.

The Designated Institution shall ensure that:

- identity of the bidder is not displayed; and
- no bid is entered into the System after closing of the Bidding Period.

12.1.8 Roles and Responsibilities of the Issuer:

The Issuer shall ensure that:

1. the Issuer, its Sponsors, promoters, substantial shareholders, directors and associates shall have no over dues or defaults, irrespective of the amount, appearing in the report obtained from the credit information bureau;
2. the Issuer or its directors, Sponsors or substantial shareholders should not have held the office of the directors, or have not been Sponsors or substantial shareholders in any company:
 - I. which had been declared defaulter by the securities exchange or futures exchange; or
 - II. whose TRE certificate has been cancelled or forfeited by the securities exchange; or
 - III. which has been de-listed by the securities exchange due to non-compliance of its regulations.
3. The Lead Manager, Book Runner, Underwriter, Balloter and Share Registrar and Banker(s) to the Issue, are appointed through separate agreements in writing.
4. It has submitted through its Lead Manager, an application along with draft prospectus for listing of its securities to the PSX.
5. the shares shall be issued in book-entry form only.

12.1.9 Opening and Closing of the Registration Period

The Registration period shall be for **Five (5)** working days as under:

REGISTRATION PERIOD	
[•]/2024	9:00am to 5:00pm
[•]/2024	9:00am to 5:00pm
[•]/2024	9:00am to 5:00pm
[•]/2024	9:00am to 5:00pm
[•]/2024	9:00am to 3:00pm

12.1.10 Opening and Closing of the Bidding Period

The Bidding Period shall be for **Two (2) working days** as under:

BIDDING PROCESS STARTS ON	[•]/2024 (9:00 AM to 5:00 PM)
BIDDING PROCESS ENDS ON	[•]/2024 (9:00 AM to 5:00 PM)

12.1.11 Eligibility to Participate in Bidding

Eligible Investors who can place their bids in the Book Building process include local and foreign Individual and Institutional Investors whose Bid Amount is not less than PKR 1,000,000/- (PKR One Million only).

12.1.12 Information for Bidders

1. The Prospectus for Issue of Shares has been approved by PSX and SECP.
2. The Prospectus, Registration Forms and the Bidding Forms can be obtained from the Registered Office of IL, AHL and the designated Bid Collection Centers. Prospectus, Registration Forms and Bidding Forms can also be downloaded from the following websites of the Lead Manager, Book Runner, PSX and the Company i.e. <http://www.arifhabibltd.com>, <http://www.psx.com.pk> and <https://www.slg.com.pk/>.
3. Eligible Investors who are interested to participate in bidding for subscribing the Ordinary Shares of the Company should approach the Book Runner at the addresses provided in Section 12.1.6 for registration for submitting their Bids.
4. THE REGISTRATION FORMS SHOULD BE SUBMITTED ON THE PRESCRIBED FORMAT AT THE ADDRESSES PROVIDED IN SECTION 12.1.6. FOR DETAILS ON THE PROCEDURE OF REGISTRATION PLEASE REFER TO SECTION 12.1.13.
5. THE BIDS SHOULD BE SUBMITTED ON THE PRESCRIBED BIDDING FORM IN PERSON, THROUGH FAX NUMBERS GIVEN IN SECTION 12.1.6 OR THROUGH THE ONLINE SYSTEM USING THE USER ID AND PASSWORD ISSUED AT THE TIME OF REGISTRATION OF ELIGIBLE INVESTOR.
6. REGISTERED INVESTORS CAN PLACE AND REVISE THEIR BIDS UPWARDS BY ACCESSING THE DESIGNATED INSTITUTIONS ONLINE PORTAL FOR BOOK BUILDING BY USING THE USER ID AND PASSWORD COMMUNICATED TO THEM VIA EMAIL BY PSX.
7. EACH ELIGIBLE INVESTOR SHALL ONLY SUBMIT A SINGLE PAY ORDER, DEMAND DRAFT OR EVIDENCE OF ONLINE TRANSFER OF MONEY ALONG WITH THE REGISTRATION FORM. IT MAY ALSO BE NOTED THAT ONLY A SINGLE PAY ORDER, DEMAND DRAFT OR EVIDENCE OF ONLINE TRANSFER OF MONEY SHALL BE ACCEPTED BY THE BOOK RUNNER ALONG WITH EACH ADDITIONAL PAYMENT FORM.
8. ELIGIBLE INVESTORS WHO ARE ACCOUNT HOLDERS OF [.] AND [.](THE BANKERS TO THE BOOK BUILDING PORTION OF THE ISSUE) CAN USE THE ONLINE TRANSFER FACILITY PROVIDED BY [.] AND [.] TO DEPOSIT THEIR BID MONEY TO THE BOOK BUILDING ACCOUNT OPENED AT [.] AND [.]

12.1.13 Registration form and Procedure for Registration

1. A standardized Registration Form has been prescribed by the Issuer. The Registration Form shall be submitted, duly filled in, at the Bid Collection Centers in person on addresses given in Section 12.1.6 on the standard Registration Form. The Registration Form shall be serially numbered at the bid collection centers and date and time stamped at the time of collection of the same from the Bidders.
2. Upon completion and submission of the Registration Form, the Bidders are deemed to have authorized the Issuer to make necessary changes in the Prospectus as would be required for finalizing and publishing the Supplement to the Prospectus in the newspapers in which Prospectus was published and filing the Supplement with PSX and SECP, without prior or subsequent notice of such changes to the Bidders.
3. The registration procedure under the Book Building process is outlined below:

- The Registration period shall be for **Five (3) working days i.e. [•]/2024 to [•]/2024 from 9:00 AM to 5:00 PM and from 9:00 AM to 3:00 PM on [•]/2024.**
- The Registration Form shall be issued in duplicate signed by the Bidder and countersigned by the Book Runner, with the first copy for the Book Runner and the second copy for the Bidder.
- The Registration Form shall be duly filled in and signed in duplicate and shall be submitted at the Bid Collection Centers in person, through representative or through fax on addresses and numbers given in Section 12.1.6.
- Upon registration of the bidders in the System, PSX shall assign and communicate the User ID and Password to the Bidders via email on the email address provided by them in the Registration Form.
- The Book Runner may reject any bid for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. Decision of the Book Runners shall not be challengeable by the Bidder or its associates.
- Bid Amount / Margin Money shall be deposited along with the Registration Form through demand draft, pay order or online transfer through Bidder's bank account only. In case of Online Transfer, the Bidders are requested to submit a bank receipt evidencing transfer of the bid money into the Issuer's designated bank account. **Please note that cash must not be deposited either directly or through online transfer in the Issuer's designated bank account.**
- **The pay order shall be made in favor of "[•]". For online transfer the payment shall be made into [•] being maintained in [Bank Name]– [•] Branch, Karachi. Please note that online transfer facility shall only be allowed to [•] customers.**
- Please note that third party instruments will not be accepted for Margin Money.
 - In case of intra city payment instruments, the bidders shall ensure that the payment instruments are made "Payable at any Branch". Intra city payment instruments that are not made "Payable at any Branch" will not be accepted.
- The Book Runners shall collect an amount of 100% of the Application Money as Margin Money in respect of bids placed by Individual Investors.
- The Book Runners shall collect an amount of not less than 25% of the Application Money as Margin Money in respect of bids placed by Institutional Investors.
- The Bidder shall provide a valid email address in the Registration Form so that the relevant ID and password can be emailed to them upon registration.
- The Bidders can use the User ID and Password to independently place and upward revise their bids online.
- **The successful Bidders shall be issued shares only in the form of book-entry to be credited in their respective CDS accounts. All the bidders shall, therefore, provide their CDC account numbers in the bid application and Registration form.**
- **The successful Bidders shall be paid cash dividend, if any announced by the Company, only through direct credit in their respective International Bank Account Number (IBAN). All the Bidders, therefore, must provide their IBANs in the Bid Application and Registration Forms.**

12.1.14 Procedure for Bidding

1. A standardized Bidding Form has been prescribed by the Issuer.
2. Registered Investors can submit their bids in person or through representatives at the Bid Collection Centers during the bidding dates or can place their bids online at <https://bkb.psx.com.pk> using the user ID and Password received by them over email upon registration with the Book Runner.
3. The bidding procedure under the Book Building process is outlined below:

- Bids can be placed either at the “Limit Price” or as a “Step Bid”. The minimum size of a Limit Bid by an Eligible Investor shall not be less than PKR 1,000,000/- (Rupees One Million) and in case of a Step Bid, the amount of any step shall also not be less than PKR 1,000,000/- (Rupees One Million).
- The investors may place their bids through any of the Bid Collection Centers established pursuant to the requirements of sub-regulation 10 of regulation 8 of the PO Regulations. Please see Section 12.1.6 for addresses and contact detail of persons at the Bid Collection Centers.
- The persons at the Bid Collection Centers shall vet the bid applications and accept only such bid applications that are duly filled in and supported by pay order, demand draft or a bank receipt evidencing transfer of the bid money into the Issuer designated bank account.
- On receipt of bid application in accordance with the aforementioned regulation, the Book Runner shall enter Bid into the System and issue to the Bidder an electronic receipt bearing name of the Book Runner, name of the bidding center, date and time.
- The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. on all days of the Bidding Period. The bids shall be collected and entered into the system by the Book-Runner till 05:00 p.m. on the last day of the bidding period.
- The Bidders shall have the right to revise their bids upwards any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.
- **The Bidders shall NOT make downward revision both in terms of Bid Price and Bid Volume provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.**
- **The Bidders shall not withdraw the Bids.**
- The Book Runner shall collect full amount of the Bid Amount as Margin Money in respect of bids placed by the High Net worth Individual and not less than twenty-five percent (25%) of the Bid Amount as Margin Money in respect of bids placed by the Institutional Investors.
- Payment of Margin Money shall be accepted only through demand draft, pay order or online transfer and third party payment instruments shall not be accepted.
- The Book Runner may on its own discretion accept a bid without Margin Money, provided the Book Building Portion is fully underwritten at least at the Floor Price by the Book Runner.
- The Book Runner may reject any bid for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. The decision of the Book Runner shall not be challengeable by the Bidder or its associates.
- PSX shall, through the system, display live throughout the bidding period an order book in descending order showing demand for shares at various prices and the accumulated number of shares bid for along with percentage of the total shares issued (the “Order Book”). The Order Book should also show the revised bids and the bids withdrawn. The Order Book shall be accessible through websites of PSX.
- At the close of the Bidding Period, the Strike Price shall be determined on the basis of the Dutch Auction Method.
- Once the Strike Price is determined, all those Bidders whose bids are found successful shall become entitled for allotment of shares.
- The Bidders who have made bids at prices above the Strike Price shall be allotted shares at the Strike Price.
- In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted against the bids made at the Strike Price on proportionate basis as per regulation 9(12) of PO Regulations. The procedure for allotment of shares to successful Bidders is mentioned in Section 12.1.22 of the Prospectus.

- The Bidders who have made bids below the Strike Price shall not qualify for allotment of any Ordinary Shares and the Book Runner shall intimate their respective banks for unblocking their Bid Money within one (1) working day of the close of the bidding period and in case of refunds, the refund to such bidders shall be made within three (3) working days from the close of the bidding period.
- Successful bidders shall be intimated, within one (1) working day of the closing of the bidding period, the Strike Price and the number of shares **provisionally** allotted to each of them. The successful bidders shall be intimated by the Book Runner of their final allocation after subscription of the retail portion of the Issue.
- In case the retail portion of the Issue is not fully subscribed, the unsubscribed shares shall be allotted to the successful bidders on pro-rata basis.
- In case the retail portion of the Issue is oversubscribed, the allotment shall be made in the manner given in Section 13.1.12.
- Upon intimation by the Book Runner of final allocation, successful institutional bidders shall deposit their balance margin within (3) days of such intimation. **Where a successful Bidder defaults in payment of shares allotted to it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.**
- Final allotment of shares out of the Book Building Portion shall be made after receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be credited at the time of credit of shares out of the retail portion.
- The successful Bidders shall be issued shares only in Book Entry Form to be credited in their respective CDS Accounts. All the bidders shall, therefore, provide their CDS Account Numbers in the Registration Form.
- The Designated Institution shall continue to display on its website, the data pertaining to the Book Building and determination of the Strike Price for a period of at least three working days after closure of the Bidding Period.
- The Book-Runner shall ensure that subscription money received against the bids accepted shall not be released to the Issuer by the Banker to the Book Building Portion until:
 - credit of all shares allotted to retail investors; and
 - issuance of NOC by the PSX.

12.1.15 Payment for Book Building Portion

The Issuer has opened a bank account for collection of applications' money related to Book Building Portion.

