



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Primary Market Approvals and Development Department

Securities Market Division

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## Guidelines - Issuance of Green Bonds/Sukuks

### 1. Introduction and Scope:

In order to contribute positively towards protection of environment, combat climate change and to promote green finance, it is considered desirable to develop these Guidelines describing the process of issuance of Green Bond so as to facilitate the issuers of debt securities to diversify their source of financing and provide an additional financial instrument to dedicated investors in the form of 'Green Bonds' specifically aimed to finance or refinance projects that contribute positively to the environment. In addition, investors and other market participants can also rely on these Guidelines for developing better understanding of Green Bonds and their relevance for sustainable finance approaches.

To qualify as a green bond, the proceeds must finance or refinance green projects or activities that bring energy efficiency, protects environment, utilizes renewable energy (extracted by renewable resources – such as sunlight, wind, waves, heat, etc.), prevents and control pollution, uses natural resources, projects related to land management, clean/pollution free transportation, wastewater and water treatment, etc.

These guidelines are made pursuant to Section 172 of the Securities Act, 2015.

### 2. Definitions. \_\_

- (1) In these Guidelines, unless there is anything repugnant in the subject or context,-
  - (i) “Act” means the Securities Act, 2015 (III of 2015);
  - (ii) “Commission” means the Securities and Exchange Commission of Pakistan;
  - (iii) “Green Bonds” mean debt securities, including sukuks, issued by an issuer including corporates, entities owned or controlled by the government, whether through public offer or by way of private placement, where the proceeds exclusively applied to finance or re-finance, in part or in full, new and/or existing eligible Green Projects.
  - (iv) “Green Projects” means all those projects which are aimed at protecting the environment, by virtue of their ability to reduce pollution, reduce fossil fuel consumption, use sustainable energy resources and all such projects where proceeds of green bonds can be utilized as per these guidelines.
  - (v) “Guidelines” means the Guidelines for Issuance of Green Bonds;

(vi) “*Issuer*” shall have the same meanings as defined in the Public Offering Regulations, 2017.

(2) All other words and expressions used but not defined in these Guidelines shall have the same meanings as are assigned to them in the Act, the Companies Act, 2017 (XIX of 2017) and the Securities and Exchange Commission of Pakistan Act, 1997.

### **3. Eligibility for issuance of Green Bonds:**

All issuers which are eligible to issue debt securities, either by way of public offer or private placement under the Act, the Companies Act, 2017 read with the Public Offering Regulations, 2017 and Private Placement of Securities Rules, 2017, as the case may be, and meeting the criteria for use of proceeds as given under these guidelines are eligible to issue Green Bonds.

### **4. Issuance of Bonds:**

The Green bonds can be issued based on globally accepted standards such as the International Capital Market Association (ICMA)’s Green Bond Principles 2018, the Environmental Risk Management System and/or National/International environmental and social safeguards that are required to be complied by the issuer. Eligible projects are expected to be mapped to the UN’s Sustainable Development Goals (SDGs) (*Annexure – I*).

### **5. Criteria for use of proceeds:**

(1) Proceeds of green bonds shall be utilized to finance or refinance such projects that would contribute towards Pakistan’s environmental priorities in one or more of the following areas:

- (i) **Renewable and sustainable energy** - including wind, solar, bioenergy, other sources of energy which use clean technology etc. (including production, transmission, appliances and products);
- (ii) **Energy Efficiency** - such as in new and refurbished buildings, energy storage, district heating, smart grids, appliances and products;
- (iii) **Pollution Prevention and Control** - including reduction of air emissions, greenhouse gas control, soil remediation, waste prevention, waste reduction, waste recycling and energy/emission-efficient waste to energy;
- (iv) **Environmentally Sustainable Management of living natural resources and land use** - including environmentally sustainable agriculture; environmentally sustainable animal husbandry; climate smart farm inputs such as biological crop protection or drip-irrigation; environmentally sustainable fishery and aquaculture; environmentally-sustainable forestry, including afforestation or reforestation, and preservation or restoration of natural landscapes;

- (v) **Terrestrial and Aquatic Biodiversity Conservation** - including the protection of coastal, marine and watershed environments;
  - (vi) **Clean/ Environment friendly Transportation** - including mass/public transportation etc. (such as electric, hybrid, rail, non-motorized, multi-modal transportation, infrastructure for clean energy vehicles and reduction of harmful emissions);
  - (vii) **Sustainable water management** - including clean and drinking water, water recycling / wastewater management, sustainable urban drainage systems and river training and other forms of flooding mitigation;
  - (viii) **Climate Change Adaptation** - including information support systems, such as climate observation and early warning systems;
  - (ix) **Eco-efficient and/or circular economy adapted products** - production technologies and processes (such as development and introduction of environmentally sustainable resource-efficient packaging and distribution);
  - (x) **Green Buildings** - which meet regional, national or internationally recognized standards or certifications such as LEED-USA, BREEAM-UK, Pakistan Green Building Council.
  - (xi) Any other green project.
- (2) Proceeds from Green Bonds must be utilized for green project(s), which should be appropriately described in the offering document for the security.
- (3) All designated green projects should provide clear environmental benefits, which will be assessed and, where feasible, quantified by the issuer.

## **6. Process for project evaluation and selection:**

- (i) The issuer must prepare a 'Project Evaluation & Selection Policy' describing the criteria and procedures for evaluation, selection and financing of projects to be included in the asset pool of the green bond;
- (ii) In case of the financing of large infrastructure projects, it is encouraged that the issuer adopt processes and methods for identifying and managing potentially material - social and environmental risks, associated with projects being financed;
- (iii) If the project includes a refinancing component, the issuer must describe the projects being refinanced and the share of the refinancing component over the total issuance volume.
- (iv) The issuer of a Green Bond should prepare a Green Bond Framework including:
  - a) its environmental sustainability objectives and how it is aligned with Pakistan's national environmental priorities;

- b) the process used by the issuer to determine how the selected projects fit within the eligible Green Projects categories;
- c) the related eligibility criteria, including, if applicable, exclusion criteria and any other process applied to identify and manage potentially material environmental and social risks associated with the Projects.
- d) The Environmental Risk Management System and/or National/International environmental and social safeguards that are required to be complied by the issuer.
- e) The process used by the issuer to segregate, manage and track the allocation of the bond proceeds
- f) Its post-issuance reporting commitments;

## 7. External Review:

Issuers are recommended to appoint external review providers before issuances of a Green Bond. The external review provider must have the relevant expertise and experience in the components of the Green Bonds. The external review provider must also disclose its relevant credentials and expertise, and the scope of the review conducted in the external review report.

There are a variety of ways for Issuers to obtain outside input into the formulation of their Green Bonds. Such guidance and external reviews may include;

- (i) **Consultant Review:** An issuer can seek advice from consultants and/or institutions with recognized expertise in environmental sustainability or other aspects of the issuance of a Green Bond, such as the establishment/review of an issuer's Green Bond Framework.  
*[Explanation: The Consultants/Institutions with recognized expertise in environmental sustainability should be an independent third party having no conflict of interest and may include; local environmental consulting firms, research firms, relevant university departments, as well as recognized international service providers such as rating agencies, accounting firms, climate research institutes and ESG research firms]*
- (ii) **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against an external green assessment standard. An assessment standard defines criteria, and alignment with such criteria is tested by qualified third parties/certifiers.
- (iii) **Verification:** An issuer can have its Green Bond or associated Green Bond framework or underlying assets independently verified by qualified parties, such as auditors. In contrast to certification, verification may focus on alignment with internal

standards or claims made by the issuer. Evaluation of the environmentally sustainable features of underlying assets may be termed verification.

- (iv) **Ratings:** The green bond and associated Green Bond framework shall be rated by a rating agency licensed by the Commission. The ratings obtained by an issuer of green bonds shall be disclosed in the offer document.

## **8. Management of Proceeds:**

It is recommended that the Issuer must have an internal process of 'Management of Proceeds of the Green Bond' which includes an internal tracking method of proceeds and the same must be supplemented by the use of an auditor, or other third party to verify the internal tracking method and the allocation of funds from the proceeds of Green Bonds.

In all scenarios, the Issuer should put in place measure to control investments and reporting procedures on their environmental impact.

**9. Disclosures in the Offering Document:** The issuer of green bonds, while making a public offer, shall disclose all that information in the prospectus as required under the public offering regulations including the process of project evaluation and selection, Green Bond Framework etc. For guidance, the formats of prospectus (*both for listed and unlisted issuers*) are given under *Annexure-II(A) & Annexure-II(B)* respectively.

## **10. Disclosure on the website:**

The Issuer must make the following information publicly available on its website, at the time of the issuance and throughout the life of the Green Bond(s):

- a) the Green Bond Framework,
- b) external review report on the Framework;
- c) where the Issuer appoints an auditor or other third party to verify the Issuer's management of proceeds, the Issuer must make the report produced by the auditor or other third party publicly available on a website designated by the Issuer at the time of the issuance of the Green Bonds.
- d) any post-issuance reporting, as per its Green Bond Framework

## **11. Continuous Disclosure & Reporting:**

For listed Green Bond (s), issuer shall provide following disclosures in its half yearly and annual reports until full maturity of the bond(s):

- a) Item-wise breakup of utilization of the proceeds of the green bonds, identifying the allocation of funds towards the project(s) and/or asset(s)/areas, verified by the external auditor;
- b) Details of unutilized proceeds;
- c) Performance indicators (Qualitative/quantitative) showing expected environmental and social impact of projects that have received funding.

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**International Capital Market Association (ICMA)'s Green Bond Principles:  
UN's Sustainable Development Goals (SDG)**

(i) ICMA's Green Bond Principles (GBP):

The ICMA's GBP have four core components, which include as follows:

(i) Use of Proceeds:

- The cornerstone of a Green Bond is the utilisation of the proceeds of the bond for Green Projects, which should be appropriately described in the legal documentation for the security. All designated Green Projects should provide clear environmental benefits, which will be assessed and, where feasible, quantified by the issuer.

(ii) Process for Project Evaluation and Selection:

- The issuer of a Green Bond should clearly communicate to investors:
  - the environmental sustainability objectives;
  - the process by which the issuer determines how the projects fit within the eligible Green Projects categories;
  - the related eligibility criteria, including, if applicable, exclusion criteria or any other process applied to identify and manage potentially material environmental and social risks associated with the projects.
  - Issuers are also encouraged to disclose any green standards or certifications referenced in project selection.
- The GBP encourage a high level of transparency and recommend that an issuer's process for project evaluation and selection be supplemented by an external review.

(iii) Management of Proceeds:

The net proceeds of the Green Bond, or an amount equal to these net proceeds, should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the issuer in an appropriate manner, and attested to by the issuer in a formal internal process linked to the issuer's lending and investment operations for Green Projects.

So long as the Green Bond is outstanding, the balance of the tracked net proceeds should be periodically adjusted to match allocations to eligible Green Projects made during that period. The issuer should make known to investors the intended types of temporary placement for the balance of unallocated net proceeds.

The GBP encourage a high level of transparency and recommend that an issuer's management of proceeds be supplemented by the use of an auditor, or other third party, to verify the internal tracking method and the allocation of funds from the Green Bond proceeds.

(iv) Reporting:

Issuers should make, and keep, readily available up to date information on the use of proceeds to be renewed annually until full allocation, and on a timely basis

in case of material developments. The annual report should include a list of the projects to which Green Bond proceeds have been allocated, as well as a brief description of the projects and the amounts allocated, and their expected impact.

(ii) UN's Sustainable Development Goals (SDG):

UN's sustainable goals are total 17 in number, the following goals specifically focused for green environment can be adopted:

- GOAL 6: Clean Water and Sanitation
- GOAL 7: Affordable and Clean Energy
- GOAL 11: Sustainable cities and Communities
- GOAL 12: Responsible Consumption and Production
- GOAL 13: Climate Action
- GOAL 14: Life Below Water
- GOAL 15: Life on Land

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**ADVICE FOR INVESTORS**

**INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS PROSPECTUS, ESPECIALLY THE RISK FACTORS GIVEN PART 6 OF THIS PROSPECTUS 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.**

**Company's Name & Logo**

**PROSPECTUS**

The Company is already listed on the Pakistan Stock Exchange since-----[Date]. The current Market Price of the Company's share stood at Rs.-----/- per share [Date] and the average daily closing share market price for the last six months stood at Rs.-----/- For more information about Company's history, management, and financial information, please refer to its website at at <http://-----> Contact person of the Company: Mr./Ms.-----Phone-----Email:-----

**THE ISSUE SIZE OF FULLY PAID UP, RATED, -----[Plz mention other features like secured/unsecured, convertible/non-convertible, cumulative/non-cumulative etc.] SUKUK/BOND ("SUKUK") IS PKR ..... MILLION, OUT OF WHICH SUKUK/BOND OF PKR ..... MILLION (---% OF ISSUE SIZE) ARE TO BE ISSUED TO THE PRE-IPO INVESTORS AND PKR ---- MILLION (---% OF ISSUE SIZE) ARE BEING OFFERED TO THE GENERAL PUBLIC BY WAY OF INITIAL PUBLIC OFFER THROUGH THIS PROSPECTUS**

**RATE OF RETURN/PROFIT: -----**

**INSTRUMENT RATING: (long term and short term)----- BY----- RATING AGENCY LIMITED**

**LISTING VENUE: PAKISTAN STOCK EXCHANGE LIMITED**

**AS PER PSX'S LISTING OF COMPANIES AND SECURITIES REGULATIONS, THE DRAFT PROSPECTUS WAS PLACED ON PSX'S WEBSITE, FOR SEEKING PUBLIC COMMENTS, FOR SEVEN (7) WORKING DAYS STARTING FROM ----- TO ----- NO COMMENTS HAVE BEEN RECEIVED ON THE DRAFT PROSPECTUS / COMMENTS HAVE BEEN RECIVED AND ADDRESSED**

**DATE OF PUBLIC SUBSCRIPTION: FROM ----- TO ----- (DURING BANKING HOURS) (BOTH DAYS INCLUSIVE)**

**LEAD MANAGER/ CONSULTANT TO THE ISSUE****BANKERS TO THE ISSUE (RETAIL PORTION)**

1.-----Bank Ltd.2.-----3.-----4.-----5.-----6.-----7.-----

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 Centralized E-IPO system (CES) of Central Depository Company of Pakistan Limited (CDC). PES can be accessed via web link <https://eipo.psx.com.pk> and CES can be accessed via web link [www.cdceipo.com](http://www.cdceipo.com); For details please refer to section ---- of the Prospectus.

**The Company's Sukuk/Bond is Proposed to be listed at the Pakistan Stock Exchange Limited**

<b>Underwriters for Retail Portion of the Issue:</b>	<b>Joint Advisor &amp; Arranger and Designated Market Maker:</b>	<b>Trustee / Investment Agent:</b>	<b>Shariah Advisor/ Shariah Board-----:</b>
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Prospectus and Subscription Forms can be downloaded from the following websites <http://-----> and <http://----->

For further information/queries you may contact:

<b>Mr./Ms..... Phone:..... Email:...</b>	<b>Mr./Ms..... Phone:..... Email:...</b>	<b>Mr./Ms..... Phone:..... Email:...</b>
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**DATE OF PUBLICATION OF THIS PROSPECTUS: -----**

**UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

DATE: -----

WE, Mr./Ms.----- (name & designation) AND Mr./Ms.----- (name & designation) OF -----  
----- LIMITED HEREBY CERTIFY THAT:

1. THIS 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 THIS 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;
5. THE IPO PROCEEDS SHALL BE UTILIZED AS PER THE PURPOSE DISCLOSED IN THE PROSPECTUS,
6. 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; AND
7. 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 PART 10 OF THE PROSPECTUS.

FOR AND BEHALF OF ----- LIMITED

-sd-

\_\_\_\_\_  
Mr./Ms.....  
PRESIDENT & CEO

-sd-

\_\_\_\_\_  
Mr./Ms.....  
CHIEF FINANCIAL OFFICER

**UNDERTAKING BY THE CONSULTANT TO THE ISSUE/ LEAD MANAGER**

Date \_\_\_\_\_

We \_\_\_\_\_ Ltd. holding valid license to act as Consultant to the Issue/ Lead Manager and being mandated as the Consultant to the Issue/ Lead Manager to this Initial Public Offering of \_\_\_\_\_ Ltd. (*Name of Company*) hereby confirm that:

- i. 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 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.
- ii. 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 investor to make an informed decision, has been disclosed in the Prospectus.

FOR AND BEHALF OF ----- LIMITED

-sd-

\_\_\_\_\_  
Mr./Ms.....  
PRESIDENT & CEO

## GLOSSARY OF ABBREVIATIONS AND TECHNICAL TERMS

<b>Issuer</b>	----- Limited
<b>Board / BOD</b>	Board of Directors of ----- Limited
<b>CAGR</b>	Compounded Annual Growth Rate
<b>CDC</b>	The Central Depository Company of Pakistan Limited
<b>CDS</b>	Central Depository System
<b>Consultant to the Issue/ Lead Manger</b>	----- Limited
<b>Credit Rating Agency</b>	-----Rating Agency Limited (“---”)
<b>Conditions</b>	The terms and conditions governing and regulating the Sukuk/Bond
<b>CY</b>	Calendar Year
<b>DFI</b>	Development Financial Institutions
<b>DSL Regulations</b>	Chapter 5B of the Rule Book of the Pakistan Stock Exchange Limited titled “Listing of Debt Securities Regulations”, as amended from time to time
<b>EPS</b>	Earnings per Share
<b>FY</b>	Financial Year
<b>GOP</b>	Government of Pakistan
<b>Investor Agreement</b>	The Investor Agreement entered into between each Pre-IPO Investor and the Issuer, prior to the Issue Date
<b>Issue Date</b>	Issue Date means (i) the date of closing of the subscription list for the public offering of the Sukuk/Bond Certificates in the event the Sukuk/Bond Certificates are fully subscribed, or (ii) in the case of undersubscription, the date on which the entire amount of the Sukuk/Bond Issue has been fully subscribed, which shall be achieved by the Issuer by no later than ---- (----) days from the date of closing of the subscription list for the public offering of the Sukuk/Bond Certificates.
<b>KIBOR</b>	Karachi Inter-Bank Offer Rate (Ask Side)
<b>Designated Market Maker</b>	----- Limited
<b>PSX</b>	Pakistan Stock Exchange Limited
<b>PKR or Rs.</b>	Pakistani Rupee
<b>SECP or the Commission</b>	Securities & Exchange Commission of Pakistan
<b>Sukuk/Bond</b>	Fully paid up, rated, listed ---- [Plz mention other features like secured/unsecured, convertible/non-convertible, cumulative/non-cumulative etc.] Sukuk/Bond to be issued as an instrument of redeemable capital under Section 66 of the Companies Act, 2017.
<b>Bond/Sukuk Holders</b>	Sukuk Holders mean the persons shown as holders of Sukuk/Bond in the records of the CDS, who shall be the beneficiaries under the Trust Deed/ Issuance Agreement.
<b>Green Bond/Green Sukuk Framework</b>	As approved by BOD and included in the prospectus
<b>Bond/Sukuk Issue Size</b>	Issuance of Sukuk/Bond Certificates of PKR ---- million ( <i>mention full amount of the sukuk issue</i> )
<b>Transaction Documents</b>	<ol style="list-style-type: none"> <li>1. Trust Deed/Issuance Agreement</li> <li>2. The Investor Agreements;</li> </ol>

	3. Subscription Undertaking; and 4. Sukuk/Bond Certificates (when issued)
<b>Trust Deed/ Issuance Agreement</b>	The Trust Deed/Issuance Agreement executed between the .....(name of the issuer) and the Trustee/Issuance Agent dated -----
<b>Trustee / Investment Agent</b>	----- Limited
<b>Transfer Agent &amp; Balloter</b>	----- Limited
<b>Transaction Legal Counsel</b>	-----

## A) SUMMARY OF THE ISSUE

<b>Issue Size</b>	PKR ----- million
<b>Pre-IPO Placement</b>	PKR ----- million
<b>Initial Public Offering (IPO)</b>	PKR ----- million
<b>Purpose</b>	<i>[Please mention the purpose of utilization of the proceeds of the issue]</i>
<b>Utilization of Proceeds</b>	<i>[The amount of funds raised from the issuance of Sukuk/Bond shall be utilized to finance .....]</i>
<b>Minimum Investment</b>	The Sukuk/Bond will be offered in denominations of PKR 5,000/- or multiples thereof to the investors subject to a minimum Investment amount of PKR 5,000/-.
<b>Issue Date</b>	(i) the date of closing of the subscription list for the public offering of the Sukuk/Bond Certificates in the event the Sukuk/Bond Certificates are fully subscribed (ii) in the case of undersubscription, the date on which the entire amount of the Sukuk/Bond Issue has been fully subscribed, which shall be achieved by the Issuer by no later than 15 (fifteen) days from the date of closing of the subscription list for the public offering of the Sukuk/Bond Certificates.
<b>Tenor</b>	----
<b>Principal Redemptions</b>	----
<b>Profit Rate</b>	----
<b>Profit Payment Frequency</b>	[monthly/ quarterly/ semiannually]
<b>Issue Price</b>	Par (i.e. each Sukuk/Bond having a face value of PKR 5,000/-)
<b>Security</b>	-----
<b>Transaction Legal Counsel</b>	-----
<b>Listing</b>	Pakistan Stock Exchange Limited
<b>Entity Rating</b>	Long Term Rating: ---- Short Term Rating: ----- Rating Agency: -----
<b>Instrument Rating</b>	"-----" (-----), assigned by -----
<b>Subscription Date</b>	---- to ---- (during banking hours) (both days inclusive)
<b>Risk Factors</b>	For details please refer to Part ---- of the Prospectus
<b>Trustee/Investment Agent to the Issue</b>	----- Limited
<b>Shariah Advisor</b>	Shariah Board of ----- Limited

<b>Compliance Officer</b>	Mr./Ms.----- Company Secretary ----- Limited Tel: ----- Fax: -----
<b>Underwriters to the Issue</b>	-----Limited
<b>Designated Market Maker</b>	----- Limited
<b>Bankers to the Issue</b>	1. ---- Bank Limited 2. ---- Bank Limited 3. ---- Bank Limited 4. ---- Bank Limited 5. ---- Bank Limited 6. ---- Bank Limited 7. ---- Bank Limited
<b>Transferability</b>	The Sukuk/Bond will be inducted into the CDC, transfer shall be made in accordance with the Central Depository Act, 1997 and CDC Regulations
<b>Governing Law</b>	-----

## B) SUMMARY OF RISKS RELATED TO THE ISSUE

Following are the key risks related to the Sukuk/Bond Issue:

- (i) .....
- (ii) .....
- (iii) .....

