



# PAKISTAN STOCK EXCHANGE LIMITED

Stock Exchange Building, Stock Exchange Road, Karachi-74000

UAN: 111-001-122

PSX/N-1287

NOTICE

November 17, 2020

## Public Comments on the Draft Prospectus of Panther Tyres Limited

It is hereby informed to all concerned that **Panther Tyres Limited (the Company or the Issuer)** has applied for listing on the Exchange. The Company shall be issuing 40 Million Ordinary Shares using the 100% Book Building Method at a Floor Price of PKR 47/- per share. Details about the issue can be reviewed through the attached Draft Prospectus of the Company.

Pursuant to PSX Regulation No. 5.2.1(e), and Regulation 3 (11) of the Public Offering Regulations, 2017, the Draft Prospectus of the Issuer is being placed on the PSX Website for seeking public comments. All concerned are requested to provide their written comments on the Draft Prospectus, if any, to the Listing Department by emailing at [comments.draftprospectus@psx.com.pk](mailto:comments.draftprospectus@psx.com.pk) latest by **COB Thursday, November 26, 2020**.

*Asmaa Saleem Malik*

**Asmaa Saleem Malik**

General Manager – Listing Department

Copy to:

Additional Director / HOD, PMADD, SMD - SECP

**ADVICE FOR INVESTORS**

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

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

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

**ADVICE FOR INSTITUTIONAL INVESTORS AND HIGH NET WORTH INDIVIDUAL INVESTORS**

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

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

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

**PANTHER TYRES LIMITED (Formerly Mian Tyre And Rubber Company Limited)****PROSPECTUS****NEW ISSUE AND OFFER FOR SALE**

**Date and place of incorporation:** Lahore, October 24, 1983, **Incorporation number:** 0010858, **Registered and Corporate Office:** Panther House, 97-B Aziz Avenue, Jail Road, Lahore, Pakistan, **Contact No:** 042 – 111 554 444, **Website:** [www.panther tyres.com](http://www.panther tyres.com), **Email:** [info@panther tyres.com](mailto:info@panther tyres.com), **Contact Person:** Ghulam Abbas, Phone 042 111 554 444, Email: [ghulam.abbas@panther tyres.com](mailto:ghulam.abbas@panther tyres.com);

**Issue Size:** The Issue consists of 40,000,000 Ordinary Shares (i.e. 28.57% of the total post-IPO paid up capital of Panther Tyres Limited) of face value of PKR 10/- each, of which 30,000,000 (21.42% of the total post-IPO paid up capital of Panther Tyres Limited) ordinary shares are being issued by Panther Tyres Limited as New Issue and 10,000,000 (7.14% of the total post – IPO paid up capital of Panther Tyres Limited) ordinary shares are being offered by Mian Iftikhar Ahmad as an Offer for Sale.

**Method of Offering:** 100% Book Building Method

**Book Building method and Floor Price:** The entire Issue will be offered through book building method at a Floor Price of PKR 47/- per share (including premium of PKR 37/- per share) with a maximum price band of upto 40%. Justification of premium is given under “Valuation Section”, i.e. Section 4.2). The bidders shall be allowed to place bids for hundred percent (100%) of the Issue size and the Strike Price shall be the price at which the hundred percent (100%) of the Issue is subscribed. However, the successful bidders shall be provisionally allotted only seventy-five percent (75%) of the Issue size i.e. 30,000,000 shares and the remaining twenty five percent (25%) i.e. 10,000,000 shares shall be offered to the retail investors.

**Retail/general public portion:** General Public portion of the Issue comprises of 10,000,000 ordinary shares (25% of the total issue) at the Strike Price. In case retail portion of the Issue remains unsubscribed, the unsubscribed shares will be allotted to the successful bidders of book building on a pro rata basis.

**Public Comments:** Draft Prospectus was placed on PSX's website for seeking public comments starting from [•], 2020 to [•], 2020. The comments received have been duly incorporated / responded by the Lead Manager.

**REGISTRATION OF ELIGIBLE INVESTORS:** The registration of eligible investors will commence at 9:00 am on [•]/2020 and will close at 3:00 pm on [•]/2020

**BIDDING PERIOD DATES:** From [•]/2020 to [•]/2020 (From: 9:00 am to 5:00 pm)

**DATE OF PUBLIC SUBSCRIPTION:** From [•]/2020 to [•]/2020 (both days inclusive) From: 9:00 am to 5:00 pm

**Lead Manager & Book Runner****Book Building Portion Will be Underwritten By:**

**Bankers to the Book Building portion of the Issue:** Habib Metropolitan Bank Limited and Meezan Bank Limited

**Bankers for the Retail portion of the Issue:**

United Bank Limited	Habib Metropolitan Bank Limited	Habib Bank Limited	Bank Islami Pakistan Limited
Allied Bank Limited	Meezan Bank Limited	Faysal Bank Limited	

Online applications can be submitted through Centralized E-IPO system (CES) of Central Depository Company of Pakistan Limited (CDC) and UBL e-IPO system. CES and UBL e-IPO system can be accessed via web link [www.cdceipo.com](http://www.cdceipo.com) and <http://www.ubldirect.com/corporate/ebank> respectively. For details please refer to section 13.1.4 of the Prospectus.

**Date of Publication of this Prospectus:** [•]/2020

Prospectus and Subscription Form can be downloaded from the following websites: <http://www.panther tyres.com/>, <http://www.psx.com.pk>, [www.cdceipo.com](http://www.cdceipo.com) & <http://www.arifhabibltd.com>

**For further queries you may contact**

**Panther Tyres Limited:** Ghulam Abbas, Phone 042 111 554 444, Email: [ghulam.abbas@panther tyres.com](mailto:ghulam.abbas@panther tyres.com); **Mohsin Muzaffar Butt;** Phone: 042 111 554 444; Email: [mohsin.butt@panther tyres.com](mailto:mohsin.butt@panther tyres.com) **Arif Habib Limited:** Tooba Zafar; Phone: 021-8899226; E-mail: [tooba.zafar@arifhabibltd.com](mailto:tooba.zafar@arifhabibltd.com); **Mahnoor Sartaj Qasim** Phone: 021-38899224; Email: [mahnoor.qasim@arifhabibltd.com](mailto:mahnoor.qasim@arifhabibltd.com)

**The Company is Proposed to be listed at the Pakistan Stock Exchange Limited**

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

[•], 2020

WE, MIAN FAISAL IFTIKHAR, THE CHIEF EXECUTIVE OFFICER, AND GHULAM ABBAS, THE CHIEF FINANCIAL OFFICER OF PANTHER TYRES LIMITED AND MIAN IFTIKHAR AHMAD, THE OFFEROR 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; AND
5. ALL REQUIREMENTS OF THE SECURITIES ACT, 2015; THE DISCLOSURES IN PUBLIC OFFERING REGULATIONS, 2017 FOR PREPARATION OF PROSPECTUS RELATING TO DISCLOSURES AND APPROVALS HAVE BEEN FULFILLED.
6. NO CHARGES, FEE, EXPENSES, PAYMENTS ETC. HAVE BEEN COMMITTED TO BE PAID TO ANY PERSON IN RELATION TO THIS PUBLIC OFFERING EXCEPT FOR THOSE AS DISCLOSED IN THIS PROSPECTUS.

For and behalf of **Panther Tyres Limited**

-Sd-

---

**Mian Faisal Iftikhar**  
Chief Executive Officer

-Sd-

---

**Ghulam Abbas**  
Chief Financial Officer

-Sd-

---

**Mian Iftikhar Ahmad**  
Offeror

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

### SUPPLEMENT TO THE PROSPECTUS

This Supplement is being published pursuant to The Public Offering Regulations, 2017 and in continuation of the Prospectus of Panther Tyres Limited earlier published on [•]/2020

#### Panther Tyres Limited

- FLOOR PRICE : PKR 47.00/- PER SHARE
- STRIKE PRICE : PKR XX/- PER SHARE
- ISSUE PRICE: PKR XX/- PER SHARE
- PRICE BAND (MAXIMUM 40%) : PKR 65.80/- PER SHARE

**Note:**

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

#### Category wise Breakup of Successful Bidders

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

### Glossary of Technical Terms

ACD	Additional Custom Duty
ACT	Securities Act, 2015
AHL	Arif Habib Limited
Bag-o-Matic Presses	Bag-o-Matic Presses are specifically designed presses for curing passenger, light trucks, trucks and off-the-road tyres
Bias Tyres	Bias Tyres are crossply tyres in which a series of cords or plies cross over each other to form a carcass or frame over which rubber is integrated to create a tyre
BMR	Balancing, Modernization and Replacement
Bps	Basis points
BR	Book Runner
Butyl Rubber	Butyl Rubber is a synthetic elastomer. It was the first rubber to be synthesized and has a good shock absorption characteristics and low moisture and gas permeability. Butyl Rubber is an important material used in manufacturing of tyres and tubes
BVPS	Book Value Per Share
CAGR	Compound Annualized Growth Rate
Calendering	Calendering is a process in tyre manufacturing where steel or fabric is coated with rubber
CBU	Completely Built Up
CDA	Central Depository Act, 1997
CDC / CDCPL	Central Depository Company of Pakistan Limited
CDC Regulations	Central Depository Company of Pakistan Limited Regulations
CDS	Central Depository System
CES	Centralized e-IPO System
COI	Certificate of Incorporation
Collection Bank (Book Building)	Habib Metropolitan Bank Limited & Meezan Bank Limited
Companies Act	Companies Act, 2017
Commission / SECP	Securities and Exchange Commission of Pakistan
CRO	Company Registration Office
CUIN	Computerized Unique Identification Number

Detackifier	Detackifier is a process chemical used for reducing tackiness of other substances. Talc and asbestos are used as a Detackifiers in manufacturing of tyres and tubes
EPS	Earnings Per Share
ERF	Export Finance Facility
EU	European Union
Extrusion	Extrusion is a process in which rubber is propelled continuously along a screw through regions of high temperature and pressure where it is softened and compressed and finally forced through a die
FAPC	Finance Against Packing Credit
FATR	Finance Against Trust Receipts
FBR	Federal Board of Revenue
FED	Federal Excise Duty
FIM	Finance Against Imported Merchandise
FOREX	Foreign Exchange
FY	Financial Year
GDP	Gross Domestic Product
GOP	Government of Pakistan
GTJR	The General Tyre and Rubber Company of Pakistan Limited
ITO	Income Tax Ordinance, 2001
LBD	Local Bills Discounting
LCV	Light Commercial Vehicle
LESCO	Lahore Electric Supply Company
LTFF	Long Term Financing Facility
MC	Motor Cycle
Mm	Millimeter
Mn	Million
MT p.a.	Metric Tons per Annum
MW	Mega Watt
NICOP	National Identity Card for Overseas Pakistani
OEM	Original Equipment Manufacturers
NOC	No Objection Certificate

OTR Tyres	Off the road tyres are category of vehicle tyres that use deep tread to provide more traction on unpaved surfaces such as loose dirt, mud and sand. Off the road tyres are used in earth mover vehicles
p.a.	Per Anum
PCR	Passenger Cars
PKR or Rs.	Pakistan Rupee(s)
Plunger Test	Plunger Test is conducted to verify the strength of a tyre. In Plunger test, a rounded steel rod is forced into centre area of tread of an inflated tyre, measuring the energy required to either penetrate the carcass or contact the rim surface
Ply Rating	Ply Rating is a measure of number of ply in a tyre and is an expression of tyre strength and capacity
Psi	Pounds per Square Inch (Pressure unit)
PSX / Exchange	Pakistan Stock Exchange Limited
Radial Tyre	In Radial Tyres steel belts run at 90 degree angle with the tread line. It allows the sidewall and the tread of the tyre to function independently. Thus, there is low sidewall flex and more contact with the ground
Replacement Cycle	Replacement cycle refers to the life of tyres. It refers to the time period during which the tyres are worn out and need to be replaced
Replacement Market	Replacement market is a secondary market for tyre manufacturers for sale of tyres and tubes. Replacement market comprises of distributors, wholesalers and retailers
Retreading	Retreading is a re-manufacturing process for tyres that replaces the tread on worn tyres
RLNG	Re-Gasified Liquefied Natural Gas
SBP	State Bank of Pakistan
SCRA	Special Convertible Rupee Account
SNGPL	Sui Northern Gas Pipelines Limited
Splicing	Splicing is a method of cutting a length of a tyre tread and dispensing a length of tyre tread from a roll based on measured circumference
SRVI	Service Industries Limited
SST	Sindh Sales Tax
TBB Tyres	Truck & Bus Bias tyres
TERF	Temporary Economic Refinance Facility
Tread	Tread of a tyre refers to rubber on its circumference that makes contact with the road or ground

Tubes (Packed)	Tubes (Packed) comprises of a single tube
Tyre Set	Tyre Set comprises of a tyre around a tube
UIN	Unique Identification Number
UK	United Kingdom
Vulcanization	Vulcanization is a process of improvement of the rubber elasticity and strength by heating it in the presence of sulphur
WDV	Written Down Value
WHT	Withholding Tax
Wobbling	Wobbling is a test conducted for inspecting the differences in tyre roundness and its alignment



## DEFINITIONS

<b>Application Money</b>	In case of bidding for shares out of the Book Building portion, the total amount of money payable by a successful Bidder which is equivalent to the product of the Strike Price and the number of shares to be allotted.
<b>Banker to the Book Building</b>	<p>Any bank(s) with whom an account is opened and maintained by the Issuer for keeping the bid amount.</p> <p>Habib Metropolitan Bank Limited and Meezan Bank Limited have been appointed, in this IPO, as the Bankers to the Book Building.</p>
<b>Bid</b>	An indication to make an offer during the Bidding Period by a Bidder to subscribe to the Ordinary Shares of Panther Tyres Limited at a price at or above the floor price, including upward revisions thereto. <b>An Eligible Investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price subject to a maximum price band of 40% of the Floor Price. Please refer to Section 12.1.2 for details.</b>
<b>Bid Amount</b>	The amount equal to the product of the number of shares Bid for and the Bid price.
<b>Bid Collection Center</b>	Designated offices of the Book Runner, specified branches of any of the Scheduled Bank and offices of any other institutions specified by the Commission where bids are received and processed. For this Issue, addresses of the Bid Collection Centers are provided in <u>Section 12.1.6 of this Prospectus</u> .
<b>Bid Price</b>	The price at which bid is made for a specified number of shares.
<b>Bid Revision</b>	<p>The Eligible Investors can revise their bids upward subject to the provision of regulation 10(2)(iii) of the PO Regulations. The bids can be revised with a price variation of not more than 10% from the prevailing indicative Strike Price in compliance with Regulation 10(2)(iii) of the PO Regulations.</p> <p><b>As per regulation 10(2)(vi) of the PO Regulations, the bidder shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.</b></p> <p><b>As per regulation 10(2)(vii) of the PO Regulations, the bidder shall not withdraw their bids.</b></p>
<b>Bidder</b>	An Eligible Investor who makes bids for shares in the Book Building process.