The Bidders shall draw demand draft or pay order in favor of **"Secure Logistics – Book Building"** or online transfer of the Bid money into the respective Book Building account [.] and submit the demand draft, pay order or bank receipt at the designated Bid Collection Centers either in person or through facsimile along with a duly filled in Registration Form.

For online transfer the payment shall be made into the **Account [.]** being maintained at **Habib Bank Limited** – Habib Bank Plaza I.I. Chundrigar Road Branch, Karachi with the Account Title **"Secure Logistics – Book Building"**. Please note that online transfer facility shall only be allowed for **Habib Bank Limited** customers.

CASH MUST NOT BE SUBMITTED WITH THE BIDDING FORM/REGISTRATION FORM AT THE BID COLLECTION CENTER NOR DEPOSITED DIRECTLY OR VIA ONLINE TRANSFER IN THE ISSUER'S DESIGNATED BANK ACCOUNT. BID AMOUNT MUST BE PAID THROUGH PAY ORDER, BANK DRAFT OR ONLINE TRANSFER DRAWN / TRANSFER IN FAVOR OF "SECURE LOGISTICS – BOOK BUILDING" IN A MANNER ACCEPTABLE TO THE BOOK RUNNER. **PLEASE NOTE THAT THIRD PARTY PAYMENT INSTRUMENTS WILL NOT BE ACCEPTED.**

The Collection Banks shall keep and maintain the bid money in the said account. Once the shares allotted under the retail portion have been credited, the Lead Manager, after obtaining NOC from PSX, may request in writing to the Banker to the Book Building Portion for transfer of the money of the successful and accepted applications to the Issuer's account(s).

PAYMENT PROCEDURE

The payment procedures for a Limit Bid or a Step Bid are explained below:

▪ PAYMENT FOR LIMIT BID

If investors are placing their bids as a Limit Bid, then they shall deposit the Margin Money based on the number of shares they are bidding for at their stated bid price.

For instance, if an investor is applying for 1 Mn shares at a price of PKR 12.00/- per share, then the total Application Money would amount to PKR 12 Mn. In such a case, (i) Individual Investor shall deposit PKR 12 Mn in the Book Building account as the bid amount which is 100% of PKR 12 Mn; and (ii) Institutional Investor shall deposit at least PKR 12 Mn in the Book Building account as the Margin Money which is 25% of PKR 3 Mn.

▪ PAYMENT FOR STEP BID

If an investor is placing a Step Bid which is a series of Limit Bids at increasing prices, then he/she/it shall deposit the Margin Money / bid money based on the total number of shares he/she/it is bidding for at his/her/its stated bid prices.

For instance, if the investor bids for 0.7 Mn shares at PKR 12.00/- per share, 0.6 Mn shares at PKR 13.00 per share and 0.5 Mn shares at PKR 14.00 per share, then in essence the investor has placed one Step Bid comprising three limit bids at increasing prices. The Application Money would amount to PKR 23.2 Mn, which is the sum of the products of the number of shares bid for and the bid price of each limit bid. In such a case, (i) Individual Investors shall deposit PKR 23.2 Mn in the Book Building Account as Margin Money which is 100% of PKR 23.2 Mn and (ii) Institutional Investors shall deposit at least PKR 5.80 Mn in the Book Building Account as Margin Money which is 25% of PKR 23.2 Mn.

12.1.16 Payment by Foreign Investors

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (I)) of Chapter 20 of the State Bank of Pakistan's ("SBP") Foreign Exchange Manual (the "Manual") to issue shares on repatriation basis to non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual, i.e. (I) A Pakistan national resident outside Pakistan, (II) A person who holds dual nationality including Pakistan nationality, whether living in or outside Pakistan, (III) A foreign national, whether living in or outside Pakistan and (IV) A firm (including a partnership) or trust or mutual fund registered and functioning outside Pakistan, excluding entities owned or controlled by a foreign government, provided the issue price, is paid in foreign exchange through normal banking channel by remittance from abroad or out of foreign currency account maintained by the subscriber/purchaser in Pakistan.

Non-residents who wish to bid for the subscription of shares being offered via book building can remit the subscription money through an Authorized Dealer directly to the book building accounts opened by the Company as given in of this Prospectus, however, those non-residents who wish to subscribe shares out of the general public portion may contact any of the bankers to the Issue (retail portion) for taking instructions regarding payment of subscription money against shares offered to general public / retail investors. List of bankers to the Issue for retail portion is available on page 1 of this Prospectus.

The shares issued to non-resident shareholders shall be intimated by the Company to the designated Authorized Dealer, along with the documents prescribed in the Manual within 30 days of issue.

Non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual do not require SBP's approval to invest in the shares being issued in terms of this Prospectus. Furthermore, under paragraph 7 (vii) of Chapter 20 of the Manual the Authorized Dealer shall allow repatriation of dividends, net of applicable taxes and proceeds on sale of listed shares (i.e. divestment proceeds) not exceeding the market value less brokerage/commission on provision of prescribed documents.

Payments made by non-residents shall be supported by proof of receipt of foreign currency through normal banking channels. Such proof shall be submitted along with the Application by the non-residents.

12.1.17 Procedure for Rejection of Bids

In terms of regulation 9(7) of the PO Regulations, the Book Runner may reject any Bid placed by a Bidder for reasons to be recorded in writing provided the reason of rejection is disclosed to such Bidder. Decision of the Book Runner shall not be challengeable by the Bidder or any of its associates.

12.1.18 Time frame for upward revision of Bids by the Bidders

The registered investors may revise their Bids upwards any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.

An investor will not be allowed to place or revise a bid with a price variation of more than 10% of the prevailing indicative strike price. **NO DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME IS ALLOWED PROVIDED THAT IN CASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME. HOWEVER, NO WITHDRAWAL OF BID IS ALLOWED.**

12.1.19 Ten Percent (10%) Price Variation

An investor will not be allowed to place or upward revise a bid with a price variation of more than ten percent (10%) of the prevailing Indicative Strike Price subject to Floor Price and Price Band i.e. Bid Price must not be below the Floor Price and must not exceed 40% of the Floor Price which is upper limit of Floor Price. **Please note that the Indicative Strike Price may not be constant and may keep on changing during the bidding period. Therefore, the 10% range will also change with the changing Indicative Strike Price.**

For Example, if the Floor Price is PKR 12.00 per share and Indicative Strike Price at any given point in time during the bidding period is PKR 12.00 per share, registered bidders may place or revise their bids at/to any price between PKR 12.00 per share to PKR 13.20 per share. If at any given point in time during the bidding period, the Indicative Strike Price changes from PKR 12.00 per share to PKR 13.00 per share, the registered bidders may place or upward revise their bids at/to between PKR 13.00 per share to PKR 14.30 per share.

Please note that the 10% range on the lower side cannot go below the floor price and cannot exceed the upper cap of 40% of the floor price i.e. PKR 16.80 per share. The price range of 10% applicable at any given point in time during the bidding period will also be displayed on the bid screen available at the website of PSX.

12.1.20 Restriction on Downward Revision or Withdrawal of Bids by the Bidder

Under regulation (10) (2)(vi) of the PO Regulations the Bidders shall not make downward revision both in terms of Bid Price and Bid Volume provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.

Under regulation (10) (2)(vii) of the PO Regulations the Bidders shall not be allowed to withdraw Bids.

12.1.21 Procedure for Withdrawal of Issue

1. In accordance with regulation 8(16) of the PO Regulations, in case the Issuer does not receive bids for the number of shares allocated under the Book Building Portion at the Floor Price, the Issue shall be cancelled and the same shall be immediately intimated to the Commission and PSX and the Margin Money shall be refunded to the bidders immediately but not later than three (3) working days of the closing of the Bidding Period.
2. In accordance with regulation 8(17) of the PO Regulation, the Book Building process will be considered as cancelled if the total number of bids received is less than forty (40).

12.1.22 Basis of Allotment of Shares

Bidders shall be allowed to place bids for one hundred percent (100%) of the Issue size and the Strike Price shall be the price at which one hundred percent (100%) of the Issue is subscribed via the Dutch Auction Method.

Once the Strike Price is determined, all those Bidders whose bids have been found successful shall be provisionally allotted 75% of the Issue size i.e. 37,500,000 Ordinary Shares.

In order to be a successful Bidder in the Book Building process, the bid price would either be higher than the Strike Price or at the Strike Price.

For allocation of shares via Book Building, priority shall be given to the bids placed at the highest price. The bidders, who have made bids at prices above the Strike Price, will be provisionally allocated 75% of the shares successfully bid for, at the Strike Price. The differential between the bid price and Strike Price, would be refunded based on the total number of shares bid for.

Bidders who had placed Bids at the Strike Price will be provisionally allotted seventy-five (75%) of the shares successfully bid for, at the Strike Price, on proportionate basis.

Bids made below the Strike Price shall not qualify for allotment of shares and their Margin Money will be refunded.

Final allotment of shares to the successful bidders would be determined after determination of the public response to the Retail Portion of the Issue.

In the event the retail portion is undersubscribed, the unsubscribed portion would be allotted to the successful bidders, on a pro-rata basis as per regulation 11(5) of the PO Regulation. Excess funds, if any, would be refunded to the bidders after allotment of the unsubscribed shares.

Final allotment of shares out of the Book Building portion shall be made after subscription of the retail portion and receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be issued simultaneously with issuance of shares to retail investors, in the form of book-entry to be credited in their respective CDS Accounts. All the Bidders shall, therefore, provide number of their respective CDS Accounts in the Bid application as required under regulation 9(16) of the PO Regulations.

12.1.23 Refund of Margin Money

The Bidders who have made Bids below the Strike Price shall not qualify for allotment of securities and the Book Runner shall intimate their respective banks for unblocking, where required, their Bid Money within one (1) working day of the close of the bidding period as required under regulation 9(13) of the PO Regulations and the refunds, where required to such bidders shall be made within three (3) working days from the close of the bidding period.

The bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain deposited or blocked till allotment of shares of unsubscribed retail portion, if any, to them on pro-rata basis.

12.1.24 Publication of Supplement to the Prospectus

In accordance with regulation 11(1) of the PO Regulations within three (3) working days of the closing of the Bidding Period, Supplement to the Prospectus shall be published at least in all those newspapers in which the Prospectus was earlier published and also disseminated through PSX.

The Supplement to the Prospectus would contain information relating to the Strike Price, the Offer Price and Category-wise breakup of the successful Bidders along with the number of shares provisionally allocated to them. Format of the Supplement is given on page 2 of this Prospectus.

Public subscription for the shares shall be held at any date(s) within thirty days (30) of the publication of the Prospectus but not earlier than seven (7) days of such publication.

13. APPLICATION AND ALLOTMENT INSTRUCTION

13.1.1 Eligible Investors Include:

1. Pakistani citizens resident in or outside Pakistan or Persons holding dual nationalities including a Pakistani nationality;
2. Foreign Nationals whether living in or outside Pakistan
3. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
4. Mutual Funds, Provident / Pension / Gratuity Funds / Trusts, (subject to the terms of the Trust Deed and existing regulations); and
5. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

APPLICATION MUST BE MADE ON SECP's APPROVED APPLICATION FORM OR A LEGIBLE PHOTOCOPY THEREOF ON A PAPER OF A4 SIZE WEIGHING AT LEAST 62 GM

13.1.2 Copies of Prospectus

Copies of this Prospectus and Applications Forms can be obtained from members of PSX, the Bankers to the Issue and their branches, the Lead Manager, the Book Runner to the Issue and registered office of the Company. The Prospectus and the Application Form can also be downloaded from the following websites:

<http://www.arifhabibltd.com>, <http://https://www.slg.com.pk/>, www.cdceipo.com and <http://www.psx.com.pk>

Shares against the successful and accepted applications shall be issued in the Book Entry Form only and will be credited into the Applicants CDS Account mentioned in the Application. The applicants, therefore, must provide detail of their CDS Account (investors Account or Sub-Account) in the Shares Subscription Form. Investors who do not have CDS account may visit www.cdcpakistan.com for information and details. For further guidance and queries regarding opening of CDS account, investors may contact CDC at phone Number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com.

NAMES(S) AND ADDRESS(ES) MUST BE WRITTEN IN FULL BLOCK LETTERS, IN ENGLISH AND SHOULD NOT BE ABBREVIATED

ALL APPLICATIONS MUST BEAR THE NAME AND SIGNATURE CORRESPONDING WITH THE ONE RECORDED WITH THE APPLICANT'S BANKER. IN CASE OF DIFFERENCE OF SIGNATURE WITH THE BANK AND COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) OR THE NATIONAL IDENTITY CARD FOR OVERSEAS PAKISTANI (NICOP) OR PASSPORT, BOTH THE SIGNATURES SHOULD BE AFFIXED ON THE APPLICATION FORM.