**[Please refer to Part ----- for detailed description of risk factors.]**

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## PART 1:

### APPROVAL, CONSENTS AND LISTING ON THE STOCK EXCHANGE

#### 1.1. APPROVAL OF THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Approval of the Securities and Exchange Commission of Pakistan (the “Commission” or the “SECP”) as required under Section 87(2), read with Section 88(1) of the Securities Act, 2015 (the “Act”) has been obtained for the Issue, circulation and publication of this Prospectus.

#### **DISCLAIMER:**

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

**SECP HAS NOT EVALUATED QUALITY OF THE ISSUE AND ITS APPROVAL FOR ISSUE, CIRCULATION AND PUBLICATION OF 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 THE PAKISTAN STOCK EXCHANGE LIMITED

The Prospectus for the issue of fully paid-up, rated, ----- *[Plz mention other features like secured/unsecured, convertible/non-convertible, cumulative/non-cumulative etc.]* Sukuk/Bond Issue (“Mudaraba/Musharikhah /Ijara etc. Sukuk” or “Sukuk”) has been approved by the Pakistan Stock Exchange Limited (“PSX”) in accordance with the requirements of its Listing of Debt Securities Regulations.

#### **DISCLAIMER:**

- A) PSX HAS NOT EVALUATED THE QUALITY OF THE ISSUE AND ITS APPROVAL SHOULD NOT BE CONSIDERED AND CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC / INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT INVESTIGATION AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE SUBSCRIBING.**
- B) THE PUBLICATION OF THIS DOCUMENT DOES NOT REPRESENT SOLICITATION BY PSX.**
- C) *THE CONTENTS OF THIS DOCUMENT DO NOT CONSTITUTE AN INVITATION TO INVEST IN SUKUK/BOND* OR SUBSCRIBE FOR ANY SECURITIES OR OTHER FINANCIAL INSTRUMENT BY PSX, NOR SHOULD IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED UPON IN ANY CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER OF PSX.**
- D) IT IS CLARIFIED THAT INFORMATION IN THIS PROSPECTUS SHOULD NOT BE CONSTRUED AS ADVICE ON ANY PARTICULAR MATTER BY PSX AND MUST NOT BE TREATED AS A SUBSTITUTE FOR SPECIFIC ADVICE.**
- E) PSX DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THIS DOCUMENT TO ANY ONE, ARISING FROM ANY REASON, INCLUDING, BUT NOT LIMITED TO, INACCURACIES, INCOMPLETENESS, AND/OR MISTAKES, FOR DECISION AND/OR ACTIONS TAKEN BASED ON THIS DOCUMENT.**
- F) PSX NEITHER TAKES RESPONSIBILITY FOR THE CORRECTNESS OF CONTENTS OF THIS DOCUMENT NOR THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS THERE UNDER.**



**G) ADVICE FROM A SUITABLY QUALIFIED PROFESSIONAL SHOULD ALWAYS BE SOUGHT BY INVESTORS IN RELATION TO ANY INVESTMENT IN SECURITIES.**

1.3. APPROVAL FROM OTHER REGULATOR *(if applicable, along with terms & conditions be disclosed here)*

1.4. APPROVAL OF SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN UNDER SECTION 83 OF COMPANIES ACT, 2017 *(In case of convertibility of debt instrument/sukuk/bond into shares)*

On the basis of special resolution passed in the Extraordinary General Meeting held on -----, the Commission has allowed ----- under section 83 of the Companies Act, 2017 to issue, by way of other than right offer, up to ----- million ordinary shares to the Sukuk/Bond holders upon conversion of the Sukuk/Bond on occurrence of a conversion event.

1.5. FILING OF PROSPECTUS AND OTHER DOCUMENTS WITH THE REGISTRAR OF COMPANIES

----- *[name of the issuer]* has delivered to the Registrar of Companies as required under Sections 57 (1) of the Act, a copy of this Prospectus signed by all the Directors of -----*[name of the issuer]*.

1.6. LISTING OF BOND/SUKUK AT PSX

Application has been submitted by the Issuer to PSX for listing of the Sukuk/Bond.

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 (21) days from the date of closing of the subscription period / list or such longer period not exceeding forty-two (42) days as may, within the said twenty-one (21) 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 subscription money to the applicants without surcharge as required under the provisions of Section 69 of the Companies Act.

However, and, if any such money is not repaid within eight (08) days after the -----*[name of the issuer]* becomes liable to repay it, the Directors of the -----*[name of the issuer]* 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 per cent (2.00%) for every month or part thereof from the expiration of the eight day and, in addition, shall be liable to a penalty of level 3 on the standard scale in accordance with the provisions of sub-section (2) of Section 69 of the Companies Act.

The surcharge mechanism has been mentioned here in order to ensure regulatory compliance. However, from the shariah perspective, since this surcharge is a form of interest, the applicants are advised to dispose any such received amount as charity.

As required under sub-section (3) of Section 69 of the Companies Act, the subscription money, shall be deposited and kept in a separate bank account in a scheduled bank so long as the Issuer may become liable to repay it under sub-section (2) of Section 69 of the Companies Act.

## 1.8. COMPLIANCE OFFICER

Mr./Ms.-----

Company Secretary

----- Limited

*[Name of the Issuer with address]*

Tel: -----

Fax: -----

## PART 2:

### SUMMARY OF THE PROSPECTUS

#### 2.1. PRIMARY BUSINESS OF THE ISSUER

----- Limited is licensed/Registered by ----- . The ---- [Issuer] offers a full range of services in ----  
-----

#### 2.2 LISTED COMPANY:

The Company/Issuer is already listed on the Pakistan Stock Exchange since-----and current Market Price of its shares stood at Rs. ..../- per share [Date] and the average daily closing market price for the last six months stood at Rs. ..../- . For more information about Company's history, management, and financial information, please refer to its website at <http://-----> Contact person of the Company: Mr./Ms. ----  
--Phone-----Email:.....

#### 2.3. SALIENT FEATURES OF THE ISSUE

----- Limited [*name of Issuer*] is issuing fully paid up, rated, ----- Sukuk/Bond Certificates to be issued as an instrument of redeemable capital under Section 66 of the Companies Act, 2017.

The total Bond/Sukuk Issue size is of PKR -----/- (Pak -----million only). The Sukuk/Bond Certificates are ----- [*whether secured/unsecured, subordinated, rated, listed, perpetual, cumulative /non-cumulative*] and will be offered in denominations of PKR 5,000/- or multiples thereof to the investors subject to a minimum investment amount of PKR 5,000/. The Sukuk/Bond Certificates of PKR ----- million have been offered to investors through pre-IPO subscription (Pre-IPO Portion) and the remaining PKR ----  
-- million shall be offered to general public through this prospectus (IPO Portion).

The Sukuk/Bond Certificates being issued have been assigned a rating of "----" [*rating assigned*] by ---- [*name of the rating agency*] and will carry a ----- [*Profit rate*]. Profit will be payable [*monthly/quarterly/semiannually*] (365 days in a year) in arrears on the outstanding investment amount. The first such profit payment will fall due at the end of 1<sup>st</sup> calendar month end from the Issue Date and subsequently every month end thereafter.

----- [*Other profit related conditions/ stoppers, if any*]

----- [ Call Option /Put Option related conditions, if any, specifically mentioning whether Put Option shall be available to the Sukuk/Bond Holders or not]

----- Limited has been appointed as trustee/Investment Agent to secure the interests of the investors. ----- has been appointed as the Designated Market Maker for this Issue and the Sukuk/Bond shall be listed on the PSX via Initial Public Offering, thereby creating liquidity for the Issue.

#### 2.4. PRINCIPLE PURPOSE OF THE ISSUE AND UTILIZATION OF PROCEEDS

-----[Complete details of the Principal purpose of the Issue].

#### 2.5. FINANCIAL HIGHLIGHTS OF THE ISSUER

<b>Financials - PKR million</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Paid-up capital				
Equity (including surplus on revaluation of assets)				
Profit / return / earned				
Net Profit / Return				
Profit before Provisions				
Profit after Taxation				
Earnings per Share (EPS)- (PKR)				
Book Value per Share (BVPS) (including & excluding surplus (PKR)				

The Issuer is a listed Company and it regularly places its annually/half yearly/quarterly accounts on its website at <http://----->

#### 2.6. OUTSTANDING LEGAL PROCEEDINGS

All the outstanding legal proceedings of the Issuer have been disclosed in Part ----. Further, there are /no outstanding legal proceeding other than the normal course of business involving sponsors, substantial shareholders and directors of Issuer and associated companies, over which the Issuer has control, that could have material impact on the Issuer.

#### 2.7. RISK FACTORS

A summary of the risks related to the Issue is given on page ---- of this Prospectus while detailed description of risk factors is given in Part 6 of this Prospectus.

#### 2.8. SUMMARY OF RELATED PARTY TRANSACTIONS

For related party transactions of the Issuer for the last three years (i.e.-----) please refer to its account placed on its website at-----:

## PART 3:

### 3.1 PRINCIPLE PURPOSE OF THE ISSUE

The Issue amount will contribute towards ----- . The funds raised will be utilized in ----  
----- as permitted by its Memorandum & Articles of Association.

[The President & CEO of the Bank has undertaken that that s shall be utilized as per the purpose disclosed in the prospectus.]

### 3.2 Specific Disclosures with respect to Green Bonds/Sukuk:

1. A statement on the green credentials of the Bond/Sukuk, specifically  
[The issuer should clearly disclose:
  - g) its environmental sustainability objectives;
  - h) the process by which the issuer determines how the Projects fit within the eligible Green Projects categories;
  - i) the related eligibility criteria, including, if applicable, exclusion criteria or any other process applied to identify and manage potentially material environmental and social risks associated with the Projects.]
2. Brief details of the project(s) where the issuer, proposes to utilize the proceeds of green bonds/sukuk, including towards refinancing of existing green project(s) and/or asset(s), if any.
3. If proceed utilization includes a refinancing component, the issuer should disclose the project(s) being refinanced and the share of the refinancing component over the total issuance volume.
4. Policy describing the criteria and procedures for evaluation, selection and financing of projects to be financed by green bonds/sukuks;
5. Brief details of decision-making process issuer have followed/would follow for determining the eligibility of project(s) for which the proceeds are being raised through issuance of green bonds/sukuks.
6. Issuer shall provide details of the system/procedures to be employed for tracking the deployment and control of the proceeds of the issue of green bonds/sukuk including authorizations and determinants relating to the movement of funds and periodic reports of funds used and remaining;
7. Scanned copy of Green Bond/Sukuk Framework and reports submitted by the independent parties/ reviewer/certifier.

### 3.3 Undertaking for Utilization of IPO Proceeds:

The President & CEO of \_\_\_\_\_ [name of the Company] has undertaken that that IPO proceeds shall be utilized as per the purpose disclosed in the prospectus.

## PART 4:

### DETAILS OF THE ISSUE AND RELATED INFORMATION

#### 4.1. INSTRUMENT (BOND/SUKUK) STRUCTURE:

*[Diagram of the Bond/Sukuk structure showing all parties to the transaction]*

The Sukuk/Bond has been structured on the basis of Islamic principle of ----- *[please mention whether Modaraba, Musharikhah, Ijara etc.]* where ..... *[in case of Modaraba] one partner gives money to another for investment in a business. The capital provider / Sukuk/Bond Holders are called "Rabb-ul Maal/Arbab ul Amwaal", while the management and work are the exclusive responsibility of the other partner, the -----[name of the issuer], who is called the "Mudarib". The Mudaraba structure will be as follows: ....]*

#### 4.2. PRE-IPO INVESTORS

The Pre-IPO portion for the Sukuk/Bond closed at PKR ----- million out of the total issue size of PKR ----- million and the disbursement of Pre-IPO portion was completed on -----[Date].

The list of investors in the Pre-IPO portion along with their respective investment amount is provided below:

S. No.	Investor Name	Pre-IPO Participation (PKR)	% of Total Issue Size
01			
02			
03			
	<b>Total</b>		

All the Pre-IPO investors have signed the Investor Agreements for the above-mentioned participation amount.

#### 4.3. TERM SHEET OF THE ISSUE:

<b>Issuer / Mudarib</b>	----- Limited ("---" or the "Issuer");
<b>Instrument/Issue/Transaction</b>	Fully paid up, rated, -----[features of the instrument] listed --- Sukuk/Bond Certificates to be issued as instrument of redeemable capital under Section 66 of the Companies Act, 2017
<b>Issue Size</b>	Up to PKR -----/- (Pak Rupees ---- Only);
<b>Issue Title/Name</b>	The Instrument has been named as "-----" and being marketed under the same; with the logo as mentioned on the top of the Term sheet.
<b>Tenor</b>	-----
<b>Principal Redemption</b>	-----
<b>Purpose</b>	-----
<b>Profit Payment</b>	Profit will be payable .....[plz mention monthly/quarterly/semi-annually etc.] (365 days in a year) in arrears on the outstanding investment amount. The first

	such profit payment will fall due at the end of .....[Date/Day] from the issue date and subsequently ..... The profit payment to the Sukuk/Bond Holders will be ....[whether cumulative/non-cumulative] in nature.
<b>Profit Rate</b>	----- [Base Rate plus a margin of ---% per annum.] Base Rate is defined as -----.
<b>Loss Sharing/ Dividend Stopper (If any)</b>	-----[ Please disclose relevant event/circumstance affecting profit payment]
<b>Security</b>	----[Whether secured or unsecured]
<b>Face Value</b>	Pak Rupees Five Thousand per certificate (PKR 5,000);
<b>Issue Price</b>	Pak Rupees Five Thousand per certificate (PKR 5,000);
<b>Minimum Investment Amount</b>	Pak Rupees Five Thousand (PKR 5,000);
<b>Eligible Investors for IPO</b>	General Public including individual and institutional investors;
<b>Placement and Transferability</b>	The Sukuk/Bond shall be inducted into the Central Depository System of Central Depository Company of Pakistan Limited and shall be transferred in accordance with the Central Depositories Act, 1997 and CDC Regulations;
<b>Call Option</b>	----[Call option details, if any]
<b>Put Option</b>	----[Call option details, if any]
<b>Seniority of Claim / Subordination</b>	----(In case of liquidation, sukuk/bond holders seniority of claim)
<b>Issuer Rating</b>	---- (Long Term), --- (Short Term) by -----[name of the rating agency];
<b>Instrument Rating</b>	----by ----[name of the rating agency]; The --- Sukuk/Bond shall be rated throughout the life of the Instrument.
<b>Listing and Public Subscription</b>	Sukuk's/Bond's listing will be done via issuance of Prospectus at Pakistan Stock Exchange (PSX); The public subscription will remain open for ---- days or any other period approved by the PSX and SECP;
<b>Classification on the Balance Sheet</b>	Sukuk/Bond shall be classified as "Liabilities" in the Balance Sheet;
<b>Transaction Legal Counsel</b>	-----.
<b>Investment Agent / Trustee to the Issue</b>	-----
<b>Issuer's Registered Office</b>	-----
<b>Compliance Officer</b>	Mr./Ms.-----
<b>Registrar / Transfer Agent</b>	-----Limited;
<b>Designated Market Maker</b>	-----Limited;
<b>Joint Advisors &amp; Arrangers (Joint Advisors or JAA)</b>	----- Limited;
<b>Applicable Laws</b>	-----

#### 4.4. DISCRETION FOR REDUCTION OF PROFIT *(If applicable)*

#### 4.5. OPENING AND CLOSING OF SUBSCRIPTION LIST

The subscription list will open at the commencement of the banking hours on -----[Date] and close at the end of banking hours on -----[Date].

#### 4.6. INVESTORS ELIGIBILITY

1. Pakistani citizens resident in Pakistan;
2. Pakistani citizens residing outside Pakistan;
3. Persons holding two nationalities including Pakistani nationality;
4. Foreign nationals whether living in or outside Pakistan;
5. 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);
6. Mutual funds, provident/pension/gratuity funds/trusts (subject to the terms of their trust deeds and existing regulations); and
7. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

#### 4.7. FACILITIES AVAILABLE TO FOREIGN/NON-RESIDENT PAKISTANI INVESTORS

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (VIII)) of Chapter 20 of the State Bank of Pakistan's ("SBP") Foreign Exchange Manual (the "Manual") to issue -----[Type of instrument/Sukuk/Bond] 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 and the purchase price (whether negotiated privately or otherwise) is not less than the price quoted on the PSX.

Non-residents who wish to subscribe Sukuk/Bond 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 Sukuk/Bond offered to general public / retail investors. List of bankers to the issue for retail portion is available on title page of this Prospectus.

The Sukuk/Bond issued to non-resident investors shall be intimated by the -----[Issuer] 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 Sukuk/Bond 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 profit, net of applicable taxes and proceeds on sale of listed Sukuk/Bond (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.

#### 4.8. MINIMUM AMOUNT OF APPLICATION AND BASIS OF ALLOTMENT OF SUKUK/BOND

The basis and conditions of allotment shall be as follows:

- a) Face value of the Bond/Sukuk is PKR 5,000/-.
- b) The minimum amount of application for subscription of Sukuk/Bond is PKR 5,000/-.
- c) Applications for Sukuk/Bond below the aggregate face value of PKR 5,000/- shall not be entertained.
- d) Applications for Sukuk/Bond by the general public, including institutions and individuals, must be for a minimum of the aggregate face value of PKR 5,000/- or in multiples thereof.
- e) If the Sukuk/Bond to be issued to the general public are sufficient for the purpose, all applications shall be accommodated.
- f) If the issue is oversubscribed in terms of amount, then all applications shall be accommodated initially for Sukuk/Bond of face value of PKR 5,000/- each and the balance Sukuk/Bond shall be allotted on prorata basis to all applicants who applied for Sukuk/Bond in multiples of PKR 5,000/-.
- g) If the issue is over-subscribed in terms of number of applications and the amount, the Sukuk/Bond shall be allotted through computer balloting in the presence of representatives of PSX.
- h) Allotment of Sukuk/Bond shall be subject to scrutiny of applications for subscription.

#### 4.9. MINIMUM SUBSCRIPTION

The minimum amount of subscription on which the Directors will proceed to allot Sukuk/Bonds is PKR ----- million.

#### 4.10. REFUND OF MONEY TO UNSUCCESSFUL APPLICANTS

----- [*name of the issuer*] shall take a decision within ten (10) days of the closure of subscription list as to which applications have been accepted or are successful and refund the money in cases of unaccepted or unsuccessful applications within ten (10) days of the date of such decision as required under regulation 5B 4.19 read with regulation 5B 4.20 of the PSX Rule Book.

As per sub-section (2) of Section 68 of the Companies Act, 2017, if a refund is not made within the time specified therein, the Directors of the Company shall be jointly and severally liable to repay the money with surcharge at the rate of 2.00%, for every month or part thereof from the expiration of the 15th day and, in addition, shall be liable to a penalty of level 3 on the standard scale.

The surcharge mechanism has been mentioned here in order to ensure regulatory compliance. However, from the shariah perspective, since this surcharge is a form of interest, the applicants are advised to dispose any such received amount as charity.



#### 4.11. ISSUE AND CREDIT OF SUKUK/BOND

----- *[name of the issuer]* shall credit Sukuk/Bond to the successful allottees within twenty-one (21) days of closure of subscription list in compliance with the requirements of PSX. Sukuk/Bond will be issued only in the Book-Entry Form through credit in their CDS Accounts. The applicants, therefore, must provide their CDS Account Number (Investor Account Number or Sub-Account Number) in the Sukuk/Bond Subscription Form.

The Sukuk/Bond issued shall be subject to the terms & conditions for the issuance of the Sukuk/Bond specified in the Trust Deed/Issuance Agreement dated -----.

If the -----*[Issuer]* defaults on complying with the requirements of the Listing Regulations, it will pay to PSX a penalty of PKR 5,000/- per day during which the default continues. PSX may also notify the fact of such default and the name of the Bank by notice and also by publication, in the Daily Quotations.

The surcharge mechanism has been mentioned here in order to ensure regulatory compliance. However, from the shariah perspective, since this surcharge is a form of interest, PSX is advised to dispose any such received amount as charity.

#### 4.12. TRANSFER OF SUKUK/BOND

The Sukuk/Bond will be inducted into the CDC, transfer shall be made in accordance with the Central Depository Act, 1997 and CDC Regulations.