<b>Bidding Form</b>	The form prepared by the Issuer for the purpose of making bids.
<b>Bidding Period</b>	<p>The period during which bids for subscription of shares are received.</p> <p>The Bidding Period shall be of two days, from <b>[•], 2020</b> to <b>[•], 2020</b> both days inclusive (daily from 9:00 a.m. to 5:00 p.m.).</p>
<b>Book Building</b>	A process undertaken to elicit demand for shares offered through which bids are collected from the Bidders and a book is built which depicts demand for the shares at different price levels.
<b>Book Building Account</b>	An account opened by the Issuer with the Collection Bank. The Bidder will pay the Margin Money / Bid Amount through demand draft, pay order or online transfer in favor of this account as per the instructions given in Section 12.1.15 of this Prospectus and the balance of the Application Money, if any, shall be paid through this account after successful allocation of shares under Book Building.
<b>Book Building Portion</b>	The part of the total Issue allocated for subscription through the Book Building.
<b>Book Runner</b>	<p>A securities broker or a scheduled bank who holds a valid license from the Commission to act as an Underwriter and has been appointed as Book Runner by the Issuer.</p> <p>Arif Habib Limited has been appointed as Book Runner for this Issue.</p>
<b>Book Building System</b>	An online electronic system operated by the Designated Institution for conducting Book Building.
<b>Centralized E-IPO System</b>	<p>In order to facilitate investors, the Central Depository Company of Pakistan ("CDC") has developed a Centralized e-IPO System ("CES") through which applications for subscription of securities offered to the general public can be made electronically. CES has been made available in this Issue and can be accessed through the web link (<a href="http://www.cdceipo.com">www.cdceipo.com</a>). Payment of subscription money can be made through 1LINK's member banks available for CES, list of which is available on above mentioned website.</p> <p>For making application through CES, investors must be registered with the CES. Registration with CES is one time, free of cost and can be done under a self-registration process by filling the CES registration form, which is available on the above mentioned web link 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), bank account with any of the commercial bank, email address, mobile phone number and CDS Account (Investor account or sub account) may register themselves with CES.</p>

	<p>Investors who do not have CDS account may visit <a href="http://www.cdcpakistan.com">www.cdcpakistan.com</a> for information and details.</p> <p>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: <a href="mailto:info@cdcpak.com">info@cdcpak.com</a></p>
<b>Collection Banks</b>	<p>Habib Metropolitan Bank Limited and Meezan Bank Limited are the collection banks for the Book Building portion. For this purpose, Habib Metropolitan Bank Limited and Meezan Bank Limited have opened an account titled <b>“Panther Tyres Book Building”</b>, Number: [●] at its [●] <b>Branch, [●]</b>. The Collection Banks shall keep and maintain the bid money in the said account. Once the Strike Price is determined and lists of successful bidders and successful applicants/allottees are finalized and shares are credited to the successful bidders and applicants, the Lead Manager, after obtaining NOC from PSX, may request in writing to the Collection Banks for transfer of the money of successful and accepted applications to the Issuer’s account(s).</p>
<b>Company</b>	Panther Tyres Limited (the “Company” or “Panther”)
<b>Company’s Legal Advisor</b>	Cornelius, Lane & Mufti (“CLM”)
<b>Commission</b>	Securities & Exchange Commission of Pakistan (“SECP”).
<b>Consolidated Bids</b>	A bid which is fully or partially beneficially owned by persons other than the one named therein.
<b>Designated Institution</b>	<p>Includes securities exchange, central depository or clearing house approved by the Commission to provide a system for conducting Book Building.</p> <p>Pakistan Stock Exchange Limited (“PSX”) will act as the Designated Institution for this Issue.</p>
<b>Dutch Auction Method</b>	<p>The method through which Strike Price is determined by arranging all the Bid Prices in descending order along with the number of shares and the cumulative number of shares bid for at each Bid Price. The Strike Price is determined by lowering the price to the extent that the total number of shares Issued under the Book Building Portion are subscribed.</p>
<b>e-IPO facility</b>	<p>E-IPO is submission of application for subscription of securities electronically through internet, Automated Teller Machines (ATM) and mobile phones. In order to facilitate the public during IPOs, SECP has introduced the concept of e-IPO. The following two systems are available for e-IPOs:</p>

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

In order to facilitate investors, the Central Depository Company of Pakistan ("CDC") has developed a Centralized e-IPO System ("CES") through which applications for subscription of securities offered to the general public can be made electronically. CES 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 above website.

For making application through CES, investors must be registered with CES. Registration with CES is free of cost and can be done under a self-registration process by filling the CES registration form, which is available 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), bank account with any of the commercial bank, email address, mobile phone number and CDS Account (Investor account or sub account) may register themselves with CES.

Investors who do not have CDS account may visit [www.cdcpakistan.com](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 Mr. Farooq Ahmed Butt at Phone 021-34326030 and email: [farooq\\_butt@cdcpak.com](mailto:farooq_butt@cdcpak.com)**

Investors who are registered with CES can submit their applications through the web link [www.cdceipo.com](http://www.cdceipo.com) 24 hours a day during the subscription period which will close at midnight on [•]/2020.

**(ii) e-IPO facilities by Bankers to the Issue:**

Currently, UBL is providing e-IPO facilities to their respective account holders. UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank>.

**Account holders of UBL can submit their applications through the above mentioned link 24 hours a day during the subscription period which will close at midnight on [•]/2020.**

**Eligible Investor**

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

**Floor Price**

The minimum price per share set by the Issuer in consultation with Lead Manager. For this Issue, Floor Price is PKR 47.0/- per share.

**General Public**

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

<b>Initial Public Offer (IPO)</b>	Initial Public Offering or IPO means first time offer of securities to the general public.
<b>Institutional Investors</b>	<p>Any of the following entities:</p> <ul style="list-style-type: none"> <li>▪ A financial institution;</li> <li>▪ A company as defined in the Companies Act, 2017;</li> <li>▪ An insurance company established under the Insurance Ordinance, 2000;</li> <li>▪ A securities broker;</li> <li>▪ A fund established as Collective Investment Scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008;</li> <li>▪ A fund established as Voluntary Pension Scheme under the Voluntary Pension System Rules, 2005;</li> <li>▪ A private fund established under Private Fund Regulations, 2015;</li> <li>▪ Any employee's fund established for beneficial of employees;</li> <li>▪ Any other fund established under any special enactment;</li> <li>▪ A foreign company or any other foreign legal person; and</li> <li>▪ Any other entity as specified by the Commission.</li> </ul>
<b>Issue</b>	<p>Issue of 30,000,000 Ordinary Shares representing 21.42% of total post-IPO paid-up capital and an Offer For Sale of 10,000,000 Ordinary Shares representing 7.14% of total post – IPO paid up capital having a Face Value of PKR 10/- each.</p> <p>The entire issue will be offered through Book Building at a Floor Price of PKR 47.00/- per share</p> <p>Initially, 75% of the issue size or 30,000,000 Ordinary Shares will be allotted to Successful Bidders and 25% of the Issue or 10,000,000 Ordinary Shares will be offered to Retail Investors at the Strike Price. Any unsubscribed retail portion will be allocated to Successful Bidders on a pro-rata basis.</p>
<b>Issue Price</b>	The price at which Ordinary Shares of the Company are issued to the General Public. The Issue Price will be the Strike Price.
<b>Issuer</b>	Panther Tyres Limited (the “Company” or “Panther Tyres”)
<b>Key Employees</b>	Chief Executive Officer, Directors, Chief Financial Officer and Company Secretary of the Company.
<b>Lead Manager</b>	<p>Any person licensed by the Commission to act as a Lead Manager.</p> <p>Arif Habib Limited has been appointed as Lead Manager by the Issuer for this Issue.</p>
<b>Limit Bid</b>	The bid at a Limit Price.

<b>Limit Price</b>	The maximum price (up to 40% of the Floor Price) a prospective Bidder is willing to pay for a share under Book Building.
<b>Margin Money</b>	The partial or total amount, as the case may be, paid by a bidder at the time of registration as an Eligible Investor. The Book Runner shall collect full amount of the bid money as Margin Money in respect of bids placed by an individual investor and not less than twenty five percent (25%) of the bid money as Margin Money in respect of bids placed by an institutional investors.
<b>Minimum Bid Size</b>	The Bid amount equal to One Million Rupees (PKR 1,000,000/-).
<b>Offeror</b>	Mian Iftikhar Ahmad who is offering/divesting 10,000,000 Ordinary Shares
<b>Ordinary Shares</b>	Ordinary Shares of Panther Tyres having face value of PKR 10.00/- each.
<b>Price Band</b>	Floor Price with an upper limit of 40% above the Floor Price, allowing Bidder to make Bid at Floor Price or within the Price Band
<b>Prospectus</b>	Prospectus means any document described or issued as a prospectus and includes any document, notice, circular, material, advertisement, and offer for sale document, publication or other invitation offering to the public (or any section of the public) or inviting offers from the public for the subscription or purchase of any securities of a company.
<b>Registration Form</b>	The form which is to be submitted by the Eligible Investors for registration to participate in the Book Building process.
<b>Registration Period</b>	The period during which registration of bidders is carried out. The registration period shall commence three days before the start of the Bidding Period from <u>DD/MM/2020</u> to <u>DD/MM/2020</u> from 9:00 am to 5:00 pm and shall remain open till 3:00 pm on the last day of the Bidding Period.
<b>PO Regulations</b>	The Public Offering Regulations, 2017
<b>Related Employees</b>	Related Employees mean such employees of the Issuer, the Book Runner, the Underwriters, and the Consultants to the Issue, who are involved in the Issue. Please refer to Section 3.21.5 for further details.
<b>Listing Regulations</b>	Chapter 5 of the Rule Book of the Pakistan Stock Exchange Limited, titled 'Listing of Companies and Securities Regulation'.

<b>Sponsor</b>	<p>A person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the issuing company directly or indirectly;</p> <p>A person who replaces the person referred to above; and</p> <p>A person or group of persons who has control of the issuing company whether directly or indirectly.</p>
<b>Step Bid</b>	<p>Step Bid means a series of limit bids at increasing prices. In case of a step bid the amount of each step will not be less than Rupees One Million (PKR 1,000,000/-).</p>
<b>Strike Price</b>	<p>The price per ordinary share of the Issue determined / discovered on the basis of Book Building process in the manner provided in the Regulations, at which the shares are Issued to the successful bidders. The Strike Price will be disseminated after conclusion of Book Building through publication in at least all those newspapers in which the Prospectus was published and also posted on the websites of the Securities Exchange, Lead Manager, Book Runner and the Company.</p>
<b>Supplement to the Prospectus</b>	<p>The Supplement to the Prospectus shall be published within three (3) working days of the closing of the Bidding Period at least in all those newspapers in which the Prospectus was earlier published and disseminated through the Securities Exchange where shares are to be listed.</p>
<b>System</b>	<p>An online electronic system operated by the Designated Institution for conducting Book Building.</p>

**Interpretation:**

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

## Table of Contents

1	APPROVALS AND LISTING ON THE STOCK EXCHANGE .....	15
2	SUMMARY OF THE PROSPECTUS .....	17
3	OVERVIEW, HISTORY AND PROSPECTS .....	25
3A	SHARE CAPITAL AND RELATED MATTERS .....	43
4	PRINCIPAL PURPOSE OF THE ISSUE AND FUNDING ARRANGEMENTS .....	47
4A	VALUATION SECTION .....	54
5	RISK FACTORS .....	58
6	FINANCIAL INFORMATION .....	68
7	BOARD AND MANAGEMENT OF THE COMPANY .....	83
8	LEGAL PROCEEDINGS AND OVERDUE LOANS .....	92
9	UNDERWRITING ARRANGEMENT, COMMISSION, BROKERAGE AND OTHER EXPENSES .....	95
10	MISCELLANEOUS INFORMATION .....	97
11	MATERIAL CONTRACTS .....	100
12	BOOK BUILDING PROCEDURE/INSTRUCTIONS FOR REGISTRATION AND BIDDING .....	105
13	APPLICATION AND ALLOTMENT INSTRUCTION .....	120
14	SIGNATORIES TO THE PROSPECTUS .....	129
15	SIGNATORIES OF OFFERORS .....	130
16	MEMORANDUM OF ASSOCIATION .....	131
17	REGISTRATION FORM .....	138
18	BIDDING FORM .....	139
19	GENERAL SUBSCRIPTION FORM .....	141



## 1 APPROVALS AND LISTING ON THE STOCK EXCHANGE

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

Approval of the Securities & Exchange Commission of Pakistan (the "**Commission**" or the "**SECP**") under Section 87(2) of the Securities Act, 2015 read with Section 88(1) thereof, has been obtained by Panther Tyres Limited for the issue, circulation and publication of this offering document (hereinafter referred to as the "**Prospectus**") vide their letter No. [•] Dated [•]/2020.

**DISCLAIMER:**

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

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

### 1.2 APPROVAL OF PROSPECTUS BY PSX

The Prospectus of the Company has been approved by PSX vide letter No. [•] dated [•], 2020 in accordance with the requirements of the Listing Regulations.

**DISCLAIMER:**

PSX HAS NOT EVALUATED THE QUALITY OF THE ISSUE AND ITS APPROVAL SHOULD NOT BE 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.

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

THE CONTENTS OF THIS DOCUMENT DOES NOT CONSTITUTE AN INVITATION TO INVEST IN SHARES 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.

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.

PSX DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THIS DOCUMENT TO ANYONE, ARISING FROM ANY REASON, INCLUDING, BUT NOT LIMITED TO, INACCURACIES, INCOMPLETENESS AND / OR MISTAKES, FOR DECISIONS AND /OR ACTIONS TAKEN, BASED ON THIS DOCUMENT.

PSX NEITHER TAKES RESPONSIBILITY FOR THE CORRECTNESS OF CONTENTS OF THIS DOCUMENT NOR THE ABILITY OF THE COMPANY TO FULFILL ITS OBLIGATIONS THEREUNDER.

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

### 1.3 FILING OF PROSPECTUS AND OTHER DOCUMENTS WITH THE REGISTRAR OF COMPANIES

Panther Tyres Limited 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 the Company.

#### 1.4 LISTING AT PSX

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

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

If any such money is not repaid within eight (08) days after the Company becomes liable to repay it, the Directors of the Company shall be jointly and severally liable to repay that money from the expiration of the eight day together with surcharge at the rate of two percent (2.0%) 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.

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

## 2 SUMMARY OF THE PROSPECTUS

### 2.1 PRIMARY BUSINESS OF PANTHER TYRES LIMITED AND THE INDUSTRY IN WHICH IT OPERATES

Mian Tyre and Rubber Company Limited (now Panther Tyres Limited) was founded in 1983 as a tyres and tubes manufacturing company. The Company was initially incorporated on October 24, 1983 as a private limited company under the Companies Act 1913 (now repealed), and was later converted into a public limited company on October 10, 2003. The Company changed its name from Mian Tyre and Rubber Company Limited to Panther Tyres Limited on October 25, 2011. The Company's manufacturing facility is situated at 29.5KM Sheikhpura Road, Sheikhpura, spanning over an area of 168.6 kanals.

The Company has evolved to become one of the leading players in the tyres and tubes industry of Pakistan. Apart from its main business, the Company has also ventured into trading business of automobile spare parts and lubricants.

Currently, the Company caters to the requirements of following automobile segments in the the bias tyre category:

1. Two/Three Wheeler Vehicles Tyres and Tubes
2. Light Commercial Vehicles Tyres and Tubes
3. Tractors/ Trolleys (Agricultural Segment Tyres and Tubes)
4. Industrial and Earth Moving Vehicles (Off the Road Tyres)
5. Truck and Bus Bias Tyres and Tubes
6. Passenger Car Butyl Tubes
7. Automobile lubricants & spare parts

Given below is revenue contribution of tyres & tube and lubricant & spare part segments of the Company:

	FY 2018		FY 2019		FY2020		1QFY2021	
	PKR Mn	%	PKR Mn	%	PKR Mn	%	PKR Mn	%
Tyres & Tubes	8,566	99.9%	9,653	98.7%	11,417	98.5%	4,351	98.6%
Oil Lubricants & Spare parts	9	0.1%	126	1.3%	168	1.5%	60	1.4%
<b>Total Sales</b>	<b>8,575</b>	<b>100.0%</b>	<b>9,779</b>	<b>100.0%</b>	<b>11,585</b>	<b>100.0%</b>	<b>4,411</b>	<b>100.0%</b>

Note: The Company is involved in trading of oil lubricants and spare parts. Panther Tyres procures lubricants and spare parts from different suppliers and sells them under their own brand name, "Panther Power".

### 2.2 SPONSORS OF PANTHER TYRES LIMITED

Panther Tyres Limited is a family owned business. Sponsors of the Company are:

1. Mian Iftikhar Ahmed
2. Mian Faisal Iftikhar
3. Samina Iftikhar

Note: Mian Faisal Iftikhar and Ms. Samina Iftikhar are the son and the spouse of Mian Iftikhar Ahmed respectively

### 2.3 ABOUT THE ISSUE

The Issue comprises of 40,000,000 Ordinary shares of face value worth PKR 10/- each, of which, 30,000,000 (i.e. 21.42% of the total post-IPO paid up capital of Panther Tyres Limited) ordinary shares are being issued by Panther Tyres Limited as New Issue and 10,000,000 (i.e. 7.14% of the total post-IPO paid up capital of Panther Tyres Limited) are being offered for sale by the sponsor of Panther Tyres Limited i.e. Mian Iftikhar Ahmed.