13.1.3 OPENING AND CLOSING OF THE SUBSCRIPTION LIST

The subscription list will open at the commencement of banking hours on [•]/2024 and will close on [•]/2024 at the close of banking hours. Please note that online applications can be submitted 24 hours during the subscription period which will close at 12:00 midnight on [•]/2024.

13.1.4 E-IPO SYSTEM

In order to facilitate investors, PSX has developed an e-IPO System ("PES") through which electronic applications can be filed for subscription of securities offered to the general public. PES can be accessed through the web link (<https://eipo.psx.com.pk>).

Investors can register themselves online at any time 24/7. On behalf of an investors, registration can also be done by:

- the TREC Holder with whom the investor has a sub-account, or

- the Bank with whom the investor has a bank account.

An e-IPO application can be filed by an investor during the public subscription period which shall close at midnight on MMMM DD, YYYY. On behalf of investors, e-IPO applications can also be filed by:

- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

Subscription money can be paid by the investor through 1LINK or NIFT. On behalf of investors, subscription money can also be paid by:

- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

In case of queries regarding PES, investors may contact Mr. Farrukh Shahzad at phone number: 111-001-122 or (021)- 35274401-10, and email: Tutorial for PES can be found on the weblink i.e., <https://eipo.psx.com.pk/EIPO/home/index>.

(i) Centralized e-IPO System (CES):

CES can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK's member banks available for CES.

For making application through CES, investors must be registered with CES. Registration can be done under a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year.

In addition to the above, investors/sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific company by authorizing (adding the details of) their respective Participant(s) in CES. Consequently, authorized Participants will electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings and will also be able to make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal. For queries regarding CES, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or contact Mr. Owais Anwer at Phone 021-111-111-500 Ext 500 and email: owais_anwer@cdcpak.com.

13.1.5 APPLICATIONS MADE BY INDIVIDUAL INVESTORS

1. In case of individual investors, an attested photocopy of CNIC (in case of Resident Pakistanis) / NICOP or Passport (in case of Non-Resident Pakistanis) as the case may be, should be enclosed and the number of CNIC / NICOP / Passport should be written against the name of the applicant. Copy of these documents can be attested by any Federal / Provincial Government Gazette Officer, Councilor, Oath Commissioner or Head Master of High School or bank manager in the country of applicant's residence.
2. Original CNIC / NICOP / Passport, along with one attested photocopy, must be produced for verification to the Banker(s) to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested photocopy will, after verification, be retained by the bank branch along with the application.

Aforementioned requirements pertaining to CNIC/NICOP only applies to physical applications and would not be required in E-IPO facility.

13.1.6 APPLICATIONS MADE BY INSTITUTIONAL INVESTORS

1. Applications made by companies, corporate bodies, mutual funds, provident / pension / gratuity funds / trusts and other legal entities must be accompanied by an attested photocopy of their Memorandum and Articles of Association or equivalent instrument / document. Where applications are made by virtue of

Power of Attorney, the same should also be submitted along with the application. Any Federal / Provincial Government Gazette Officer, Councilor, Bank Manager, Oath Commissioner and Head Master of High School or bank manager in the country of applicant's residence can attest copies of such documents.

2. Attested photocopies of the documents mentioned in Section 13.1.5 must be produced for verification to the Banker(s) to the Issue and the applicant's banker (if different from the Banker(s) to the Issue) at the time of presenting the application. The attested copies, will after verification, be retained by the bank branch along with the application.

13.1.7 ADDITIONAL INSTRUCTIONS FOR INVESTORS

1. Only one application will be accepted against each account, however, in case of joint account, one application may be submitted in the name of each joint account holder.
2. Joint application in the name of more than two persons will not be accepted. In case of joint application each applicant must sign the application form and submit attested copies of their CNICs / NICOP / Passport. The share certificates will be dispatched to the person whose name appears first on the application form while in case of CDS, it will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of shares.
3. Subscription money must be paid by check drawn on applicant's own bank account or pay order / bank draft payable to one of the Bankers to the Issue "**Secure Logistics – General Subscription**" and crossed "**A/C PAYEE ONLY**".
4. For the applications made through pay order / bank draft, it would be permissible for a Bankers to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order / bank draft individually for each application.
5. The applicant should have at least one bank account with any of the commercial banks. The applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of shares.
6. Applications are not to be made by minors and / or persons of unsound mind.
7. Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the Application Form.
8. Applicants should retain the bottom portion of their Application Forms as provisional acknowledgement of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of shares for which the application has been made.
9. Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.
10. Bankers to the Issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the Issue.
11. It would be permissible for a Bankers to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.
12. Submission of false and fictitious applications is prohibited and such applications' money may be forfeited under Section 87(8) of the Securities Act, 2015.

13.1.8 ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

1. In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of Memorandum of Association or an equivalent document should also be enclosed,

if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the application. Copies of these documents can be attested by the bank manager in the country of applicant's residence.

- Foreign / Non- resident investors should follow payment instructions given in Section 12.1.16 of this Prospectus.

13.1.9 CODE OF OCCUPATION OF INVESTORS/APPLICANTS

Code	Occupation
01	Business
02	Business Executive
03	Service
04	Housewife
05	Household
06	Professional
07	Student
08	Agriculturist
09	Industrialist
10	Other

13.1.10 NATIONALITY CODE

Code	Name of Country
001	U.S.A
002	U.K
003	U.A.E
004	K.S.A
005	Oman
006	Bangladesh
007	China
008	Bahrain
009	Other

13.1.11 MINIMUM AMOUNT OF APPLICATION AND BASIS OF ALLOTMENT OF SHARES OF THE ISSUE

The basis and conditions of transfer of shares to the General Public shall be as follows:

- Application for shares must be made for 500 shares or in multiples of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
- The minimum amount of application for subscription of 500 shares is the Issue Price x 500 shares.
- Application for shares below the minimum amount shall not be entertained.
- SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.**
- If the shares offered to the general public are sufficient to accommodate all applications, all applications shall be accommodated.
- If the shares applied for by the general public are in excess of the shares allocated to them, the distribution shall be made by computer balloting, in the presence of the representative(s) of PSX in the following manner:
 - If all applications for 500 shares can be accommodated, then all such applications shall be accommodated first. If all applications for 500 shares cannot be accommodated, then balloting will be conducted among applications for 500 shares only.

- If all applications for 500 shares have been accommodated and shares are still available for allotment, then all applications for 1,000 shares shall be accommodated. If all applications for 1,000 shares cannot be accommodated, then balloting will be conducted among applications for 1,000 shares only.
 - If all applications for 500 shares and 1,000 shares have been accommodated and shares are still available for allotment, then all applications for 1,500 shares shall be accommodated. If all applications for 1,500 shares cannot be accommodated, then balloting will be conducted among applications for 1,500 shares only.
 - If all applications for 500 shares, 1,000 shares and 1,500 shares have been accommodated and shares are still available for allotment, then all applications for 2,000 shares shall be accommodated. If all applications for 2,000 shares cannot be accommodated, then balloting will be conducted among applications for 2,000 shares only.
 - After the allotment in the above mentioned manner, the balance shares, if any, shall be allotted in the following manner:
 - If the remaining shares are sufficient to accommodate each application for over 2,000 shares, then 2,000 shares shall be allotted to each applicant and remaining shares shall be allotted on pro-rata basis.
 - If the remaining shares are not sufficient to accommodate all the remaining applications for over 2,000 shares, then balloting shall be conducted for allocation of 2,000 shares to each successful applicant.
7. If the Issue is over-subscribed in terms of amount only, then allotment of shares shall be made in the following manner:
- First preference will be given to the applicants who applied for 500 shares;
 - Next preference will be given to the applicants who applied for 1,000 shares;
 - Next preference will be given to the applicants who applied for 1,500 shares;
 - Next preference will be given to the applicants who applied for 2,000 shares; and then
 - After allotment of the above, the balance shares, if any, shall be allotted on pro rata basis to the applicants who applied for more than 2,000 shares.
8. Allotment of shares will be subject to scrutiny of applications for subscription of shares.
9. Applications, which do not meet the above requirements, or application which are incomplete, will be rejected.

13.1.12 BASIS OF ALLOTMENT

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. The minimum value of application will be calculated as Issue Price 500 shares. Application for amount below the minimum value shall not be entertained.
2. Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
3. Allotment / Transfer of shares to successful applicants shall be made in accordance with the allotment criteria / instructions disclosed in the Prospectus.
4. Allotment of shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and / or the instructions by the Securities & Exchange Commission of Pakistan.
5. Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.
6. The Company will credit shares in the CDS Accounts of the successful applicants.

13.2 REFUND/UNBLOCKING OF SUBSCRIPTION MONEY TO UNSUCCESSFUL APPLICANTS

As per the regulation 11(4) of the PO Regulations, within ten (10) working days of the close of public subscription period the Shares shall be allotted and issued against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/ refunded.

As per sub-section (2) of Section 68 of the Companies Act, if refund as required under sub-section (1) of Section 68 of the Companies Act is not made within the time specified hereinabove, the directors of the company shall be jointly and severally liable to repay that money with surcharge at the rate of two percent (2%) for every month or part thereof from the expiration of the fifteenth day and, in addition, shall be liable to a penalty of level 3 on the standard scale as defined in Section 479 of the Companies Act. Provided that the directors of the Company shall not be liable if it proves that the default in making the refund was not on their own account and was not due to any misconduct or negligence on their part.

In case retail portion of the Issue remains unsubscribed, the unsubscribed shares shall be allotted to the successful bidders at the strike price on pro-rata basis.

13.3 ISSUE AND CREDIT OF SHARES

Within ten (10) working days of the closing of public subscription period, the shares shall be allotted, issued and credited against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/refunded, as required under regulation 11(4) of the PO Regulations. **Shares will be issued only in the book-entry form and will be credited into the respective CDS Accounts of the successful applicants. Therefore, the applicants must provide their CDS Account Number in the Shares Subscription Applicant.**

If the Company defaults in complying with the above requirements, it shall pay PSX a penalty of PKR 5,000 per day for every day during which the default continues. PSX may also notify the fact of such default and name of the Company by notice and also by publication in its ready-board quotation of the Stock Exchange.

Name of the Company will also be notified to the TRE Certificate Holders of the PSX and placed on the web site of the PSX.

13.4 TRANSFER OF SHARES

The shares shall be transferred in accordance with the provisions of Section 74 of the Companies Act read with Section 75 thereof and the Central Depositories Act, 1997 and the CDCPL Regulations.

13.5 LIST OF BANKERS TO THE ISSUE

Code	Name of Bank
01	Al Baraka Bank Pakistan
02	Askari Bank Limited
03	Habib Bank Limited
04	Habib Metropolitan Bank
05	Meezan Bank Limited

13.6 MINIMUM AMOUNT OF APPLICATION

Minimum application would be 500 shares x Issue Price.

13.7 INTEREST OF SHAREHOLDERS

None of the holders of the Issued shares of the Company have any special or other interest in the property or profits of the Company other than their capacity as holder of Ordinary shares except from the shareholders who are also the Director of the company. Directors of the Company have interest in receiving remuneration for their role as Directors.

13.8 ELIGIBILITY FOR DIVIDEND

The ordinary shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

13.9 DEDUCTION OF ZAKAT

Income distribution will be subject to deduction of Zakat at source, pursuant to the provisions of Zakat and Ushr Ordinance, 1980 (XVIII of 1980) as may be applicable from time to time except where the Ordinance does not apply to any shareholder or where such shareholder is otherwise exempt or has claimed exemption from payment / deduction of Zakat in terms of and as provided in that Ordinance.

13.10 CAPITAL GAINS TAX

Capital gains derived from the sale of listed securities are taxable in the following manner under section 37A of Income Tax Ordinance, 2001:

Gain on disposal of listed securities (that was previously chargeable to tax @ 12.5% irrespective of the holding period) shall now be subject to revised tax rates based on holding period, for securities purchased post July 1, 2022. The revised rates are as under

Sr No.	Capital Gain Tax for FY2022 onwards	Investors Appearing in ATL	Investors Not Appearing in ATL
1	Where Securities is acquired on or before June 30, 2022	12.5%	25.0%
	Where Securities is acquired on or after July 01, 2022		
1	Where holding period does not exceed one year	15.0%	30.0%
2	Where holding period exceed one year but does not exceed two years	12.5%	25.0%
3	Where holding period exceed two years but does not exceed three years	10.0%	20.0%
4	Where holding period exceed three years but does not exceed four years	7.5%	15.0%
5	Where holding period exceed three years but does not exceed five years	5.0%	10.0%
6	Where holding period exceed three years but does not exceed six years	2.5%	5.0%
7	Where holding period exceed six years	0.0%	0.0%

13.11 WITHHOLDING TAX ON DIVIDENDS

Dividend distribution to shareholders will be subject to withholding tax under section 150 of the Income Tax Ordinance, 2001 as specified in Part III Division I of the First Schedule of the said ordinance or any time-to-time amendments therein. In terms of the provision of Section 8 of the said ordinance, said deduction at source, shall

be deemed to be full and final liability in respect of such profits in case of persons only. Applicable withholding tax rate on dividend is 15% for filer and 30% for non-filer.