#### 4.13. SUKUK / DEBT SECURITIES ISSUED IN PRECEEDING YEARS

The -----*[name of the issuer]* has not/has issued any Sukuk/Bond since its incorporation. The details are as follows (if applicable):

#### 4.14. REDEMPTION RESERVE

-----*[Please disclose whether or not any redemption reserves is being created].*

#### 4.15. CONVERSION MECHANISM *[In case of convertibility of sukuk/bond in to shares]*

-----*[Details of events that triggers convertibility of sukuk/bond in to shares]*

-----*[The mechanism for determination of number of shares to be issued to Sukuk/Bond Holders at the time of conversion.]*

-----*[Details regarding approvals required for conversion of sukuk/bond in to shares]*

The -----*[name of the issuer]* has obtained approval of the shareholders for the conversion of Sukuk/Bond and approval of the Securities and Exchange Commission of Pakistan under section 83(1)(b) of the Companies Act, 2017 has also been obtained.

#### 4.16. CALL OPTION *[If applicable]*

-----*[Issuer]* may exercise a Call Option on the subject Sukuk/Bond on or after ----- years from issuance date subject to the following conditions (the "Call Option Conditions"):

- (a) prior approval from----- has been obtained for exercise of the call
- (b) -----
- (c) Call Option price should be -----[disclose the basis of call option price calculation]

#### 4.17. DEDUCTION OF ZAKAT

Zakat is deductible in case of the Sukuk/Bond being held by Muslim citizens of Pakistan, except where a statutory declaration of exemption is filed, and in case of certain non-corporate entities such as Trusts, Funds, etc. (subject to being qualified for non-deduction of Zakat under the Zakat and Ushr Ordinance, 1980). Zakat is withheld at 2.5% of the redeemed principal amount.

#### 4.18. INCOME TAX ---[Please disclose as per current Income Tax Rates]

Any income derived from investment in Sukuk/Bond shall be subject to income tax as per the Income Tax Ordinance, 2001. Withholding tax, as specified in Part III Division IB of the First Schedule of the said ordinance shall be applicable.

#### 4.19. DEDUCTION OF WITHHOLDING TAX ---[Please disclose as per current Tax Rates]

Profit paid to Sukuk/Bond Holders will be subject to withholding tax under section 150A of the Income Tax Ordinance, 2001 specified in Part III Division IB of the First Schedule of the said Ordinance or any time to time amendments therein. Rates of tax specified under Division IB are as follows:

Category	Tax Rate for Persons appearing in Active Tax Payer List	Tax Rate for Persons not appearing in Active Tax Payer List
Company	15%	30%
Individual or Association of Persons (If return on Investment is more than one million)	12.50%	25%
Individual or Association of Persons (If return on Investment is less than one million)	10%	20%

#### 4.20. CAPITAL GAINS ---[Please disclose as per current Tax Rates]

Any capital gain derived from the sale of Sukuk/Bond shall be subject to capital gain tax as per section 37A of the Income Tax Ordinance, 2001. Applicable Capital Gain Tax Rates for FY20 are as follows:

- (a) For persons appearing in Active Tax Payer List: 15.0%
- (b) For persons not appearing in Active Tax Payer List: 30.0%

#### 4.21. DISCLOSURE OF DEFERRED TAXATION

The -----[name of the issuer] recognises deferred tax asset / liability on deficit / surplus on revaluation of operating fixed assets and securities which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS) 12, 'Income Taxes'. The balance of deferred tax asset (net) as of -----[Date] was PKR ----- million (unconsolidated). For detail please refer to Company's website at <http://----->.

#### 4.22. SHARIAH ADVISOR TO THE ISSUE

Shariah Board of the -----[*name of the issuer*] is acting as Shariah Advisor to the Issue and it has provided its consent to include and publish its name in the Prospectus. Profiles of the members of the Shariah Board are provided below:

##### SHARIAH BOARD OF THE -----[*Issuer*]

The -----[*Issuer*] has a Shariah Supervisory Board in order to ensure compliance of Shariah guidelines issued by Shariah Board in all operations in general and revenue generating activities. The -----[*name of the issuer*] has a committed professional team in the Shariah Compliance department consisting of Shariah Scholars along with business graduates from reputed organizations.

- (i) **Mr/Mufti.....Chairman, Shariah Supervisory Board** [*Profile including qualification he/she holds, membership of committees etc. Current Position*]
- (ii) **Mr/Mufti.....Member, Shariah Supervisory Board** [*Profile including qualification he/she holds, membership of committees etc. Current Position*]
- (iii).....

#### 4.23. SHARIAH OPINION

*[Plz place hereunder scanned copy of the Shariah Opinion granted by the Shariah Scholars/Board on the structure of the Sukuk]*

4.24. [Regulatory requirements of other Regulators viz. SBP, like MCR, CAR, leverage ratio requirement, etc.]

#### 4.25. MODE OF PAYMENT OF PROFIT

The payment of profit shall be credited in Sukuk/Bond Holders' bank accounts electronically on ----- [*monthly/quarterly/semi-annually*] basis. The applicants, therefore, must provide their International Bank Account Number (IBAN) in the Sukuk/Bond Subscription Form.

#### 4.26. INTEREST OF PRE-IPO INVESTORS

Except as provided below, the Pre-IPO Investors only have interest in this Sukuk/Bond as Sukuk/Bond Holders:

- ----- Limited, ----- Limited and -----Bank Limited are acting as Bankers to the Issue for the Sukuk/Bond and have also participated in the Pre-IPO portion

#### 4.27. STATEMENT BY THE ISSUER

The General Manager

Pakistan Stock Exchange Limited

Stock Exchange Limited

Stock Exchange Road

Karachi

On behalf of ----- Limited, (“-----” or the “Bank”), we hereby confirm that all material information as required under 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 on behalf of ----- Limited

-sd-

\_\_\_\_\_  
Mr./Ms.-----  
President & CEO

-sd-

\_\_\_\_\_  
Mr./Ms.-----  
Chief Financial Officer

Date: -----

#### 4.28. STATEMENT BY CONSULTANT TO THE ISSUE

The General Manager

Pakistan Stock Exchange Limited

Stock Exchange Limited

Stock Exchange Road

Karachi

Being mandated as Consultant to this Initial Public Offering of Sukuk of ----- Limited, we hereby confirm that all material information as required under the Securities Act, 2015, the Listing of Companies and Securities Regulation of Pakistan Stock Exchange Limited and Public Offering Regulations, 2017 has been disclosed in this prospectus and that whatever is stated in the prospectus and in the supporting documentations is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and on behalf of ----- Limited

-sd-

\_\_\_\_\_  
Mr./Ms.-----

MD, Investment Banking

Date: -----

## **PART 5:**

### **RISK FACTORS**

#### **5.1. RISK FACTORS RELATED TO THE SUKUK/BOND ISSUE:**

##### **5.1.1. Summary of Risk Factors related to the Sukuk/Bond Issue:**

*[Disclose all risk factors. In case the issuer is bank, the risk factor shall cover all conditions imposed by the relevant regulator which have an adverse impact on the sukuk holders and at minimum should include reference to]*

- a) *The profit payment to Sukuk/Bond Holders will be subject to the condition that .....*;
- b) *the Issue may be called by the Issuer after -----years from the date of Issuance (either partially or in full), subject to ----- approval;*
- c) *the Issuer may permanently convert the Sukuk/Bond (either partially or in full) into common shares at its own discretion (in case of -----) or at the discretion of -----;*
- d) *Risk of non-compliance in case proceeds are not utilized as per the approved green purpose.*
- e) *Any other issue specific risk*

##### **5.1.2. Details on Risk Factors related to the Sukuk/Bond Issue:**

###### **5.1.2.1. Internal Risk Factors:**

*The Issuer should include all relevant risks and at minimum should include:*

- a) *Lock-in Clause & Loss Absorbency Clauses, [in case of bank]*
- b) *Loss Absorption Features at Point of Non - Viability [in case of bank]*
- c) *Security and Subordination*
- a) *Underutilization/non-utilization of proceeds to the specific purpose*
- d) *Default Risk on account of non-payment of coupon/profit in a timely manner*

###### **5.1.2.2. External Risk Factors:**

*The Issuer should include all relevant risks and at minimum should include:*

- b) *Instrument Liquidity*
- c) *Market Interest Rate*

#### **5.2. RISK FACTORS RELATED TO THE ISSUER:**

##### **5.2.1. Internal Risk Factors:**

*The Issuer should include all relevant risks and at minimum should include:*

###### **a) Strategic Risk**

Strategic risk arises due to wrong assumptions in strategic decision making or the failure to react correctly to long-term changes in strategic parameters.

### **b) Shariah Non-compliance Risk**

Shariah non-compliance risk is the risk that arises from Issuer's failure to comply with the Shariah rules and principles prescribed and / or the Shariah Board of the Issuer. It remains the most important operational risk for an -----[Issuer]. Compliance of Shariah guidelines must permeate throughout the organization and its adherence should be reflected in the products and activities.

### **c) Credit Risk**

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligations is impaired resulting in economic loss to the Issuer. This credit risk arises mainly from both direct financing activities as well as contingent liabilities.

### **d) Liquidity Risk**

Liquidity risk is the potential loss to the Issuer arising from its inability either to meet its obligations (financial) or to fund increases in assets as they fall due without incurring unacceptable costs or losses.

Liquidity risk is defined as the potential loss arising from the Issuer's inability to meet in an orderly way its contractual obligations when due. Liquidity risk arises in the general funding of the Issuer's activities and in the management of its assets.

## **5.2.2. External Risk Factors:**

*The Issuer should include all relevant risks and at minimum should include:*

### **a) Market Risk**

Market risk is defined as the risk of losses in on-and-off balance sheet positions arising from movements in market prices e.g. fluctuations in values in tradable, marketable or leasable assets. The risks relate to the current and future volatility of market values of specific assets and of foreign exchange rates and benchmark yields.

### **b) Yield / Profit Rate Risk**

Yield / Profit rate risk includes all material yield risk positions of the Issuer taking into account all repricing and maturity data. It includes current balances and contractual yield rates; the -----[Issuer] understands that its Islamic financing and related assets shall be repriced as per their respective contracts.

### **c) Foreign Exchange Risk**

Currency risk is the risk of loss arising from the fluctuations of exchange rates.

### **d) Equity Position risk**

Equity position includes strategic investments and investment in equities for generating revenue in short term.

**e) Country Risk**

Country Risk can be defined as the risk of adverse impact of certain factors on a country's specific economic, political and social scenario which affects the ability of the country (or a borrower in that country) to repay its obligations.

**f) Systemic Risk**

Systemic risk is the risk of a total or partial collapse of the financial system. Such a collapse could be due to technical factors or market driven (psychological reasons).

**TO THE BEST OF OUR KNOWLEDGE IT IS STATED THAT ALL MATERIAL RISK FACTORS HAVE BEEN DISCLOSED IN THIS PARAGRAPH AND THAT NOTHING HAS BEEN CONCEALED IN THIS RESPECT.**

**HOWEVER, THERE MAY BE ADDITIONAL RISK FACTORS, WHICH ARE NOT DISCLOSED HEREIN, THAT ARE NOT PRESENTLY KNOWN TO US OR THAT ARE CURRENTLY DEEMED TO BE LESS SIGNIFICANT, WHICH MAY MATERIALLY AND ADVERSELY AFFECT THE ISSUER'S BUSINESS, ITS FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS.**

## PART 6

### RATING REPORTS, TRUSTEE AND SECURITY

#### PART 6A:

##### ENTITY RATING REPORT

*[The credit rating report from credit rating agency in legible form, should be placed here]*

#### PART 6B:

##### INSTRUMENT RATING REPORT

##### HISTORICAL ISSUER RATING

As of -----[Date], ----- Credit Rating Agency Limited (“---”) has assigned a long-term rating of “---” (---) to the Issuer. The rating indicates strong capacity for timely payment of financial commitments and low expectation of credit risk. The short-term rating consistently stands at “---” (--- maintained at Stable.

These ratings reflect -----[Issuer] sustained business profile. Entity rating history of the Issuer for the last five reviews are summarized below:

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action
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#### PART 6C:

##### TRUSTEE AND SECURITY

##### THE SECURITY

[As per the Security Documents].

##### THE TRUSTEE

In order to safeguard the interests of the Sukuk/Bond Holders, ----- Limited has been appointed to act as Trustee/Investment Agent for the Issue. The Issuer shall pay to the Trustee/ Investment Agent in respect of its acting as Trustee/ Investment Agent a fixed fee of PKR -----/- per annum. The fee shall be payable at the beginning of each year commencing from the date of signing of the Trust Deed and on each subsequent anniversary thereof.

Although the Sukuk/Bond are unsecured, the rights of the Sukuk/Bond holders are still protected as per the terms of the Trust Deed/Issuance Agreement. The Trust Deed/ Issuance Agreement executed between the Issuer and the Trustee/Investment Agent specifies the functions and obligations of the



Trustee/Investment Agent. Furthermore, the Trustee/Investment Agent has all the powers available to it under the Trusts Act, 1882 and the Structuring of the Debt Securities Regulations, 2020.

#### The Trust Deed/ Issuance Agreement

The Trust Deed/ Issuance Agreement signed between the Issuer and ----- Limited specifies the rights and the obligations of the Trustee/Investment Agent. In the event of Issuer defaulting on any of its obligations under the terms of the Trust Deed/ Issuance Agreement, the Trustee/Investment Agent may enforce Issuer's obligations in accordance with the terms of the Trust Deed/ Issuance Agreement.

#### POWERS OF THE TRUSTEE/ INVESTMENT AGENT

The Trustee/Investment Agent shall have all the powers and discretions conferred upon trustees by the Trust Act, 1882 (to the extent not inconsistent with these presents) / Structuring of the Debt Securities Regulations, 2020 and in addition thereto and subject to the terms of the Regulations, it is expressly declared as follows:

- (a) -----
- (b) -----
- (c) -----

#### OBLIGATIONS OF THE TRUSTEE/INVESTMENT AGENT

*[To be disclosed as per Trust Deed/ Issuance Agreement]*

#### TRUSTEE/INVESTMENT AGENT AND SUKUK/BOND HOLDERS

*[To be disclosed as per Trust Deed/ Issuance Agreement]*

#### OBLIGATION TO ACT WITH DUE CARE

Both the Issuer and the Trustee/Investment Agent agree to act in good faith and with due diligence and with all reasonable care which is in the circumstances required in the performance of their duties and obligations under the Trust Deed/Issuance Agreement or when exercising any power, authority or discretion which is vested in them under the Trust Deed/ Issuance Agreement.

#### REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE ISSUER *[ As per the trust deed/ issuance agreement]*

The Issuer hereby represents and warrants:

- a) that the execution by it of the Trust Deed/ Issuance Agreement and the issuance of the Sukuk/Bond does not contravene any of the provisions of its constitutive documents and rules and regulations, consents, or any law or any agreement to which it is expressed to be a party and constitute valid, legal and binding obligations of the Issuer in terms thereof;

- b) that all actions on the part of its officers, directors and shareholders necessary to authorize the execution of and performance by it of the obligations expressed to be assumed by it under the Trust Deed/ Issuance Agreement and the Sukuk/Bond have been taken;
- c) that no Event of Default has occurred as of the date of the Trust Deed/ Issuance Agreement;
- d) that there is no reason to the knowledge of the Issuer whereby the application of the Issuer for listing of the Sukuk/Bond or approval of the Prospectus may be revoked or cancelled by the SECP or the Stock Exchange, as the case may be;
- e) that it shall inform the Trustee/Investment Agent of (i) any general meeting of the Issuer convened for the purpose of considering any resolution for the winding up of the Issuer; (ii) any such resolution being proposed (whether in a general meeting or otherwise); or (iii) any petition for the winding up of the Issuer or for the appointment of an administrator of the Issuer or a receiver in respect of the property or assets of the Issuer and any breach by the Receiver in respect of the property or assets of the Issuer and any breach or alleged breach by the Issuer of any of its obligations under the Trust Deed/issuance agreement;
- f) that the Sukuk/Bond and the Trust Deed/Issuance agreement executed by the Issuer are valid, enforceable and binding obligations of the Issuer and there has been no Event of Default in relation to any such documents; and
- g) that all governmental, regulatory, creditors' and corporate consents, approvals, registrations and authorizations (to the extent required) for the purposes of the Sukuk/Bond Issue (other than for the listing on the Stock Exchange and those specifically stated hereunder) have been obtained.

The Issuer hereby covenants with the Trustee/Investment Agent:

- a) that if the redemption option or partial redemption option (as defined in the Trust Deed/issuance agreement) has been exercised by the Issuer, the Issuer shall on the option redemption date / partial option redemption date and within 7 (seven) Business Days of each Profit Payment Date, pay to the Sukuk/Bond Holders, the option redemption amount/ partial option redemption amount and profit payment amount in accordance with the terms hereof;
- b) that the Issuer shall ensure that the Issuer or its appointed registrar will, at all times maintain a correct register of Sukuk/Bond Holders showing their names and addresses, the amount of Sukuk/Bond held by each and the date on which such Sukuk/Bond Holder was registered as the holder and the date on which he ceased to be so registered; provided nevertheless the Issuer shall not be responsible for the foregoing where the Sukuk/Bond Holders have not intimated the transfer of the Sukuk/Bond in writing to the Issuer or the registrar, as applicable;
- c) that the Issuer will duly perform and observe the obligations imposed upon it by the Trust Deed/issuance agreement;
- d) that as and when requested by the Trustee/ investment agent, the Issuer shall ensure that the Issuer or registrar shall provide to the Trustee/investment agent the Register of Sukuk/Bond Holders and/or extracts therefrom as well as any other document or information pertaining to the Sukuk/Bond and the Sukuk/Bond Holders, in addition, the Issuer shall ensure that the Issuer or the Registrar shall send extracts of the Register of Sukuk/Bond Holders to the Trustee/ investment agent on a monthly basis;
- e) that the Issuer shall ensure that the annual audited accounts of the Issuer are available on the Issuer's website within 30 (thirty) days of publication of such accounts and semi- annual and quarterly accounts within 15 (fifteen) days of publication;
- f) that the Issuer shall ensure that during the period that the Sukuk/Bond or any of them are outstanding, the Issuer will comply with any laws, regulations or conditions applicable to financial ratios and commitments applicable to the business of the Issuer;
- g) that payment of all amounts by the Issuer to the Sukuk/Bond Holders in respect of the Sukuk/Bond will be made free and clear of deductions of any nature whatsoever except for deductions, if any required compulsorily to be made by law, for which the Issuer will provide suitable evidence of having deposited the amount deducted with the relevant government authority / department / treasury;
- h) that the Issuer shall ensure that any investment in the Sukuk/Bond by the sponsors of the Issuer, individually or collectively, either at the time of subscription or acquired by transfer, does not exceed

in the aggregate, at any time, 50% (fifty percent) of the total amount of the outstanding value of the Sukuk/Bond;

- i) that the Issuer shall not directly or indirectly, finance the purchase of any Sukuk/Bond Certificates by any person or entity or grant any advances against the security of any Sukuk/Bond Certificates issued hereunder to any Sukuk/Bond Holder; and
- j) that the Issuer shall, at all times, comply with the requirements of applicable laws.

#### *EVENTS OF DEFAULT [ As per the trust deed/ issuance agreement]*

An Event of Default will be deemed to have occurred, by a declaration in writing of the Trustee/Investment Agent informing the Issuer, that the Trustee/Investment Agent has been notified in writing by the Sukuk/Bond Holders representing more than 50% (fifty percent) of the total outstanding value of the Sukuk/Bond or supported by an Extra Ordinary Resolution passed at the meeting of the Sukuk/Bond Holder(s) certifying the occurrence of any of the following events: *[ As per the trust deed/ issuance agreement]*

#### *CONSEQUENCES OF EVENTS OF DEFAULT [ As per the trust deed/ issuance agreement]*

##### *APPLICATION OF PROCEEDS [ As per the trust deed/ issuance agreement]*

- a) In the event of a winding up order being made by a court of competent jurisdiction, .....
- b) Upon enforcement of the Issuer's profit payment obligations / the Issuer's option redemption obligations / Issuer's non-option redemption obligations in terms of the Trust Deed/Issuance Agreement, any Proceeds recovered / received by the Trustee/Investment Agent from such enforcement shall be applied by the Trustee/Investment Agent in the following manner.....
- c) Payment of the Proceeds to the Sukuk/Bond Holders shall be made by the Trustee/Investment Agent net of any deductions required under the law (against surrender of the original Sukuk/Bond, where applicable).

##### *MANDATORY CONVERSION (If applicable)*

Conversion Events include each of the following events:

- a) .....
- b) .....

##### *Cumulative/ Non-Cumulative Feature (If applicable)*

##### **Conversion Mechanism:** *(If applicable)*

##### *EXERCISE TO THE CALL OPTION (If applicable)*

## **PART 7:**

### LEGAL PROCEEDINGS AND OVERDUE LOANS

#### **7.1. Legal Proceedings**

There are no pending legal proceedings other than those mentioned in note ----- of the unconsolidated financials for the period ended ----- and; extracts of the referred note are provided below:

*Note ----- of the unconsolidated financials for the period ended -----*

#### **7.2. Overdue Loans**

The .....[*Issuer*], its Chief Executive and directors, its sponsors, and its associated companies have no overdue loans (local and/or foreign currency).