The entire Issue of 40,000,000 Ordinary Shares will be offered through the Book Building process at a Floor Price of PKR 47.00/- per share. Initially, 75% of the issue size i.e. 30,000,000 Ordinary Shares will be allotted to Successful Bidders and 25% of the issue i.e. 10,000,000 Ordinary Shares will be offered to Retail Investors. Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis.

## 2.4 PRE AND POST ISSUE SHAREHOLDING OF THE SPONSORS

Post IPO, the share capital will increase from 110,000,000 ordinary shares to 140,000,000 ordinary shares. Given below is the Pre and Post IPO shareholding of the sponsors of the Company:

Description	Pre IPO	Post IPO
Shares held by sponsors	109,999,560	99,999,560
% shareholding	99.99%	71.43%

## 2.5 PRINCIPAL PURPOSE OF THE ISSUE

Over a period of time, the Company has reached to its optimal operational capacity in all segments of Tyre Sets and Tubes (Packed). In the tyres segment, the Company is operating at 82.6% of capacity, whereas in the tube segment its operational capacity exceeds 92%. The demand of tyres and tubes is increasing by each passing year. In order to meet the future demand of tyres and tubes in local as well as in the international market, the Company has decided to undertake major expansion project, not only to increase the production capacities of Tyre Sets and Tubes (Packed) but also to bring in new tyre manufacturing technology. To support the expansion project, the Company intends to partially raise the funds through an IPO.

As a part of its expansion plan, Panther Tyres intends to import latest and state of the art 4 Roll Calender Line from Comrio Ercole (Italy). With induction of this latest Calender Line in Company's calendaring department, Panther Tyres will be able to produce fine quality products with a high product thickness accuracy while reducing wastages. With this new Calender Line, the Company will also be able to produce radial tyres. Panther Tyres also intends to import fully automated Banbury Mixer from Farrel Limited (UK). In tyre industry, mixing is the foundation step and the most critical component of rubber processing. The mixing process produces a product that has ingredients dispersed and distributed thoroughly which as a result will be processed in next stages, to efficiently cure and give required properties for the end application. Introduction of fully automated Banbury Tangential Mixer in the Company's mixing department will reduce material wastages and bring in energy efficiency.

As a result of the proposed expansion, the Company's production capacity of Tyre Sets and Tubes (Packed) will increase from 8.1 million p.a. and 31.2 million p.a. to 9.8 million p.a. and 42 million p.a., respectively. Apart from this, calendaring capacity of the Company will also increase from 9 million units to 20 million units per annum. This investment will also raise the capacity of mixing department by 60%. The detailed breakup of capacity expansion is as under:

Units in "000"	Current Capacity	Post Expansion Capacity	% Increase
Tyre Sets	8,100	9,800	21.0%
Tubes (Packed)	31,200	42,000	34.6%
Mixing Department ("000" Kgs)	45,000	72,000	60.0%
Calender*	9,000	20,000	122.2%

\*Pre and Post expansion capacity has been determined in equivalent units of tyres based on the current and future product mix of the Company

Historical production capacity and utilization of Panther Tyres Limited is as follows:

Tyre Sets (Units in "000")	FY2018	FY2019	FY2020 <sup>1</sup>	1Q FY 2021 <sup>2</sup>
Capacity <sup>3</sup>	7,965	8,017	8,100	2,025
Production <sup>3</sup>	4,916	4,688	5,143	1,672
Utilization	61.7%	58.5%	63.5%	82.6%

Tubes (Packed) (Units in "000")	FY2018	FY2019	FY2020 <sup>1</sup>	1QFY 2021 <sup>2</sup>
Capacity <sup>3</sup>	30,832	30,832	31,200	7,800
Production <sup>3</sup>	18,490	14,408	21,530	7,187
Utilization	60.0%	46.7%	69.0%	92.1%

### 2.5.1 Sources of Funding

Through the New Issue, the Company intends to issue 30,000,000 ordinary shares at a floor price of PKR 47/- per share to raise PKR 1,410 million at the Floor Price. The total expansion cost of c. PKR 3,066 million shall be financed by a mixture of Debt and Equity, in the Debt to Equity proportion of 37.5 : 62.5.

Details of utilization of debt and equity are given below:

Break up of fund requirement	Funds (PKR)	% Contribution
IPO Proceeds	1,410,000,000	46.0%
Long Term Bank Financing	750,000,000	24.5%
Bridge Financing	400,000,000	13.0%
Cashflows of the Company	506,173,839	16.5%
<b>Total Funding requirement</b>	<b>3,066,173,839</b>	<b>100.0%</b>

### Long Term Financing

The Company has arranged long term financing of PKR 750 million from following financial institutions:

Financial Institutions	PKR Mn	Tenor (Years)	Profit Rate
Meezan Bank Limited (Diminishing Musharakah)	250	4.5	3 Months Kibor + 1.5%
Habib Metropolitan Bank Limited (TERF)	200	7.0	SBP Rate (1.0%) + 2.0%
PAIR Investment Company Limited (LTFF)	200	6.0	SBP Rate (2.5%) + 2.5%
Samba Bank Limited (LTFF)*	100	4.0	SBP Rate (2.5%) + 2.5%
<b>Total</b>	<b>750</b>		

### Bridge Financing

<sup>1</sup> Production figure for FY 2020 is for almost 10.5 months as the factory was closed for a period of almost 1.5 months from March 22, 2020 to May 04, 2020 (except the Company's tractor segment operations which resumed on April 15, 2020) because of COVID-19 lock-down imposed by the Federal and Provincial Governments

<sup>2</sup> Total capacity and production for 1QFY 2021 is based on 75 days in a quarter

<sup>3</sup> Total capacity and production of tyre sets and packed tubes is based on 300 days in a year

This will temporarily be financed through short term financing. The Company has applied for SBP's Temporary Economic Refinance Facility ("TERF"), which is at an advanced stage of approval and if such facility is sanctioned then it will replace this short term component of financing. The Company will utilize short term lines of the following financial institutions for this purpose:

Financial Institutions	PKR Mn	Profit
Industrial & Commercial Bank of China	300	6 Month Kibor + 0.50%
PAIR Investment Company Limited	100	3 Month Kibor + 1.0%
<b>Total</b>	<b>400</b>	

## 2.5.2 Utilization of Proceeds

The table below shows how the Issuer plans to utilize c. PKR 3,066 Mn which includes IPO proceeds of PKR 1,410 Mn.

Sources			Expenditure Heads		
Particular	PKR	%	Particular	PKR	%
IPO Proceeds	1,410,000,000	46.0%	Plant and Machinery	2,320,876,472 <sup>4</sup>	75.7%
Long Term Debt Financing	750,000,000	24.5%	Duties & Other Expenses	223,037,137	7.3%
Bridge Financing	400,000,000	13.0%	Freehold Land & Development Expenses	127,200,000 <sup>5</sup>	4.1%
Cashflows of the Company	506,173,839	16.5%	Building & Civil Works	395,060,230	12.9%
<b>TOTAL</b>	<b>3,066,173,839</b>	<b>100.0%</b>	<b>TOTAL</b>	<b>3,066,173,839</b>	<b>100.0%</b>

Break up of IPO Proceeds Utilization	PKR	%
<b>Plant and Machinery</b>		
4 Roll Calendar Line Comerio Italy	586,310,100	41.6%
Banbury Tangential Mixer- Farrel UK	328,629,670	23.3%
<b>Freehold Land &amp; Development Expenses</b>	100,000,000	7.1%
<b>Building and Civil Works</b>		
Building for Calendar Department	166,780,230	11.8%
Building for Mixing Department	167,880,000	11.9%
Building for Tube Department	60,400,000	4.3%
<b>Total</b>	<b>1,410,000,000</b>	<b>100.0%</b>

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

## 2.6 JUSTIFICATION GIVEN BY THE LEAD MANAGER IN FAVOR OF FLOOR PRICE OF PKR 47/- PER SHARE MAY BE SEEN AT SECTION 4A OF THE PROSPECTUS, TITLED VALUATION SECTION

## 2.7 QUALIFIED OPINION, IF ANY, GIVEN BY THE AUDITOR DURING THE LAST THREE FINANCIAL YEARS

Nil

<sup>4</sup>Expenditure amounting to PKR 238.852 million has already been incurred by the Company. Out of this, PKR 136.5 mn has been incurred through long term debt and the rest through internal cashflows of the Company

<sup>5</sup> Expenditure amounting to PKR 27.2 million has already been incurred on procurement of land of c. 7.6 kanals while remaining 21.4 kanals will be purchased from IPO proceeds

## 2.8 FINANCIAL INFORMATION (PLEASE REFER TO SECTION 6.4 FOR FURTHER DETAILS)

In PKR Million, unless stated otherwise	Audited FY2016	Audited FY 2017	Audited FY 2018	Audited FY 2019	Audited FY2020	Audited 1QFY 2021
Share Capital	594	594	594	1,000	1,000	1,100
Net Worth	2,070	2,804	3,209	3,340	3,612	3,870
Revenue	5,599	7,259	8,574	9,779	11,585	4,411
Gross Margin	14.36%	14.02%	13.21%	13.69%	14.48%	15.5%
Operating Margin	8.14%	7.61%	8.40%	7.51%	8.44%	10.2%
Profit After Tax	224	294	362	214	252	254
Profit After Tax Margin	4.00%	4.05%	4.22%	2.19%	2.17%	5.75%
Earnings per share (PKR) <sup>6</sup>	3.77	4.95	6.09	2.14	2.52	2.31
Break-up value per share (PKR) <sup>7</sup>	34.85	47.21	54.02	33.40	36.12	35.18
Total Borrowings	2,224	3,851	3,854	3,247	4,133	3,654
Total Debt to Equity Ratio	1.07x	1.37x	1.19x	0.97x	1.14x	0.94x
Cashflow From Operations	308	(904)	612	1,432	76	776
Outstanding Shares	59.4	59.4	59.4	100	100	110

## 2.9 LEGAL PROCEEDINGS

S. No	Details
1	<p>The Company is defending an order dated 31 December 2015 u/s 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2010, wherein income of the Company has been re-assessed and financial expenses amounting to Rs. 29,894,789 have been added back to the income on the ground that the borrowed funds have been utilized for the purpose of capitalization and not wholly and exclusively for deriving business income. Tax impact of the above amounts to <b>Rs. 10,463,176</b>.</p> <p>The matter is pending for adjudication before Appellate Tribunal Inland Revenue (ATIR). The management is confident of favorable outcome of the case, hence no provision in this regard has been made in the financial statements.</p>
2	<p>The Company has received an order dated 31 May 2015 u/s 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2013, wherein income of the Company has been re-assessed and certain expenses have been added back to the income for the year. Tax impact of the above amounts to <b>Rs. 23,549,349</b>. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue (Appeals) (CIR-A) who vide his order dated 27 November 2017 has granted relief to the Company on some issues.</p> <p>Both the Company and Federal Board of Revenue have filed appeals against the said order before Appellate Tribunal Inland Revenue (ATIR) which are pending for adjudication. No liability on this account has been recognized in these financial statements as management expects favorable outcome of the case.</p>

<sup>6</sup> Earnings per share is based on total profit after tax divided by outstanding shares of the Company at corresponding year end

<sup>7</sup> Break-up value per share is based on total equity of the company including revaluation surplus divided by outstanding shares at corresponding year end

3	<p>The Company was not charging Further Tax w.e.f. 01 July 2015 on the primary ground that it falls within the ambit of Rule 58S &amp; 58T of Sales Tax Special Procedure Rules, 2007 wherein the Company is bound to charge only Extra Tax on its net local sales to dealers and distributors. The Deputy Commissioner Inland Revenue (DCIR) issued orders dated 21 February 2017 u/s 11(2) of the Sales Tax Act, 1990 by charging sales tax, default surcharge and penalty amounting to <b>Rs. 62,197,495</b> on account of non-chargeability of further tax on sales made to non-registered persons. Being aggrieved the Company filed an appeal before Commissioner Inland Revenue (Appeals) (CIR-A) who upheld the orders issued by the Deputy Commissioner Inland Revenue (DCIR). The Company being aggrieved, preferred an appeal before Appellate Tribunal Inland Revenue (ATIR) and ATIR vide its order dated 11 August 2017 provided complete relief to the Company. The department has filed a reference before Honorable Lahore High Court which is pending for adjudication. Management expects favorable outcome of the case hence no provision has been recorded in these financial statements.</p> <p>Subsequently, vide its letter dated 17 October, 2019, the department also confronted Further Tax issue for the tax years from July 2015 till October 2015 and July 2016 till June 2019, involving an amount aggregating to <b>Rs. 258.82 million</b>. Since, the matter was already subjudice before Honorable Lahore High Court, therefore, the Company challenged the notice on the same plea, and the Honorable Lahore High Court has issued the interim order thereon. The matter is still pending for adjudication. Management expects a favorable outcome of the case; hence, no provision has been recorded in these financial statements.</p>
4	<p>The Company received a notice u/s 122(5A) of the Income Tax Ordinance, 2001 dated 08 February 2018 for the tax year 2013 on account of minimum tax credits amounting to <b>Rs. 50.7 million</b> claimed u/s 113(2)(C). The Company filed a writ petition against the said notice in Honorable Lahore High Court. Double bench of the Honorable Lahore High Court has decided the case in favor of the Company.</p> <p>Being aggrieved, the tax department has filed a reference against the said order before Honorable Supreme Court of Pakistan which is pending for adjudication. Management of the Company expects a favorable outcome of the case therefore no provision has been made in these financial statements.</p>
5	<p>Through audit proceedings u/s 25 of the Sales Tax Act, 1990 for the tax year from July 2011 to June 2012, certain input credits claimed in sales tax returns were disallowed by the tax department. Moreover, sale of vehicles during the year were subjected to sales tax vide order dated 18 February 2014. Tax impact of the same amounts to <b>Rs. 4,012,141</b>. The Company being aggrieved filed an appeal before Commissioner Inland Revenue (Appeals) (CIR-A) who vide his order dated 10 June 2014 decided the matters in favor of the Company.</p> <p>The department being aggrieved preferred an appeal before Appellate Tribunal Inland Revenue (ATIR) and the case is pending for adjudication. Management is of the opinion that all the above matters will be decided in favor of the company. Accordingly, no provision has been recorded in the financial statements.</p>
6	<p>A suit for recovery of Rs. 2.217 million was filed by the Company against one of its customers in 2006. The customer has filed a counter claim amounting to <b>Rs. 10.018 million</b> in 2008. The case is pending with the Honorable Lahore Session Court. No liability against the Company has been determined so far. Management expects a favorable outcome in this regard; hence, no provision has been recorded in the financial statements.</p>
7	<p>In 2014, the company has filed a suit against notices issued by LESCO for Declaration &amp; Permanent Injunction as a consequential relief in Civil Court Sheikhpura. Interim injunction has been confirmed by the court in favor of the Company. Based on the proceedings, management of the company is confident of favorable outcome of the case; therefore, no provision has been made in the financial statements.</p>



8	Original Assessment for the Tax Year - 2016 was amended by the Additional Commissioner Inland Revenue (ACIR) by invoking Section 122(5A) of the Income Tax Ordinance, 2001 vide his order dated 31st August, 2018 wherein income of the Company was re-assessed by making certain additions. Moreover, claim of income tax withheld was reduced by Rs. 3.2 million. The tax impact of the above order comes to <b>Rs. 8,059,513</b> . Being aggrieved the Company has filed an appeal before Commissioner Inland Revenue (Appeals) (CIR-A) which is pending for adjudication. The management is confident of favorable outcome of the case; hence, no provision in this regard has been made in the financial statements.
9	The Company had claimed tax credits u/s 113(2)(C) pertaining to tax years 2005 to 2008 in tax year 2010. The same were disallowed by the Department on the sole ground that section 113 of Income Tax Ordinance, 2001 "Minimum Tax on Income of Certain Persons" was omitted vide Finance Act, 2008 and no provision regarding the availability of minimum tax credits was reinserted. Financial impact of this amounts to <b>Rs. 27,031,886</b> . The matter is pending for adjudication before Appellate Tribunal Inland Revenue. In the opinion of the management, favorable outcome of the case is expected; therefore, no provision has been made in these financial statements.
10	Original Assessment for the Tax Year - 2014 was amended by the Additional Commissioner Inland Revenue (ACIR) by invoking Section 122(5A) of the Income Tax Ordinance, 2001 vide his order dated 07th July, 2020 wherein income of the Company was re-assessed by making certain additions to the income for the year. The tax impact of the above order comes to <b>Rs. 3,045,376</b> . Being aggrieved, the Company has filed an appeal before Commissioner Inland Revenue (Appeals) (CIR-A) which is pending for adjudication. The management is confident of favorable outcome of the case; hence, no provision in this regard has been made in the financial statements.
11	Original Assessment for the Tax Year – 2019 was amended by the Additional Commissioner Inland Revenue (ACIR) by invoking Section 122(5A) of the Income Tax Ordinance, 2001 vide his order dated 3 September, 2020 wherein income of the Company was re-assessed by making certain additions to the income for the year. The tax impact of the above order comes to <b>Rs. 1.3 million</b> . Being aggrieved, the Company has filed an appeal before Commissioner Inland Revenue (Appeals) (CIR-A) which is pending for adjudication. The management is confident of favorable outcome of the case; hence, no provision in this regard has been made in the financial statements.