13.12 TAX ON BONUS SHARES

As per section 236 of the Finance Act 2023, bonus shares shall only be issued to shareholder, if a Company collects from shareholder, tax equal to 10% of the value of the bonus shares issued.

13.13 INCOME TAX

The income of the Company is subject to Income Tax under the Income Tax Ordinance, 2001.

13.14 DEFERRED TAXATION

Deferred tax is provided using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forwards of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

13.15 SALES TAX

General Sales Tax is applicable as per Sales Tax Act, 1990 on supplies and services. Sales tax is applicable on services as per Punjab Sales Tax on Services Act, 2012 by Punjab Revenue Authority. Sales tax is applicable on services as per Sindh Sales Tax on Services Act, 2011 by Sindh Revenue Board.

13.16 SALES TAX ON SALE / PURCHASE OF SHARES

Under the Constitution of Pakistan and Articles 49 of the 7th NFC Award, the Government of Sindh, Government of Punjab, Government of Khyber Pakhtunkhwa and Government of Baluchistan have promulgated the Sindh Sales Tax on Services Act, 2011, Punjab Sales Tax on Services Act, 2012, Khyber Pakhtunkhwa Sales Tax on services through Khyber Pakhtunkhwa Finance Act, 2013 and the Baluchistan Sales Tax on services Act, 2015 respectively. The Sindh Revenue Board, the Punjab Revenue Authority, and the Khyber Pakhtunkhwa Revenue Authority and the Baluchistan Revenue Authority administer and regulate the levy and collection of the Sindh Sales Tax ("SST"), Punjab Sales Tax ("PST"), Khyber Pakhtunkhwa Sales Tax ("KST") and Baluchistan Sales Tax ("BST") respectively on the taxable services provided or rendered in Sindh, Punjab or Khyber Pakhtunkhwa provinces respectively.

The value of taxable services for the purpose of levy of sales tax is the gross commission charged from clients in respect of purchase or sale of shares in a Stock Exchange. The above mentioned Acts levy a sales tax on Brokerage at the rate of 13% in Sindh, 16% in Punjab and in Baluchistan and Khyber Pakhtunkhwa the rate is 15%. Sales tax charged under the aforementioned Acts is withheld at source under statutory requirements.

13.17 TAX CREDIT FOR INVESTMENT IN IPO

Under Section 62 of the Income tax Ordinance, 2001, a resident person other than a Company, shall be entitled to a tax credit, as mentioned in the said section, for a tax year in respect of the cost of acquiring in the year, new shares offered to the public by a public company listed on a stock exchange in Pakistan, provided the resident person is the original allottee of the shares or the shares are acquired from the Privatization Commission of Pakistan.

As per Section 62(3)(b) of the Income Tax Ordinance, 2001, the time limit for holding shares has been designated as 24 months to avail tax credit.

14. SIGNATORIES TO THE PROSPECTUS



SIGNATORIES TO THE PROSPECTUS



Pervaiz Afzal Khan
Chairman / Director



Gulraiz Afzal Khan
CEO / Director



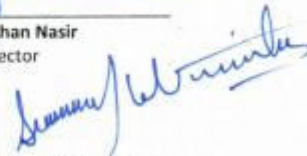
Faraz Mehmood Minai
Director



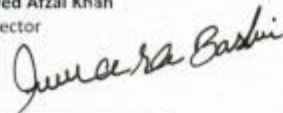
Afshan Nasir
Director



Javed Afzal Khan
Director

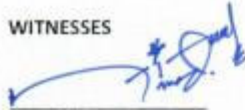


Shahbaz Haider Agha
Independent Director



Amara Bashir
Director

WITNESSES



Amad Aleem
Financial Controller



Irfan Hafeez
Manager Admin

Certified by:



Company Secretary

January 29th, 2024

Head Office

10th Floor, New State Life Tower
F-7/4, Blue Area, Islamabad
Tel: +9251 877 9224-6

North Region

Plot # 16, Near ID & NC, I-11/3
Islamabad
Tel: +9251 877 9470

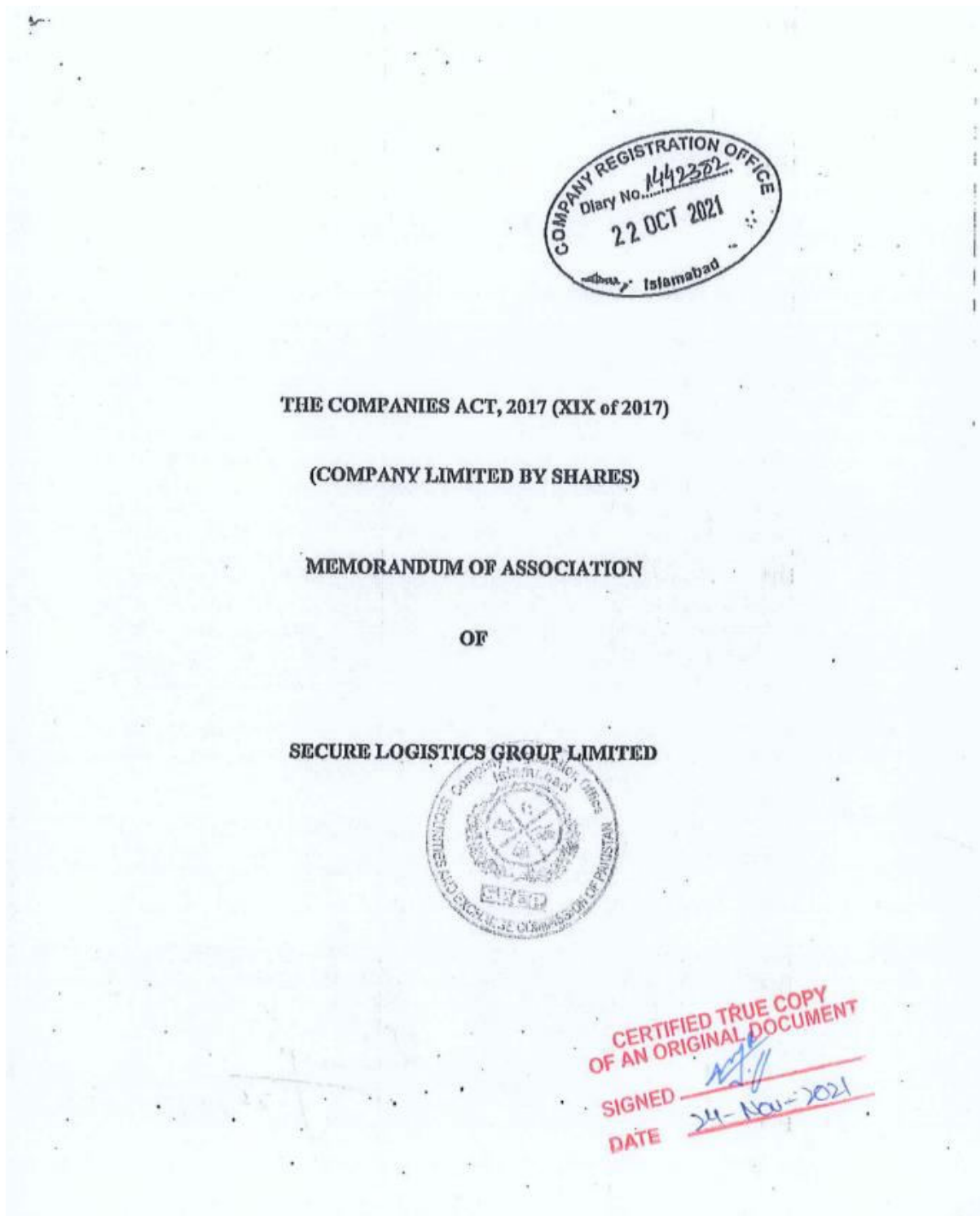
Central Region

26 KM, Multan Road
Lahore
Tel: +9242 3547 9096-8

South Region

House Sister Lounge Z-525, Danjuman C H Society
Off National Stadium Road, Beside Liaquat Library Karachi.
Tel: +92 21 345 3440-9

15. MEMORANDUM OF ASSOCIATION



THE COMPANIES ACT, 2017
(COMPANY LIMITED BY SHARES)
MEMORANDUM OF ASSOCIATION
OF
SECURE LOGISTICS GROUP LIMITED

- I. The name of the company is Secure Logistics Group Limited (the "Company").
- II. The registered office of the Company will be situated in Islamabad Capital Territory.
- III. The objects for which the Company is established are:
 1. To establish, own, run, manage, develop, operate, maintain and carry on the business of all forms of logistics, tracking, fleet management services, warehousing, transportation, carriage and haulage of goods, cargo, freight, passengers, luggage, merchandise etc., through any and all means or conveyance, domestically and internationally, along with acting as agents, consultants, advisors, freight forwarders, contractors, and to carry out all the ancillary services connected therewith, including carriage by air, land and sea and rapid desk to desk delivery of all type of carriage-able goods, door to door delivery of dutiable and non-dutiable commercial value shipments, complete handling of all documentation and different type of goods, freight, loading, unloading, clearing, storing and forwarding of goods, pick-up and delivery of carriage-able goods, including provision of full air, sea and land cargo service and warehousing facilities for the said purpose.
 2. Except for the businesses mentioned in sub-clause 3 hereunder, the Company may engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.
 3. 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, 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.



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4. It is hereby undertaken that the Company shall not:

- (a) engage in any of the business mentioned in sub-clause 3 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.

IV. The liability of the members is limited.

V. The authorized share capital of the Company is Rs. 2,500,000,000 (Rupees Two Billion Five Hundred Million) divided into 250,000,000 (Two Hundred Fifty Million) ordinary shares of Rs. 10/- (Rupee Ten only) with the power of the Company from time to time to increase and reduce its capital subject to any permission required under the law and to attach thereto such qualification, or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association for the time being, and to vary, modify, or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.



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We, the several persons whose names and addresses are subscribed below, and desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite our perspective names:

Sr. No	Full Name and surname	NIC No. (In case of foreigner, Passport No)	Father's/ Husband's Name in full	Nationality (ies) with any former Nationality	Occupation	Residential Address	Number of Shares (Class A) taken by each subscriber
1	Pervaiz Afzal Khan	61101-3828368-9	Javed Afzal Khan	Pakistani	Business	House No. 2-A, Street No. 5, Kohsar Road, Sector F-7/3 Islamabad	55
2	Gulnaz Afzal Khan	35200-8527685-9	Javed Afzal Khan	Pakistani	Business	House # 70, Street No. 13, Cavalry Ground Lahore Cantt Lahore	40
3	Afshun Nasir	61101-7182378-0	Nasir Ahmed Malik	Pakistani	House Wife	House No. 336 Street No. 66 Sector I-8/3 Islamabad	05
Total number of shares taken							100/-

Dated the 28th day of March 2013



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Joint Registrar
Company Registration Office Islamabad

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THE COMPANIES ACT, 2017
(A COMPANY LIMITED BY SHARES)
ARTICLES OF ASSOCIATION
OF
SECURE LOGISTICS GROUP LIMITED

PRELIMINARY

1. The regulations contained in Table "A" in the First Schedule to the Companies Act, 2017, shall not apply to the Company except in so far as they are repeated or contained in these Articles.
2. The regulations for the management of the Company and for the observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alterations of or addition to its regulations by Special Resolution as prescribed or permitted by the Act, be such as are contained in these Articles.

PUBLIC LIMITED COMPANY

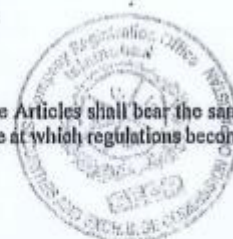
3. The Company is a public limited Company within the meaning of Section 2(1)(52) of the Act.