## PART 8:

### UNDERWRITING ARRANGEMENT, COMMISSIONS, BROKERAGE AND OTHER EXPENSES TO THE ISSUE

#### 8.1. UNDERWRITING

The present Public Issue of Sukuk of PKR ----- million has been fully underwritten as follows:

S.No.	Name of Underwriter	No. Of Sukuk Certificates	Amount in Rupees
-------	---------------------	---------------------------	------------------

If and to the extent that the Sukuk/Bond offered to the general public shall not have been subscribed and paid for in full by the closing date, the underwriters shall within 5 business days of being called upon by ----- to do so, subscribe or procure subscribers to subscribe and pay in readily available funds in accordance with their underwriting commitments. In the opinion of the Directors of the -----[Issuer], the resources of the underwriters are sufficient to discharge their underwriting obligations.

#### 8.2. UNDERWRITING EXPENSES

The underwriters will be paid underwriting management fees of up to ----% on the amount of the public portion underwritten by them; ---% of the underwriting management fee shall be paid within --- days of signing of Underwriting Management Agreement whereas the payment of the remaining portion / Additional Underwriting Management Fee shall be as disclosed in the Underwriting Management Agreement, as advised and approved by the Shariah Advisor.

#### 8.3. NO BUYBACK / REPURCHASE AGREEMENT

**THE UNDERWRITERS NOR ANY OF THEIR ASSOCIATES HAVE ENTERED INTO ANY BUYBACK OR REPURCHASE AGREEMENT WITH THE SPONSORS, THE -----[Issuer] OR ANY OTHER PERSON IN RESPECT OF THIS PUBLIC ISSUE.**

**ALSO, NEITHER THE ISSUER NOR ANY OF ITS ASSOCIATES HAVE ENTERED INTO ANY BUY BACK / REPURCHASE AGREEMENT WITH THE UNDERWRITERS OR THEIR ACCOCIATES.**

**THE ISSUER AND ITS ASSOCIATES SHALL NOT BUY BACK / RE-PURCHASE CERTIFICATES FROM THE UNDERWRITERS AND THEIR ASSOCIATES.**

#### 8.4. FEES AND EXPENSES FOR CENTRAIZED E-IPO SYSTEM

The commission on application received through CES will be paid to CDC, which shall not be more than 0.8% of the amount of successful applications. CDC will share the fee with other participants of CES at a ratio agreed amongst them.

#### 8.5. COMMISSION TO THE BANKERS TO THE ISSUE

A commission at the rate of -----% of the amount collected, in respect of successful applications will be paid to the Bankers to the Issue for services to be rendered by them in connection with the Public Offer. No commission shall be paid to the Bankers in respect of the Sukuk actually taken up by the underwriters by virtue of their respective underwriting commitments.

## 8.6. BROKERAGE COMMISSION

Brokerage commission shall be paid to the TREC holders of PSX, at the rate of 1.0% of paid-up value of Sukuk/Bond actually sold through them. No brokerage commission shall be payable in respect of Sukuk/Bond taken up by the Underwriters by virtue of their underwriting commitment.

## 8.7. EXPENSES TO THE ISSUE

The initial expenses of the issue paid or payable by the -----[Issuer] inclusive of commission to the Underwriters, Bankers to the Issue and members of the PSX, etc., are estimated to be as follows:

Key Expenses to the Issue	Rate	Amount (PKR)
Commission to Bankers to the Issue		
Out of Pocket Expenses of Bankers to the Issue		
CDC e-IPO charges*		
Other Bank's e-IPO Charges		
Underwriting Management Fees - General Public		
Commission to the TREC Holders of PSX		
Consultant to the Issue/Advisor and Arranger Fee		
Processing Fee - Pre IPO		
Trustee/Investment Agent Fee		
Rating Fee		
Legal Counsel Fee		
CDC Annual Fees for Eligible Security		
CDC Security Deposit		
CDC Fresh Issue Fee		
PSX Initial Listing Fee		
PSX Annual Listing Fee		
SECP Processing Fee		
SECP Supervisory Fee		
Auditors Fee for various certificates		
Printing & Publication of Prospectus/Application Forms		
Balloter and Registrar Fee		
Miscellaneous costs		
<b>Total</b>		

Note: Stamp duty fee (if any) will be calculated based on the advice of Transaction Legal Counsel

\*CDC E-IPO fee is 0.8% of the general portion actually received through that system. Therefore, the actual cost is dependent on the subscriptions received through E-IPO. Currently only 1 bank is offering E-IPO services for this IPO in addition to CDC.

**PART 9:**

MISCELLANEOUS INFORMATION

<p>9.1. REGISTERED OFFICE / CENTRAL OFFICE</p> <p><b>Registered Office Address:</b> ----- <b>Phone:</b> ----- <b>Fax:</b> -----<b>Email:</b> ----- <b>Website:</b> -----</p>	<p>9.2. AUDITOR OF THE ISSUER</p> <p>M/s. -----, Chartered Accountants Address: -----. Contact No.: ----- Email: -----</p>
<p>9.3. LEGAL ADVISORS OF THE ISSUER [<i>Name and Contact details</i>]</p> <p>1.----- 2.-----</p>	<p>9.4. LEGAL ADVISOR TO THE ISSUE [<i>Name and Contact details</i>]</p> <p>1.----- 2.-----</p>
<p>9.5. REGISTRAR AND TRANSFER AGENT -----Limited Office: ----- UAN: ----- FAX: ----- Email &amp; Website: -----</p>	<p>9.6. CONSULTANT TO THE ISSUE -----Limited Address: -----Phone: ----- Fax: ----- Email &amp; Website: -----</p>
<p>9.7. TRUSTEE / INVESTMENT AGENT -----Limited Office: ----- UAN: ----- FAX: ----- Email &amp; Website: -----</p>	<p>9.8. COMPLIANCE OFFICER -----Company Secretary ----- Limited -----Tel: +-----Ext. ----- Fax: -----</p>
<p>9.9. BANKERS TO THE ISSUE 1.----- 2.-----</p>	<p>9.10. DESIGNATED MARKET MAKER -----Limited Office: ----- UAN: ----- FAX: ----- Email &amp; Website: -----</p>

**PATR 10:**

## MATERIAL CONTRACTS / DOCUMENTS RELATED TO THE ISSUE

**10.1. UNDERWRITING AGREEMENTS**

S. No.	Underwriters Name	Amount (PKR)	Date of Agreement
--------	-------------------	--------------	-------------------

**10.2. INVESTOR AGREEMENTS**

S. No.	Pre-IPO Investors	Amount (PKR)	Date of Agreement
--------	-------------------	--------------	-------------------

**10.3. OTHER MATERIAL DOCUMENTS**

S. No.	Description	Date
1	Trust Deed/Issuance Agreement between ----- Limited and - ----- Limited	
2	Instrument Credit Rating Report by ----	
3	Entity Credit Rating Report by ----	
4	Approval of Pakistan Stock Exchange Limited vide letter reference no. ----	
5	Approval of the Securities and Exchange Commission of Pakistan vide letter reference no. ----	
6	Market Making Agreement between ----- Limited and ---- Limited	

**10.4. INSPECTION OF DOCUMENTS AND CONTRACTS**

All the Balance Sheets and Profit & Loss Accounts, Copies of the Memorandum and the Articles of Association, the Auditor's Certificates, Trust Deed/Issuance Agreement, the Credit Rating Reports by --, Clearance letter from PSX and the approval letters from SECP, and the copies of agreements referred to in this Prospectus may be inspected during usual business hours on any working day at the registered office of the Bank from the date of publication of this Prospectus until the closing of the Subscription Period.



## **PART 11:**

### **APPLICATION AND ALLOTMENT INSTRUCTIONS**

#### **11.1. ELIGIBLE INVESTORS**

Eligible Investors include:

- a) Pakistani citizens resident in or outside Pakistan or persons holding dual nationalities including Pakistani nationality;
- b) Foreign nationals whether living in or outside Pakistan;
- c) 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);
- d) Mutual Funds, Provident / pension / gratuity funds / trusts, (subject to the terms of the Trust Deed and existing regulations); and
- e) Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

#### **11.2. OPENING AND CLOSING OF SUBSCRIPTION LIST**

The subscription list will open at the commencement of the banking hours ----- and close at the end of banking hours on -----.

#### **11.3. COPIES OF THE PROSPECTUS**

Copies of the Prospectus and applications forms can be obtained from the registered office of the ----- Limited, the Consultant to the Issue and the Bankers to the Issue. The Prospectus and the Application Forms can also be downloaded from the following websites:

<http://----->, <https://-----com.pk>, [www.psx.com.pk](http://www.psx.com.pk) and <https://----->

- 11.4. The applicants are required to complete the relevant sections of the application in order to get the Securities in scrip-less form. In accordance with the provisions of the Central Depositories Act, 1997 and the CDCPL Regulations, credit of such securities is allowed ONLY in the applicant's own CDC account.
- 11.5. Name(s) and address(es) must be written in full block letters, in English, and should not be abbreviated.
- 11.6. 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 Pakistani (NICOP) or passport, both the signatures should be affixed on the application form.

#### 11.7. APPLICATIONS MADE BY INDIVIDUAL INVESTORS

- a) In case of individual investors, a photocopy of the 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.
- b) Original CNIC / NICOP / Passport, along with a 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 an application. The photocopy will, after verification, be retained by the branch along with the application.

#### 11.8. APPLICATIONS MADE BY INSTITUTIONAL INVESTORS

- a) Applications made by companies, corporate bodies, mutual funds, provident / pension / gratuity funds / trusts and other legal entities must be accompanied by a 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.
- b) Photocopies of the documents mentioned in paragraph (a) above 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 copies, will after verification, be retained by the bank branch along with the application.

#### 11.9. ADDITIONAL INSTRUCTIONS FOR INVESTORS

- a) Only one application will be accepted against each account, however, in case of joint accounts, one application may be submitted in the name of each joint account holder.
- b) Joint application in name of more than two persons will not be accepted. In case of joint application each applicant must sign the application, form and submit copies of their CNICs / NICOP / Passports. The securities 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 application will be considered as a single application for the purpose of allotment of securities.
- c) 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 in favor of "**IPO of -----  
---- Limited – Sukuk/Bond**" and crossed "A/C PAYEE ONLY".
- d) For the application 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.
- e) 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 securities.
- f) Applications are not to be made by minors and / or persons of unsound mind.
- g) Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the application form.

- h) Applicants should retain the bottom portion of their application forms as provisional acknowledgment 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 securities for which the application has been made.
- i) 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.
- j) Banker 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.
- k) 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.
- l) Submission of false and fictitious applications is prohibited, and such Application Money may be forfeited under section 87(8) of Securities Act, 2015.

عوام الناس کو مطلع کیا جاتا ہے کہ سیکورٹیز ایکٹ 2015 کی سیکشن نمبر (7) کے تحت جعلی یا جعلی درخواستیں دینا قانوناً ناجائز ہے۔ خلاف ورزی کرنے والوں کی رقم، جو کہ درخواست کے ساتھ جمع کرائی جاتی ہے، سیکورٹیز ایکٹ 2015 کی سیکشن نمبر (8) کے تحت ضبط کی جاسکتی ہے۔

#### 11.10. ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

- a) 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 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 applications. Copies of these documents can be attested by the Bank Manager in the country of applicant's residence.
- b) Foreign / Non-resident investors should follow the payment instructions given in para ---- of the prospectus.

#### 11.11. PUBLIC SUBSCRIPTION THROUGH E-IPO

##### E-IPO SYSTEM

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

##### PSX's e-IPO System (PES):

In order to facilitate investors, the Pakistan Stock Exchange Limited ("PSX") has developed an e-IPO System ("PES") through which applications for subscription of securities offered to the general public can be made electronically. PES has been made available in this Issue and can be accessed through the web link (<https://eipo.psx.com.pk>). Payment of subscription money can be made through 1LINK's and NIFT's member banks available for PES.

For making application through PES, investors must be registered with PES. The PES registration form is available 24/7, all throughout the year. Registration is free of cost and can be done by:

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

Similarly, an e-IPO application can be filed by:

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

For further guidance and queries regarding PES, investors may contact PSX at phone number: 111-001-122, or contact at phone (021)-35274401-10 and email: [itss@psx.com.pk](mailto:itss@psx.com.pk).

Investors who are registered 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 - -----[Date].

#### **Centralized e-IPO System (CES):**

The Central Depository Company of Pakistan Limited (CDC) in collaboration with 1Link (G) Limited (1Link) 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 has been made available in this Issue and can be accessed through the web link ([www.cdceipo.com](http://www.cdceipo.com)). Payment of subscription money can be made through 1LINK's member banks available for CES, list of which is available on the above-mentioned website.

For making application through CES, investors must be registered with CES. Registration with CES is one-time activity, 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), International Bank Account Number (IBAN) with any of the commercial bank, email address, mobile phone number and CDS Account (Investor Account or sub Account) may register themselves with CES.

In addition to the above, CDC has also introduced a new facility in CES through which sub-account holder(s) will 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 (IPOs) 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. 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](http://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](mailto:info@cdcpak.com) or contact Mr. ----- of CDC at Phone ----- and email: -----.

#### **11.12. E-IPO Facilities by Bankers to the Issue**

Currently, -----[Bank name] and -----[Bank name] are providing e-IPO facilities to their respective account holders. ----- account holders can use ----- Net Banking to submit their application via link <http://-----> whereas ----- account holders can use ----- Net Banking to submit their application via link <https://----->.

Investors who are registered with CES or account holders of ---- & ---- can submit their applications through the above mentioned links 24 hours a day during the subscription period which will close at midnight on -----[Date].

#### **11.13. FACILITIES AVAILABLE TO FOREIGN/NON-RESIDENT PAKISTANI INVESTORS**

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (VIII)) of Chapter 20 of the State Bank of Pakistan's ("SBP") Foreign Exchange Manual (the "Manual") to issue Sukuk 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 and the purchase price (whether negotiated privately or otherwise) is not less than the price quoted on the PSX.

Non-residents who wish to subscribe Sukuk/Bond 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 Sukuk offered to general public / retail investors. List of bankers to the issue for retail portion is available on title page of this Prospectus.

The Sukuk/Bond issued to non-resident investors shall be intimated by the Bank 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 Sukuk/Bond 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 profit, net of applicable taxes and proceeds on sale of listed Sukuk/Bond (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.

#### 11.14. CODE OF OCCUPATIONS

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

#### 11.15. 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		

#### 11.16. MINIMUM AMOUNT OF APPLICATION AND BASIS OF ALLOTMENT OF SUKUK/BOND

The basis and conditions of allotment shall be as follows: I) Face value of the Sukuk/Bond is PKR 5,000/-.

- a) The minimum amount of application for subscription of Sukuk/Bond is PKR 5,000/-.
- b) Applications for Sukuk/Bond below the aggregate face value of PKR 5,000/- shall not be entertained.
- c) Applications for Sukuk/Bond by the general public, including institutions and individuals, must be for a minimum of the aggregate face value of PKR 5,000/- or in multiples thereof.

- d) If the Sukuk/Bond to be issued to the general public are sufficient for the purpose, all applications shall be accommodated.
- e) If the issue is oversubscribed in terms of amount, then all applications shall be accommodated initially for Sukuk/Bond of face value of PKR 5,000/- each and the balance Sukuk shall be allotted on prorata basis to all applicants who applied for Sukuk/Bond in multiples of PKR 5,000/-.
- f) If the issue is over-subscribed in terms of number of applications and the amount, the Sukuk/Bond shall be allotted through computer balloting in the presence of representatives of PSX.
- g) Allotment of Sukuk/Bond shall be subject to scrutiny of applications for subscription.

#### 11.17. REFUND OF MONEY TO UNSUCCESSFUL APPLICANTS

----- (name of the Issuer) shall take a decision within ten (10) days of the closure of subscription list as to which applications have been accepted or are successful and refund the money in cases of unaccepted or unsuccessful applications within ten (10) days of the date of such decision as required under regulation No. ---- read with regulation No. ---- of the PSX Rule Book.

As per sub-section (2) of Section 68 of the Companies Act, 2017, if a refund is not made within the time specified therein, the Directors of the Company shall be jointly and severally liable to repay the money with surcharge at the rate of 2.00%, for every month or part thereof from the expiration of the 15th day and, in addition, shall be liable to a penalty of level 3 on the standard scale.

The surcharge mechanism has been mentioned here in order to ensure regulatory compliance. However, from the shariah perspective, since this surcharge is a form of interest, the applicants are advised to dispose any such received amount as charity.

#### 11.18. MINIMUM SUBSCRIPTION

The minimum amount of subscription on which the Directors will proceed to allot Sukuk/Bond is PKR - ----- million.

#### 11.19. ISSUE AND CREDIT OF SUKUK/BOND

----- (name of the Issuer) shall credit Sukuk/Bond to the successful allottees within twenty-one (21) days of closure of subscription list in compliance with the requirements of PSX. Sukuk/Bond will be issued only in the Book-Entry Form through credit in their CDS Accounts. The applicants, therefore, must provide their CDS Account Number (Investor Account Number or Sub-Account Number) in the Sukuk/Bond Subscription Form.

The Sukuk/Bond issued shall be subject to the terms & conditions for the issuance of the Sukuk/Bond specified in the Trust Deed/Issuance Agreement dated -----.

If the ----- (name of the Issuer) defaults on complying with the requirements of the Listing Regulations, it will pay to PSX a penalty of PKR 5,000/- per day during which the default continues. PSX may also notify the fact of such default and the name of the Bank by notice and also by publication, in the Daily Quotations.

The surcharge mechanism has been mentioned here in order to ensure regulatory compliance. However, from the shariah perspective, since this surcharge is a form of interest, PSX is advised to dispose any such received amount as charity.

#### 11.20. TRANSFER OF SUKUK/BOND

The Sukuk/Bond will be inducted into the CDC, transfer shall be made in accordance with the Central Depository Act, 1997 and CDC Regulations.

#### 11.21. BANKERS TO THE ISSUE

1. ----- Bank Limited
2. ----- Bank Limited
3. ----- Bank Limited
4. ----- Bank Limited
5. ----- Bank Limited
6. ----- Bank Limited
7. ----- Bank Limited

#### 11.22. DEDUCTION OF ZAKAT

Zakat is deductible in case of the Sukuk/Bond being held by Muslim citizens of Pakistan, except where a statutory declaration of exemption is filed, and in case of certain non-corporate entities such as Trusts, Funds, etc. (subject to being qualified for non-deduction of Zakat under the Zakat and Ushr Ordinance, 1980). Zakat is withheld at 2.5% of the redeemed principal amount.

#### 11.23. INCOME TAX *-[as per current tax rates]*

Any income derived from investment in Sukuk/Bond shall be subject to income tax as per the Income Tax Ordinance, 2001. Withholding tax, as specified in Part III Division IB of the First Schedule of the said ordinance shall be applicable.

#### 11.24. DEDUCTION OF WITHHOLDING TAX *-[as per current tax rates]*

Profit paid to Sukuk/Bond Holders will be subject to withholding tax under section 150A of the Income Tax Ordinance, 2001 specified in Part III Division IB of the First Schedule of the said Ordinance or any time to time amendments therein. Rates of tax specified under Division IB are as follows:

Category	Tax Rate for Persons appearing in Active Tax Payer List	Tax Rate for Persons not appearing in Active Tax Payer List
Company	15%	30%
Individual or Association of Persons (If return on Investment is more than one million)	12.50%	25%
Individual or Association of Persons (If return on Investment is less than one million)	10%	20%

11.25. CAPITAL GAINS *-[as per current tax rates]*

Any capital gain derived from the sale of Sukuk/Bond shall be subject to capital gain tax as per section 37A of the Income Tax Ordinance, 2001. Applicable Capital Gain Tax Rates for FY20 are as follows:

- (c) For persons appearing in Active Tax Payer List: 15.0%
- (d) For persons not appearing in Active Tax Payer List: 30.0%

11.26. DISCLOSURE OF DEFERRED TAXATION

The -----[name of the issuer] recognises deferred tax asset / liability on deficit / surplus on revaluation of operating fixed assets and securities which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS) 12, 'Income Taxes'. The balance of deferred tax asset (net) as of -----[Date] was PKR ----- million (unconsolidated). For detail please refer to Company's website at <http://----->.

**PART 12:**

SIGNATORIES TO THE PROSPECTUS

Name	Designation	Signature
------	-------------	-----------

Signed by the above in the presence of following witnesses:

**Witness 1**

-sd-

\_\_\_\_\_  
Name: -----  
Designation: -----  
CNIC: -----

**Witness 1**

-sd-

\_\_\_\_\_  
Name: -----  
Designation: -----  
CNIC: -----

**PART 13:**

MEMORANDUM OF ASSOCIATION -

*[Please place legible scanned copy of the Memorandum of Association of the Company hereunder]*

**PART 14:**

APPLICATION FORM



**ADVICE FOR INVESTORS**

**INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS PROSPECTUS, ESPECIALLY THE RISK FACTORS GIVEN PART 6 OF THIS PROSPECTUS 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.**

**Company's Name & Logo**

**PROSPECTUS**

DATE & PLACE OF INCORPORATION: REGISTRATION NO.: REGISTERED OFFICE ADDRESS:	TELEPHONE NO.: CONTACT PERSON: EMAIL & WEBSITE ADDRESS:
---	---

THE ISSUE SIZE OF FULLY PAID UP, RATED, .....[Plz mention other features like secured/unsecured, convertible/non-convertible, cumulative/non-cumulative etc.] SUKUK/BOND ("SUKUK") IS PKR ..... MILLION, OUT OF WHICH SUKUK/BOND OF PKR ..... MILLION (---% OF ISSUE SIZE) ARE TO BE ISSUED TO THE PRE-IPO INVESTORS AND PKR ---- MILLION (---% OF ISSUE SIZE) ARE BEING OFFERED TO THE GENERAL PUBLIC BY WAY OF INITIAL PUBLIC OFFER THROUGH THIS PROSPECTUS

RATE OF RETURN/ PROFIT: -----

INSTRUMENT RATING: (long term and short term)----- BY----- RATING AGENCY LIMITED

LISTING VENUE: PAKISTAN STOCK EXCHANGE LIMITED

AS PER PSX'S LISTING OF COMPANIES AND SECURITIES REGULATIONS, THE DRAFT PROSPECTUS WAS PLACED ON PSX'S WEBSITE, FOR SEEKING PUBLIC COMMENTS, FOR SEVEN (7) WORKING DAYS STARTING FROM ----- TO ----- . NO COMMENTS HAVE BEEN RECEIVED ON THE DRAFT PROSPECTUS/ / COMMENTS HAVE BEEN RECIVED AND ADDRESSED.