Legal proceedings are also disclosed separately, in detail, in Section 8 of the Prospectus, titled Legal Proceedings and Overdue Loans.

**Note: There are no other pending litigations against the Company other than those already mentioned above.**

## 2.10 RISK FACTORS

For key risk factors that may have an impact on the Company, its business operations and the Issue, please refer to Section 5 of the Prospectus.

## 2.11 SUMMARY OF RELATED PARTY TRANSACTIONS

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

Name	Relationship	Nature	FY 2018	FY 2019	FY 2020
In PKR Million					
Mian Iftikhar Ahmed	Chairman	Loan Repaid		50	

		Loan Received	70	50	
		Sale of Land and Building against adjustment of loan	320		
		Rent of Head Office		18	20
Samina Iftikhar	Director	Loan Repaid	49		
Mian Faisal Iftikhar	CEO	None			
Mr. Asad Sultan Chaudhry	Director	None			
Mr. Iqbal Ahmed Khan	Director	None			
Mr. Javed Masud	Director	None			
Mr. Zahid Mahmud	Director	None			
Sindbad Trading (Private) Limited	Common Directorship	None			
Fassun Pharmaceuticals (Private) Limited	Common Directorship	None			
Staff Provident Fund	Other Related Parties	Contribution to staff provident fund	12	15	19
Loan from Staff Provident Fund	Other Related Parties	Loan Received		59	75
		Loan Repaid		59	75
Markup on loan to Staff Provident Fund	Other Related Parties	Markup Paid		5	4
<b>Total</b>			<b>451</b>	<b>256</b>	<b>192</b>

### 3 OVERVIEW, HISTORY AND PROSPECTS

#### 3.1 COMPANY HISTORY & OVERVIEW

<b>Name</b>	Panther Tyres Limited
<b>Incorporation Number</b>	0010858
<b>Date of Incorporation and Place</b>	October 24, 1983 in Lahore
<b>Date of Commencement of business</b>	n/a <sup>8</sup>
<b>Date of Conversion to Public Limited Company</b>	October 10, 2003
<b>Date of Change of Name</b>	October 25, 2011

Mian Tyre and Rubber Company Limited (now Panther Tyres Limited) was incorporated on October 24, 1983 as a tyres and tubes manufacturing company. The Company was established as a private limited company under the now repealed Companies Act 1913 and was later converted into a public limited company on October 10, 2003. The Company's manufacturing facility is situated at 29.5KM Sheikhpura Road, Sheikhpura. The Company started its commercial operations in 1983 and has today evolved into one of the leading players in the Automobile Parts & Accessories Industry of Pakistan, specifically catering to manufacturing of tyres and tubes industry in Pakistan.

Panther Tyres Limited was the first player in Pakistan to introduce local manufacturing of tyres for two and three wheelers and currently has a stronghold in the two and three wheeler tyre market. Over time, the Company has also expanded into other segments of the auto industry including tyres for tractors, light commercial vehicles, trucks, buses and earth movers. Since its inception, the Company's focus on quality has been of paramount importance which is reflected by the retention of ISO 9001 certification. This certification was received in 2012 and was recently renewed on December 24, 2018 and is valid till December 24, 2021. The Company has built a strong distribution network with 40,000 indirect and 500 direct business partners. To take the benefit of this huge network, in April 2018, the Company ventured into the trading business of automobile lubricants and spare parts.

Panther Tyres was also the first tyre exporter of Pakistan. The Company started exporting "Made in Pakistan" wheelbarrow tyres and tubes to European markets as early as in 1996. Since then, the Company continued exploring new markets for its products and gradually established footprint in other part of the world. Currently, the Company exporting tyre and tube to different countries including Turkey, Poland, Macedonia, Egypt, Bangladesh, UAE, Afghanistan, Nigeria, Kenya, Sudan, Yemen and Syria. In recognition of its performance in tyre exports, the Company was awarded with the "Export Trophy Award" for ten consecutive years till 2010 from the Federation of Pakistan Chambers of Commerce & Industry.

International markets are highly competitive in terms of pricing and highly stringent in terms of quality standards. To stay in these parameters, the Company regularly invests in technology, R&D and manpower that enables it to produce fine quality products at competitive rates. That is the very reason the Company's export products' portfolio is expanding gradually. Currently, it is not only exporting motorcycle, rickshaw, light truck tyres and tubes but also has started exporting tractor and truck bus bias tyres and tubes. Most of the Company's products are EU E-8 marked, which means that they are certified for European standards and can be exported to European markets.

#### 3.2 PATTERN OF SHAREHOLDING

Description	Number of shares	% Shareholding status
Shares held by sponsoring directors	109,999,560	99.9996
Shares held by other directors	440	0.0004
<b>Total</b>	<b>110,000,000</b>	<b>100.0%</b>

<sup>8</sup> Panther Tyres does not have a commencement of business certificate as it was incorporated as a private limited company

### 3.3 REVENUE DRIVERS

The Company caters to two broad markets locally, i.e. OEM and Replacement Market. The Company also caters to the export market and the following are the major revenue drivers:

- **Growth in OEM Sales**

In OEM segment, the Company supplies tyres and tubes to local assemblers of 2 wheelers, 3 wheelers, LCVs and tractors. The Company derives c. 25% of its total sales from OEMs. Revenue from this segment is highly dependent on growth in OEM sales.

In FY 2020, new vehicles sales of the auto industry declined by almost 27% compared to FY 2019 because of the country wide lockdown imposed by the Government in March 2020 to prevent the spread of Covid 19 pandemic.

Sales	FY 2019	FY 2020
Cars	207,630	96,455
Trucks & Buses	6,763	3,647
LCVs, Vans & Jeeps	7,654	3,459
Pick-ups	25,362	12,048
Tractors	50,405	32,727
Motorcycle and three wheelers	1,781,959	1,370,005
<b>Total</b>	<b>2,079,773</b>	<b>1,518,341</b>

Source: Pakistan Automotive Manufacturers Association

- **Growth in Replacement Market Sales**

Replacement market is the secondary market for tyre manufacturers. The replacement market comprises of distributors, wholesalers and retailers. The Company caters to replacement market through its 500 direct business partners in capacity of distributors and dealers and 40,000 indirect business partners. Contribution of replacement market sales in total sales of the Company is c. 75%.

Growth of replacement market is dependent on growth in registered vehicles which includes CBU imports and sale of used vehicles as well. After the sales from OEM, the vehicles become the part of replacement market thereby the size of the replacement market increases every year. Over the last four years (CY 2015 to CY 2019), the number of registered vehicles in Pakistan has grown at a CAGR of c. 12.0%<sup>9</sup> from 18,502,109 to 29,051,874, driven by c. 13.8% and c. 13.1% CAGR in 2 and 3 wheelers registered vehicles, respectively. This growth in number of vehicles on the roads would eventually raise the future demand of tyres in secondary market.

- **Growth in Export Sales**

The Company exports motorcycle, tractor, rickshaw, LCV and truck and bus bias tyres and tubes to around 12 countries in the world and the proportion of export sales in the total sales of the Company has increased from 5.0% in FY 2017 to c. 7.6% in FY 2020. The Company has been awarded EU E-8 marked certification in 2018 for export to European countries. Recent devaluation of PKR against USD of c. 38% over the last two years (FY 2019 & FY 2020) has made the Company's product pricing competitive in international market and the management of the Company believes that the growth momentum in export sales of the Company will continue in foreseeable future.

Given below are export sales of the Company for the last four years:

<sup>9</sup> Pakistan Bureau of Statistics, Economic Survey of Pakistan

PKR Mn	FY 2017	FY 2018	FY 2019	FY 2020	1QFY 2021
Export Sales	365	446	446	878	348
% of total sales	5.00%	5.20%	4.60%	7.60%	7.90%

### 3.4 COST DRIVERS

- Increase in International Rubber Prices**

Primary raw material used in manufacturing of tyre and tube is natural, synthetic and butyl rubber that accounts for c. 54% of total cost of raw material incurred by Panther Tyres Limited. Price of rubber in international market is important to overall cost of manufacturing since all these materials are imported from different parts of the world. Any shortage in rubber production due to poor farming or natural disaster might increase the cost of raw materials, thus shrinking overall margins.

Furthermore, since rubber is imported, any fluctuation in PKR against the USD will also have an impact on the cost of production of the Company.

The Company procures rubber from following major suppliers:

Suppliers	Country
JINNENG SCIENCE & TECHNOLOGY COMPANY	China
SOUTHLAND GLOBAL PTE LTD	Singapore
PT SILVA INHUTANI LAMPUNG	Indonesia
PT RUBBER JAYA LAMPUNG	Indonesia
BARENA GROUP SDN. BHD	Malaysia
RECRON (MALAYSIA) SDN BHD	Malaysia
SINGAPORE TONG TEIK (PTE) LTD	Singapore
QINGDAO RUNSHENGRONG INTERNATIONAL	China
ARLANXEO SWIZERLAND S.A	Switzerland
OTRIGON GULF FZCO.	UAE

- Fuel and Power**

Fuel and power account for c. 10% of the cost of manufacturing of the Company. The Company has obtained 4.85 **MW** electricity connection from LESCO. In order to ensure smooth factory operations, the Company has also installed gas operated gensets of c. **4 MW**. Fuel and Power cost also includes cost relating to steam generation. The Company generates steam from a mix of local and imported coals.

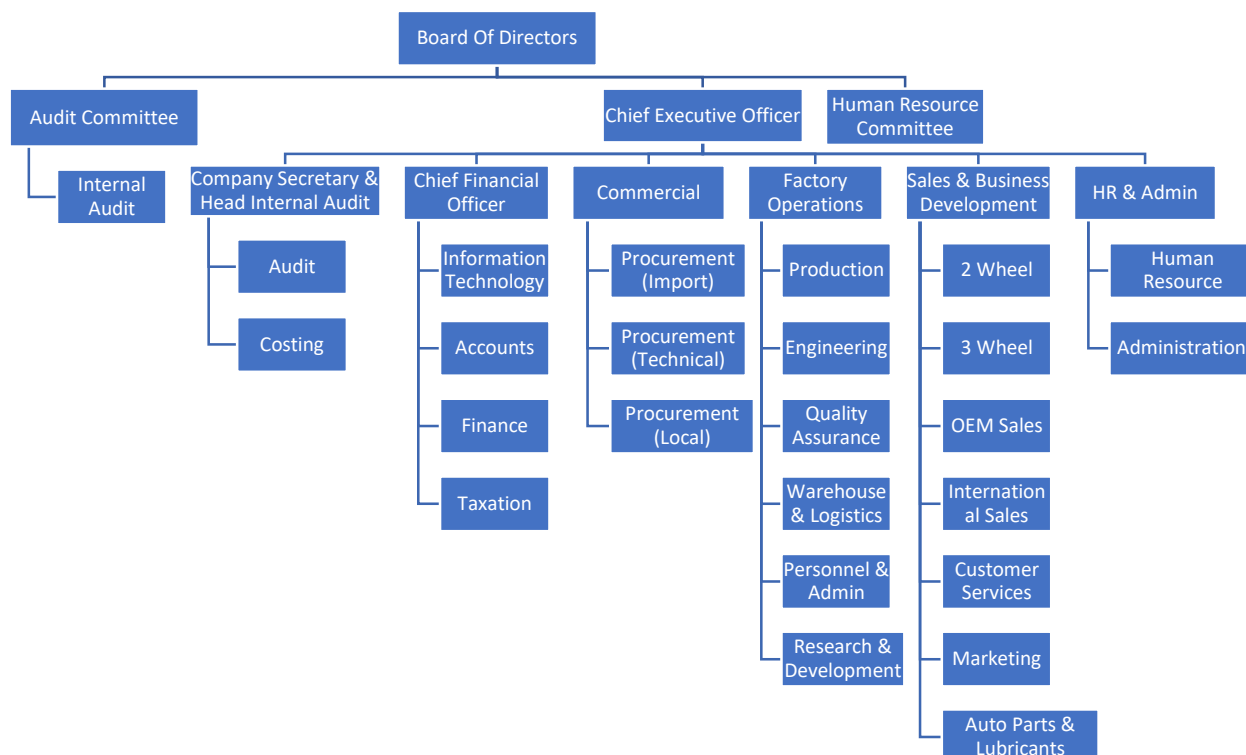
- Human Resource**

Salaries and wages accounts for c. 9% of the cost of manufacturing of the Company. As salaries and wages take up a significant portion of the cost of sales, any shortage of skilled labor or an increase in minimum wages by the government will result in an increase in cost of labor.

Given below is a breakdown of skilled and un-skilled labor at Company's factory as at September 30, 2020:

Workforce	Number
Qualified Personnel <sup>10</sup>	64
Skilled Labor <sup>11</sup>	2,500
Un-skilled Labor	1,000

### 3.5 COMPANY ORGANOGRAM



### 3.6 KEY MILESTONES

Year	Event
1984	Introduced the first locally produced Motor Cycle tyre.
1986	Became the first butyl tube manufacturer in Pakistan
1993	Became the manufacturer of first Rickshaw Tyre in Pakistan
1996	The Company started exports of tyres and tubes
2010	Became the second manufacturer of Tractor Tyres in Pakistan after GTYR
2013	Implementation of SAP ECC 6.0
2017	Received a long term entity rating of A- and short term rating of A2 by PACRA
2018	Awarded EU E8 - mark certification for export to European countries
2018	Started trading of automobile lubricants and spare parts

<sup>10</sup> Includes Engineers, Technical diploma holders, Graduates, MBAs, Chartered Accountants and ACMAs

<sup>11</sup> Workforce with 3 or more than 3 years of experience in a particular division of the Company is considered to be skilled labor

2019	Became the second manufacturer of TBB Tyres in Pakistan after GTYR
2019	Started production of Pakistan's first OTR/Earth Mover Tyre.
2019	Achieved net sales of around PKR 10 billion

### 3.7 PRODUCTION- CAPACITY

Production capacity of Panther Tyres Limited is as follows:

Tyre Sets (Units in "000")	FY2018	FY2019	FY2020 <sup>12</sup>	1Q FY 2021 <sup>13</sup>
Capacity <sup>14</sup>	7,965	8,017	8,100	2,025
Production <sup>13</sup>	4,916	4,688	5,143	1,672
Utilization	61.7%	58.5%	63.5%	82.6%

Tubes (Packed) (Units in "000")	FY2018	FY2019	FY2020 <sup>11</sup>	1QFY 2021 <sup>12</sup>
Capacity <sup>13</sup>	30,832	30,832	31,200	7,800
Production <sup>13</sup>	18,490	14,408	21,530	7,187
Utilization	60.0%	46.7%	69.0%	92.1%

### 3.8 LOCATION OF THE PLANT AND PRODUCTION CAPACITY

All of the Company's production facilities are located at its factory site at 29.5 KM Sheikhpura Road, Sheikhpura.