DEFINITIONS AND INTERPRETATION

4. In these Articles, unless there is something in the subject or context inconsistent herewith:
 - a) "Act" means the Companies Act, 2017, as amended from time to time and including any re-enactments thereof;
 - b) "Articles" means these Articles of Association of the Company as originally framed, or as altered from time to time in accordance with the terms of these Articles;
 - c) "Board" or "Board of Directors" means the board of directors of the Company;
 - d) "Business Day" means a day on which commercial banks are open for general banking business / public dealings in Islamabad;
 - e) "Central Depository" means a central depository as defined in Section 2 (vi) of the Securities Act, 2015 and is licensed by the Commission under the Securities Act, 2015.
 - f) "Central Depositories Act" means the Central Depositories Act, 1997 or any modification or re-enactment thereof for the time being in force.
 - g) "Central Depository Regulations" mean the regulations of the Central Depository Company of Pakistan Limited made pursuant to Section 35 (1) of the Central Depositories Act or any modification or re-enactment thereof for the time being in force or notified by the Commission from time to time.
 - h) "Company" means Secure Logistics Group Limited;

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- i) "Dividend" includes bonus.
- j) "Memorandum of Association" means the Memorandum of Association of the Company as originally framed, or as altered from time to time;
- k) "Month" means a calendar month;
- l) "Pak Rupees" or "PKR" means the lawful currency of the Islamic Republic of Pakistan;
- m) "Seal" in relation to a Company means the Common Seal of the Company;
- n) "SECP" means the Securities and Exchange Commission of Pakistan;
- o) "Special Resolution" has the same meaning as assigned thereto in the Act;
- p) Words importing the singular number only shall include the plural number and vice versa.
- q) Words importing the masculine gender only shall include the feminine gender.
- r) Words importing persons shall include corporations.
- s) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof in force at the date at which regulations become binding on the Company.



CAPITAL

- 5. The authorized share capital of the Company is PKR 2,500,000,000 (Pak Rupees Two Billion Five Hundred Million) divided into 250,000,000 (Two Hundred and Fifty Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, with the powers to the Company from time to time to increase and reduce its capital subject to any permission required under the applicable laws and to attach thereto such qualification, or special rights, privileges or conditions as may be determined by or in accordance with the Articles for the time being, and to vary modify or abrogate any such rights, privileges or conditions in such manner as may for the time being provided by these Articles.
- 6. The Company shall not give whether directly or indirectly and whether by means of loan, guarantee, the provision of security or otherwise any financial assistance for the purpose of or in connection with the purchase made or to be made by any person of any shares in the Company except to the extent permitted by the Act.

BUSINESS

- 7. The business of the Company shall include all or any of the objects enumerated in the Memorandum of Association.

SHARES

- 8. Subject to the provisions of the Act and these Articles, the shares and issuance of further shares shall be under the control of the Board who may allot or otherwise dispose of the same or any of them to such persons, on such terms and conditions and at such time as the Board thinks fit, and with full powers to give to any person any shares at premium or at par or (subject to the provisions of the Act and these Articles) at a discount and for such time and for such consideration as the Board thinks fit.
- 9. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the register of members as the holder of any shares as the absolute owner thereof, and accordingly shall not (except as ordered by a court of competent jurisdiction as required by law) be bound to recognize any trust or equity or

benami, equitable, contingent or other claim to or interest in such shares, on the part of any other person whether or not it shall have express or implied notice thereof.

10. The Directors shall, as regards the issuance and allotment shares, including bonus shares from time to time issued, duly comply with the provisions of the Act and the applicable law.

CERTIFICATES

11. Every Member shall be entitled, without payment, to certificate(s) representing the shares registered in his name. Every certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued and the amount paid thereon. Such certificate shall be issued under seal, in the manner as approved by the Board and in accordance with the applicable laws.

TRANSFER AND TRANSMISSION

12. The Company shall fairly and distinctly enter the particulars of any transfer and transmission of any Shares in the register of members.
13. Shares in the Company shall be transferred in the Form prescribed by Table "A" of the Act or in any usual or common form, which the directors shall approve. The instrument of transfer of any shares in the Company shall be executed both by the Transferor and the Intended Transferee and will be required to be stamped with the requisite stamp duty as per the applicable laws, and the Transferor shall be deemed to remain holder of the shares until the name of Intended Transferee is entered in the register of members in respect thereof. The Company shall complete the transfer of Shares in the name of the transferee and deliver the transferred share certificate to the transferee within 15 (fifteen) days after the application for transfer has been made to the Company, provided that in the case of application for transfer of Shares to the Central Depository for conversion of physical shares into book-entry form, this process will be completed within 10 (ten) days of the receipt of the requisite application in the manner prescribed by Section 74 of the Act.
14. Shares in the Company shall be transferred in accordance with the Central Depositories Act and the Central Depository Regulations. If the Shares are not registered in the Central Depository, the same may be transferred either pursuant to the process in these Articles or pursuant to a process approved by the Board.
15. Subject to the restrictions contained herein, the directors shall not refuse to transfer any fully paid shares unless the instrument of transfer is defective or invalid. The directors may also suspend the registration of transfers during the ten days immediately preceding a general meeting or prior to the determination of entitlement or rights of the shareholders by giving seven days' previous notice in the manner provided in the Act. The directors may, in case of shares in physical form, decline to recognise any instrument of transfer unless -
 - a) a fee not exceeding fifty rupees as may be determined by the directors is paid to the Company in respect thereof; and
 - b) the duly stamped instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.
16. If the directors refuse to register transfer of shares, they shall within one month after the date on which the transfer deed was lodged with the Company send to the transferee and the transferor notice of the refusal indicating the defect or invalidity to the transferee, who shall, after removal of such defect or invalidity be entitled to re-lodge the transfer deed with the Company.

Provided that the Company shall, where the transferee is a central depository the refusal shall be conveyed within five days from the date on which the instrument of transfer was lodged with it notify the defect or invalidity to

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the transferee who shall, after the removal of such defect or invalidity, be entitled to re-lodge the transfer deed with the Company.

17. The executors, administrators, heirs, or nominees, as the case may be, of a deceased sole holder of a share shall be the only persons recognised by the Company to deal with the share in accordance with the law. In the case of a share registered in the names of two or more holders, the survivors or survivor, or the executors or administrators of the deceased survivor, shall be the only persons recognised by the Company to deal with the share in accordance with the law.
18. The shares or other securities of a deceased member shall be transferred on application duly supported by succession certificate or by lawful award, as the case may be, in favour of the successors to the extent of their interests and their names shall be entered to the register of members.
19. A person may on acquiring interest in the Company as a member, represented by shares, at any time after acquisition of such interest deposit with the Company a nomination conferring on a person, being the relatives of the member, namely, a spouse, father, mother, brother, sister and son or daughter, the right to protect the interest of the legal heirs in the shares of the deceased in the event of his death, as a trustee and to facilitate the transfer of shares to the legal heirs of the deceased subject to succession to be determined under the Islamic law of inheritance and in case of non-Muslim members, as per their respective law. The person so nominated shall, after the death of the member, be deemed as a member of Company till the shares are transferred to the legal heirs. Any such member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share and exercise any right conferred by membership in relation to meetings of the Company.

ALTERATION OF CAPITAL

20. Except and so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered part of the authorized share capital and shall be subject to the provisions herein contained with reference to transfer and transmission, voting and otherwise.
21. The Company may, by special resolution –
 - (a) consolidate and divide its share capital into shares of larger amount than its existing shares;
 - (b) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum of association, subject, nevertheless, to the provisions of section 85;
 - (c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
22. The Company may by special resolution reduce its share capital in any manner subject to applicable law.
23. The variation in the rights of Members shall be made in the manner provided under the Act.
24. The Company may, subject to Section 85 of the Act, from time to time, by Special Resolution increase the authorized share capital by such sum, to be divided into shares of such amount, as it thinks expedient.
25. All new Shares shall be issued in accordance with the provisions of the Act and applicable laws, rules and regulations.
26. The new Shares shall be subject to the same provisions with reference to transfer, transmission and otherwise as the Shares in the original share capital. The new Shares issued by the Company shall rank *pari passu* with the existing Shares of the class to which the new Shares belong in all matters, including

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the right to such bonus or right issue and dividend as may be declared by the Company subsequent to the date of issue of such new Shares.

BORROWING POWERS

27. The Board may from time to time borrow any moneys for the purposes of the Company from the members or from any other persons, firms, companies, corporations, institutions or banks, without indulging in the investment business or the directors may themselves advance any money to the Company.
28. The Board may secure payment of such sum or sums of money in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures, debenture stocks or redeemable capital of the Company, or by mortgage or charge or other security on the whole or any part of the property, assets and rights of the Company (both present and future), or by making, drawing, accepting or endorsing on behalf of the Company any promissory note or bills of exchange or giving or issuing any other security of the Company.
29. Any bonds, debentures or other securities issued or to be issued by the Company shall be under the control of the Board, subject to the provisions of the Articles, which may issue/assign them upon such terms and conditions and in such manner and for such consideration as shall be considered by the Board to be for the benefit of the Company.

GENERAL MEETING

30. A general meeting, to be called annual general meeting, shall be held, in accordance with the provisions of section 132 of the Act, within sixteen months from the date of incorporation of the Company and thereafter once at least a year within a period of four months following the close of its financial year. All general meetings of the Company other than the statutory meeting or an annual general meeting mentioned in sections 131 and 132 respectively shall be called extra-ordinary general meetings. Members may participate in general meetings (Annual General meetings and Extraordinary General meetings), personally, through video-link or by Proxy.
31. The directors may, whenever they think fit, call an extraordinary general meeting, and extraordinary general meetings shall also be called on such requisition of the Members, or in default, may be called by such requisitionists, as provided by section 133 of the Act. If at any time there are not within Pakistan sufficient directors capable of acting to form a quorum, any director of the Company may call an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be called by the directors.
32. The Company may provide video-link facility to its members for attending general meeting at places other than the town in which general meeting is taking place after considering the geographical dispersal of its members.

Provided that if the members holding ten percent of the total paid up capital or such other percentage of the paid up capital as may be specified, are resident in any other city, the Company shall provide the facility of video-link to such members for attending annual general meeting of the Company, if so required by such members in writing to the Company at least seven days before the date of the meeting.

NOTICE AND PROCEEDINGS AT GENERAL MEETINGS

33. Subject to the provisions of Sections 132 and 133 of the Act, at least twenty-one days' notice (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given), specifying the place, the day and the hour of meeting and, in case of special business, the general nature of the business, shall be given in manner provided by the Act for the general meeting, to such persons as are, under the Act or the regulations of the Company, entitled to receive such notice from the Company; but the accidental omission to give notice to, or the non-receipt of notice by, any member shall not invalidate the proceedings at any general meeting.

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34. All the business transacted at a general meeting shall be deemed special other than the business stated in sub-section (2) of section 134 namely; the consideration of financial statements and the reports of the board and auditors, the declaration of any dividend, the election and appointment of directors in place of those retiring, and the appointment of the auditors and fixing of their remuneration.
35. Two members, entitled to vote and present in person who represent not less than twenty five percent of the total voting power either of their own account or as proxies shall be a quorum for a general meeting and no business shall be transacted at any general meeting unless the quorum requisite is present at the commencement of the business.
36. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present or personally or through video-link, being not less than two, shall be a quorum.
37. The Chairman of the Board shall be entitled to take the chair at every general meeting. If there is no Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act, the directors present may choose a Chairman, and in default of their doing so, the members present shall choose one of the directors to be the Chairman, and if no director present is willing to take the chair, the members present shall choose one of the members to be the Chairman.
38. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for fifteen days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
39. (1) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded. Unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.
- (2) At any general meeting, the company shall transact such businesses as may be notified by the Commission, only through postal ballot.
40. A poll may be demanded only in accordance with the provisions of section 143 of the Act. If a poll is duly demanded, it shall be taken in accordance with the manner laid down in sections 144 and 145 of the Act and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
41. A poll demanded on the election of chairman or on a question of adjournment shall be taken at once.
42. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall have and exercise a second or casting vote.
43. Minutes shall be made in a book provided for the purpose of all resolutions and proceedings at general meetings, and any such minutes if signed by the Chairman of the Board, or any person appointed in his stead in a meeting to which it relates, shall be evidence of the facts therein stated without further proof.
44. The books containing minutes of proceedings of general meetings of the Company shall be kept at the registered office of the Company and shall during business hours (subject to reasonable restrictions as the Board may from

time to time impose but so that not less than two hours each day is allowed for inspection) be open to the inspection of any member without charge.