DATE OF PUBLIC SUBSCRIPTION: FROM ----- TO ----- (DURING BANKING HOURS) (BOTH DAYS INCLUSIVE)

**LEAD MANAGER/CONSULTANT TO THE ISSUE****BANKERS TO THE ISSUE (RETAIL PORTION)**

1.----Bank Ltd.2.-----3.-----4.-----5.-----6.-----7.-----

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 Centralized E-IPO system (CES) of Central Depository Company of Pakistan Limited (CDC). PES can be accessed via web link <https://eipo.psx.com.pk> and CES can be accessed via web link [www.cdceipo.com](http://www.cdceipo.com); For details please refer to section ---- of the Prospectus.

**The Company's Sukuk/Bond is Proposed to be listed at the Pakistan Stock Exchange Limited**

Underwriters for Retail Portion of the Issue:	Joint Advisor & Arranger and Designated Market Maker:	Trustee / Investment Agent:	Shariah Advisor/ Shariah Board-----:
---	---	-----------------------------	--------------------------------------

Prospectus and Subscription Forms can be downloaded from the following websites <http://-----> and <http://----->

For further information/queries you may contact:

Mr./Ms..... Phone:..... Email:...	Mr./Ms..... Phone:..... Email:...	Mr./Ms..... Phone:..... Email:...
--------------------------------------	-----------------------------------	-----------------------------------

DATE OF PUBLICATION OF THIS PROSPECTUS: -----

**UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

DATE: -----

WE, Mr./Ms.----- (name & designation) AND Mr./Ms.----- (name & designation) OF -----  
----- LIMITED HEREBY CERTIFY THAT:

8. THIS 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;
9. THE INFORMATION CONTAINED IN THIS PROSPECTUS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF;
10. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
11. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THIS PROSPECTUS AS A WHOLE OR ANY PART THEREOF MISLEADING;
12. THE IPO PROCEEDS SHALL BE UTILIZED AS PER THE PURPOSE DISCLOSED IN THE PROSPECTUS
13. 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; AND
14. 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 PART 10 OF THE PROSPECTUS.

FOR AND BEHALF OF ----- LIMITED

-sd-

\_\_\_\_\_  
Mr./Ms.....  
PRESIDENT & CEO

-sd-

\_\_\_\_\_  
Mr./Ms.....  
CHIEF FINANCIAL OFFICER

**UNDERTAKING BY THE CONSULTANT TO THE ISSUE/ LEAD MANAGER**

Date\_\_\_\_\_

We \_\_\_\_\_ Ltd. holding valid license to act as Consultant to the Issue/ Lead Manager and being mandated as the Consultant to the Issue/ Lead Manager to this Initial Public Offering of \_\_\_\_\_ Ltd. (*Name of Company*) hereby confirm that:

- iii. 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 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.
- iv. 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 investor to make an informed decision, has been disclosed in the Prospectus.

FOR AND BEHALF OF ----- LIMITED

-sd-

\_\_\_\_\_  
Mr./Ms.....  
PRESIDENT & CEO

## GLOSSARY OF ABBREVIATIONS AND TECHNICAL TERMS

<b>Issuer</b>	----- Limited
<b>Board / BOD</b>	Board of Directors of ----- Limited
<b>CAGR</b>	Compounded Annual Growth Rate
<b>CDC</b>	The Central Depository Company of Pakistan Limited
<b>CDS</b>	Central Depository System
<b>Consultant to the Issue/ Lead Manger</b>	----- Limited
<b>Credit Rating Agency</b>	-----Rating Agency Limited (“---”)
<b>Conditions</b>	The terms and conditions governing and regulating the Sukuk
<b>CY</b>	Calendar Year
<b>DFI</b>	Development Financial Institutions
<b>DSL Regulations</b>	Chapter 5B of the Rule Book of the Pakistan Stock Exchange Limited titled “Listing of Debt Securities Regulations”, as amended from time to time
<b>EPS</b>	Earnings per Share
<b>FY</b>	Financial Year
<b>GOP</b>	Government of Pakistan
<b>Investor Agreement</b>	The Investor Agreement entered into between each Pre-IPO Investor and the Issuer, prior to the Issue Date
<b>Issue Date</b>	Issue Date means (i) the date of closing of the subscription list for the public offering of the Sukuk Certificates in the event the Sukuk Certificates are fully subscribed, or (ii) in the case of undersubscription, the date on which the entire amount of the Sukuk/Bond Issue has been fully subscribed, which shall be achieved by the Issuer by no later than ---- (----) days from the date of closing of the subscription list for the public offering of the Sukuk Certificates.
<b>KIBOR</b>	Karachi Inter-Bank Offer Rate (Ask Side)
<b>Designated Market Maker</b>	---- Limited
<b>PSX</b>	Pakistan Stock Exchange Limited
<b>PKR or Rs.</b>	Pakistani Rupee
<b>SECP or the Commission</b>	Securities & Exchange Commission of Pakistan
<b>Sukuk/Bond</b>	Fully paid up, rated, listed ---- [Plz mention other features like secured/unsecured, convertible/non-convertible, cumulative/non-cumulative etc.] Sukuk/Bond to be issued as an instrument of redeemable capital under Section 66 of the Companies Act, 2017.
<b>Sukuk/Bond Holders</b>	Sukuk/Bond Holders mean the persons shown as holders of Sukuk/Bond in the records of the CDS, who shall be the beneficiaries under the Trust Deed/Issuance Agreement.
<b>Sukuk/Bond Issue</b>	Issuance of Sukuk/Bond Certificates of PKR ---- million (mention full amount of the sukuk issue)
<b>Transaction Documents</b>	4. Trust Deed/Issuance Agreement 5. The Investor Agreements; 6. Subscription Undertaking; and 4. Sukuk/Bond Certificates (when issued)
<b>Trust Deed/ Issuance Agreement</b>	The Trust Deed/Issuance Agreement executed between the .....(name of the issuer) and the Trustee/Issuance Agent dated -----
<b>Trustee / Investment Agent</b>	----- Limited
<b>Transfer Agent &amp; Balloter</b>	----- Limited
<b>Transaction Legal Counsel</b>	-----

## A) SUMMARY OF THE ISSUE

<b>Issue Size</b>	PKR ----- million
<b>Pre-IPO Placement</b>	PKR ----- million
<b>Initial Public Offering (IPO)</b>	PKR ----- million
<b>Purpose</b>	<i>[Please mention the purpose of utilization of the proceeds of the issue]</i>
<b>Utilization of Proceeds</b>	<i>[The amount of funds raised from the issuance of Sukuk/Bond shall be utilized to finance .....]</i>
<b>Minimum Investment</b>	The Sukuk/Bond will be offered in denominations of PKR 5,000/- or multiples thereof to the investors subject to a minimum Investment amount of PKR 5,000/-
<b>Issue Date</b>	(iii) the date of closing of the subscription list for the public offering of the Sukuk/Bond Certificates in the event the Sukuk/Bond Certificates are fully subscribed (iv) in the case of undersubscription, the date on which the entire amount of the Sukuk/Bond Issue has been fully subscribed, which shall be achieved by the Issuer by no later than 15 (fifteen) days from the date of closing of the subscription list for the public offering of the Sukuk/Bond Certificates
<b>Tenor</b>	----
<b>Principal Redemptions</b>	----
<b>Profit Rate</b>	----
<b>Profit Payment Frequency</b>	[monthly/quarterly/semiannually]
<b>Issue Price</b>	Par (i.e. each Sukuk/Bond having a face value of PKR 5,000/-)
<b>Security</b>	-----
<b>Transaction Legal Counsel</b>	-----
<b>Listing</b>	Pakistan Stock Exchange Limited
<b>Entity Rating</b>	Long Term Rating: ---- Short Term Rating: ----- Rating Agency: ----
<b>Instrument Rating</b>	“----” (-----), assigned by ----
<b>Subscription Date</b>	---- to ---- (during banking hours) (both days inclusive)
<b>Risk Factors</b>	For details please refer to Part ---- of the Prospectus
<b>Trustee/Investment Agent to the Issue</b>	----- Limited
<b>Shariah Advisor</b>	Shariah Board of ----- Limited
<b>Compliance Officer</b>	Mr./Ms.----- Company Secretary ----- Limited Tel: ----- Fax: -----
<b>Underwriters to the Issue</b>	-----Limited

<b>Designated Market Maker</b>	----- Limited
<b>Bankers to the Issue</b>	8. ---- Bank Limited 9. ---- Bank Limited 10.---- Bank Limited 11.---- Bank Limited 12.---- Bank Limited 13.---- Bank Limited 14.---- Bank Limited
<b>Transferability</b>	The Sukuk/Bond will be inducted into the CDC, transfer shall be made in accordance with the Central Depository Act, 1997 and CDC Regulations
<b>Governing Law</b>	-----

## B) SUMMARY OF RISKS RELATED TO THE ISSUE

Following are the key risks related to the Sukuk/Bond Issue:

- (iv) .....
- (v) .....
- (vi) .....

**[Please refer to Part ----- for detailed description of risk factors.]**

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## PART 1:

### APPROVAL, CONSENTS AND LISTING ON THE STOCK EXCHANGE

#### 1.1. APPROVAL OF THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Approval of the Securities and Exchange Commission of Pakistan (the “Commission” or the “SECP”) as required under Section 87(2), read with Section 88(1) of the Securities Act, 2015 (the “Act”) has been obtained for the Issue, circulation and publication of this Prospectus.

#### **DISCLAIMER:**

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

**SECP HAS NOT EVALUATED QUALITY OF THE ISSUE AND ITS APPROVAL FOR ISSUE, CIRCULATION AND PUBLICATION OF 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 THE PAKISTAN STOCK EXCHANGE LIMITED

The Prospectus for the issue of fully paid-up, rated, ----- *[Plz mention other features like secured/unsecured, convertible/non-convertible, cumulative/non-cumulative etc.]* Sukuk/Bond Issue (“Mudaraba/Musharikah /Ijara etc. Sukuk” or “Sukuk”) has been approved by the Pakistan Stock Exchange Limited (“PSX”) in accordance with the requirements of its Listing of Debt Securities Regulations.

#### **DISCLAIMER:**

**C) PSX HAS NOT EVALUATED THE QUALITY OF THE ISSUE AND ITS APPROVAL SHOULD NOT BE CONSIDERED AND CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC / INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT INVESTIGATION AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE SUBSCRIBING.**

**D) THE PUBLICATION OF THIS DOCUMENT DOES NOT REPRESENT SOLICITATION BY PSX.**

**C) *THE CONTENTS OF THIS DOCUMENT DO NOT CONSTITUTE AN INVITATION TO INVEST IN SUKUK* OR SUBSCRIBE FOR ANY SECURITIES OR OTHER FINANCIAL INSTRUMENT BY PSX, NOR SHOULD IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED UPON IN ANY CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER OF PSX.**

**H) IT IS CLARIFIED THAT INFORMATION IN THIS PROSPECTUS SHOULD NOT BE CONSTRUED AS ADVICE ON ANY PARTICULAR MATTER BY PSX AND MUST NOT BE TREATED AS A SUBSTITUTE FOR SPECIFIC ADVICE.**

**I) PSX DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THIS DOCUMENT TO ANY ONE, ARISING FROM ANY REASON, INCLUDING, BUT NOT LIMITED TO, INACCURACIES, INCOMPLETENESS, AND/OR MISTAKES, FOR DECISION AND/OR ACTIONS TAKEN BASED ON THIS DOCUMENT.**

**J) PSX NEITHER TAKES RESPONSIBILITY FOR THE CORRECTNESS OF CONTENTS OF THIS DOCUMENT NOR THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS THERE UNDER.**



**K) ADVICE FROM A SUITABLY QUALIFIED PROFESSIONAL SHOULD ALWAYS BE SOUGHT BY INVESTORS IN RELATION TO ANY INVESTMENT IN SECURITIES.**

1.3. APPROVAL FROM OTHER REGULATOR *(if applicable, along with terms & conditions be disclosed here)*

1.4. APPROVAL OF SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN UNDER SECTION 83 OF COMPANIES ACT, 2017 *(In case of convertibility of debt instrument/sukuk into shares)*

On the basis of special resolution passed in the Extraordinary General Meeting held on -----, the Commission has allowed ----- under section 83 of the Companies Act, 2017 to issue, by way of other than right offer, up to ----- million ordinary shares to the Sukuk/Bond holders upon conversion of the Sukuk/Bond on occurrence of a conversion event.

1.5. FILING OF PROSPECTUS AND OTHER DOCUMENTS WITH THE REGISTRAR OF COMPANIES

----- *[name of the issuer]* has delivered to the Registrar of Companies as required under Sections 57 (1) of the Act, a copy of this Prospectus signed by all the Directors of -----*[name of the issuer]*.

1.6. LISTING AT PSX

Application has been submitted by the Issuer to PSX for listing of the Sukuk/Bond.

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 (21) days from the date of closing of the subscription period / list or such longer period not exceeding forty-two (42) days as may, within the said twenty-one (21) 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 subscription money to the applicants without surcharge as required under the provisions of Section 69 of the Companies Act.

However, and, if any such money is not repaid within eight (08) days after the -----*[name of the issuer]* becomes liable to repay it, the Directors of the -----*[name of the issuer]* 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 per cent (2.00%) for every month or part thereof from the expiration of the eight day and, in addition, shall be liable to a penalty of level 3 on the standard scale in accordance with the provisions of sub-section (2) of Section 69 of the Companies Act.

The surcharge mechanism has been mentioned here in order to ensure regulatory compliance. However, from the shariah perspective, since this surcharge is a form of interest, the applicants are advised to dispose any such received amount as charity.

As required under sub-section (3) of Section 69 of the Companies Act, the subscription money, shall be deposited and kept in a separate bank account in a scheduled bank so long as the Issuer may become liable to repay it under sub-section (2) of Section 69 of the Companies Act.

1.8. COMPLIANCE OFFICER

Mr./Ms.-----

Company Secretary

----- Limited

*[Name of the Issuer with address]*

Tel: -----

Fax: -----

**PART 2:**

**SUMMARY OF THE PROSPECTUS**

2.1. PRIMARY BUSINESS OF THE ISSUER

----- Limited is licensed/Registered by ----- . The ---- [Issuer] offers a full range of services in -  
-----

2.2. SPONSORS

-----[*name of the issuer*] sponsors include -----[*please disclose names of all sponsors, whether individuals or institutions*].

2.3. SALIENT FEATURES OF THE ISSUE

----- Limited [*name of Issuer*] is issuing fully paid up, rated, ----- Sukuk/Bond Certificates to be issued as an instrument of redeemable capital under Section 66 of the Companies Act, 2017.

The total Sukuk/Bond Issue size is of PKR -----/- (Pak -----million only). The Sukuk/Bond Certificates are ----- [*whether secured/unsecured, subordinated, rated, listed, perpetual, cumulative /non-cumulative*] and will be offered in denominations of PKR 5,000/- or multiples thereof to the investors subject to a minimum investment amount of PKR 5,000/ . The Sukuk/Bond Certificates of PKR ----- million have been offered to investors through pre-IPO subscription (Pre-IPO Portion) and the remaining PKR ----- million shall be offered to general public through this prospectus (IPO Portion).

The Sukuk/Bond Certificates being issued have been assigned a rating of “----” [*rating assigned*] by ----- [*name of the rating agency*] and will carry a ----- [*Profit rate*] . Profit will be payable [*monthly/quarterly/semi annually*] (365 days in a year) in arrears on the outstanding investment amount. The first such profit payment will fall due at the end of 1<sup>st</sup> calendar month end from the Issue Date and subsequently every month end thereafter.

----- [Other profit related conditions/ stoppers, if any ]

----- [ Call Option /Put Option related conditions, if any specifically mentioning whether Put Option shall be available to the Sukuk/Bond Holders or not]

----- Limited has been appointed as trustee/Investment Agent to secure the interests of the investors. ----- has been appointed as the Designated Market Maker for this Issue and the Sukuk/Bond shall be listed on the PSX via Initial Public Offering, thereby creating liquidity for the Issue.

#### 2.4. PRINCIPLE PURPOSE OF THE ISSUE AND UTILIZATION OF PROCEEDS

-----[Complete details of the Principal purpose of the Issue].

#### 2.5. FINANCIAL HIGHLIGHTS OF THE ISSUER

<b>Financials - PKR million</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Paid-up capital				
Equity (including surplus on revaluation of assets)				
Profit / return / earned				
Net Profit / Return				
Profit before Provisions				
Profit after Taxation				
Earnings per Share (EPS)- (PKR)				
Book Value per Share (BVPS) (including & excluding surplus (PKR)				

Detailed financial information has been disclosed in **Part ----** of this Prospectus.

#### 2.6. OUTSTANDING LEGAL PROCEEDINGS

All the outstanding legal proceedings of the Issuer have been disclosed in Part ----. Further, there are /no outstanding legal proceeding other than the normal course of business involving sponsors, substantial shareholders and directors of Issuer and associated companies, over which the Issuer has control, that could have material impact on the Issuer.

#### 2.7. RISK FACTORS

A summary of the risks related to the Issue is given on page ---- of this Prospectus while detailed description of risk factors is given in Part 6 of this Prospectus.

#### 2.8. SUMMARY OF RELATED PARTY TRANSACTIONS

Summary of related party transactions of the Issuer for the last three years (i.e.-----) is provided below:

## PART 3:

### OVERVIEW, HISTORY AND PROSPECTS

#### 3.1. BACKGROUND & HISTORY

Name of the Issuer	----- Limited
Date of Incorporation	-----
Date of Commencement of Business	-----
Registration Number	-----
Listing Information	-----

----- was incorporated on ----- as a public/Private limited company to carry out the business of ----- . Subsequently, ----. (*Background information about the issuer including major achievements*).

#### 3.2. PATTERN OF SHAREHOLDING

----- [*name of the issuer*] major sponsors include ----- Pattern of shareholding of [*name of the issuer*] as of -----[*Date*] is given below:

Shareholder Category	No. of Shares	Percentage
Associated Companies, Undertakings and Related Parties		
Mutual Funds		
Directors and their Spouses(s) and Minor Children		
Executives		
Public Sector Companies and Corporations		
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas & Pension Funds		
General Public (Local & Foreign)		
Foreign Companies		
Others		
<b>Total</b>		
<b><u>Shares held by Sponsors</u></b>		
Shareholders Name	No. of Shares	Percentage
1.		
2.		
3.		
4.		
5.		

6.		
<b>Total</b>		

3.3. KEY REVENUE AND COST DRIVERS OF THE ISSUER

3.4. ORGANIZATION STRUCTURE OF THE ISSUER

3.6. AWARDS AND ACHIEVEMENTS *[Complete details of awards and achievements alongwith dates]*

3.7. PRODUCTS AND SERVICES *[Summary of the products/services offered by the Issuer]*

3.8. OPERATING AND FINANCIAL PERFORMANCE HIGHLIGHTS

*[Commentary on financial performance for the last five years along with charts]*

3.9. END USERS, DEMAND FOR THE PRODUCTS AND COMPETITORS

3.10. INTELLECTUAL PROPERTY RIGHTS *[If applicable]*

S. No.	Trade Mark No.	Name of the Trade Mark
1		
2		
3		

3.11. FUTURE OUTLOOK OF THE ISSUER

**3.12. APPROVAL TO CONDUCT BUSINESS** *[ Approval /licensing status from the relevant regulatory body]*

3.13. GROUP STRUCTURE OF THE ISSUER AND DETAILS OF ASSOCIATED COMPANIES

Name of Company	Nature of Business	Nature of Relation	Shareholding (---%)	Carrying Value as of --- [Date] (PKR mn.)