As part of expansion plan, the following activities are being performed:

1. The Company is importing state of the art 4 Roll Calender Line which is equipped with the latest tyre manufacturing technology. The Calender is being imported from Comerio Ercole, Italy. With this new calender line, the Company will also be able to produce radial tyres
2. Banbury Tangential Mixer is also being acquired by the Company from Farrel Limited, UK for its mixing division. This Mixer is also state of the art and entails latest manufacturing technology.
3. The Company is also in process of acquiring 29 kanals of land adjacent to its existing factory in Sheikhpura to support its expansion program and to meet its future expansion needs. This land will give access to the Company to another road located at the back of its existing factory which will help it to manage logistics efficiently.

As a result of the abovementioned activities, production capacity of Tyre Sets and Tubes (Packed) of the Company will increase from 8.1 million units p.a. and 31.2 million units p.a. respectively to 9.8 million units p.a. and 42 million units p.a. Apart from this, calendering capacity of the Company will also increase from 9 million units to 20 million units per annum and mixing capacity of the Company will increase from 45 million kgs to 72 million kgs.

### 3.9 INFRASTRUCTURE OVERVIEW

The company's factory is situated at 29.5 KM Sheikhpura Road, Sheikhpura. It is spread over 168.6 kanals of land and has around 124.6 kanals covered area comprising of various buildings, sheds, water storage tank and larger stores for raw materials and finished goods storage. Since its formation, the Company has been regularly adding

<sup>12</sup> Production figure for FY 2020 are for almost 10.5 months as the factory was closed for a period of almost 1.5 months from March 22, 2020 to May 04, 2020 (except Company's tractor segment operations which resumed on April 15, 2020) because of COVID-19 lock-down imposed by the Federal and Provincial Governments

<sup>13</sup> Capacity and its utilization for 1QFY 2021 is based on 75 days a quarter

<sup>14</sup> Total capacity of tyre set and packed tubes is based on 300 days a year

production buildings to cater to its expansion needs. The Company is in process of acquiring 29 kanals of land adjacent to its factory in order to support its expansion program. Out of which 7.6 kanals has already been acquired by the Company while agreement for purchase of remaining 21.4 kanals has been signed. Post acquisition the Company will have land of 197.6 kanals.

The Company has a rented ware house facility of around 25.33 kanals covered area adjacent to its factory in Sheikhpura. It is divided into various sections for storing a wide range of tyres & tubes in a convenient way in order to handle the bulk orders in a timely and efficient manner. The Company has separate building units for mixing division, curing division, building division for 2, 3 and 4 wheeler segments of tyres and tubes.

The manufacturing plant is a blend of state of the art machinery imported from Italy, Germany, UK & China. From raw material to finished goods, the product passes through different automated processes comprising of the following:

1. Mixing & formation of compound
2. Bead forming
3. Calendering & extrusion
4. Splicing
5. Tyre & tube curing
6. Packing & Storage

The Company has obtained **4.85 MW** dedicated electricity transmission line from LESCO and, in order to ensure smooth factory operations, has also installed gas operated gensets of c. **4 MW**.

#### **Product Portfolio & Distribution Network**

Over a period of time, the company has diversified its product portfolio and caters to the following segments using bias technology of tyre manufacturing (Details given in Section 3.11.1 of the Prospectus);

1. Two/Three Wheeler Vehicles Tyres and Tubes
2. Light Commercial Vehicles Tyres and Tubes
3. Tractors/ Trolleys (Agricultural Segment Tyres and Tubes)
4. Industrial and Earth Moving Vehicles (Off the Road Tyres)
5. Truck and Bus Bias Tyres and Tubes
6. Passenger Car Butyl Tubes
7. Automobile lubricants & spare parts

The company has built a strong distribution network with more than 500 distributors and dealers in Pakistan.

#### **Local & International Accreditations**

As an ISO 9001<sup>15</sup> certified tyre manufacturing company, products undergo a series of stringent quality tests such as wobbling, plunger and an endurance test in the laboratory as well as on sophisticated testing machines. The Company has also been awarded the Export Trophy Awards for ten consecutive years from the Federation of Pakistan Chambers of Commerce & Industry. It has also been bestowed with Brand of the Year Award for five consecutive years.

---

<sup>15</sup> This certification was received in 2012 and was recently renewed on December 24, 2018 and is valid till December 24, 2021



### 3.10 TYRE MANUFACTURING PROCESS

Tyre manufacturing plants are traditionally divided into five departments that perform specialized operations. These usually act as independent manufacturing units within a production facility.

#### Compounding & Mixing

The manufacturing starts with compounding of synthetic butyl rubber compound with chemical formulations of carbon black, zinc oxide, stearic acid, accelerator, oil etc. Compounding is the operation of bringing together all the ingredients required to mix a batch of rubber compound. Each component has a different mix of ingredients according to the properties required for that component.

Compounding is followed by mixing. Mixing is the process of applying mechanical work to the ingredients in order to blend them into a homogeneous substance. Internal mixers are often equipped with two counter-rotating rotors in a large housing that shear the rubber charge along with the additives. Mixing is done in three or four stages to incorporate the ingredients in the desired order. The shearing action generates considerable heat, so both rotors and housing are water-cooled to maintain a temperature low enough to assure that vulcanization does not begin.

After mixing, the rubber charge is dropped into a chute and fed by an extruding screw into a roller die. Alternatively, the batch can be dropped onto an open rubber mill batch off system. A mill consists of twin counter-rotating rolls, one serrated, that provide additional mechanical working to the rubber and produce a thick rubber sheet. The sheet is pulled off the rollers in the form of a strip. The strip is cooled, sometimes dusted with a detackifier and then laid down into a pallet bin.

#### Component Preparation

Compounding & mixing is followed by component preparation. Components fall into three classes based on manufacturing process: calendering, extrusion, and bead building.

The extruder machine consists of a screw and barrel, screw drive, heaters, and a die. The extruder applies two conditions pressure. The extruder screw also provides for additional mixing of the compound through the shearing action of the screw. The compound is pushed through a die, after which the extruded profile is vulcanized in a continuous oven, cooled to terminate the vulcanization process, and either rolled up on a spool or cut to length. Tyre treads are often extruded with four components in a quadraplex extruder, one with four screws processing four different compounds, usually a base compound, core compound, tread compound, and wing compound. Extrusion is also used for sidewall profiles and inner liners.

The calender is a set of multiple large-diameter rolls that squeeze rubber compound into a thin sheet, usually of the order of two meters wide. Fabric calenders produce an upper and lower rubber sheet with a layer of fabric in between. Steel calenders do so with steel cords. Calenders are used to produce body plies and belts. A creel room is a facility that houses hundreds of fabric or wire spools that are fed into the calender. Calenders utilize downstream equipment for shearing and splicing calendered components.

#### Tyre Building

Successful component preparation follows tyre building. Tyre building is the process of assembling all the components onto a tyre building drum. Tyre building machines can be manually operated or fully automatic. Typical tyre building machines operations include the first-stage operation, where inner liner, body plies, and sidewalls are wrapped around the drum, the beads are placed, and the assembly turned up over the bead. In the second stage operation, the carcass of the tyre is inflated, then the belt package and tread are applied.

All components require splicing. Inner liner and body plies are spliced with a square-ended overlap. Tread and sidewall are joined with a skived splice, where the joining ends are bevel-cut. Belts are spliced end to end with no overlap. Splices that are too heavy or non-symmetrical will generate defects in force variation, balance, or bulge parameters. Splices that are too light or open can lead to visual defects and in some cases tyre failure. The final product of the tyre building machine process is called a green tyre, where green refers to the uncured state.

#### Curing

Curing is the process of applying pressure to the green tyre in a mould in order to give it its final shape, and applying heat energy to stimulate the chemical reaction between the rubber and other materials. In this process the green tyre is automatically transferred onto the lower mould bead seat, a rubber bladder is inserted into the green tyre, and the mould closes while the bladder inflates. As the mould closes and is locked, the bladder pressure increases so as to make the green tyre flow into the mould, taking on the tread pattern and sidewall lettering engraved into the mould. The bladder is filled with a recirculating heat transfer medium, such as steam, hot water, or inert gas. Temperatures are in the area of 350 degrees Fahrenheit with pressures around 350 PSI. Passenger tyres cure in approximately 16 minutes. At the end of cure, the pressure is bled down, the mould opened, and the tyre stripped out of the mould. The tyre may be placed on a post-cure inflator that will hold the tyre fully inflated while it cools. There are two generic curing press types, mechanical and hydraulic. Mechanical presses hold the mould closed via toggle linkages, while hydraulic presses use hydraulic oil as the prime mover for machine motion, and lock the mould with a breech-lock mechanism. Large off-road tyres are often cured in ovens with cure times approaching 24 hours.

### **Finishing**

After the tyre has been cured, there are several additional operations. Tyre uniformity measurement is a test where the tyre is automatically mounted on wheel halves, inflated, run against a simulated road surface, and measured for force variation. Tyre balance measurement is a test where the tyre is automatically placed on wheel halves, rotated at a high speed and measured for imbalance. Large commercial truck/bus tyres, as well as some passenger and light truck tyres, are inspected by X-ray or magnetic induction based inspection machines that can penetrate the rubber to analyze the steel cord structure.

In the final step, tyres are inspected by human eyes for numerous visual defects such as incomplete mould fill, exposed cords, blisters, blemishes, and others.

### 3.11 PRODUCT PORTFOLIO

#### 3.11.1 TYRES AND TUBES

##### 1. Tyres

###### Two Wheelers

Panther Tyres was the first local player to manufacture tyres for motorcycles in Pakistan at a time when motorcycle tyres were entirely imported. The Company offers 20 different variants of motorcycle tyres based on different dimensions, tread design, thickness and quality. Each variant of motorcycle tyre has different specification such as mileage, road grip, low noise, propulsion and terrain suitability.

Motorcycle tyres are available in sizes of 2.50-17, 2.50-18, 2.75-17, 2.75-18, 3.00-17, 3.00-18, 3.50-8 and 3.50-10 and ply rating of 4, 6 and 8. Based on market knowledge, the management of Panther estimates that they have a market share of 40% in this segment.

###### Three Wheelers

The Company was also the first player to introduce local production of auto rickshaw tyres. As per the market knowledge and estimates of management of Panther Tyres, the Company currently holds a market share of 25% within the local production. The Company offer 12 different variants of three wheeler tyres with different specification such as fuel economy, road grip, braking power, load carrying ability, mileage and terrain suitability.

Three wheeler tyres are available in sizes of 4.00-8 and 1.35-10 and ply rating of 8, 10 and 12.

###### Tractors

In 2010, Panther Tyres established a separate production facility to produce tyres for tractors and became the second local player in this segment after The General Tyre and Rubber Company of Pakistan Limited. Currently, the Company not only caters to demand from Original Equipment Manufacturers ("OEM") but is also serving the replacement market as well. The Company offers 15 different variants of tractor tyres based on different dimensions, tread design, traction, load carrying ability and durability.

Tractor tyres are available in sizes of 6.00-16, 7.50-16, 7.50-20, 9.00-20, 12.4-24, 12.4/11-28, 14.9/13-28, 16.9/14-30, 18.4/15-30 and 15.5-38 and ply rating of 6/8, 8, 10, 12 and 14.

###### LCV and Truck & Bus Bias

The Company has recently entered into the truck and bus bias and LCV tyres segment. The Company offers 6 different variants in this category. Tyres are available in sizes of 4.50-12, 5.00-12, 6.00-16, 6.50-14, 7.50-16, 9.00-20, 10.00-20 and 11.00-20 and ply rating of 8, 10, 12, 16, 18 and 20.

###### Earthmovers

Panther Tyres is the only local company to produce large diameter tyres for earthmovers (mining and construction vehicles). Earthmovers tyres are available in sizes of 20.5-25 and 23.25.

##### 2. Tubes

Panther produces various sizes of butyl tubes for 2 wheelers, 3 wheelers, passenger cars, tractors, LCV and truck/bus.

### 3.11.2 LUBRICANTS & AUTO PARTS

Panther Tyres is also involved in trading of lubricants & engine oil and select motorcycle spare parts. Share of this segment is insignificant in its overall topline. For the FY 2020, the share of lubricants and auto parts was 1.4% of the total revenue.

In lubricants, the Company sells Motorcycle Engine Oil and Diesel Engine Oil for Tractors, HTVs, Lifters, and Generators.

In auto-parts, the Company sells the following:

- Motorcycle Chain and Sprocket Kit,
- Brake Shoe,
- Spark Plug,
- Bearing,
- Rim,
- Motorcycle Control Cables,
- Spoke and Nipple Set,
- Battery,
- Bike Chain,
- CDI Units, and
- Air Filters.

The Company procures lubricants and spare parts from following suppliers and sells under their own brand name "Panther Power":

Products	Suppliers
Lubricants & Engine Oil	Total PARCO Pakistan Limited
Motor cycle Chain Kits	Nice Chain Co. (Pvt.) Limited
Motor cycle Brake Cable	Chawla Enterprises
Motor cycle Clutch Cable	Chawla Enterprises
Motor cycle Speedometer Cable	Chawla Enterprises
Tachometer Cable	Chawla Enterprises
Motor cycle Spoke & Nipple Set	Pakistan Wire Industries (Pvt.) Limited
2W Battery 12V (Liquid Milky)	Pakistan Accumulators (Pvt.) Limited
2W Battery 12V (Liquid Transparent)	Pakistan Accumulators (Pvt.) Limited
Motor cycle Spark Plugs	BALI FANG ZHI (ZHANGJIAGANG) CO. LT

### 3.12 END USERS, DEMAND FOR THE PRODUCTS AND NAMES OF THE COMPETITORS

Demand of the tyres and tubes in Pakistan is generated by OEMs sales and replacement market sales. Panther Tyres has maintained a long standing relationship with key OEMs in Pakistan wherein the company has been supplying tyres and tubes to Suzuki, Honda and Yamaha for more than 26 years. The Company derives c. 25% of its total sales from supplies to OEMs



Apart from OEMs, the Company has also maintained long standing relationship with its wholesalers, distributors and retailers. The Company caters to replacement market through its 500 direct business partners in capacity of distributors and dealers and 40,000 indirect business partners. Contribution of replacement market sales in total sales of the Company is c. 75%. Some of the key distributors and dealers of Panther Tyres are:

Name	City
Faizan Traders	Karachi
Imran Traders	Lahore
Salman Tyres	Khan Pur
Danish Traders	Gujrat
Z&H Enterprises	Karachi
Ittefaq Traders	Multan
Awami Traders	KHAIRPUR
Tariq Traders	Faisalabad
U-N Traders	D.G KHAN
Al Basit Tyre Point	Bahawalpur

Note: Panther Tyres Limited have no specific agreements in place with any of the abovementioned OEMs and dealers & traders for supply of tyres and tubes. Names of Competitors

Key competitors of the Company are as follows:

1. Service Industries Limited (SRVI)
2. The General Tyre and Rubber Company of Pakistan Limited (GTYR)
3. Diamond Tyres Limited
4. Ghauri Tyre & Tube (Pvt.) Limited
5. Crown Tyres Limited

Apart from the abovementioned local players' following major international brands are present in the local market:

1. Bridgestone
2. Dunlop
3. Michelin
4. Yokohoma
5. Pirelli

6. MRF
7. CEAT


Key players operating in lubricant segment of Pakistan are:

1. Shell Pakistan Limited
2. Pakistan State Oil Company Limited
3. Byco Petroleum Pakistan Limited
4. Hi-Tech Lubricants Limited
5. Hascol Petroleum Limited

Note: Contribution of lubricants and auto parts sales in total sales of the Company is c. 1.5% as of FY 2020. The abovementioned companies have separate lubricant divisions, therefore, these cannot be considered as direct competitor of Panther Tyres

### 3.13 INTELLECTUAL PROPERTY RIGHTS

Panther Tyres has registered its logo and brand name “PANTHER” with Government of Pakistan, The Trade Marks Registry Karachi on March 03, 1987. Given below are the details of the Trade Marks of Panther Tyres:

Trade Mark	Trade Mark No.	Registration Date	Renewal Date	Expiry Date*
 Logo	93533	March 03, 1987	June 14, 2012	March 03, 2019
PANTHER	93538	March 03, 1987	June 14, 2012	March 03, 2019

Note: The Company has applied for renewal of its logo and brand name “PANTHER” trade mark to The Trade Marks Registry Karachi.