VOTES OF MEMBERS

45. Upon a show of hands every member entitled to vote and present in person or by proxy shall have one vote except for election of directors in which case the provisions of section 159 shall apply. On a poll every member shall have voting rights as laid down in section 134.
46. In case of joint-holders, the vote of the senior who tenders a vote, whether in person or by proxy or through video-link shall be accepted to the exclusion of the votes of the other joint-holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
47. No person shall act as proxy unless the instrument of his appointment and the power of Attorney, if any, under which it is signed shall be deposited at the office of the Company at least forty-eight (48) hours before the time for holding the meeting at which he proposes to vote. An instrument of proxy shall be in the form prescribed in Table A of the Act. Provided that no body corporate shall vote by proxy as long as a resolution of its directors in accordance with the provisions of section 138 of the Act is in force. The instrument appointing a Proxy shall be in writing under the hand of the appointer as by his attorney authorized in writing if the appointer is a corporation either under the common seal of the corporation, or under the hand of an officer or attorney so authorized. A Proxy need not be a Member of the Company.
48. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on show of hands or on a poll or through video link, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
49. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed provided that no intimation in writing of the death or revocation shall have been received at the office before the meeting.
50. No objection shall be made to the validity of any vote except at the meeting or at the poll at which such vote shall be tendered, and every vote whether given personally or by proxy not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll.
51. If question is raised, the Chairman of the meeting shall decide on the validity of every vote tendered at such meeting in accordance with these Articles.
52. On a poll, votes may be given either personally, or through video-link or by Proxy, or through postal ballot / electronic means (in accordance with the provisions of the Act). A poll may be taken by secret ballot, as provided in Section 144 of the Act. The result of the poll shall be deemed to be decision or the resolution of the meeting at which the poll was taken.
53. Any Member shall at any time after seven days from the meeting be entitled to be furnished, within seven days after he has made a request in that behalf to the Company, with a certified copy of any minutes referred to above at a charge not exceeding the amount as may be fixed by the Company.

DIRECTORS

54. There shall be no less than [7] directors of the Company. The directors shall fix the number of elected directors of the Company in accordance with the requirements provided under the Act, not later than thirty five (35) days before the convening of the general meeting at which directors are to be elected, and the number so fixed shall not be changed except with the prior approval of the general meeting of the Company.

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55. The following shall be the first directors of the Company:

- (i) Pervaiz Afzal Khan
- (ii) Gulraiz Afzal Khan
- (iii) Afshan Nasir

56. Save as provided in section 153 of the Act, no person shall be appointed as a director unless he is a member of the Company.

57. The first directors shall hold office until the election of directors in the first annual general meeting. A director elected shall hold office for a period of three (03) years unless he earlier resigns, becomes disqualified or otherwise ceases to hold office. A director so retiring shall continue to perform his function until his successor is elected.

58. The remuneration of the directors shall from time to time be determined by the Board of the Company in general meeting subject to the provisions of the Act.

59. The directors may delegate their powers to committees consisting of such member or members as they think fit.

60. The Board may from time to time delegate such of its powers as are not required to be exercisable at a meeting, to a committee or committees consisting of one (1) or more Directors, as it thinks fit. Any committee so formed shall conform to any regulations that may be imposed upon it by the Board and shall have such quorum as may be prescribed by the Board.

POWERS AND DUTIES OF DIRECTORS

61. The business of the Company shall be managed by the directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not by the Act or any statutory modification thereof for the time being in force, or by these regulations, required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Act or to any of these regulations, and such regulations being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

62. The directors shall appoint a chief executive in accordance with the provisions of sections 186 and 187 of the Act.

63. Subject to the provisions of Section 183(2) of the Act, the Board may exercise all powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets (both present and future), and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company.

64. The directors shall duly comply with the provisions of the Act, or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the registration of the particulars of mortgages, charges and pledge affecting the property of the Company or created by it, to the keeping of a register of the directors, and to the sending to the registrar of an annual list of members, and a summary of particulars relating thereto and notice of any consolidation or increase of share capital, or sub-division of shares, and copies of special resolutions and a copy of the register of directors and notifications of any changes therein.

CHIEF EXECUTIVE

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65. The directors as from a date not later than the fifteenth day after the date of incorporation of the Company appoint any individual to be the chief executive of the Company. The chief executive shall be deemed to be its director and be entitled to all the rights and privileges, and subject to all the liabilities of that office.
66. The first chief executive shall, unless he earlier resigns or otherwise ceases to hold office, shall hold office up to the first annual general meeting or, if a shorter period is fixed by the directors at the time of his appointment, for such period. All subsequent chief executives shall be appointed in accordance with the relevant provisions of the Act.
67. No person who is ineligible to become a director of the Company shall be appointed or continue as the chief executive.
68. The directors by resolution passed by not less three-fourth (3/4th) of the total number of directors for the time being, or the Company by a special resolution may remove a chief executive before the expiration of his term of office notwithstanding anything contained in these Articles or in any agreement between the Company and such chief executive.
69. The terms and conditions and remuneration of the Chief Executive shall be determined by the Board.
70. The Chief Executive shall have overall authority over and responsibility for the administration of the affairs of the Company and the conduct, and the custody and maintenance of its properties, assets, records and accounts, in accordance with the policies and guidelines established by the Board. In addition, the Board may entrust to and confer upon the Chief Executive any of the powers exercisable by the Board (other than the powers which are required to be compulsorily exercised under the Act by the Board at its meetings) upon such terms and conditions and with such restrictions as it may think fit, and may from time to time revoke, withdraw, alter or vary all or any of such powers.




DISQUALIFICATION AND VACATION OF OFFICE OF DIRECTORS

71. No person shall become the director of a Company if he suffers from any of the disabilities or disqualifications mentioned in section 153 or disqualified or debarred from holding such office under any of the provisions of the Act as the case may be and, if already a director, shall cease to hold such office from the date he so becomes disqualified or disabled:

Provided, however, that no director shall vacate his office by reason only of his being a member of any Company which has entered into contracts with, or done any work for, the Company of which he is director, but such director shall not vote in respect of any such contract or work, and if he does so vote, his vote shall not be counted.

72. The office of the director shall be vacated if:
- he is ineligible on any one or more grounds enumerated in section 153 of the Act;
 - subject to the provisions of these Article, he absents himself from three (03) consecutive meetings of the directors or from all meetings of the directors for a continuous period of three (03) months whichever is the longer without leave of absence;
 - he is adjudged an insolvent and or found to be of unsound mind by a court of competent jurisdiction;
 - he resigns his office by notice in writing to the Company or is otherwise removed from his office pursuant to the provisions of section 153 of the Act.
 - he acts in contravention of section 153 of the Act.

ELECTION AND REMOVAL OF DIRECTORS

CERTIFIED TRUE COPY
OF AN ORIGINAL DOCUMENT
SIGNED 
DATE 24-Nov-2021

73. Any person who seeks to contest an election to the office of directors shall, whether he is a retiring director or otherwise, file, with the Company, not later than fourteen (14) days before the date of the meeting at which elections are to be held, a notice of his intention to offer himself for election as director. The notice shall be transmitted by the Company to the members not later than seven (07) days before the date of the meeting. The election of directors shall be carried out in accordance with section 159 of the Act.

74. Any director not permanently resident in Pakistan and any director so resident but intending to be absent therefrom for a period of not less than three (03) months may appoint any person acceptable to the Board to be an alternate director of the Company to act for him. Every such appointment shall be by writing under the hand of the director making the appointment. An alternate director so appointed shall not be entitled to appoint another alternate director, but shall otherwise be subject to the provisions of these Articles with regard to directors, except that he shall require no share qualification. An alternate director shall be entitled to receive notice of all meetings of the Board and to attend and vote as a director at any such meeting at which the director appointing him is not personally present, and generally to perform all functions of his appointer as director in the absence of such appointer. An alternate director shall *ipso facto* cease to be an alternate director if his appointer for any reason ceases to be a director or if and when his appointer returns to the district where meetings of the directors are ordinarily held, or removes the appointee from office by notice in writing under the hand of the appointer.

75. A resolution for removing an elected director or for reducing the number of directors shall be passed in accordance with these Articles and section 163 of the Act.

PROCEEDINGS OF DIRECTORS

76. The directors shall meet at least once in each quarter for the dispatch of business, adjourn and otherwise regulate meetings of the Board as they think fit. The Chairman or the chief executive may at any time and shall on the written requisition of a director at any time, summon a meeting of the Board. The notice given to directors to summon a meeting of the Board shall set forth purpose or purposes for which such meeting is summoned. Notice sent to a director through email whether such director is in Pakistan or outside Pakistan shall be a valid notice.

77. Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the Chairman shall have a second or casting vote.

78. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, and discretion by or under these Articles vested in or exercisable by the Board generally. At least one-third (1/3rd) of the total number of directors or two (2) directors whichever is higher, for the time being of the Company, present personally or through video-link, shall constitute a quorum.

79. The Chairman shall, whenever present, preside as Chairman at each meeting of the Board but if at any meeting the Chairman is present and not willing to act or is absent beyond fifteen minutes after the time fixed for holding the same, the directors present shall after fifteen minutes of the time fixed for the meeting choose one of their members to be Chairman of such meeting.

80. Save as otherwise expressly provided in the Act, every question at meetings of the board shall be determined by a majority of votes of the directors present in person or through video-link, each director having one vote. In case of an equality of votes or tie, the chairman shall have a casting vote in addition to his original vote as a director.

81. All acts done by meeting of the Board or of a Committee of directors, or by any person acting as a director or alternate director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or person had been duly appointed and was qualified to act as a director.

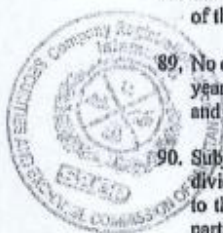
82. A resolution in writing circulated to all the directors and signed by a majority of them or affirmed by them through facsimile shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held.

FILLING OF VACANCIES

83. A retiring director shall be eligible for re-election.
84. The directors shall comply with the provisions of sections 154 to 159 and sections 161, 162 and 167 relating to the election of directors and matters ancillary thereto.
85. 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.
86. The Company may remove a director but only in accordance with the provisions of the Act.

DIVIDENDS AND RESERVES

87. The Company in general meeting may declare dividends, but no dividends shall exceed the amount recommended by the Board.
88. The Board may from time to time pay to the members such interim dividend as appear to be justified by the profits of the Company.
89. No dividends shall be paid otherwise than out of profits of the year or of any other undistributed profits from prior years and the Directors shall have regards to the provisions of the Act; particularly, the provisions of Sections 81 and 240 of the Act.
90. Subject to the rights of any persons entitled to shares with rights as to dividends, the profits distributed as dividends shall be distributed among the shareholders and all such dividends shall be declared and paid according to the amounts paid on the shares. If any shares are issued on term that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.
91. The Board 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 Board, 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 application may, at the like discretion, either be employed in the business of the Company or be invested in such investments subject to the provisions of the Act (other than shares of the Company) as the Board may from time to time think fit.
92. If several persons are registered as joint holders of any share, any one of them may give effectual receipts for any dividends payable on the share.
93. No dividend shall bear interest against the Company.
94. A transfer of Shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
95. If several persons are registered as joint holders of any share, any one of them may give effectual receipt for any dividend payable on such Shares.
96. Notice of any dividend that may have been declared shall be given in the manner hereinafter mentioned to the persons entitled to share therein.
97. The dividend shall be paid within the period specified by the SECP
98. All dividends unclaimed or unpaid for a period of three years shall be dealt with in accordance with the provisions of Section 244 of the Act.



AUDIT AND ACCOUNTS

99. Auditors shall be appointed at each annual general meeting and their appointment, qualification, removal, casual vacancy, powers and duties etc. shall be regulated in accordance with the provisions of the Act.
100. The first Auditors shall be appointed by the directors and they shall hold office until the first annual general meeting.
101. The directors shall cause to be kept proper books of account and other documents as required under section 220.
102. The books of account shall be kept at the registered office of the Company or at such other place as the directors shall think fit and shall be open to inspection by the directors during business hours.
103. The directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books or papers of the Company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account and book or papers of the Company except as conferred by law or authorised by the directors or by the Company in general meeting.
104. The directors shall as required by Sections 223 to 227 of the Act cause to be prepared and to be laid before the Annual General Meeting of the Company the financial statements duly audited together with reports as are referred to in those sections and other applicable laws.
105. A copy of the financial statements and reports of directors and auditors shall, at least twenty-one days preceding the meeting, be sent to the persons entitled to receive notices of general meetings in the manner in which notices are to be given hereunder.
106. The directors shall in all respect comply with the provisions of Sections 220 to 227 of the Act.

NOTICE

107. A notice may be given by the Company to any member either personally or by sending it by post to him at his registered address or (if he has no registered address in Pakistan), to the address, if any, within Pakistan supplied by him to the Company for the giving of notices to him against an acknowledgement or by post or courier service or through electronic means or in any other manner as may be specified by the Commission.
108. Where a notice is sent by post, service of the notice shall be 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 will be delivered in the ordinary course of post.
109. If a member has no registered address in Pakistan and has not supplied to the Company an address within Pakistan for the giving of notice to him, a notice advertised in a newspaper circulating in the neighborhood of the registered office of the Company shall be deemed to be duly given to him on the day the advertisement appears.