3.14. RELATED PARTY TRANSACTIONS

3.15. PERFORMANCE OF ASSOCIATED LISTED COMPANIES

Key details of the company and financial performance over the past three (03) years are provided below:

Name of the Company	
---------------------	--

Date of Incorporation	
Registration No.	
Nature of Business	
Date of Listing	

***Financial Highlights:***

<i>PKR million (Unconsolidated)</i>	<b>CY20</b>	<b>CY19</b>	<b>CY18</b>	<b>CY17</b>
Paid-up Capital				
Equity				
Total Assets				
Total Liabilities				
Profit / (Loss) before Tax				
Profit / (Loss) after Tax				
Rate of Cash Dividends Paid				
Book Value per share (BVPS)				
Earnings per Share (EPS)				
Return on Equity (ROE)				
Return on Total Assets (ROA)				

3.16. INDUSTRY OVERVIEW *[Performance overview of the industry in which the issuer operates]*

## PART 3A:

### SHARE CAPITAL AND RELATED MATTERS

#### (I) SHARE CAPITAL

Number of shares	Fully Paid up ordinary shares of Rs. 10/- each	Rupees

#### (II) PATTERN OF SHAREHOLDING

Pattern of shareholding of the -----[*name of the issuer*] as of -----[*Date*] is given below:

Shareholder Category	No. of Shares	Percentage
Associated Companies, Undertakings and Related Parties		
Mutual Funds		
Directors and their Spouses(s) and Minor Children		
Executives		
Public Sector Companies and Corporations		
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas & Pension Funds		
General Public (Local & Foreign)		
Foreign Companies		
Others		
<b>Total</b>		

#### (III) SHARES ISSUED IN PRECEDING YEARS

Details of shares issued in the history of the -----[*name of the Issuer*] are given below:

S. No.	Description of Ordinary Shares Issued [ <i>whether by way of right issue, bonus issue, IPO &amp; Pre-IPO, by way of other than right or others (plz specify).</i> ]	Number of Shares Issued	Par Value	Date of allotment
--------	--	-------------------------	-----------	-------------------

[Details of Shares issued during preceding by way of other than cash].

### 3.3 Undertaking for Utilization of IPO Proceeds:

The President & CEO of \_\_\_\_\_ [name of the Company] has undertaken that IPO proceeds shall be utilized as per the purpose disclosed in the prospectus.



## **PART 4:**

### **4.1 PRINCIPLE PURPOSE OF THE ISSUE**

The Issue amount will contribute towards ----- . The funds raised will be utilized in ---  
----- as permitted by its Memorandum & Articles of Association.

### **4.2 Specific Disclosures with respect to Green Bonds:**

8. A statement on the green credentials of the Bond/Sukuk, specifically;  
[The issuer should clearly disclose:
  - j) its environmental sustainability objectives;
  - k) the process by which the issuer determines how the Projects fit within the eligible Green Projects categories;
  - l) the related eligibility criteria, including, if applicable, exclusion criteria or any other process applied to identify and manage potentially material environmental and social risks associated with the Projects.]
9. Brief details of the project(s) where the issuer, proposes to utilize the proceeds of green bonds/Sukuk, including towards refinancing of existing green project(s) and/or asset(s), if any.
10. If proceed utilization includes a refinancing component, the issuer should disclose the project(s) being refinanced and the share of the refinancing component over the total issuance volume.
11. Policy describing the criteria and procedures for evaluation, selection and financing of projects to be financed by green bonds;
12. Brief details of decision-making process issuer has followed/would follow for determining the eligibility of project(s) for which the proceeds are being raised through issuance of green bonds/Sukuk.
13. Issuer shall provide details of the system/procedures to be employed for tracking the deployment and control of the proceeds of the issue of green bonds including authorizations and determinants relating to the movement of funds and periodic reports of funds used and remaining;
14. Scanned copy of Green Bond/Sukuk Framework and reports submitted by the independent parties/ reviewer/certifier.

## PART 5:

### DETAILS OF THE ISSUE AND RELATED INFORMATION

#### 5.1. INSTRUMENT (SUKUK/BOND) STRUCTURE:

[Diagram of the Instrument/ Sukuk/Bond structure showing all parties to the transaction]

The Sukuk/Bond has been structured on the basis of Islamic principle of ----- [please mention whether Modaraba, Musharikhah, Ijara etc.] where ..... [in case of Modaraba] one partner gives money to another for investment in a business. The capital provider / Sukuk Holders are called "Rabb-ul Maal/Arbab ul Amwaal", while the management and work are the exclusive responsibility of the other partner, the -----[name of the issuer], who is called the "Mudarib". The Mudaraba structure will be as follows: .....]

#### 5.2. PRE-IPO INVESTORS

The Pre-IPO portion for the Sukuk/Bond closed at PKR ----- million out of the total issue size of PKR - ----- million and the disbursement of Pre-IPO portion was completed on -----[Date].

The list of investors in the Pre-IPO portion along with their respective investment amount is provided below:

S. No.	Investor Name	Pre-IPO Participation (PKR)	% of Total Issue Size
01			
02			
03			
	<b>Total</b>		

All the Pre-IPO investors have signed the Investor Agreements for the above-mentioned participation amount.

#### 5.3. TERM SHEET OF THE ISSUE:

<b>Issuer / Mudarib</b>	----- Limited ("---" or the "Issuer");
<b>Instrument/Issue/ Transaction</b>	Fully paid up, rated, -----[features of the instrument] listed --- Sukuk/Bond Certificates to be issued as instrument of redeemable capital under Section 66 of the Companies Act, 2017
<b>Issue Size</b>	Up to PKR -----/- (Pak Rupees ---- Only);
<b>Issue Title/Name</b>	The Instrument has been named as "-----" and being marketed under the same; with the logo as mentioned on the top of the Term sheet.
<b>Tenor</b>	-----
<b>Principal Redemption</b>	-----

<b>Purpose</b>	-----
<b>Profit Payment</b>	Profit will be payable .....[plz mention monthly/quarterly/semi-annually etc.] (365 days in a year) in arrears on the outstanding investment amount. The first such profit payment will fall due at the end of .....[Date/Day] from the issue date and subsequently ..... The profit payment to the Sukuk/Bond Holders will be .....[whether cumulative/non-cumulative] in nature.
<b>Profit Rate</b>	----- [Base Rate plus a margin of ---% per annum.] Base Rate is defined as -----.
<b>Loss Sharing/ Dividend Stopper</b>	-----[ Please disclose relevant event/circumstance affecting profit payment]
<b>Security</b>	-----[Whether secured or unsecured]
<b>Face Value</b>	Pak Rupees Five Thousand per certificate (PKR 5,000);
<b>Issue Price</b>	Pak Rupees Five Thousand per certificate (PKR 5,000);
<b>Minimum Investment Amount</b>	Pak Rupees Five Thousand (PKR 5,000);
<b>Eligible Investors for IPO</b>	General Public including individual and institutional investors;
<b>Placement and Transferability</b>	The Sukuk/Bond shall be inducted into the Central Depository System of Central Depository Company of Pakistan Limited and shall be transferred in accordance with the Central Depositories Act, 1997 and CDC Regulations;
<b>Call Option</b>	-----[Call option details, if any]
<b>Put Option</b>	-----[Call option details, if any]
<b>Seniority of Claim / Subordination</b> (In case of liquidation)	
<b>Issuer Rating</b>	---- (Long Term), --- (Short Term) by -----[name of the rating agency];
<b>Instrument Rating</b>	----by ----[name of the rating agency];; The --- Sukuk/Bond shall be rated throughout the life of the Instrument.
<b>Listing and Public Subscription</b>	Listing will be done via issuance of Prospectus at Pakistan Stock Exchange (PSX); The public subscription will remain open for ----days or any other period approved by the PSX and SECP;
<b>Classification on the Balance Sheet</b>	Sukuk/Bond shall be classified as "Liabilities" in the Balance Sheet;
<b>Transaction Legal Counsel</b>	-----.
<b>Investment Agent / Trustee to the Issue</b>	-----
<b>Issuer's Registered Office</b>	-----
<b>Compliance Officer</b>	Mr./Ms.-----
<b>Registrar / Transfer Agent</b>	-----Limited;
<b>Designated Market Maker</b>	-----Limited;

<b>Joint Advisors &amp; Arrangers (Joint Advisors or JAA)</b>	----- Limited;
<b>Applicable Laws</b>	-----

5.4. DISCRETION FOR REDUCTION OF PROFIT *(If applicable)*

5.5. OPENING AND CLOSING OF SUBSCRIPTION LIST

The subscription list will open at the commencement of the banking hours on -----[Date] and close at the end of banking hours on -----[Date].

5.6. INVESTORS ELIGIBILITY

8. Pakistani citizens resident in Pakistan;
9. Pakistani citizens residing outside Pakistan;
10. Persons holding two nationalities including Pakistani nationality;
11. Foreign nationals whether living in or outside Pakistan;
12. 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);
13. Mutual funds, provident/pension/gratuity funds/trusts (subject to the terms of their trust deeds and existing regulations); and
14. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

5.7. FACILITIES AVAILABLE TO FOREIGN/NON-RESIDENT PAKISTANI INVESTORS

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (VIII)) of Chapter 20 of the State Bank of Pakistan’s (“SBP”) Foreign Exchange Manual (the “Manual”) to issue -----[Type of instrument/Sukuk] 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 and the purchase price (whether negotiated privately or otherwise) is not less than the price quoted on the PSX.

Non-residents who wish to subscribe Sukuk/Bond 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 Sukuk offered to general public / retail investors. List of bankers to the issue for retail portion is available on title page of this Prospectus.

The Sukuk/Bond issued to non-resident investors shall be intimated by the -----[Issuer] 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 Sukuk/Bond 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 profit, net of applicable taxes and proceeds on sale of listed Sukuk/Bond (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.

#### 5.8. MINIMUM AMOUNT OF APPLICATION AND BASIS OF ALLOTMENT OF SUKUK/BOND

The basis and conditions of allotment shall be as follows:

- a) Face value of the Sukuk/Bond is PKR 5,000/-.
- i) The minimum amount of application for subscription of Sukuk/Bond is PKR 5,000/-.
- j) Applications for Sukuk/Bond below the aggregate face value of PKR 5,000/- shall not be entertained.
- k) Applications for Sukuk/Bond by the general public, including institutions and individuals, must be for a minimum of the aggregate face value of PKR 5,000/- or in multiples thereof.
- l) If the Sukuk/Bond to be issued to the general public are sufficient for the purpose, all applications shall be accommodated.
- m) If the issue is oversubscribed in terms of amount, then all applications shall be accommodated initially for Sukuk/Bond of face value of PKR 5,000/- each and the balance Sukuk/Bond shall be allotted on prorata basis to all applicants who applied for Sukuk/Bond in multiples of PKR 5,000/-.
- n) If the issue is over-subscribed in terms of number of applications and the amount, the Sukuk/Bond shall be allotted through computer balloting in the presence of representatives of PSX.
- o) Allotment of Sukuk/Bond shall be subject to scrutiny of applications for subscription.

#### 5.9. MINIMUM SUBSCRIPTION

The minimum amount of subscription on which the Directors will proceed to allot Sukuk/Bond is PKR --- million.

#### 5.10. REFUND OF MONEY TO UNSUCCESSFUL APPLICANTS

----- [*name of the issuer*] shall take a decision within ten (10) days of the closure of subscription list as to which applications have been accepted or are successful and refund the money in cases of unaccepted or unsuccessful applications within ten (10) days of the date of such decision as required under regulation 5B 4.19 read with regulation 5B 4.20 of the PSX Rule Book.

As per sub-section (2) of Section 68 of the Companies Act, 2017, if a refund is not made within the time specified therein, the Directors of the Company shall be jointly and severally liable to repay the money with surcharge at the rate of 2.00%, for every month or part thereof from the expiration of the 15th day and, in addition, shall be liable to a penalty of level 3 on the standard scale.

The surcharge mechanism has been mentioned here in order to ensure regulatory compliance. However, from the shariah perspective, since this surcharge is a form of interest, the applicants are advised to dispose any such received amount as charity.

#### 5.11. ISSUE AND CREDIT OF SUKUK/BOND

----- [*name of the issuer*] shall credit Sukuk/Bond to the successful allottees within twenty-one (21) days of closure of subscription list in compliance with the requirements of PSX. Sukuk/Bond will be issued only in the Book-Entry Form through credit in their CDS Accounts. The applicants, therefore, must provide their CDS Account Number (Investor Account Number or Sub-Account Number) in the Sukuk/Bond Subscription Form.

The Sukuk/Bond issued shall be subject to the terms & conditions for the issuance of the Sukuk/Bond specified in the Trust Deed/Issuance Agreement dated -----.

If the -----[*Issuer*] defaults on complying with the requirements of the Listing Regulations, it will pay to PSX a penalty of PKR 5,000/- per day during which the default continues. PSX may also notify the fact of such default and the name of the Bank by notice and also by publication, in the Daily Quotations.

The surcharge mechanism has been mentioned here in order to ensure regulatory compliance. However, from the shariah perspective, since this surcharge is a form of interest, PSX is advised to dispose any such received amount as charity.

#### 5.12. TRANSFER OF SUKUK/BOND

The Sukuk/Bond will be inducted into the CDC, transfer shall be made in accordance with the Central Depository Act, 1997 and CDC Regulations.

#### 5.13. SUKUK/ DEBT SECURITIES ISSUED IN PRECEEDING YEARS

The -----[*name of the issuer*] has not/has issued any Sukuk/Bond since its incorporation. The details are as follows (if applicable):

#### 5.14. REDEMPTION RESERVE

-----[Please disclose whether or not any redemption reserves is being created].

#### 5.15. CONVERSION MECHANISM [In case of convertibility of sukuk/bond in to shares]

-----[Details of events that triggers convertibility of sukuk/bond in to shares]

-----[The mechanism for determination of number of shares to be issued to Sukuk/Bond Holders at the time of conversion.]

-----[ Details regarding approvals required for conversion of sukuk/bond in to shares]

The -----[name of the issuer] has obtained approval of the shareholders for the conversion of Sukuk/Bond and approval of the Securities and Exchange Commission of Pakistan under section 83(1)(b) of the Companies Act, 2017 has also been obtained.

#### 5.16. CALL OPTION [If applicable]

-----[Issuer] may exercise a Call Option on the subject Sukuk/Bond on or after ----- years from issuance date subject to the following conditions (the “Call Option Conditions”):

- (d) prior approval from----- has been obtained for exercise of the call
- (e) -----
- (f) Call Option price should be -----[disclose the basis of call option price calculation]

#### 5.17. DEDUCTION OF ZAKAT

Zakat is deductible in case of the Sukuk/Bond being held by Muslim citizens of Pakistan, except where a statutory declaration of exemption is filed, and in case of certain non-corporate entities such as Trusts, Funds, etc. (subject to being qualified for non-deduction of Zakat under the Zakat and Ushr Ordinance, 1980). Zakat is withheld at 2.5% of the redeemed principal amount.

#### 5.18. INCOME TAX ---[Please disclose as per current Tax Rates]

Any income derived from investment in Sukuk/Bond shall be subject to income tax as per the Income Tax Ordinance, 2001. Withholding tax, as specified in Part III Division IB of the First Schedule of the said ordinance shall be applicable.

#### 5.19. DEDUCTION OF WITHHOLDING TAX ---[Please disclose as per current Tax Rates]

Profit paid to Sukuk/Bond Holders will be subject to withholding tax under section 150A of the Income Tax Ordinance, 2001 specified in Part III Division IB of the First Schedule of the said Ordinance or any time to time amendments therein. Rates of tax specified under Division IB are as follows:

Category	Tax Rate for Persons appearing in Active Tax Payer List	Tax Rate for Persons not appearing in Active Tax Payer List
Company	15%	30%
Individual or Association of Persons (If return on Investment is more than one million)	12.50%	25%
Individual or Association of Persons (If return on Investment is less than one million)	10%	20%

#### 5.20. CAPITAL GAINS ---[Please disclose as per current Tax Rates]

Any capital gain derived from the sale of Sukuk/Bond shall be subject to capital gain tax as per section 37A of the Income Tax Ordinance, 2001. Applicable Capital Gain Tax Rates for FY20 are as follows:

- (c) For persons appearing in Active Tax Payer List: 15.0%
- (d) For persons not appearing in Active Tax Payer List: 30.0%

#### 5.21. DISCLOSURE OF DEFERRED TAXATION

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for the taxation purposes. Deferred tax is calculated at the rates that are expected to apply to the period when the differences are expected to reverse based on tax rates that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available, against which the asset can be utilized. The carrying amount of deferred tax asset is reviewed at each reporting 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.

The -----[name of the issuer] also recognizes deferred tax asset / liability on deficit / surplus on revaluation of operating fixed assets and securities which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS) 12, 'Income Taxes'. The balance of deferred tax asset (net) as of -----[Date] was PKR ----- million (unconsolidated).

#### 5.22. SHARIAH ADVISOR TO THE ISSUE

Shariah Board of the -----[name of the issuer] is acting as Shariah Advisor to the Issue and it has provided its consent to include and publish its name in the Prospectus. Profiles of the members of the Shariah Board are provided below:



### SHARIAH BOARD OF THE -----[Issuer]

The -----[Issuer] has a Shariah Supervisory Board in order to ensure compliance of Shariah guidelines issued by Shariah Board in all operations in general and revenue generating activities. The --- -----[name of the issuer] has a committed professional team in the Shariah Compliance department consisting of Shariah Scholars along with business graduates from reputed organizations.

**(i) Mr/Mufti.....Chairman, Shariah Supervisory Board** [Profile including qualification he/she holds, membership of committees etc. Current Position]

**(ii) Mr/Mufti.....Member, Shariah Supervisory Board** [Profile including qualification he/she holds, membership of committees etc. Current Position]

**(iii).....**

### 5.23. SHARIAH OPINION

*[Plz place hereunder scanned copy of the Shariah Opinion granted by the Shariah Scholars/Board on the structure of the Sukuk]*

5.24. [Regulatory requirements of other Regulators viz. SBP, like MCR, CAR, leverage ratio requirement, etc.]

### 5.25. MODE OF PAYMENT OF PROFIT

The payment of profit shall be credited in Sukuk/Bond Holders' bank accounts electronically on ----- ---[monthly/quarterly/semi annually] basis. The applicants, therefore, must provide their International Bank Account Number (IBAN) in the Sukuk Subscription Form.

### 5.26. INTEREST OF PRE-IPO INVESTORS

Except as provided below, the Pre-IPO Investors only have interest in this Sukuk/Bond as Sukuk/Bond Holders:

- ----- Limited, ----- Limited and -----Bank Limited are acting as Bankers to the Issue for the Sukuk/Bond and have also participated in the Pre-IPO portion

### 5.27. STATEMENT BY THE ISSUER

The General Manager

Pakistan Stock Exchange Limited

Stock Exchange Limited

Stock Exchange Road

Karachi

On behalf of ----- Limited, (“-----” or the “Bank”), we hereby confirm that all material information as required under 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 on behalf of ----- Limited

-sd-

\_\_\_\_\_  
Mr./Ms.-----  
President & CEO

-sd-

\_\_\_\_\_  
Mr./Ms.-----  
Chief Financial Officer

Date: -----

#### 5.28. STATEMENT BY CONSULTANT TO THE ISSUE

The General Manager

Pakistan Stock Exchange Limited

Stock Exchange Limited

Stock Exchange Road

Karachi

Being mandated as Consultant to this Initial Public Offering of Sukuk of ----- Limited, we hereby confirm that all material information as required under the Securities Act, 2015, the Listing of Companies and Securities Regulation of Pakistan Stock Exchange Limited and Public Offering Regulations, 2017 has been disclosed in this prospectus and that whatever is stated in the prospectus and in the supporting documentations is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and on behalf of ----- Limited

-sd-

\_\_\_\_\_  
Mr./Ms.-----

Date: -----

## **PART 6:**

### RISK FACTORS

#### **6.1. RISK FACTORS RELATED TO THE SUKUK/BOND ISSUE:**

##### **6.1.1. Summary of Risk Factors related to the Sukuk/Bond Issue:**

*[Disclose all risk factors. In case the issuer is bank, the risk factor shall cover all conditions imposed by the relevant regulator which have an adverse impact on the sukuk holders and at minimum should include reference to]*

- f) The profit payment to Sukuk/Bond Holders will be subject to the condition that .....*;
- g) the Issue may be called by the Issuer after -----years from the date of Issuance (either partially or in full), subject to ----- approval;*
- h) the Issuer may permanently convert the Sukuk/Bond (either partially or in full) into common shares at its own discretion (in case of -----) or at the discretion of -----;*
- i) Risk of non-compliance in case proceeds are not utilized as per the approved green purpose.*
- j) Any other issue specific risk*

##### **6.1.2. Details on Risk Factors related to the Sukuk/Bond Issue:**

###### **6.1.2.1. Internal Risk Factors:**

*The Issuer should include all relevant risks and at minimum should include:*

- e) Lock-in Clause & Loss Absorbency Clauses, [in case of bank]*
- f) Loss Absorption Features at Point of Non - Viability [in case of bank]*
- g) Security and Subordination*
- d) Underutilization/non-utilization of proceeds to the specific purpose*
- h) Default Risk on account of non-payment of coupon/profit in a timely manner*

###### **6.1.2.2. External Risk Factors:**

*The Issuer should include all relevant risks and at minimum should include:*

- e) Instrument Liquidity*
- f) Market Interest Rate*

## **6.2. RISK FACTORS RELATED TO THE ISSUER:**

### **6.2.1. Internal Risk Factors:**

*The Issuer should include all relevant risks and at minimum should include:*

#### **a) Strategic Risk**

Strategic risk arises due to wrong assumptions in strategic decision making or the failure to react correctly to long-term changes in strategic parameters.

#### **b) Shariah Non-compliance Risk**

Shariah non-compliance risk is the risk that arises from Issuer's failure to comply with the Shariah rules and principles prescribed and / or the Shariah Board of the Issuer. It remains the most important operational risk for an ----[Issuer]. Compliance of Shariah guidelines must permeate throughout the organization and its adherence should be reflected in the products and activities.

#### **c) Credit Risk**

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligations is impaired resulting in economic loss to the Issuer. This credit risk arises mainly from both direct financing activities as well as contingent liabilities.

#### **d) Liquidity Risk**

Liquidity risk is the potential loss to the Issuer arising from its inability either to meet its obligations (financial) or to fund increases in assets as they fall due without incurring unacceptable costs or losses.