### 3.14 DETAILS OF MATERIAL PROPERTY

Location	Usage	Total Area (Kanals)
29.5KM, Lahore - Sheikhpura Road, Sheikhpura	Manufacturing Facility	168.6

The Company is in process of acquiring 29 kanal of land adjacent to its factory in order to support its expansion plan. 7.6 kanals have already been acquired by the Company while agreement for purchase of remaining 21.4 kanals has been signed. Post acquisition, the Company will have land of 197.6 kanals.

### 3.15 FUTURE PROSPECTS AND DEMAND OUTLOOK

Pakistan tyre industry is broadly categorized into two & three wheelers, passenger cars, light commercial vehicles, trucks and tractors tyres. Demand for tyres is largely driven by growth in registered vehicles and automobiles manufactured. Since a major portion of demand is generated from the replacement market, growth in registered vehicles is termed as an important metric to assess demand for tyres. Overall registered vehicles in Pakistan have grown at a 4 year CAGR of c. 12% (2015 to 2019) driven by growth in two & three wheelers.

Registered Vehicles	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CAGR
2 Wheelers	13,081,400	15,223,925	17,507,747	19,783,957	21,926,485	13.8%
3 Wheelers	559,114	670,507	761,420	841,445	915,763	13.1%
Motor Cars / Jeeps	2,715,322	2,932,619	3,195,405	3,494,007	3,700,409	8.0%
Motor Cabs / Taxis	167,678	170,759	170,890	171,117	171,179	0.5%
Buses	229,290	235,521	242,076	249,047	253,652	2.6%

Trucks	261,845	269,302	277,930	284,683	287,701	2.4%
Others	1,487,460	1,555,279	1,642,682	1,724,426	1,796,685	4.8%
<b>Total</b>	<b>18,502,109</b>	<b>21,057,912</b>	<b>23,798,150</b>	<b>26,548,682</b>	<b>29,051,874</b>	<b>11.9%</b>

Source: Economic Survey of Pakistan, Pakistan Bureau of Statistics

Pakistan is the world's 6<sup>th</sup> most populous country with a population of over 207 million<sup>16</sup>. Over 54%<sup>17</sup> of the Country's population is aged below 24 years, offering a strong and growing consumer base for the auto industry. With these favorable demographics, the Country's per capita consumption of tyres and tubes is expected to increase in foreseeable future.

#### Imported Tyres

A large number of commercial importers are involved in the imported segment of the industry. In order to discourage import and promote localization, heavy duties in the form of custom, additional and regulatory duties are in place for import of tyre and tubes. Given below is the duty structure on imported tyres and tubes as of FY 2021:

Vehicle Type	Item	HS Code	Custom Duty	Additional Custom Duty	Regulatory Duty	Total Duty
Light Truck	Tyre	4011-2019	16%	4%	15%	35%
Trolley (Radial Tyres)	Tyre	4011-2099	3%	2%	25%	30%
Motorcycle	Tyre	4011-4000	20%	7%	0%	27%
Agricultural	Tyre	4011-7000	20%	7%	0%	27%
Industrial	Tyre	4011-8000	11%	2%	0%	13%
Rickshaw	Tyre	4011-9010	20%	7%	0%	27%
Trolley (Non Radial)	Tyre	4011-9090	11%	2%	0%	13%
Light Truck	Tubes	4013-1090	20%	7%	0%	27%
Agricultural	Tubes	4013-9010	20%	7%	0%	27%
Motorcycle	Tubes	4013-9020	20%	7%	0%	27%
Rickshaw	Tubes	4013-9090	20%	7%	0%	27%

Source: Federal Board of Revenue

Furthermore, because of devaluation of c. 38% of PKR against USD in past two years (FY 2019 & FY 2020), the price competitiveness of importers in comparison to local players has weakened thereby reducing the viability of imported tyres and tubes for cost conscious segment such as LCV, tractor, trucks and buses.

During FY 2020, import of rubber tyres and tubes has declined by c. 22.5%<sup>18</sup> from c. USD 139 mn in FY 2019 to c. USD 108 mn in FY 2020. This has provided a huge opportunity for the local tyres manufacturers to fill the gap generated in the market and ensure adequate supply with a competitive cost advantage.

#### Grey Market

As per the market knowledge of Panther's management, the grey market (illegally imported tyres) caters to around one third of the total demand of tyres in Pakistan. Government of Pakistan is currently taking strict measures to curb illicit movement of currency, which is the primary tool used for money laundering and illegal import of commodities.

<sup>16</sup> As per 6<sup>th</sup> population and housing census of Pakistan - 2017

<sup>17</sup> Pakistan Bureau of Statistics

<sup>18</sup> Pakistan Bureau of Statistics

Custom Operations – Federal Board of Revenue in this regard has taken various policy and institutional measures which are as follows<sup>19</sup>:

1. Currency Declaration System has been implemented at international entry/exit points upgraded and linked with Federal Investigation Authority database
2. At land border Customs stations, Collectors of Customs are in coordination with relevant Law Enforcement Agencies (“LEAs”) for information/intelligence sharing and are also coordinating operations to counter illicit currency movement
3. Directorate of Cross Border Currency Movement has recently been established under Director General (I & I-Customs), through Custom General Order 04/2019 dated May 06, 2019 for analysis and profiling of currency seizures/declarations, suspected banking transaction, maintenance of seizure database and sharing of data with LEAs
4. For enhancing international cooperation in controlling illicit movement of commodities, Pakistan Customs has so far signed 22 MOUs/Agreements with foreign governments/custom administrations for mutual cooperation

Initiatives taken by the Government of Pakistan to curb the menace of money laundering, illicit movement of commodities and black economy will provide a window of growth to local tyre manufacturers to capture grey market share of tyres and tubes

### 3.16 VENDORS TO THE ISSUER

Below is a list of key suppliers and vendors of Panther Tyres Limited, largely pertaining to raw material procurement as of FY 2020:

S. No	Vendor Name	Country	Product	Purchase Value (PKR)	% of Total Purchases
1	Trigon Gulf Fzco.	Dubai	Butyl, carbon	1,395,115,150	18.32%
2	Jinneng Science & Technology Company	China	Carbon	939,364,543	12.33%
3	Jiangsu Haiyang Chemical Fibres Co.	China	Tyre cord	576,403,723	7.57%
4	PT Rubber Jaya Lampung	Indonesia	Natural rubber	363,617,105	4.77%
5	Southland Global PTE LTD	Singapore	Natural rubber	329,619,559	4.33%
6	Shandong Himile Valve CO LTD	China	Tube valves	257,982,667	3.39%
7	Jiangyin Premier Auto parts Industry	China	Tube valves	223,541,331	2.93%
8	Dalian Richon Chem Co Limited.	China	Chemicals	204,012,532	2.68%
9	Arlanxeo Switzerland S.A	Switzerland	Butyl	191,084,893	2.51%
10	Pt Silva Inhutani Lampung	Indonesia	Natural Rubber	187,546,193	2.46%
<b>Total</b>				<b>4,668,287,695</b>	<b>61.29%</b>

<sup>19</sup>Federal Board of Revenue (<https://www.fbr.gov.pk/effective-steps-taken-by-fbr-customs-operations-to-curb-money-laundering/132037>)



Note: Panther Tyres Limited have no specific agreement in place with any of the abovementioned vendors for purchase of raw materials

### 3.17 ALL GOVERNMENT AND OTHER APPROVALS WHICH ARE MATERIAL AND NECESSARY FOR CARRYING ON THE BUSINESS OF THE ISSUER

There are no industry specific Government and other approvals required for carrying on the business of the Issuer.

### 3.18 ASSOCIATED COMPANIES

Name of Company	Nature of Relation	Shareholding of Panther Tyres	Nature of Business
Fassun Pharmaceuticals (Pvt.) Limited	Common Directorship	None	Distribution of Pharmaceutical Products
Sindbad Trading (Pvt.) Limited	Common Directorship	None	Import, Export, Wholesale and Retail Trading of goods

### 3.19 RELATED PARTY TRANSACTIONS

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

Name	Relationship	Nature	FY 2018	FY 2019	FY 2020
In PKR Million					
Mian Iftikhar Ahmed	Chairman	Loan Repaid		50	
		Loan Received	70	50	
		Sale of Land and Building against adjustment of loan	320		
		Rent of Head Office		18	20
Samina Iftikhar	Director	Loan Repaid	49		
Mian Faisal Iftikhar	CEO	None			
Mr. Asad Sultan Chaudhry	Director	None			
Mr. Iqbal Ahmed Khan	Director	None			
Mr. Javed Masud	Director	None			
Mr. Zahid Mahmud	Director	None			
Sindbad Trading (Private) Limited	Common Directorship	None			
Fassun Pharmaceuticals (Private) Limited	Common Directorship	None			
Staff Provident Fund	Other Related Parties	Contribution to staff provident fund	12	15	19
Loan from Staff Provident Fund	Other Related Parties	Loan Received		59	75
		Loan Repaid		59	75

Markup on loan to Staff Provident Fund	Other Related Parties	Markup Paid	5	4
<b>Total</b>		<b>451</b>	<b>256</b>	<b>192</b>

### 3.20 INDUSTRY OVERVIEW

Pakistan's tyre and tube industry demand is catered by:

1. Locally manufactured tyres & tubes
2. Imported tyres & tubes
3. Grey market (illegally imported tyres & tubes)

Pakistan tyre and tube industry is dominated by the imported and grey market tyre. Based on the market knowledge of the management of the Company, grey market caters to around one third of the total demand of the industry and the rest is met through local manufacturers and imported tyres.

#### Major Players

Apart from Panther Tyres, following key players are engaged in production of tyres and tubes at domestic level:

1. Service Industries Limited
2. The General Tyre and Rubber Company of Pakistan Limited
3. Diamond Tyres Limited ("Diamond")
4. Ghauri Tyre & Tube (Pvt.) Limited ("Ghauri")
5. Crown Tyres Limited ("Crown")

#### **Tyres**

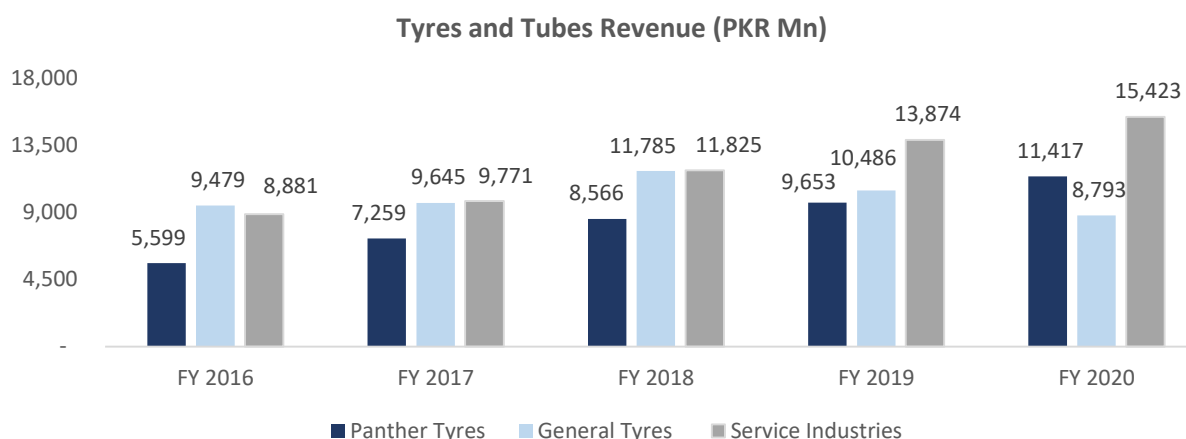
Company	Motorcycle	Bi-cycle	Rickshaw	Tractor	Light Truck	OTR	TBB	PCR
Panther Tyres	✓	X	✓	✓	✓	✓	✓	X
SRVI	✓	✓	✓	✓	✓	X	X	X
GTJR	✓	X	✓	✓	✓	X	✓	✓
Diamond	✓	✓	✓	X	X	X	X	X
Ghauri	✓	✓	✓	X	X	X	X	X
Crown	✓	X	X	X	X	X	X	X

#### **Tubes**

Company	Motorcycle	Bi-cycle	Rickshaw	Tractor	Light Truck	OTR	TBB	PCR
Panther Tyres	✓	X	✓	✓	✓	✓	✓	✓
SRVI	✓	✓	✓	✓	✓	X	X	X
GTJR	✓	X	X	X	✓	X	X	X
Diamond	✓	✓	✓	X	✓	X	X	X
Ghauri	✓	✓	✓	X	✓	X	X	X
Crown	✓	X	X	X	X	X	X	X

Note: The abovementioned information regarding product portfolio of the competitors is based on best estimates and knowledge of the management of the Company. Actual product mix of the competitors may vary

As per the estimates of the management of the Company, Panther Tyres, SRVI and GTYR make-up c. 80% of total locally produced sales of tyres and tubes. As of June 30, 2020, the contribution of these three players in total sales of tyres and tubes of Pakistan is c. PKR 36 billion<sup>20</sup>. Panther Tyres makes-up c. 32.0% of the abovementioned sales of tyres and tubes.



Source: Financial Statements of Respective Companies

(Sales value of SRVI also include sales of the parts and lubricants which cannot be separated as the data is not separately available.)

## Industry Segments

### Two/Three Wheelers

In the opinion of the management of the Panther Tyres based on their understanding of the market, this segment is dominated by the local industry players with SRVI and Panther Tyres leading the market. In FY 2020, the two/three wheeler market has shown better resilience against the economic downturn vis-à-vis other auto segments as two/three wheeler volumetric sales showcased the lowest contraction. Two/three wheelers' OEM sales declined by c. 23%<sup>21</sup> from c. 2.0 mn units to 1.5 mn units in FY 2020 from FY 2019 while the overall sales of vehicles excluding two/three wheelers declined by c. 50% from 297,814 units to 148,336 units in FY 2020 from FY 2019.

A majority of Pakistan's population is comprised of low income class coupled with lack of proper public transportation system makes two/three wheelers preferred mode of transportation for large population of the Country and going forward sales of two/three wheelers can be envisaged to grow at a decent pace.

### Passenger Cars and Commercial Vehicles

As per the market knowledge of the management of the Company, penetration of local players in this segment is limited with only General Tyre serving the market. However, influx of imports in this segment is considered to be the highest in both replacement and OEM market.

### Tractors

Major local players in this segment are General Tyre and Panther Tyres Limited while influx of imports is also on the higher side. Both the players are gradually increasing their share in the market by providing high quality tyres at competitive prices.

<sup>20</sup> Companies financials

<sup>21</sup> Pakistan Automotive Manufacturers Association

### Trucks & Buses

As per the market knowledge of the management of the Company, bias tyres for trucks & buses are majorly imported from China while Panther Tyres and GTYR are the only local player within this segment.

### Earth Movers

As per the market knowledge of the management of the Company, demand for tyres for off road vehicles is also largely met by imports with Panther being the only local player within this segment.