SECRETARY

110. A secretary shall be appointed by directors at such remuneration and upon such terms and conditions as they may think fit and any secretary so appointed may be removed by them. The secretary shall be responsible to ensure compliance with the secretarial formalities under the Act.

THE SEAL

CERTIFIED TRUE COPY
OF AN ORIGINAL DOCUMENT
SIGNED 
DATE 24-Nov-2021

111. The Board shall provide for the safe custody of the Seal, and the Seal shall never be used except by the authority of the Board or a Committee of directors previously given, and two directors at least shall sign every instrument to which the Seal is affixed provided, nevertheless, that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching any authority to issue the same.

112. The Board may provide for the use outside Pakistan, of an official seal which shall be facsimile of the common Seal of the Company, with the addition on its face of the name of every territory where it is to be used. The provisions of Section 203 of the Act shall apply to the use of the official seal.

SECRECY

113. Every director, chief executive, manager, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board before entering upon his duties, sign a declaration in the form approved by the Board pledging himself to observe strict secrecy respecting all transactions of the Company, its customers and the statement of accounts with individuals and in the matters relating thereto, and shall pledge not to reveal any of the matters which come to his knowledge in the discharge of his duties except when required so to do by the Board or by any general meeting, or by a court of law, and except as far as may be necessary in order to comply with any provision in these present contained.

WINDING UP

114. If the Company is wound up (whether voluntary or otherwise), the liquidator may, subject to approval by a Special Resolution of the Company and other sanction required by the Act, 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.

115. The liquidator may, subject to approval by a Special Resolution, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributors as the liquidator, (subject to approval by a Special Resolution), thinks fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

116. Every director, chief executive, manager or officer of the Company or any person (whether an officer of the Company or not), employed by the Company as an auditor or advisor shall be indemnified out of the funds of the Company against any liability incurred by him, as such director, chief executive, manager, officer, auditor or advisor, in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted, or in connection with any application under section 492 of the Act in which relief granted to him by court.

117. No director, chief executive, manager or officer of the Company will be liable for the acts, receipts, neglects or defaults of any other directors or any officer or for joining in any receipt of other act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the directors, chief executive, or other officer for or on behalf of the Company, or for insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arises from the bankruptcy, insolvency, or torturous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by an error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

CERTIFIED TRUE COPY
OF AN ORIGINAL DOCUMENT
SIGNED _____
DATE 24-Nov-2021

We the several persons whose name and addresses are subscribed, are desirous of being formed into a Company, in pursuance of this Article of Association, and we respectively agreed to take the number of shares in the capital of this Company set opposite our respective names.

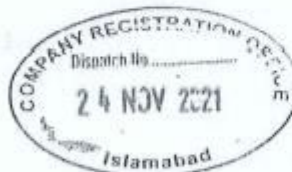
S. No.	Name and Surname in full	CNIC No. (In case of Foreigner, Passport No.)	Father's / Husband's Name in full	Nationality with any former Nationality	Occupation	Residential Address	No. of Shares taken by each subscriber
01	Pervait Afzal Khan	61101-3828368-9	Javed Afzal Khan	Pakistani	Business	House No. 2-A Street No. 5 Kohsar Road Sector F-7/3 Islamabad	55
02	Gulraiz Afzal Khan	35200-3527685-9	Javed Afzal Khan	Pakistani	Business	House No. 70 Street No. 13 Cavalry Ground Lahore Cantt Lahore	40
03	Afshan Nasir	61101-7182378-0	Nasir Ahmed Malik	Pakistani	House Wife	House No. 336 Street No. 66 Sector I-8/3 Islamabad	5
Total number of shares taken							100

Dated the 28th day of March 2013

Witness to the above signatures:



CERTIFIED TO BE TRUE COPY

Joint Registrar
Company Registration Office Islamabad





CERTIFIED TRUE COPY
OF AN ORIGINAL DOCUMENT
SIGNED _____
DATE 24-Nov-2021

16. REGISTRATION FORM

REGISTRATION FORM									
 Secure Logistics Group Limited NTN no: 4254354-1	Book Runner 	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/GLT <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Registration Dates</td> <td>[Date], 2024 to [Date], 2024</td> </tr> <tr> <td>Bidding Dates</td> <td>[Date], 2024 to [Date], 2024</td> </tr> <tr> <td>Bidding Form No.</td> <td></td> </tr> </table>		Registration Dates	[Date], 2024 to [Date], 2024	Bidding Dates	[Date], 2024 to [Date], 2024	Bidding Form No.	
Registration Dates	[Date], 2024 to [Date], 2024								
Bidding Dates	[Date], 2024 to [Date], 2024								
Bidding Form No.									
INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF SECURE LOGISTICS GROUP LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 12.00/- PER SHARE (INCLUDING A PREMIUM OF PKR 2.00/- PER SHARE)									
PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE. ELIGIBLE INVESTORS MUST SUBMIT ONLY ONE PAYORDER ALONG WITH THE REGISTRATION FORM.									
Name		CNIC #							
		NTN*							
Address		Cell #							
		Land Line #							
E-mail		Fax #							
PLEASE TICK THE APPROPRIATE BOX			Nationality (If other than Pakistani)						
<input type="checkbox"/> Local Institutional Investor	<input type="checkbox"/> Resident								
<input type="checkbox"/> Foreign Institutional Investor	<input type="checkbox"/> Non Resident								
<input type="checkbox"/> Individual Investor	<input type="checkbox"/> Foreigner								
*INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILER OR NON-FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 15.0% APPLIES TO FILERS INSTEAD OF 30.0% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.									
Payment Details:		Payments to be made in favor of "[Account Title]"							
Amount in Figures		Instrument #							
Instrument Date		Margin %age							
Banker's Name, Address & Branch									
CDC Details for Sub A/C & House A/C									
CDC Participant Name		CDC Participant ID							
Sub A/C No.		House A/C No.							
CDC Details for Investor A/C									
CDC Investor Service A/C ID		CDC Investor A/C No.							
I UNDERTAKE TO SUBSCRIBE TO SHARES UNSUBSCRIBED IN THE RETAIL PORTION WHICH ARE ALLOCATED TO ME ON A PRO-RATA BASIS. I ALSO UNDERTAKE THAT MY BID MONEY SHALL REMAIN DEPOSITED OR BLOCKED TILL ALLOTMENT OF UNSUBSCRIBED SHARES IN THE RETAIL PORTION.									
I DECLARE THAT I have read all the terms and conditions stated in the Prospectus and the Instructions Page of the Bidding Form. The same terms and conditions would be applicable on the Registration Form.									
Signature of Bidder: _____									

17. BIDDING FORM

BIDDING FORM					
 Secure Logistics Group Limited NTN no: 4254354-1		Book Runner 		Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/GLT Bidding Dates: [DATE], 2024 to [DATE], 2024 Bidding Form No. [DATE], 2024 to [DATE], 2024	
INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF SECURE LOGISTICS GROUP LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 12.00/- PER SHARE (INCLUDING A PREMIUM OF PKR 2.00/- PER SHARE)					
PLEASE TICK THE APPROPRIATE BOX					
Name		<input type="checkbox"/> Local Institutional Investor <input type="checkbox"/> Foreign Institutional Investor <input type="checkbox"/> Individual Investor			
Address	Cell #	Resident		Nationality (If other than Pakistani)	
	Land Line #	Non-Resident			
		Foreigner			
Fax #	E-mail:	CNIC #		NTN*	
*INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILER OR NON-FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 15.0% APPLIES TO FILERS INSTEAD OF 30.0% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.					
Dividend Mandate: Mark tick [✓] in the appropriate boxes Yes [] No [] In case the Applicant intends that if Shares applied for are issued to him/it and the dividend declared by the Company, if any, is credited directly in his/it bank account, instead of issued of dividend warrants, then please fill in the following boxes:					
Title of Account					
Account Number					
Bank Name					
Branch Name & Address					
The Directors of Secure Logistics Group Limited 10 th Floor, New State Life Tower, Blue Area, Islamabad					
Dear Sir, On the basis of Prospectus by Secure Logistics Group Limited for the Initial Public Offer of its Ordinary Shares, I/we hereby bid for subscription of Shares of the Company as under:					
Bid Details					
	No. of Shares (In Figures)	Bid Price Per Share (In Figures)	Total Amount (In Figures)		
Bid Option (Please tick)					
Limit Order					
Step Order:					
Option (1)					
Option (2)					
Option (3)					
Option (4)					
Total (Shares and Price)					
Important Instructions: 1) Bids should be placed for a minimum amount of PKR 1,000,000/-. It should also be noted that no. of shares bid for should be rounded and fractional shares will not be acceptable. Please ensure that after rounding the number of shares multiplied by your bid price, is at least PKR 1,000,000/-. 2) Eligible Investors who want to place a Step Bid, must ensure that each step amounts to PKR 1,000,000/- at least. 3) Any Bid received below the Floor Price will not be accepted by the Book Runner. 4) An investor shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same. 5) <u>An investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price subject to 40% maximum Price Band i.e. the strike price must not exceed 40% upper limit of floor price.</u>					
Signature of Bidder: _____					

In terms of the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange ("PSX"), I/we am/are eligible to bid in this Initial Public Offer of Ordinary Shares. The amount payable on bidding is remitted herewith which is the applicable margin amount. I/We agree to pay the balance amount of application money, if any, upon successful allocation of shares. In case no shares are allotted to me/us you are hereby authorized to return to me/us by demand draft/pay order application money, within three (3) working days of the close of the bidding period.

I/We agree that this is a binding agreement to accept the number of shares as may be allocated to me/us subject to the terms of the Prospectus, the bidding form and other applicable laws. I/ we undertake that I/we will sign all such other documents and do all such acts, if necessary on my/our part to enable me/us to be allocated/allotted/transferred the shares and to pay for the same. I/we authorize you to place my/our name(s) on the register of the members of the Company as holder(s) of the shares that will be allocated/allotted/transferred to me/us and to register my/our address as given below. I/ We noted that the Book Runner is entitled, in its absolute discretion to accept or reject this Bidding Application for reason(s) to be recorded in writing and the reason(s) should be disclosed to us forthwith. I/We have no objection if there are necessary changes made in the Prospectus for filing of the same with the Securities and Exchange Commission of Pakistan ("SECP").

I understand that the Issuer, the Book Runner, SECP and the Stock Exchange reserve the right of legal action against me under the law, if I submit a fictitious bid and/or my the instrument deposited by me for margin money is bounced.

I DECLARE THAT: i) I AM/WE ARE NATIONAL(S) AND RESIDENT(S) OF PAKISTAN; ii) FORIEGNER; iii) I AM/WE ARE NOT MINOR(S); iv) I/ WE HAVE NOT MADE NOR HAVE I/WE INSTRUCTED ANY OTHER PERSON(S)/INSTITUTION(S) TO MAKE ANY OTHER APPLICATION(S) IN MY/OUR NAME(S) OR IN THE NAME OF ANY OTHER PERSON ON MY/OUR BEHALF OR IN ANY FICTITIOUS NAME, IN CASE OF ANY INFORMATION GIVEN HEREIN BEING INCORRECT I/WE UNDERSTAND THAT I/WE SHALL NOT BE ENTITLED FOR ALLOCATION/ALLOTMENT/TRANSFER OF SHARES.

Important Instructions:

- 1) Bids shall only be entered for those Eligible Investors who have submitted a duly filled Registration Form as prescribed by the Book Runner.
- 2) Bid money / margin money shall be deposited through demand draft, pay order in favor of "[Account Title]". For online transfer facility (pay order or demand draft may be deposited at any branch of [Bank Name] or [Bank Name] and evidence to be submitted to the Book Runner) the payment shall be made into A/C # [Account Name] maintained at [Bank Name] – [Branch Name] or Account # [Account Name] maintained at [Bank Name] – [Branch Address].
- 3) For deposit of margin money, only Pay Orders, Demand Drafts, or online transfer will be accepted. Each eligible investor shall only submit a single pay order, demand draft or evidence of online transfer of money along with the Registration Form. It may also be noted that only a single pay order, demand draft or evidence of online transfer of money shall be accepted by the Book Runner along with each Additional Payment Form.
- 4) In case of intercity instruments, only Pay Orders "payable at any branch" will be accepted. For the purpose of expediting the clearing of the instruments it is highly recommended that the Pay Order should be made from online branches of the respective banks.
- 5) Eligible Investors can register themselves till 3:00 pm on the last day of Book Building after which no new investors shall be registered.
- 6) Investors can only upward revise their bids online. Please visit www.bkb.psx.com.pk to access online. User name and password will be emailed to you on email address provided in the form. Please ensure that you provide correct email address. Online access will be available for upward bid revisions during the bidding period from 9:00 am to 5:00. An investor will not be allowed to place or upward revise a bid with a price variation of more than 10% of the prevailing indicative strike price subject to a maximum price band of 40% of the floor price. However, the bidder shall not make downward revision both in terms of bid price and bid volume; provided that in case of upward revision of the bid price, the number of shares bid for i.e. bid volume may be adjusted ensuring that the bid amount or bid money remains the same. No withdrawal of bid shall be allowed.