Liquidity risk is defined as the potential loss arising from the Issuer's inability to meet in an orderly way its contractual obligations when due. Liquidity risk arises in the general funding of the Issuer's activities and in the management of its assets.

### **6.2.2. External Risk Factors:**

*The Issuer should include all relevant risks and at minimum should include:*

#### **a) Market Risk**

Market risk is defined as the risk of losses in on-and-off balance sheet positions arising from movements in market prices e.g. fluctuations in values in tradable, marketable or leasable assets. The risks relate to the current and future volatility of market values of specific assets and of foreign exchange rates and benchmark yields.

**b) Yield / Profit Rate Risk**

Yield / Profit rate risk includes all material yield risk positions of the Issuer taking into account all repricing and maturity data. It includes current balances and contractual yield rates; the -----[Issuer] understands that its Islamic financing and related assets shall be repriced as per their respective contracts.

**c) Foreign Exchange Risk**

Currency risk is the risk of loss arising from the fluctuations of exchange rates.

**d) Equity Position risk**

Equity position includes strategic investments and investment in equities for generating revenue in short term.

**e) Country Risk**

Country Risk can be defined as the risk of adverse impact of certain factors on a country's specific economic, political and social scenario which affects the ability of the country (or a borrower in that country) to repay its obligations.

**f) Systemic Risk**

Systemic risk is the risk of a total or partial collapse of the financial system. Such a collapse could be due to technical factors or market driven (psychological reasons).

**TO THE BEST OF OUR KNOWLEDGE IT IS STATED THAT ALL MATERIAL RISK FACTORS HAVE BEEN DISCLOSED IN THIS PARAGRAPH AND THAT NOTHING HAS BEEN CONCEALED IN THIS RESPECT.**

**HOWEVER, THERE MAY BE ADDITIONAL RISK FACTORS, WHICH ARE NOT DISCLOSED HEREIN, THAT ARE NOT PRESENTLY KNOWN TO US OR THAT ARE CURRENTLY DEEMED TO BE LESS SIGNIFICANT, WHICH MAY MATERIALLY AND ADVERSELY AFFECT THE ISSUER'S BUSINESS, ITS FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS.**

## PART 7:

### FINANCIAL INFORMATION

#### 7.1. AUDITORS CERTIFICATE ON ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

*[Legible signed scanned copy of the auditor certificate to be placed here]*

#### 7.2. AUDITORS CERTIFICATE FOR BREAKUP VALUE OF SHARES

*[Legible signed scanned copy of the auditor certificate to be placed here]*

#### 7.3. AUDITORS CERTIFICATE UNDER SECTION 2 OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017 FOR THE PURPOSE OF INCLUSION IN THE PROSPECTUS FOR PROPOSED ISSUE OF SUKUK/BOND CERTIFICATES BY THE ISSUER

*[Legible signed scanned copy of the auditor certificate to be placed here]*

#### 7.4. SUMMARY OF HISTORICAL FINANCIALS (UNCONSOLIDATED)

<b>Profit and Loss Account - PKR million</b>	<b>FY20</b>	<b>FY19</b>	<b>FY18</b>	<b>FY17</b>	<b>FY16</b>	<b>FY15</b>	<b>FY14</b>
Profit / return / earned							
Profit / return expensed							
Net Profit / Return							
Total Other Income							
Total Income							
Operating Expenses							
(Provision)/Reversal of provision and write offs - net							
Profit before Taxation							
Profit after Taxation							
<b>Statement of Financial Position - PKR million</b>	<b>FY20</b>	<b>FY19</b>	<b>FY18</b>	<b>FY17</b>	<b>FY16</b>	<b>FY15</b>	<b>FY14</b>
Paid-up capital							
Reserves							
Unappropriated profit							
Shareholders' Equity							
Surplus on revaluation of assets - net of tax							
Equity including Surplus							
Total Assets							
Earning Assets							
Gross Islamic Financing / Advances							

Provisions (Specific and General)							
Islamic Financing - net							
Non-Performing Financings <sup>1</sup>							
Investments - net							
Total Liabilities							
Deposits and Other Accounts							
Current and Saving accounts (CASA)							
Borrowings							
Cost bearing Liabilities							
<b>Key Ratios</b>	<b>FY20</b>	<b>FY19</b>	<b>FY18</b>	<b>FY17</b>	<b>FY16</b>	<b>FY15</b>	<b>FY14</b>

7.5. SUMMARY OF HISTORICAL FINANCIALS (CONSOLIDATED)

7.6. SUMMARY OF MAJOR ITEMS OF REVENUE AND EXPENDITURE (UNCONSOLIDATED)

<i>PKR million</i>	FY20	FY19	FY18
<b>Breakup of Profit / Return Earned</b>			
<b>Breakup of Profit / Return Expensed</b>			
<b>Breakup of Other Income</b>			

<i>PKR million</i>	FY20	FY19	FY18
<b>Breakup of Operating Expenses</b>			

7.7. REVENUE FROM MAJOR PRODUCT/MAJOR ACTIVITIES

Profit / Return Earned (PKR Million):	2020	as % of total Profit / Return Earned	2019	as % of total Profit / Return Earned	2018	as % of total Profit / Return Earned

7.8. PEER COMPARISON

A comparison of peers is given below: *[The comparison should include major items of financial performance, key ratios, capacity, out lets/branches, product line etc.]*

**PART 7A:**

REVALUATION OF FIXED ASSETS

During the year -----, the Issuers freehold land and buildings on leasehold land were revalued by M/s. ----- Ltd., ----- Ltd. and -----Associates on the basis of their professional assessment of the present market value. As a result of revaluation, the market value of freehold land and buildings on leasehold land were determined at Rs. ----- million.

Revaluation surplus on fixed assets as per audited unconsolidated financial statements for the period ended ----- is PKR ----- million.

**PART 7B:**

ENTITY RATING REPORT

*[The credit rating report from credit rating agency in legible form, should be placed here]*

**PART 7C:**

INSTRUMENT RATING REPORT

HISTORICAL ISSUER RATING

As of -----[Date], ----- Credit Rating Agency Limited (“---”) has assigned a long-term rating of “---” (---) to the Issuer. The rating indicates strong capacity for timely payment of financial commitments and low expectation of credit risk. The short-term rating consistently stands at “---” (--- maintained at Stable.

These ratings reflect -----[Issuer] sustained business profile. Entity rating history of the Issuer for the last five reviews are summarized below:

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action

**PART 7D:**

TRUSTEE AND SECURITY

THE SECURITY

[As per the Security Documents].



## THE TRUSTEE

In order to safeguard the interests of the Sukuk/Bond Holders, ----- Limited has been appointed to act as Trustee/Investment Agent for the Issue. The Issuer shall pay to the Trustee/ Investment Agent in respect of its acting as Trustee/ Investment Agent a fixed fee of PKR -----/- per annum. The fee shall be payable at the beginning of each year commencing from the date of signing of the Trust Deed and on each subsequent anniversary thereof.

Although the Sukuk/Bond are unsecured, the rights of the Sukuk/Bond holders are still protected as per the terms of the Trust Deed/Issuance Agreement. The Trust Deed/ Issuance Agreement executed between the Issuer and the Trustee/Investment Agent specifies the functions and obligations of the Trustee/Investment Agent. Furthermore, the Trustee/Investment Agent has all the powers available to it under the Trusts Act, 1882 and the Structuring of the Debt Securities Regulations, 2020.

### The Trust Deed/ Issuance Agreement

The Trust Deed/ Issuance Agreement signed between the Issuer and ----- Limited specifies the rights and the obligations of the Trustee/Investment Agent. In the event of Issuer defaulting on any of its obligations under the terms of the Trust Deed/ Issuance Agreement, the Trustee/Investment Agent may enforce Issuer's obligations in accordance with the terms of the Trust Deed/ Issuance Agreement.

## POWERS OF THE TRUSTEE/ INVESTMENT AGENT

The Trustee/Investment Agent shall have all the powers and discretions conferred upon trustees by the Trust Act, 1882 (to the extent not inconsistent with these presents) / Structuring of the Debt Securities Regulations, 2020 and in addition thereto and subject to the terms of the Regulations, it is expressly declared as follows:

- (d) -----
- (e) -----
- (f) -----

## OBLIGATIONS OF THE TRUSTEE/INVESTMENT AGENT

[To be disclosed as per Trust Deed/ Issuance Agreement]

## TRUSTEE/INVESTMENT AGENT AND SUKUK/BOND HOLDERS

[To be disclosed as per Trust Deed/ Issuance Agreement]

## OBLIGATION TO ACT WITH DUE CARE

Both the Issuer and the Trustee/Investment Agent agree to act in good faith and with due diligence and with all reasonable care which is in the circumstances required in the performance of their duties and obligations under the Trust Deed/Issuance Agreement or when exercising any power, authority or discretion which is vested in them under the Trust Deed/ Issuance Agreement.

## REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE ISSUER

The Issuer hereby represents and warrants:

- a) that the execution by it of the Trust Deed/ Issuance Agreement and the issuance of the Sukuk/Bond does not contravene any of the provisions of its constitutive documents and rules and regulations, consents, or any law or any agreement to which it is expressed to be a party and constitute valid, legal and binding obligations of the Issuer in terms thereof;
- b) that all actions on the part of its officers, directors and shareholders necessary to authorize the execution of and performance by it of the obligations expressed to be assumed by it under the Trust Deed/ Issuance Agreement and the Sukuk/Bond have been taken;
- c) that no Event of Default has occurred as of the date of the Trust Deed/ Issuance Agreement;
- d) that there is no reason to the knowledge of the Issuer whereby the application of the Issuer for listing of the Sukuk/Bond or approval of the Prospectus may be revoked or cancelled by the SECP or the Stock Exchange, as the case may be;
- e) that it shall inform the Trustee/Investment Agent of (i) any general meeting of the Issuer convened for the purpose of considering any resolution for the winding up of the Issuer; (ii) any such resolution being proposed (whether in a general meeting or otherwise); or (iii) any petition for the winding up of the Issuer or for the appointment of an administrator of the Issuer or a receiver in respect of the property or assets of the Issuer and any breach by the Receiver in respect of the property or assets of the Issuer and any breach or alleged breach by the Issuer of any of its obligations under the Trust Deed/issuance agreement;
- f) that the Sukuk/Bond and the Trust Deed/Issuance agreement executed by the Issuer are valid, enforceable and binding obligations of the Issuer and there has been no Event of Default in relation to any such documents; and
- g) that all governmental, regulatory, creditors' and corporate consents, approvals, registrations and authorizations (to the extent required) for the purposes of the Sukuk/Bond Issue (other than for the listing on the Stock Exchange and those specifically stated hereunder) have been obtained.

The Issuer hereby covenants with the Trustee/Investment Agent:

- a) that if the redemption option or partial redemption option (as defined in the Trust Deed/issuance agreement) has been exercised by the Issuer, the Issuer shall on the option redemption date / partial option redemption date and within 7 (seven) Business Days of each Profit Payment Date, pay to the Sukuk/Bond Holders, the option redemption amount/ partial option redemption amount and profit payment amount in accordance with the terms hereof;
- b) that the Issuer shall ensure that the Issuer or its appointed registrar will, at all times maintain a correct register of Sukuk/Bond Holders showing their names and addresses, the amount of Sukuk/Bond held by each and the date on which such Sukuk/Bond Holder was registered as the holder and the date on which he ceased to be so registered; provided nevertheless the Issuer shall

not be responsible for the foregoing where the Sukuk Holders have not intimated the transfer of the Sukuk/Bond in writing to the Issuer or the registrar, as applicable;

- c) that the Issuer will duly perform and observe the obligations imposed upon it by the Trust Deed/issuance agreement;
- d) that as and when requested by the Trustee/ investment agent, the Issuer shall ensure that the Issuer or registrar shall provide to the Trustee/investment agent the Register of Sukuk/Bond Holders and/or extracts therefrom as well as any other document or information pertaining to the Sukuk/Bond and the Sukuk/Bond Holders, in addition, the Issuer shall ensure that the Issuer or the Registrar shall send extracts of the Register of Sukuk/Bond Holders to the Trustee/ investment agent on a monthly basis;
- e) that the Issuer shall ensure that the annual audited accounts of the Issuer are available on the Issuer's website within 30 (thirty) days of publication of such accounts and semi- annual and quarterly accounts within 15 (fifteen) days of publication;
- f) that the Issuer shall ensure that during the period that the Sukuk/Bond or any of them are outstanding, the Issuer will comply with any laws, regulations or conditions applicable to financial ratios and commitments applicable to the business of the Issuer;
- g) that payment of all amounts by the Issuer to the Sukuk/Bond Holders in respect of the Sukuk/Bond will be made free and clear of deductions of any nature whatsoever except for deductions, if any required compulsorily to be made by law, for which the Issuer will provide suitable evidence of having deposited the amount deducted with the relevant government authority / department / treasury;
- h) that the Issuer shall ensure that any investment in the Sukuk/Bond by the sponsors of the Issuer, individually or collectively, either at the time of subscription or acquired by transfer, does not exceed in the aggregate, at any time, 50% (fifty percent) of the total amount of the outstanding value of the Sukuk/Bond;
- i) that the Issuer shall not directly or indirectly, finance the purchase of any Sukuk/Bond Certificates by any person or entity or grant any advances against the security of any Sukuk Certificates issued hereunder to any Sukuk/Bond Holder; and
- j) that the Issuer shall, at all times, comply with the requirements of applicable laws.

#### *EVENTS OF DEFAULT [ As per the trust deed/ issuance agreement]*

An Event of Default will be deemed to have occurred, by a declaration in writing of the Trustee/Investment Agent informing the Issuer, that the Trustee/Investment Agent has been notified in writing by the Sukuk/Bond Holders representing more than 50% (fifty percent) of the total outstanding value of the Sukuk/Bond or supported by an Extra Ordinary Resolution passed at the meeting of the Sukuk/Bond Holder(s) certifying the occurrence of any of the following events: *[ As per the trust deed/ issuance agreement]*

#### *CONSEQUENCES OF EVENTS OF DEFAULT [ As per the trust deed/ issuance agreement]*

##### *APPLICATION OF PROCEEDS [ As per the trust deed/ issuance agreement]*

- a) In the event of a winding up order being made by a court of competent jurisdiction, .....
- b) Upon enforcement of the Issuer's profit payment obligations / the Issuer's option redemption obligations / Issuer's non-option redemption obligations in terms of the Trust Deed/Issuance

- Agreement, any Proceeds recovered / received by the Trustee/Investment Agent from such enforcement shall be applied by the Trustee/Investment Agent in the following manner.....
- c) Payment of the Proceeds to the Sukuk/Bond Holders shall be made by the Trustee/Investment Agent net of any deductions required under the law (against surrender of the original Sukuk/Bond, where applicable).

**MANDATORY CONVERSION** *(If applicable)*

Conversion Events include each of the following events:

- a) .....
- b) .....

*Cumulative/ Non-Cumulative Feature (If applicable)*

**Conversion Mechanism:** *(If applicable)*

**EXERCISE TO THE CALL OPTION** *(If applicable)*

**PART 8:**

**MANAGEMENT OF THE ISSUER**

**8.1. BOARD OF DIRECTORS OF THE ISSUER**

The Issuer’s affairs are governed by the Board of Directors (the “Board”), which comprises ---- directors, including the Chairman and the President and CEO. The Board is responsible for policy related issues and is headed by the Chairman. The President and CEO has overall responsibility for the Issuer’s strategic direction and for managing the Bank’s business and its functions.

*Board of Directors of the Issuer*

<b>Name</b>	<b>Designation</b>	<b>CNIC No.</b>	<b>Address</b>	<b>Directorships in Other Companies</b>
-------------	--------------------	-----------------	----------------	---

*Profiles of Directors*

Mr./Ms. ----- – Chairman *[The profile of director/Chairman/Managing Director/CEO should include qualification and experience and major achievements]*

Mr./Ms. ----- – MD *[The profile should include qualification and experience and major achievements]*

Mr./Ms. ----- – Director *[The profile of directors should include qualification and experience and major achievements]*

## 8.2. SENIOR MANAGEMENT

*Mr./Ms. -----President & Chief Executive Officer [The profile of senior management should include qualification and experience and achievements]*

- Mr./Ms. ----- – Country Head of Distribution
- Mr./Ms. ----- - Head of Risk Management
- Mr./Ms. ----- - Chief Financial Officer
- Mr./Ms. ----- , Company Secretary
- Mr./Ms. ----- - Head of Operations
- Mr./Ms. ----- - Head of Human Resource
- Mr./Ms. ----- - Head of Compliance
- Mr./Ms. ----- - Head of Shariah Compliance
- Mr./Ms. ----- Head of Internal Audit
- Mr./Ms. ----- - Head of Legal Affairs
- Mr./Ms. ----- - Head of Information System

## 8.3. ELECTION OF DIRECTORS

The Directors of the Bank are elected for a term of 03 years in accordance with the procedure laid down in section 159 of the Companies Act, 2017 and Banking Companies Ordinance, 1962.

The Directors shall comply with the provisions of Sections 154 to 159 and Sections 161 and 167 of the Companies Act, 2017 relating to the election of Directors and matters ancillary thereto.

Subject to the provisions of the Companies Act, 2017 the Issuer may from time to time increase or decrease the number of Directors.

Any casual vacancy occurring on the Board of Directors may be filled up by the Directors, but the person so appointed shall be subject to retirement at the same time as if he / she had become a Director on the day on which the Director in whose place he / she is chosen was last elected as Director.

The Issuer may remove a Director in accordance with the provisions of the Companies Act, 2017.

The present Directors of the Issuer except CEO were elected/re-elected on -----[Date] for a period of 03 years. The President & CEO was appointed on -----[Date].

## 8.4. INTEREST OF DIRECTORS AND THEIR SHAREHOLDING

The directors may deem to be interested to the extent of fees payable to them for attending Board meetings. The Directors performing whole time services in the -----[Issuer] may also be deemed

interested in the remuneration payable to them by the -----[Issuer]. The nominee directors have interest in the -----[Issuer] to the extent of representing the sponsors in the -----[Issuer].

Few Directors also have interest to the extent of their shareholding in the -----[Issuer] as disclosed below:

Name of Director	No. of Shares Held	% of Shareholding

#### 8.5. AMOUNT OF BENEFITS TO SPONSOR SHAREHOLDER AND DIRECTORS DURING THE LAST THREE YEARS

No amount of benefits has been paid or given during the last three years or is intended to be paid or given to any sponsor shareholders or to any officer of the -----[Issuer] other than as remuneration for services rendered as whole-time executives of the -----[Issuer] or as meeting fee for attending Directors Committee meetings to nonexecutive directors as per the approved scale of fee.

#### 8.6. BOARD AUDIT COMMITTEE

The Board Audit Committee supervises the internal audit function of the -----[Issuer] and comprises of the following members:

- Mr./Ms.----
- Mr./Ms.----
- Mr./Ms.----

#### 8.7. BOARD HUMAN RESOURCE MANAGEMENT COMMITTEE

The Board HR Committee comprises of the following members:

- Mr./Ms.----
- Mr./Ms.----
- Mr./Ms.----

#### 8.8. BOARD REMUNERATION COMMITTEE

The Board Remuneration Committee comprises of the following members:

- Mr./Ms.----
- Mr./Ms.----
- Mr./Ms.----

## 8.9. BOARD RISK MANAGEMENT COMMITTEE

The Board Risk Management Committee comprises of the following members:

- Mr./Ms.----
- Mr./Ms.----
- Mr./Ms.----

## 8.10. POWER OF DIRECTORS

As required under clause 47 of Part I of Table A of First Schedule of the Companies Act, 2017 and the Articles of Association of the Company, the authority to conduct business of the .....[Issuer] is vested with its Board of Directors and they may exercise all such powers of the .....[Issuer] as are not required by the Companies Act, 2017 or the Articles of Association of the Bank or by a special resolution, required to be exercised by the .....[Issuer] in the general meeting of the shareholders.

## 8.11. BORROWING POWERS

According to article 56 of the Articles of Association of the .....[Issuer], the Directors may from time to time raise or borrow any sum or sums of money for the purposes of the .....[Issuer] provided that such mode of finance is permissible under Islamic Shariah as determined by the .....[Issuer]'s Shariah Supervisory Board.

## 8.12. INDEMNITY

As per the Article 118 of the Articles of Association, every officer or agent for the time being of the .....[Issuer] shall be indemnified out of the assets of the .....[Issuer] against any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affairs of the .....[Issuer], except those brought by the .....[Issuer] against him in which judgment is given in his favor or which he is acquitted or in connection with any application under section 492 of the Companies Act, 2017 in which relief is granted to him by Court.

## 8.13. CORPORATE GOVERNANCE

The Bank is compliant with all the rules and regulations applicable to the .....[Issuer] with regards to the Listed Companies (Code of Corporate Governance) Regulation, 2017.

## 8.14. NUMBER OF DIRECTORS

Pursuant to section 154 of the Companies Act, 2017, the number of directors of a listed company should not be less than seven (7). At present, the Board consists of ----- directors, including the President & CEO.

## 8.15. QUALIFICATION OF DIRECTORS

Pursuant to Article 46 of the Articles of Association of the Bank, save as provided in section 153 of the Companies Act, 2017, no person shall be appointed as Director unless he is a Member and holds qualification shares of Rs. 5,000 (Rupees Five Thousand Only).