### Installed Capacities

Given below are installed tyres and tubes production capacities of key players operating in the industry:

Installed Capacities	SRVI	Panther Tyres	GTYR <sup>22</sup>	Total
Tyres	19,114,360	8,100,000	3,947,553	31,105,913
Tubes	52,515,170	31,200,000	N/A	85,747,170

Source: Financial Statements of Respective Companies

<sup>22</sup> Majority of the sales of the GTYR is to 4 wheeler segment including passenger cars, LCVs, truck and buses

### 3A SHARE CAPITAL AND RELATED MATTERS

#### 3A (i) Share Capital

No. of shares	%	Shareholders	Face Value (PKR)	Premium (PKR)	Total (PKR)
<b>AUTHORIZED CAPITAL</b>					
<b>300,000,000</b>		Ordinary shares of PKR 10/- each	10	-	<b>3,000,000,000</b>
<b>ISSUED, SUBSCRIBED, &amp; PAID UP CAPITAL</b>					
8,909,250		Issued for Cash: 'Ordinary Shares of PKR. 10/- each	10	-	89,092,500
101,090,750		Issued as Bonus Shares: Ordinary Shares of PKR 10/- each	10	-	1,010,907,500
<b>110,000,000</b>		<b>Total</b>			<b>1,100,000,000</b>

#### ISSUED, SUBSCRIBED & PAID-UP CAPITAL OF PANTHER TYRES LIMITED IS HELD AS FOLLOWS:

No. of shares	%	Shares held by Directors/ Sponsors of the Company	Face Value (PKR)	Premium (PKR)	Total (PKR)
76,999,560	70.0%	Mian Iftikhar Ahmed	10	-	769,995,600
22,000,000	20.0%	Mian Faisal Iftikhar	10	-	220,000,000
11,000,000	10.0%	Ms. Samina Iftikhar	10	-	110,000,000
110	0.0001%	Javed Masud	10	-	1,100
110	0.0001%	Zahid Mahmud	10	-	1,100
110	0.0001%	Asad Sultan Chaudhry	10	-	1,100
110	0.0001%	Iqbal Ahmad Khan	10	-	1,100
<b>110,000,000</b>		<b>Total Paid up Capital</b>	<b>10</b>	<b>-</b>	<b>1,100,000,000</b>

#### PRESENT ISSUE OF ORDINARY SHARES

No. of shares	Description	Face Value (PKR)	Premium (PKR)	Total (PKR)
30,000,000	New Shares Issuance	10	37	1,410,000,000
10,000,000	Offer for Sale by Mian Iftikhar Ahmed	10	37	470,000,000
<b>140,000,000</b>	<b>Post IPO Paid-up Capital</b>	<b>10</b>		<b>1,400,000,000</b>

#### ALLOCATION OF PRESENT ISSUE

No. of shares	Allocation	Face Value (PKR)	Premium (PKR)	Total (PKR)
30,000,000	Allocations to Institutions / Individual Investors through Book Building process at Strike Price	10	37	1,410,000,000
10,000,000	General Public Portion	10	37	470,000,000
<b>40,000,000</b>	<b>Total Issue size</b>	<b>10</b>	<b>37</b>	<b>1,880,000,000</b>

### 3A (ii) Sponsors shares to be kept in blocked form

Given below are sponsor shareholding to be kept in blocked form as per the above mentioned regulations:

Sponsors	Shareholding	% Post IPO Paid-up Capital
Mian Iftikhar Ahmed	66,999,560	47.9%
Mian Faisal Iftikhar	22,000,000	15.7%
Ms. Samina Iftikhar	11,000,000	7.9%
<b>Total</b>	<b>99,999,560</b>	<b>71.4%</b>

#### NOTE:

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

### 3A (iii) Present Issue

The Issue comprises of 40,000,000 Ordinary shares of face value worth PKR 10/- each, of which, 30,000,000 (21.42% of the total post-IPO paid up capital of Panther Tyres Limited) ordinary shares are being issued by Panther Tyres Limited and 10,000,000 (7.14% of the total post-IPO paid up capital of Panther Tyres Limited) are on offer by the sponsor of Panther Tyres Limited i.e. Mian Iftikhar Ahmed.

The entire Issue of 40,000,000 Ordinary Shares will be offered through the Book Building process at a Floor Price of PKR 47.00/- per share. Initially, 75% of the issue size i.e. 30,000,000 Ordinary Shares will be allotted to Successful Bidders and 25% of the issue i.e. 10,000,000 Ordinary Shares will be offered to Retail Investors. Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis.

The Floor Price of PKR 47.00/- has a maximum Price Band of 40% above which no bid shall be accepted. At maximum Price Band, the highest strike price that can be bid for shall be PKR 65.80/- per share.

### 3A (iv) Shares Issued in Preceding Years

S. No	No. of Shares Issued	Consideration	Total Value (PKR)	Date of Issuance / Allotment
1	100	Cash/Bank	1,000	24-Oct-1983
2	599,900	Cash/Bank	5,999,000	20-Apr-1985
3	50,000	Cash/Bank	500,000	31-Dec-1985
4	100,000	Cash/Bank	1,000,000	31-Dec-1987
5	210,000	Cash/Bank	2,100,000	31-Dec-1988
6	250,000	Cash/Bank	2,500,000	31-Dec-1990

7	90,750	Bonus	907,500	31-Dec-1994
8	699,250	Cash/Bank	6,992,500	31-Dec-1995
9	3,000,000	Cash/Bank	30,000,000	31-Dec-1996
10	1,000,000	Bonus	10,000,000	30-Jun-1997
11	4,400,000	Bonus	44,000,000	13-Jun-2002
12	15,000,000	Bonus	150,000,000	11-Feb-2008
13	4,000,000	Cash/Bank	40,000,000	19-Jun-2009
14	30,000,000	Bonus	300,000,000	28-Jun-2011
15	40,600,000	Bonus	406,000,000	7-Nov-2018
16	10,000,000	Bonus	100,000,000	2-Sep-2020
<b>Total</b>	<b>110,000,000</b>		<b>1,100,000,000</b>	

Other than the above mentioned shares, there has been no issuance of shares since incorporation of the Company.

### 3A (v) Related Employees of the Company

#### ▪ Related Employees of the Company (**Panther Tyres Limited**)

S. No	Name	Designation
1	Mr. Faisal Iftikhar	Chief Executive Officer
2	Mr. Ghulam Abbas	Chief Financial Officer
3	Mr. Mohsin Butt	Company Secretary
4	Mr. Shakir Younas	Senior Manager Finance & Accounts

#### ▪ Related employees of the Lead Manager and Book Runner (**Arif Habib Limited**)

S. No	Name	Designation
1	Mr. Shahid Ali Habib	Chief Executive Officer
2	Mr. Ahmed Rajani	Director, Investment Banking
3	Mr. Syed Saquib Ali	Director, Investment Banking
4	Mr. Ammad Tahir	Assistant Vice President, Investment Banking
5	Mr. Syed Ali Ahmed	Sr. Associate, Investment Banking
6	Mr. Muhammad Ali Raza	Associate, Investment Banking
7	Ms. Tooba Zafar	Associate, Investment Banking
8	Mr. Daniyal Ahmed Khan	Associate, Investment Banking
9	Mr. Saim Ahmed Shahab	Senior Analyst, Investment Banking
10	Ms. Fatima Diwan	Analyst, Investment Banking
11	Ms. Mahnoor Sartaj	Analyst, Investment Banking

#### Note:

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

## Undertaking from the Sponsors of the Issuer regarding IPO Utilization

### Pakistan Stock Exchange

Stock Exchange Building  
 Stock Exchange Road  
 Karachi – 74000, Pakistan

### UNDERTAKING

We, **Mian Iftikhar Ahmed**, being Sponsor/Chairman of the board of Panther Tyres Limited CNIC No. 35201-0277226-5, resident of Lahore and (2) **Mian Faisal Iftikhar** son of Mian Iftikhar Ahmed, being Chief Executive Officer of Panther Tyres Limited CNIC No. 35201-0372226-5, resident of Lahore, and **Samina Iftikhar** wife of Mian Iftikhar Ahmed being Sponsor/ Non Executive Director of Panther Tyres Limited CNIC No. 35201-4553273-8, resident of Lahore do hereby state on solemn affirmation on behalf of the Panther Tyres Limited as under:

- (1) That We are the sponsors and majority shareholder/owner of the shares of Panther Tyres Limited (the “Issuer”);
- (2) That the IPO Proceeds of Panther Tyres Limited shall be utilized as per the purpose disclosed in the Prospectus.

.....  
 Mian Iftikhar Ahmed  
**Chairman**  
 Panther Tyres Limited

.....  
 Mian Faisal Iftikhar  
**Chief Executive Officer /**  
**Executive Director**  
 Panther Tyres Limited

.....  
 Samina Iftikhar  
**Sponsor / Non Executive Director**  
 Panther Tyres Limited

Date:



## 4 PRINCIPAL PURPOSE OF THE ISSUE AND FUNDING ARRANGEMENTS

### 4.1 PRINCIPAL PURPOSE OF THE ISSUE

The Company intends to raise the funds through IPO for Expansion and Modernization of its production facilities, in order to meet the expected increase in demand for tyres & tubes and to achieve higher level of automation in their existing production facilities to bring in cost efficiencies.

#### 4.1.1 Utilization of total proceeds

##### Sources of Funds:

Break up of fund requirement	Funds (PKR)	Contribution of mode of financing
IPO Proceeds	1,410,000,000	46.0%
Long Term Bank Financing	750,000,000	24.5%
Bridge Financing <sup>23</sup>	400,000,000	13.0%
Cashflows of the Company	506,173,839	16.5%
<b>Total Funding requirement</b>	<b>3,066,173,839</b>	<b>100.0%</b>

##### Utilization of Proceeds

Description	Funds Required	% Allocation	Already Incurred (PKR)	% Completed
Plant and Machinery	2,320,876,472	75.7%	238,852,721 <sup>24</sup>	10.3%
Duties & Other Expenses	223,037,137	7.3%	-	-
Freehold Land & Development Expenses	127,200,000	4.1%	27,200,000	21.4%
Building & Civil Works	395,060,230	12.9%	-	-
<b>Total Funding requirement</b>	<b>3,066,173,839</b>	<b>100.0%</b>	<b>266,052,721</b>	<b>8.7%</b>

#### 4.1.2 Utilization of IPO proceeds

Break up of IPO Proceeds Utilization	PKR	%
<b>Plant and Machinery</b>		
▪ 4 Roll Calendar Line <sup>25</sup>	586,310,100	41.6%
▪ Banbury – Tangential Mixer <sup>26</sup>	328,629,670	23.3%
<b>Freehold Land &amp; Development Expenses</b>	<b>100,000,000</b>	<b>7.1%</b>

<sup>23</sup> This is being financed through short term financing. Additionally, the Company has applied for SBP's Temporary Economic Refinance Facility ("TERF"), and if such facility is sanctioned then it will replace the short term financing.

<sup>24</sup> PKR 239 million has already been incurred on plant & machinery. Out of this total expense, PKR 136.501 has been incurred through long term debt and the remainder from internal cash.

<sup>25</sup> Inclusive of duties, direct expenses (freight charges) and expenses regarding electrical and mechanical work for erection of calendar

<sup>26</sup> Inclusive of duties and direct expenses (freight charges)

<b>Building and Civil Works</b>		
▪ Building for Calendar Department <sup>27</sup>	166,780,230	11.8%
▪ Building for Mixing Department <sup>28</sup>	167,880,000	11.9%
▪ Building for Tube Department <sup>29</sup>	60,400,000	4.3%
<b>Total</b>	<b>1,410,000,000</b>	<b>100.0%</b>

## Plant and Machinery

<b>Plant and Machinery</b>	<b>PKR</b>
<b>4 Roll Calender Line - Comrio Ercole (Italy)</b>	
Complete set of Calender	526,890,000
Duties and direct expenses	47,420,100
Electrical and mechanical work for erection of Calender	12,000,000
<b>Banbury Tangential Mixer – Farrel Limited</b>	
Banbury Tangential Mixer	301,495,110
Duties and direct expenses	27,134,560
<b>Total Plant and Machinery</b>	<b>914,939,770</b>

## Building and Civil Works

<b>Building and Civil Works</b>	<b>PKR</b>
<b>Building for Calender Department</b>	
Pre-fabricated building - Import from Memaar Buildings Systems FZE	105,244,000
Duties and direct expenses	15,786,600
Civil work - Flooring, tiling, boundary walls	35,280,000
LT Panels, LT Room, Cooling Towers and Underground Electrical work	10,469,630
<b>Building for Mixing Department</b>	
RCC floor with columns, beams, slab, steel reinforcement, brick masonry walls including material and labour	152,880,000
Transformer, conveyor lines, LT panels, LT rooms, Cooling towers and underground electrical work	15,000,000
<b>Building for Tube Department</b>	
Double story concrete structure - Including Flooring, Tiling, Finishing and other ancillary work	50,400,000
LT Panels, LT Room, Cooling Towers and Underground Electrical work	10,000,000
<b>Total</b>	<b>395,060,230</b>

<sup>27</sup> Inclusive of duties & direct expenses on import of pre-fabricated building and civil works & other expenses (LT Panels, LT Rooms, Cooling Towers and Electrical Works) for completion of calender department building

<sup>28</sup> Inclusive of transformer, conveyor lines, LT panels, LT rooms, cooling towers and electrical works required for completion of mixing department building

<sup>29</sup> Inclusive of other expenses (LT panels, LT room, cooling towers and electrical works) required for completion of tube department building

#### 4.1.3 The Need for Expansion

As per the market knowledge of Management of the Company, a significant portion of tyre and tube industry of Pakistan is dominated by imported and grey market tyres and tubes<sup>30</sup>. Recent initiatives taken by the Federal Board of Revenue – Custom Operations to curb the menace of money laundering and illicit movement of commodities and black economy will provide a window of growth to local tyre and tube manufacturers to capture grey market share of tyres and tubes.

Furthermore, because of the recent devaluation of c. 38% of PKR against USD over the last two years (FY 2019 & FY 2020), the price competitiveness of imported tyres in comparison to locally manufactured tyres has weakened, thereby, reducing the viability of imported tyres and tubes for cost conscious segment such as LCV, tractor, trucks and buses.

In order to fill the gap generated in the market and increase its market share, the Company is planning to enhance its tyres and tubes production capacities.

#### 4.1.4 Expansion Details

##### i. Details of Plant and Machinery

Category	Supplier	Country of Origin	Date of Placement of Order	Expected date of Delivery	Cost of Machine (PKR)
4 Roll Calendar Line	Comrio Ercole	Italy	Dec-2020	Oct-2021	586,310,100
Banbury – Tangential Mixer	Farrel Limited	United Kingdom	Dec-2020	Sep-2021	328,629,670

Note: The Company will place order for the abovementioned plant and machinery upon completion of Book Building

##### a) 4 Roll Calendar Line

###### Supplier - Comerio Ercole, Italy

Comrio Ercole, with its origin in Italy, was incorporated in 1884 and is known to be specialized in Rubber industries. Comrio Ercole has a rich expertise of more than 136 years in the production of plants with advanced technology. The Comrio Ercole produced its First Calendar for Rubber processing in 1919. It is not only providing the Plant machinery but a wide range of plant related services and original spare parts.

###### Calendar Process & Features

Calendar is the process of converting thick pieces of rubber into thin layers between for the formation of composite sheets to be used in next process of formation of Green tyre. In this process the Rubber is passed through a series of rollers to flatten, smoothen and commingle the two or more materials.

Calendar rolls are mostly driven with separate drive of each roll with maximum speed accuracy and variable friction ratio setting. Calendar Machine comprises of following features:

1. High product thickness accuracy due to hydraulic roll gap adjustment (thickness accuracy = significant costs savings)
2. Hydraulic roll gap adjustment, (also mechanical and motorized roll gap adjustment)

<sup>30</sup> As per the market knowledge of the management of the Company

3. Hydraulic roll gap adjustment which can also work in a connection with automatic thickness measuring system
4. Cross Axis
5. The rolls are equipped with preloading device and bearings lubrication failure alarm device, as well as nip display and speed display.
6. The 4 rolls are separately driven by 4 DC motors, which allow a wide range of speed adjustment. The rotating speed ratio of the 4 rolls can be freely adjusted.
7. The rolls are arranged in S form. Roll 1# and roll 4# have roll cambers that can eliminate bending impact on rolls during working process. Thus, it is possible to make products with same thickness along axial direction

### Benefits to the Company

With the adoption of 4 Roll Calender Line from Comerio Ercole, the Company will be able to:

1. Produce fine quality products at a competitive cost which will be the perfect substitute of imported products available in the local market.
2. Develop new products in radial tyre segment.
3. Reduce material cost by reducing wastages.
4. Save labour, energy and maintenance cost as the machine is fully automatic.

### Key Terms for Supply of 4 Roll Calender Line

Given below are key terms of the quotation received by the Company from Comerio Ercole for supply of 4 Roll Calender Line:

<b>Payment</b>	20% advance and 80% upon presentation of shipping documents
<b>Warranty</b>	For a period of 1 year following commissioning, but not later than 18 months from the shipping date
<b>Delivery</b>	12 months from receipt of purchase order and advance payment
<b>Assistance in Installation and Start-up</b>	Comerio's specialized supervisors will provide services with regard to installation of machinery, mechanical & electrical commissioning and supervision to startup. Comerio's personnel will also provide theoretical and practical training on the plant operation and maintenance.