Yours Faithfully,

Signature of Bidder: _____

To be filled in by the Book Runner:

Time of Receipt	Date	Location	Amount	Pay Order No. / Demand Draft No.	Stamp

18. GENERAL SUBSCRIPTION FORM

SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS AN OFFENCE UNDER SECTION 87(7) OF THE SECURITIES ACT, 2015 AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015

عوام الناس کو مطلع کیا جاتا ہے کہ سیکوریز گروپ کی 2015 کی شیئر نمبر 87(7) کے تحت رجسٹرڈ ہے۔ عوام الناس کو مطلع کیا جاتا ہے کہ سیکوریز گروپ کی 2015 کی شیئر نمبر 87(8) کے تحت رجسٹرڈ ہے۔

INVESTMENT IN SECURITIES IS A HIGHLY RISKY BUSINESS. INVESTORS ARE, THEREFORE, ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THE PROSPECTUS ESPECIALLY THE RISK FACTORS BEFORE MAKING ANY INVESTMENT DECISION.

SECURE LOGISTICS GROUP LIMITED
APPLICATION FOR SUBSCRIPTION OF SHARES

As per the Section 72 of Companies Act, 2017, the Company shall have shares in book-entry form only. Therefore, shares of Secure Logistics Group Limited shall only be issued in scrip-less form in the CDS of CDCPL (Refer to instruction No.3 on the reverse hereof)

Plot No. 213, Service Road East, Sector I-10/3, Islamabad, Pakistan
www.slg.com.pk

1) I/We apply for the following number of Shares at Issue Price for the value indicated below:

No. of Shares Applied For	Amount Payable in PKR	Cheque/ Demand Draft/Pay Order No.
---------------------------	-----------------------	------------------------------------

2) I/We agree to accept the same or any smaller number of Shares that may be allotted to me/us upon the terms as stated in the Prospectus. I/We authorize you to credit the Shares to me/us pursuant to this application and if no Shares or a smaller number of Shares are allotted to me/us you are hereby authorized to return to me/us by cheque or other means my/our application money for the amount of Shares not credited to me/us.

3) DECLARATION
I/We declare that: i) I am/We are national(s) of _____ ii) I am/We are not minor(s); iii) I/We have not made nor have I/we instructed any other person(s)/institution(s) to make any other application(s) in my/our name(s) or in the name of any other person on my/our behalf or in any fictitious name; iv) I/We agree to abide by the instructions provided with this application and in case of any information given herein being incorrect I/we understand that I/we shall not be entitled to the allotment of Shares if successful rather the application money shall be liable to confiscation if this declaration proves to be incorrect at any time.
Yours faithfully,

4) ALL DETAILS MUST BE WRITTEN IN BLOCK LETTERS IN THE SPACES PROVIDED, LEGIBLY IN BLACK PEN

a) Name in Full (as per CNIC)
b) Father's/Husband's Name (as per CNIC)
Identity Number (CNIC/ Passport/ Registration No.)
Identity Number (NTN*)

INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE SECURE LOGISTICS GROUP LIMITED TO CHECK STATUS OF THE SHARE HOLDERS AS TAX RETURN FILERS OR NON-FILERS FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 15% APPLIES TO FILERS AND OF 30% FOR NON-FILERS ON PAYMENT OF CASH DIVIDENDS DECLARED, IF ANY, BY THE COMPANY.

Full Address
Phone No.
International Bank Account Number (IBAN)
Bank Name
Branch Name & Address

Additional Information - For Non-Resident Pakistanis and Foreign Investors Only
Place of Issue of Passport
Corporate Business Letter enclosed Yes No Nationality Code
Date of Issue of Passport (DD-MM-YYYY)
Country of Residence

5) FOR JOINT HOLDER, IF ANY
b) Name in Full (as per CNIC)
Identity Number (CNIC/ Passport/ Registration No.)
DIVIDEND MANDATE : Mark tick [✓] in the appropriate boxes Yes [] No []

In order to enable the Company to credit the cash dividend declared, if any, by the Company, in Shareholder Holder bank account, instead through dividend warrants, please fill in the following boxes:

Title of Account
International Bank Account Number (IBAN)
Bank Name
Branch Name and Address

(TO BE FILLED IN BY THE APPLICANT'S BANKER)

6) It is certified that the above-mentioned applicant(s) is/are maintaining account number as mentioned above at this bank branch and his/her/their particulars and signature(s) are correct and verified as per the bank's record and their CNIC/Passport. It is further certified that only one application has been made in the name of the above account holder through this branch. We also confirm that the original CNIC/Passport has been seen by us.

Note: In case the subscription money is paid through a bank other than the Bankers to the issue (through pay order or bank draft), this certification shall be provided by the manager of the bank where the applicant maintains his/her bank account.

SPECIMEN SIGNATURE(S) OF THE APPLICANT
NAME OF THE APPLICANT IN BLOCK LETTERS (AS PER CNIC)
SPECIMEN SIGNATURE(S)

a) _____
b) _____

Bankers to the issue's Provisional acknowledgement of application for shares of Secure Logistics Group Limited
Received from Mr/Ms/Mrs. _____ Shares. _____ application for _____

Name of Bank Branch Code Application Serial No. Date of Receipt

IMPORTANT: (i) This slip must be retained by the Applicant (ii) Please read instructions provided with this application

APPLICATION AND ALLOTMENT INSTRUCTIONS

- Eligible investors includes:**
 - Pakistani citizens resident in or outside Pakistan or Persons holding two nationalities including Pakistani nationality;
 - Foreign Nationals whether living in or outside Pakistan;
 - Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
 - Mutual Funds, Provident/pension/gratuity funds/trusts, (subject to the terms of the Trust Deed and existing regulations); and
 - Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.
- Copies of the Prospectus and Application Forms can be obtained from the Trading Rights Entitlement Certificate (TREC) holders of Pakistan Stock Exchange Limited, the Bankers to the Issue and their branches, the Consultant to the Issue and the registered office of the Company. The Prospectus and the Application Forms can also be downloaded from the website: www.slg.com.pk, www.arifhabibtd.com & <https://eipo.cdcpaccess.com.pk/public/index.xhtml>**
- The Applicants are required to complete the relevant sections of the application to get the Shares in book entry form. In accordance with provisions of the Central Depositories Act, 1997 and the CDC Regulations, credit of such Shares are allowed ONLY in the applicant's own CDC Account.
- Name(s) and addresses must be written in full block letters, in English and should not be abbreviated.**
- All applications must bear the name and signature corresponding with that recorded with the applicant's banker. In case of difference of signature with the bank and Computerized National Identity Card (CNIC) or National Identity Card for Overseas Pakistanis (NICOP) or Passport both the signatures should be affixed on the application form.
- APPLICATIONS MADE BY INDIVIDUAL INVESTORS**
 - In case of individual investors, an attested photocopy of CNIC (in case of Resident Pakistanis)/Passport (in case of non-resident Pakistanis and FIs) as the case may be, should be enclosed and the number of CNIC/ Passport should be written against the name of the applicant. Copy of these documents can be attested by any Federal/Provincial Government Gazetted Officer, Councillor, Oath Commissioner or Head Master of High School or bank manager in the country of applicant's residence.
 - Original CNIC/Passport, along with one attested photocopy, must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested photocopy will, after verification, be retained by the bank branch along with the application.
- APPLICATIONS MADE BY INSTITUTIONAL INVESTORS**
 - Applications made by companies, corporate bodies, mutual funds, provident/pension/gratuity funds/trusts and other legal entities must be accompanied by an attested photocopy of their Memorandum and Articles of Association or equivalent instrument / document. Where applications are made by virtue of Power of Attorney, the same should also be submitted along with the application.
 - Attested photocopies of the documents mentioned in 8(i) must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested copies, will after verification, be retained by the bank branch along with the application.
- Only one application will be accepted against each applicant, however, in case of joint account, one application may be submitted in the name of each joint account holder.
- Joint application in the name of more than two persons will not be accepted. In case of joint application each applicant must sign the application form and submit attested copies of their CNICs/Passport. The Shares will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of Shares.
- Subscription money must be paid by cheque drawn on applicant's own bank account or pay order/bank draft payable to one of the Bankers to the Issue "SECURE LOGISTICS - GENERAL SUBSCRIPTION" and crossed "A/C PAYEE ONLY".
- For the applications made through pay order/bank draft, it would be permissible for a Banker to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order/bank draft individually for each application.
- The applicant should have at least one bank account with any of the commercial banks. Applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of Shares.**
- Under Section 242 of the Companies Act, any dividend payable in cash by a listed company, shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder.**
- To enable the Company to directly credit the cash dividend, if any, in the Bank Accounts of the shareholder, the applicants must fill-in relevant part of the Shares Subscription Form under the heading, "Dividend Mandate".**
- Shares will be issued only in the book-entry form. Therefore, the applicants must provide their CDS account Number in the Shares Subscription Form.**
- Applications are not to be made by minors and/or persons of unsound mind.
- Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the application form.
- Applicants should retain the bottom portion of their application forms as provisional acknowledgement of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of Shares for which the application has been made.
- Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.
- Bankers to the Issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the Issue.**
- It would be permissible for a Banker to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.**
- Submission of false and fictitious applications is an offence under section 87(7) of the Securities Act, 2015 and such applications' money is liable to confiscation under section 87(8) of the Securities Act, 2015.**

عوام الناس کو مطلع کیا جاتا ہے کہ بیکو ریڈیز ایکٹ 2015 کی شق نمبر (7) 87 کے تحت جھوٹی یا جعلی درخواستیں دینا قانوناً ناجرم ہے۔ خلاف ورزی کرنے والوں کی رقم، جو کہ درخواست کے ساتھ جمع کرائی جاتی ہے، بیکو ریڈیز ایکٹ 2015 کی شق نمبر (8) 87 کے تحت ضبط کی جاسکتی ہے۔

ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

- In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of memorandum of association or an equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the application. Copies of these documents can be attested by the bank manager in the country of applicant's residence.
- Foreign / Non - resident investor's should follow payment instruction given in Section 12.1.16 of the Prospectus.

BASIS OF ALLOTMENT

- The minimum value of application for subscription of 500 shares (Issue Price x 500 shares) Application for amount below the minimum value shall not be entertained.
- Application for shares must be made for 500 shares or in multiple thereof only. Applications which are neither for 500 shares nor for multiple thereof, shall be rejected.
- Allotment of Shares to successful applicants shall be made in accordance with the allotment criteria/ instructions disclosed in the Prospectus.
- Allotment of Shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and/or the instructions by the Securities & Exchange Commission of Pakistan.
- Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.**
- The Company will credit the respective CDS accounts of the successful applicants.

BANKERS TO THE ISSUE

Code	Name of Banks	Code	Name of Banks
01	Habib Bank Limited	06	Faysal Bank Limited
02	Bank Alfalah	07	Meezan Bank Limited
03	Al Baraka Limited		
04	Askari Bank Limited		
05	Habib Metropolitan Bank Limited		

8. OCCUPATION CODE

Code	Occupation	Code	Occupation
01	Business	06	Professional
02	Business Executive	07	Student
03	Service	08	Agriculturist
04	Housewife	09	Industrialist
05	Household	10	Other

- The Central Depository Company of Pakistan ("CDC") has developed a Centralized e-IPO System ("CES") through which applications for subscription of securities offered through IPOs can be made electronically. CES has been made available in this IPO which can be accessed through the web link www.cdcpo.com. Payment of subscription money can be made through LINK's member banks available for CES, list of which is available on above website.
- For making application through CES, investors must be registered with CES. Registration with CES is free of cost and a self-registration process by filling the CES registration form, which is available 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), bank account with any of the commercial bank, email address, mobile phone number and CDS Account (Investor Account or sub Account) may register themselves with CES.
- Investors who do not have CDS account may visit www.cdcpakistan.com for information and details. For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone Number: 0800 - 23275 (CDGPL) and e-mail: info@cdcpak.com or contact Mr. Farooq Ahmed at Phone 021-34326030 and email: farooq_butt@cdcpak.com. For further details on CES, please refer Section 13.1.4 of the Prospectus

13. NATIONALITY CODE

Code	Name of Country	Code	Name of Country
001	U.S.A	006	Bangladesh
002	U.K	007	China
003	U.A.E	008	Bahrain
004	K.S.A	009	Other
005	Oman		

For further queries you may contact:

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