#### 8.16. REMUNERATION OF DIRECTORS

According to article 53 of the Articles of Association, subject to any approval or limits required by law, the terms and conditions and remuneration of a Director performing extra services, including the holding of the office of Chairman, the Chief Executive and any Director for attending the meetings of the Directors or a committee of Directors shall be determined by the Board of Directors. A Director shall be entitled to obtain reimbursement of all reasonable expenses as he may incur in attending meetings of the Board, or general meetings, or which he may otherwise incur in or about the business of the .....[Issuer].



## **PART 9:**

### **LEGAL PROCEEDINGS AND OVERDUE LOANS**

#### **9.1. Legal Proceedings**

There are no pending legal proceedings other than those mentioned in note ----- of the unconsolidated financials for the period ended ----- and; extracts of the referred note are provided below:

*Note ----- of the unconsolidated financials for the period ended -----*

#### **9.2. OVERDUE LOANS**

The .....[Issuer], its Chief Executive and directors, its sponsors, and its associated companies have no overdue loans (local and/or foreign currency).

## PART 10:

### UNDERWRITING ARRANGEMENT, COMMISSIONS, BROKERAGE AND OTHER EXPENSES TO THE ISSUE

#### 10.1. UNDERWRITING

The present Public Issue of Sukuk of PKR ----- million has been fully underwritten as follows:

S.No.	Name of Underwriter	No. of Sukuk/Bond Certificates	Amount in Rupees
-------	---------------------	--------------------------------	------------------

If and to the extent that the Sukuk/Bond offered to the general public shall not have been subscribed and paid for in full by the closing date, the underwriters shall within 5 business days of being called upon by ----- to do so, subscribe or procure subscribers to subscribe and pay in readily available funds in accordance with their underwriting commitments.

In the opinion of the Directors of the -----[Issuer], the resources of the underwriters are sufficient to discharge their underwriting obligations.

#### 10.2. UNDERWRITING EXPENSES

The underwriters will be paid underwriting management fees of up to ----% on the amount of the public portion underwritten by them; ---% of the underwriting management fee shall be paid within --days of signing of Underwriting Management Agreement whereas the payment of the remaining portion / Additional Underwriting Management Fee shall be as disclosed in the Underwriting Management Agreement, as advised and approved by the Shariah Advisor.

#### 10.3. NO BUYBACK / REPURCHASE AGREEMENT

**THE UNDERWRITERS NOR ANY OF THEIR ASSOCIATES HAVE ENTERED INTO ANY BUYBACK OR REPURCHASE AGREEMENT WITH THE SPONSORS, THE ----[Issuer] OR ANY OTHER PERSON IN RESPECT OF THIS PUBLIC ISSUE.**

**ALSO, NEITHER THE ISSUER NOR ANY OF ITS ASSOCIATES HAVE ENTERED INTO ANY BUY BACK / REPURCHASE AGREEMENT WITH THE UNDERWRITERS OR THEIR ACCOCIATES.**

**THE ISSUER AND ITS ASSOCIATES SHALL NOT BUY BACK / RE-PURCHASE CERTIFICATES FROM THE UNDERWRITERS AND THEIR ASSOCIATES.**

#### 10.4. FEES AND EXPENSES FOR CENTRAIZED E-IPO SYSTEM

The commission on application received through CES will be paid to CDC, which shall not be more than 0.8% of the amount of successful applications. CDC will share the fee with other participants of CES at a ratio agreed amongst them.

#### 10.5. COMMISSION TO THE BANKERS TO THE ISSUE

A commission at the rate of -----% of the amount collected, in respect of successful applications will be paid to the Bankers to the Issue for services to be rendered by them in connection with the Public Offer. No commission shall be paid to the Bankers in respect of the Sukuk actually taken up by the underwriters by virtue of their respective underwriting commitments.

#### 10.6. BROKERAGE COMMISSION

Brokerage commission shall be paid to the TREC holders of PSX, at the rate of 1.0% of paid-up value of Sukuk/Bond actually sold through them. No brokerage commission shall be payable in respect of Sukuk/Bond taken up by the Underwriters by virtue of their underwriting commitment.

#### 10.7. EXPENSES TO THE ISSUE

The initial expenses of the issue paid or payable by the ----[Issuer] inclusive of commission to the Underwriters, Bankers to the Issue and members of the PSX, etc., are estimated to be as follows:

<b>Key Expenses to the Issue</b>	<b>Rate</b>	<b>Amount (PKR)</b>
Commission to Bankers to the Issue		
Out of Pocket Expenses of Bankers to the Issue		
CDC e-IPO charges*		
Other Bank's e-IPO Charges		
Underwriting Management Fees - General Public		
Commission to the TREC Holders of PSX		
Consultant to the Issue/Advisor and Arranger Fee		
Processing Fee - Pre IPO		
Trustee/Investment Agent Fee		
Rating Fee		
Legal Counsel Fee		
CDC Annual Fees for Eligible Security		
CDC Security Deposit		
CDC Fresh Issue Fee		
PSX Initial Listing Fee		
PSX Annual Listing Fee		
SECP Processing Fee		
SECP Supervisory Fee		
Auditors Fee for various certificates		
Printing & Publication of Prospectus/Application Forms		
Balloter and Registrar Fee		
Miscellaneous costs		
<b>Total</b>		

Note: Stamp duty fee (if any) will be calculated based on the advice of Transaction Legal Counsel

\*CDC E-IPO fee is 0.8% of the general portion actually received through that system. Therefore, the actual cost is dependent on the subscriptions received through E-IPO. Currently only 1 bank is offering E-IPO services for this IPO in addition to CDC.

## PART 11:

### MISCELLANEOUS INFORMATION

<p><b>11.1. REGISTERED OFFICE / CENTRAL OFFICE</b></p> <p><b>Registered Office Address:</b> -----  <b>Phone:</b> -----  <b>Fax:</b> -----<b>Email:</b> -----  <b>Website:</b> -----</p>	<p><b>11.2. AUDITOR OF THE ISSUER</b></p> <p>M/s. -----, Chartered Accountants  Address: -----.  Contact No.: -----  Email: -----</p>
<p><b>11.3. LEGAL ADVISORS OF THE ISSUER [Name and Contact details]</b></p> <p>1.-----  2.-----</p>	<p><b>11.4. LEGAL ADVISOR TO THE ISSUE [Name and Contact details]</b></p> <p>1.-----  2.-----</p>
<p><b>11.5. REGISTRAR AND TRANSFER AGENT</b></p> <p>-----Limited  Office: ----- UAN: -----  FAX: -----  Email &amp; Website:: -----</p>	<p><b>11.6. CONSULTANT TO THE ISSUE</b></p> <p>-----Limited  Address: -----Phone: -----  Fax: -----  Email &amp; Website: -----</p>
<p><b>11.7. TRUSTEE / INVESTMENT AGENT</b></p> <p>-----Limited  Office: ----- UAN: -----  FAX: -----  Email &amp; Website:: -----</p>	<p><b>11.8. COMPLIANCE OFFICER</b></p> <p>-----Company Secretary  ----- Limited  -----Tel: +-----Ext. -----  Fax: -----</p>
<p><b>11.9. BANKERS TO THE ISSUE</b></p> <p>1.-----  2.-----</p>	<p><b>11.10. DESIGNATED MARKET MAKER</b></p> <p>-----Limited  Office: ----- UAN: -----  FAX: -----  Email &amp; Website:: -----</p>

## PATR 12:

### MATERIAL CONTRACTS / DOCUMENTS RELATED TO THE ISSUE

#### 12.1. UNDERWRITING AGREEMENTS

S. No.	Underwriters Name	Amount (PKR)	Date of Agreement
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#### 12.2. INVESTOR AGREEMENTS

S. No.	Pre-IPO Investors	Amount (PKR)	Date of Agreement
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#### 12.3. OTHER MATERIAL DOCUMENTS

S. No.	Description	Date
1	Trust Deed/Issuance Agreement between ----- Limited and - ----- Limited	
2	Instrument Credit Rating Report by ----	
3	Entity Credit Rating Report by ----	
4	Approval of Pakistan Stock Exchange Limited vide letter reference no. ----	
5	Approval of the Securities and Exchange Commission of Pakistan vide letter reference no. ----	
6	Market Making Agreement between ----- Limited and JS ---- Limited	

#### 12.4. INSPECTION OF DOCUMENTS AND CONTRACTS

All the Balance Sheets and Profit & Loss Accounts, Copies of the Memorandum and the Articles of Association, the Auditor's Certificates, Trust Deed/Issuance Agreement, the Credit Rating Reports by ---, Clearance letter from PSX and the approval letters from SECP, and the copies of agreements referred to in this Prospectus may be inspected during usual business hours on any working day at the registered office of the Bank from the date of publication of this Prospectus until the closing of the Subscription Period.

## **PART 13:**

### **APPLICATION AND ALLOTMENT INSTRUCTIONS**

#### **13.1. ELIGIBLE INVESTORS**

Eligible Investors include:

- f) Pakistani citizens resident in or outside Pakistan or persons holding dual nationalities including Pakistani nationality;
- g) Foreign nationals whether living in or outside Pakistan;
- h) 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);
- i) Mutual Funds, Provident / pension / gratuity funds / trusts, (subject to the terms of the Trust Deed and existing regulations); and
- j) Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

#### **13.2. OPENING AND CLOSING OF SUBSCRIPTION LIST**

The subscription list will open at the commencement of the banking hours ----- and close at the end of banking hours on -----.

#### **13.3. COPIES OF THE PROSPECTUS**

Copies of the Prospectus and applications forms can be obtained from the registered office of the ----  
----- Limited, the Consultant to the Issue and the Bankers to the Issue. The Prospectus and the Application Forms can also be downloaded from the following websites:

<http://----->, <https://-----com.pk>, [www.psx.com.pk](http://www.psx.com.pk) and <https://----->

- 13.4. The applicants are required to complete the relevant sections of the application in order to get the Securities in scrip-less form. In accordance with the provisions of the Central Depositories Act, 1997 and the CDCPL Regulations, credit of such securities is allowed ONLY in the applicant's own CDC account.

- 13.5. Name(s) and address(es) must be written in full block letters, in english, and should not be abbreviated.
- 13.6. 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 Pakistani (NICOP) or passport, both the signatures should be affixed on the application form.

#### 13.7. APPLICATIONS MADE BY INDIVIDUAL INVESTORS

- c) In case of individual investors, a photocopy of the 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.
- d) Original CNIC / NICOP / Passport, along with a 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 an application. The photocopy will, after verification, be retained by the branch along with the application.

#### 13.8. APPLICATIONS MADE BY INSTITUTIONAL INVESTORS

- c) Applications made by companies, corporate bodies, mutual funds, provident / pension / gratuity funds / trusts and other legal entities must be accompanied by a 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.
- d) Photocopies of the documents mentioned in paragraph (a) above 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 copies, will after verification, be retained by the bank branch along with the application.

#### 13.9. ADDITIONAL INSTRUCTIONS FOR INVESTORS

- m) Only one application will be accepted against each account, however, in case of joint accounts, one application may be submitted in the name of each joint account holder.
- n) Joint application in name of more than two persons will not be accepted. In case of joint application each applicant must sign the application, form and submit copies of their CNICs / NICOP / Passports. The securities 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 application will be considered as a single application for the purpose of allotment of securities.
- o) 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 in favor of "**IPO of ----- Limited – Sukuk/Bond**" and crossed "A/C PAYEE ONLY".

- p) For the application 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.
- q) 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 securities.
- r) Applications are not to be made by minors and / or persons of unsound mind.
- s) Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the application form.
- t) Applicants should retain the bottom portion of their application forms as provisional acknowledgment 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 securities for which the application has been made.
- u) 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.
- v) Banker 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.
- w) 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.
- x) Submission of false and fictitious applications is prohibited, and such Application Money may be forfeited under section 87(8) of Securities Act, 2015.

عوام و ناس کو مطلع کیا جاتا ہے کہ سیکورٹیز ایکٹ 2015 کی سیکشن نمبر (7) کے تحت مجموعی یا جعلی درخواستیں دینا قانوناً ناجزیم ہے۔ خلاف ورزی کرنے والوں کی رقم، جو کہ درخواست کے ساتھ جمع کرائی جاتی ہے، سیکورٹیز ایکٹ 2015 کی سیکشن نمبر (8) کے تحت ضبط کی جاسکتی ہے۔

### 13.10. ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

- c) 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 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 applications. Copies of these documents can be attested by the Bank Manager in the country of applicant's residence.
- d) Foreign / Non-resident investors should follow the payment instructions given in para ---- of the prospectus.

### 13.11. PUBLIC SUBSCRIPTION THROUGH E-IPO

#### **E-IPO SYSTEM**

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

#### **PSX's e-IPO System (PES):**

In order to facilitate investors, the Pakistan Stock Exchange Limited ("PSX") has developed an e-IPO System ("PES") through which applications for subscription of securities offered to the general public can be made electronically. PES has been made available in this Issue and



can be accessed through the web link (<https://eipo.psx.com.pk>). Payment of subscription money can be made through 1LINK's and NIFT's member banks available for PES.

For making application though PES, investors must be registered with PES. The PES registration form is available 24/7, all throughout the year. Registration is free of cost and can be done by:

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

Similarly, an e-IPO application can be filed by:

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

For further guidance and queries regarding PES, **investors may contact PSX at phone number: 111-001-122, or contact at phone (021)-35274401-10 and email: [itss@psx.com.pk](mailto:itss@psx.com.pk).**

Investors who are registered 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 -----[Date].

#### **Centralized e-IPO System (CES):**

The Central Depository Company of Pakistan Limited (CDC) in collaboration with 1Link (G) Limited (1Link) 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 has been made available in this Issue and can be accessed through the web link ([www.cdceipo.com](http://www.cdceipo.com)). Payment of subscription money can be made through 1LINK's member banks available for CES, list of which is available on the above-mentioned website.

For making application though CES, investors must be registered with CES. Registration with CES is one-time activity, 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), International Bank Account Number (IBAN) with any of the commercial bank, email address, mobile phone number and CDS Account (Investor Account or sub Account) may registered themselves with CES.

In addition to the above, CDC has also introduced a new facility in CES through which sub-account holder(s) will 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 (IPOs) 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. 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](http://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](mailto:info@cdcpak.com) or contact Mr. ----- of CDC at Phone ----- and email: -----.

### **13.12. E-IPO Facilities by Bankers to the Issue**

Currently, -----[Bank name] and -----[Bank name] are providing e-IPO facilities to their respective accountholders. ----- account holders can use ----- Net Banking to submit their application via link <http://-----> whereas ----- account holders can use ----- Net Banking to submit their application via link <https://----->.

Investors who are registered with CES or account holders of ---- & ---- can submit their applications through the above mentioned links 24 hours a day during the subscription period which will close at midnight on -----[Date].

### **13.13. FACILITIES AVAILABLE TO FOREIGN/NON-RESIDENT PAKISTANI INVESTORS**

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (VIII)) of Chapter 20 of the State Bank of Pakistan's ("SBP") Foreign Exchange Manual (the "Manual") to issue Sukuk/Bond 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 and the purchase price (whether negotiated privately or otherwise) is not less than the price quoted on the PSX.

Non-residents who wish to subscribe Sukuk/Bond 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 Sukuk/Bond offered to general public / retail investors. List of bankers to the issue for retail portion is available on title page of this Prospectus.

The Sukuk/Bond issued to non-resident investors shall be intimated by the Bank 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 Sukuk/Bond 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 profit, net of applicable taxes and proceeds on sale of listed Sukuk/Bond (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.

#### 13.14. CODE OF OCCUPATIONS

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

#### 13.15. 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		

#### 13.16. MINIMUM AMOUNT OF APPLICATION AND BASIS OF ALLOTMENT OF SUKUK/BOND

The basis and conditions of allotment shall be as follows: l) Face value of the Sukuk/Bond is PKR 5,000/-.

- a) The minimum amount of application for subscription of Sukuk/Bond is PKR 5,000/-.
- b) Applications for Sukuk/Bond below the aggregate face value of PKR 5,000/- shall not be entertained.
- c) Applications for Sukuk/Bond by the general public, including institutions and individuals, must be for a minimum of the aggregate face value of PKR 5,000/- or in multiples thereof.
- d) If the Sukuk to be issued to the general public are sufficient for the purpose, all applications shall be accommodated.
- e) If the issue is oversubscribed in terms of amount, then all applications shall be accommodated initially for Sukuk of face value of PKR 5,000/- each and the balance Sukuk shall be allotted on prorata basis to all applicants who applied for Sukuk in multiples of PKR 5,000/-.
- f) If the issue is over-subscribed in terms of number of applications and the amount, the Sukuk shall be allotted through computer balloting in the presence of representatives of PSX.
- g) Allotment of Sukuk shall be subject to scrutiny of applications for subscription.

#### 13.17. REFUND OF MONEY TO UNSUCCESSFUL APPLICANTS

----- (name of the Issuer) shall take a decision within ten (10) days of the closure of subscription list as to which applications have been accepted or are successful and refund the money in cases of unaccepted or unsuccessful applications within ten (10) days of the date of such decision as required under regulation No. ---- read with regulation No. ---- of the PSX Rule Book.

As per sub-section (2) of Section 68 of the Companies Act, 2017, if a refund is not made within the time specified therein, the Directors of the Company shall be jointly and severally liable to repay the money with surcharge at the rate of 2.00%, for every month or part thereof from the expiration of the 15th day and, in addition, shall be liable to a penalty of level 3 on the standard scale.

The surcharge mechanism has been mentioned here in order to ensure regulatory compliance. However, from the shariah perspective, since this surcharge is a form of interest, the applicants are advised to dispose any such received amount as charity.

### **13.18. MINIMUM SUBSCRIPTION**

The minimum amount of subscription on which the Directors will proceed to allot Sukuk is PKR -----  
- million.

### **13.19. ISSUE AND CREDIT OF SUKUK**

----- (name of the Issuer) shall credit Sukuk to the successful allottees within twenty-one (21) days of closure of subscription list in compliance with the requirements of PSX. Sukuk will be issued only in the Book-Entry Form through credit in their CDS Accounts. The applicants, therefore, must provide their CDS Account Number (Investor Account Number or Sub-Account Number) in the Sukuk Subscription Form.

The Sukuk issued shall be subject to the terms & conditions for the issuance of the Sukuk specified in the Trust Deed/Issuance Agreement dated -----.

If the ----- (name of the Issuer) defaults on complying with the requirements of the Listing Regulations, it will pay to PSX a penalty of PKR 5,000/- per day during which the default continues. PSX may also notify the fact of such default and the name of the Bank by notice and also by publication, in the Daily Quotations.

The surcharge mechanism has been mentioned here in order to ensure regulatory compliance. However, from the shariah perspective, since this surcharge is a form of interest, PSX is advised to dispose any such received amount as charity.

### **13.20. TRANSFER OF SUKUK**

The Sukuk will be inducted into the CDC, transfer shall be made in accordance with the Central Depository Act, 1997 and CDC Regulations.

### **13.21. BANKERS TO THE ISSUE**

8. ----- Bank Limited

9. ----- Bank Limited
10. ----- Bank Limited -----

### 13.22. DEDUCTION OF ZAKAT

Zakat is deductible in case of the Sukuk being held by Muslim citizens of Pakistan, except where a statutory declaration of exemption is filed, and in case of certain non-corporate entities such as Trusts, Funds, etc. (subject to being qualified for non-deduction of Zakat under the Zakat and Ushr Ordinance, 1980). Zakat is withheld at 2.5% of the redeemed principal amount.

### 13.23. INCOME TAX

Any income derived from investment in Sukuk shall be subject to income tax as per the Income Tax Ordinance, 2001. Withholding tax, as specified in Part III Division IB of the First Schedule of the said ordinance shall be applicable.

### 13.24. DEDUCTION OF WITHHOLDING TAX

Profit paid to Sukuk Holders will be subject to withholding tax under section 150A of the Income Tax Ordinance, 2001 specified in Part III Division IB of the First Schedule of the said Ordinance or any time to time amendments therein. Rates of tax specified under Division IB are as follows:

Category	Tax Rate for Persons appearing in Active Tax Payer List	Tax Rate for Persons not appearing in Active Tax Payer List
Company	15%	30%
Individual or Association of Persons (If return on Investment is more than one million)	12.50%	25%
Individual or Association of Persons (If return on Investment is less than one million)	10%	20%

### 13.25. CAPITAL GAINS

Any capital gain derived from the sale of Sukuk shall be subject to capital gain tax as per section 37A of the Income Tax Ordinance, 2001. Applicable Capital Gain Tax Rates for FY20 are as follows:

- (e) For persons appearing in Active Tax Payer List: 15.0%
- (f) For persons not appearing in Active Tax Payer List: 30.0%

### 13.26. DISCLOSURE OF DEFERRED TAXATION

The -----[name of the issuer] recognises deferred tax asset / liability on deficit / surplus on revaluation of operating fixed assets and securities which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS) 12, 'Income

Taxes'. The balance of deferred tax asset (net) as of -----[Date] was PKR ----- million (unconsolidated). For detail please refer to Company's website at <http://----->.

**PART 14:**

SIGNATORIES TO THE PROSPECTUS

Name	Designation	Signature
------	-------------	-----------

Signed by the above in the presence of following witnesses:

**Witness 1**

-sd-

\_\_\_\_\_  
Name: -----  
Designation: -----  
CNIC: -----

**Witness 1**

-sd-

\_\_\_\_\_  
Name: -----  
Designation: -----  
CNIC: -----

**PART 15:**

MEMORANDUM OF ASSOCIATION

**PART 16:**

APPLICATION FORM