### b) Banbury Tangential Mixer

#### Supplier – Farrel Limited, UK

Farrel Limited, an ISO certified company incorporated in 1840 in UK with a focus expertise in the continuous mixing equipment sector. Farrel has a rich expertise of more than 180 years in the production of advance technology mixing plant & machinery. Farrel's history dates back to the 1840 during the Industrial Revolution in the United States as a foundry and equipment manufacturer for the rubber industry. Farrel is a global leader in research, design and manufacturing of continuous mixing systems covering an extensive range of applications.

### Mixing Process and Features

In tyre industry, mixing is the foundation step and the most critical component of rubber processing. The mixing process produces a product that has ingredients dispersed and distributed thoroughly which as a result will be processed in next stages, to efficiently cure and give required properties for the end application.

The mixing process is performed in Banbury Mixer which receives output in the form of a compound. Banbury mixer series by Farrel is the first choice for the diverse applications in the tyre industry because it is ideally suited to the specific requirements of a multi-step mixing application. The Banbury mixer is a tangential type of internal mixing machine, in which two slightly spiraled rotors revolve side by side towards each other within a chamber liked shaped of two short cylinders lying together with adjacent sides open. The chamber has a top opening called hopper, which can be closed by pneumatic means for inserting the material and a bottom gate, which can be hydraulically opened, to drop out the contents after mixing. The Banbury mixer can be divided into two main parts:

1. Mixing Body consisting of base plate, chamber sides, end frames with bearings and housing, rotors and dust stops.
2. Feeding Device consisting of feed hopper with feed door, ram with piston rod, and ram pressure device.

Banbury Mixer will also accompany following additional support features:

1. Installation support by Farrel skilled personnel
2. Advanced ram pressure control.
3. Optimized HCD dust seal system and new single-point lubrication system.

### Benefits to the Company

With the installation of Banbury Mixer, the Company will be able to:

1. Produce fine quality products at a competitive cost which will not only substitute the imported products available locally but also help the Company to supply high quality product in the international markets.
2. Reduce material wastages and bring in energy efficiency

### Key Terms for Supply of Banbury Tangential Mixer

Given below are key terms of the quotation received by the Company from Farrel Limited for supply of Banbury Tangential Mixer:

<b>Payment</b>	35% advance and 65% upon presentation of shipping documents
<b>Warranty</b>	For a period of 1 year following installation or 18 months following delivery, whichever occurs earlier
<b>Delivery</b>	9 months from receipt of advance payment
<b>Assistance in Installation and Start-up</b>	Farrel's technical team will provide services with regard to installation of machinery, mechanical & electrical commissioning. However, piping, electrical wiring and connection of cables will be carried out by Panther Tyres as per the instructions of supplier's specialists

#### 4.1.5 Information relating to Land

With regards to the overall expansion plan of Panther Tyres Limited, the Company is in the process of acquiring land adjacent to its existing factory located at Main Sheikhpura Road, Sheikhpura. This will facilitate the Company in enhancing its production capacity and in meeting future needs of incremental warehousing & storage space for materials & finished goods. Brief particulars of the land are as follows:

Location	Area	Estimated Cost (PKR)	Status
Adjacent to factory	7.6 Kanals	27,200,000	Acquired
Adjacent to factory	21.4 Kanals	80,000,000 <sup>31</sup>	Agreement to purchase signed
Infrastructure Development charges		20,000,000	To be incurred
<b>Total</b>		<b>127,200,000</b>	

#### 4.1.6 Details regarding the Completion of Expansion

The Company expects the completion of expansion plan by December, 2021

#### 4.1.7 Utilization of excess IPO funds, in case the strike price is determined above the floor

If the Issue is subscribed at above the Floor Price, the additional funds will be utilized to reduce short term working capital lines availed from existing financial institutions.

#### 4.1.8 Increase in Capacity Post Expansion

Given below are the pre and post expansion production capacities:

Units in "000"	Current Capacity	Post Expansion Capacity	% Increase
Tyre Sets	8,100	9,800	21.0%
Tubes (Packed)	31,200	42,000	34.6%
Mixing Department (Kgs "000")	45,000	72,000	60.0%
Calender*	9,000	20,000	122.2%

\*Pre and Post expansion capacity has been determined in equivalent units of final product based on current and future production mix.

#### 4.1.9 Implementation Schedule

Details of date wise implementation schedule for the expansion plans is as follows:

S. No	Particulars	Start	Completion	Current Status
1	Acquisition of land	1Q FY 2021	3Q FY 2021	7.6 Kanals acquired while agreement signed for acquisition of 21.4 Kanals
	• Land (7.6 Kanals)	1Q FY 2021	1QFY 2021	Acquired
	• Land (21.4 Kanals)	1Q FY 2021	3Q FY 2021	Agreement signed
2	Purchase and installation of 4 Roll Calender line	2Q FY 2021	2Q FY 2022	LC to be opened
3	Purchase and installation of Banbury Tangential Mixer	2Q FY 2021	2Q FY 2022	LC to be opened

<sup>31</sup>Inclusive of incidental charges related to transfer of land

4	Completion of Calender department Building & Civil work	4Q FY 2021	2Q FY 2022	Drawings and outlay plan finalized
5	Completion of Mixing department Building & Civil work	3Q FY 2021	2Q FY 2022	Drawings and outlay plan finalized
6	Completion of Tube department Building & Civil work	3Q FY 2021	4Q FY 2021	Drawings and outlay plan finalized
7	Completion of Electrical work for calendering, mixing and tube department	3Q FY 2021	2Q FY 2022	Drawings and outlay plan finalized

Note: The Company expects the completion of expansion plan by December, 2021

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

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

#### 4A VALUATION SECTION

The ordinary shares of Panther Tyres are being issued at Floor Price of PKR 47.0/- per share which is at a premium of PKR 37.0/- per ordinary share to the face value of PKR 10.0/- per ordinary share. The Lead Manager has reviewed the business performance of the Company and in their opinion the Floor Price of PKR 47.0/- per share is justified based on:

##### 4A (i) Successful Operational History

Incorporated in 1983, Panther Tyres Limited was the first ever player to introduce local manufacturing of tyres for two and three wheelers and currently has a stronghold in the two and three wheeler tyre market. Over time, the Company has also expanded into other segments of the auto industry including tyres for tractors, light commercial vehicles and earth movers. Since its inception, the Company's focus on quality has been of paramount importance which is reflected by the retention of ISO 9001 certification. The Company has built a strong distribution network with 40,000 indirect and 500 direct business partners. Panther Tyres has also developed a limited export market with 12 countries in its clientele including Turkey, Poland, Macedonia, Egypt, Bangladesh, UAE, Afghanistan, Nigeria, Kenya, Sudan, Yemen and Syria.

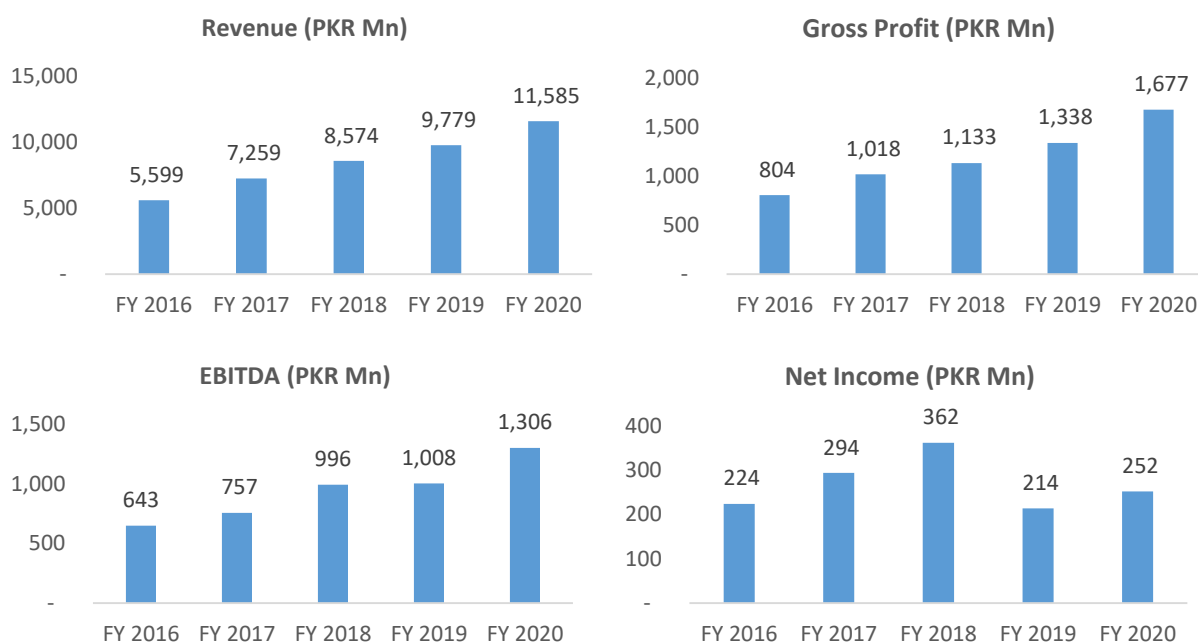
Following are some key accomplishments of Panther Tyres:

1. First Motorcycle Tyre manufacturer of Pakistan
2. First Butyl Tube manufacturer of Pakistan
3. First Rickshaw Tyre manufacturer of Pakistan
4. First Earth Mover (OTR) manufacturer of Pakistan
5. Second Tractor Tyre manufacturer of Pakistan
6. Second TBB Tyre manufacturer of Pakistan

##### 4A (ii) Financial Performance

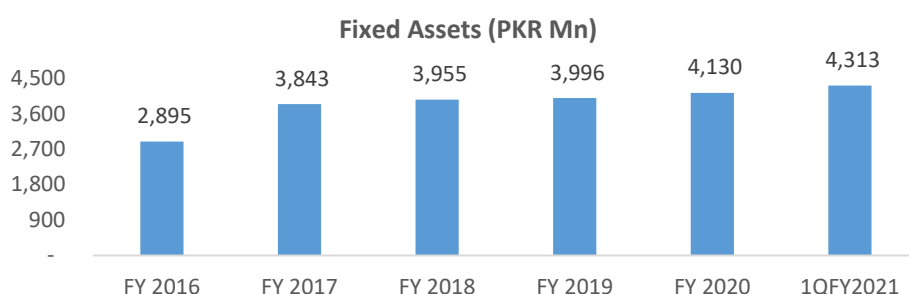
Over the last 4 years, Panther Tyres has showcased consistent growth in its revenue base on an annual basis as the topline has registered a 4 year CAGR of c. 20% from FY 2016 to FY 2020. While gross margins have remained range bound throughout the period, gross profit in absolute terms has witnessed a notable hike at a 4 year CAGR of c. 20% on the back of strong volumetric growth. On the operational front, EBITDA of the Company has fared well on a timeline basis registering a 4 year CAGR of c. 19% from FY 2016 to FY 2020.





Panther Tyres Limited (Margins)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	1QFY 2021
Gross Margin	14.4%	14.0%	13.2%	13.7%	14.5%	15.5%
EBITDA Margin	11.6%	10.4%	11.6%	10.3%	11.3%	12.0%
Net Margin	4.0%	4.1%	4.2%	2.2%	2.2%	5.8%

Panther has continuously invested in its infrastructure and its fixed assets have grown at a CAGR of c. 9% over the last four years (FY 2016 to FY 2020). Book value per share of the Company has grown at a CAGR of c. 15% over the last four years (FY 2016 to FY 2020)



#### 4.1.10 Key Customers

Panther Tyres has maintained a long standing relationship with reputable OEMs in Pakistan, out of which the Company has supply arrangements with Suzuki, Honda and Yamaha from more than 26 years. The Company derives c. 25% of its total sales from supplies to OEMs



#### 4.1.11 Wide Product Range

The Company has a wide range of products with over 52 variants within the tyre category only. Within each category, the Company carries a wide spectrum of products to cater to different needs. Through continuous innovation, the Company has mastered in premium quality tyres while catering to the needs of customers by offering them a diverse product mix.

#### 4.1.12 Diversified Business Segments

Although the Company's core business operation is tyre manufacturing, revenues are not entirely dependent on a single customer segment. Over time the company has diversified into Tractor, Light Commercial Vehicle and Earth Mover tyres apart from Two/Three Wheeler tyres. Increased and diversified customer range offers an incremental revenue stream for the Company.

#### 4.1.13 Justification

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

The shares of the Company are being issued at a Floor price of PKR 47.00 per share while the Book value per share of the Company as at June 30, 2020 is PKR 32.8<sup>32</sup>.

#### 4.1.14 Post IPO Free Float Disclosure

Post IPO, the share capital will increase from 110,000,000 ordinary shares to 140,000,000 ordinary shares. The free float status post IPO is presented in the below table:

Description	Number of shares	% Shareholding status
Held by Sponsors and Directors	100,000,000	71.43%
Held by General Public – Free Float	40,000,000	28.57%
<b>Total</b>	<b>140,000,000</b>	<b>100.0%</b>

#### 4.1.15 Peer Group Analysis

<sup>32</sup> Based on current outstanding shares of 110 million as of September 30, 2020

Company	Share Price (PKR)	EPS <sup>3</sup> (PKR)	BVPS <sup>4</sup> (PKR)	P/E	P/B	ROE	ROA	Free Float (Shares)	Free Float (%)
The General Tyre and Rubber Company of Pakistan Limited	68.7 <sup>1</sup>	(1.8)	25.3	N/A	2.6x	N/A	N/A	42,676,673	35.0%
Service Industries Limited	725.0 <sup>1</sup>	8.0	289.7	90.8x	2.5x	2.8%	0.8%	9,397,491	40.0%
Loads Limited	17.4 <sup>1</sup>	(0.9)	18.7	N/A	0.9x	N/A	N/A	60,500,000	40.0%
Synthetic Products Enterprises Limited	44.0 <sup>1</sup>	3.1	33.4	14.3x	1.3x	9.2%	7.0%	26,546,520	30.0%
Baluchistan Wheels Limited	83.5 <sup>1</sup>	0.6	97.5	141.2x	0.9x	0.6%	0.5%	6,000,413	45.0%
Exide Pakistan Limited	371.7 <sup>1</sup>	(72.0)	460.3	N/A	0.8x	N/A	N/A	1,942,155	25.0%
Agriauto Industries Limited	226.8 <sup>1</sup>	1.4	138.5	158.8x	1.6x	1.0%	0.9%	18,720,000	65.0%
Thal Limited	445.3 <sup>1</sup>	29.5	267.7	15.1x	1.7x	11.0%	9.2%	32,411,964	40.0%
<b>Panther Tyres Limited</b>	<b>47.0<sup>2</sup></b>	<b>3.6</b>	<b>35.2</b>	<b>13.0x</b>	<b>1.3x</b>	<b>10.2%</b>	<b>4.5%</b>	<b>40,000,000</b>	<b>28.6%</b>

Note: Apart from GTYR and SRVI all other auto part manufacturers used in the peer comparison are not true comparable of the Company

- (1) Share price as at November 03, 2020
- (2) Floor price
- (3) Last twelve month earnings per share as of September, 2020
- (4) Book value per share as at September 30, 2020

## 5 RISK FACTORS

---

### 5.1 INTERNAL RISK

#### 5.1.1 Business Risk

Sales volume and profitability might be adversely impacted due to a decrease in demand of the Company's product and/or intensification of competition. Since demand of the Company's product is dependent on automobile sales, any negative movement in auto sales stands to be a key business risk for the Company.

#### 5.1.2 Raw Material Supply/ Price Risk

Cost of sales of the Company is largely driven by growth in international synthetic and natural rubber prices as these are the major raw material for producing tyres. Any shortage in rubber production due to poor farming or a natural disaster might increase the cost of raw materials, thereby affecting profitability margins of the Company

#### 5.1.3 Operational Risk

Operational risk is the prospect of loss resulting from inadequate or failed procedures, systems or policies and poor operation which can hurt an organization's reputation, cause for financial damage, its relationship with its stakeholders, and decrease shareholders value.

Panther Tyres relies on skilled staff for its production activities. High turnover of skilled staff will affect the production process of the Company and result in efficiency related losses.

The Company relies on SNGPL for supply of RLNG and natural gas for its gas power gensets any interruption/shortage in supply may affect the Company's production process.

#### 5.1.4 Electricity Supply Risk

The Company relies mostly on LESCO for the supply of electricity needed to run the operations. Any undue interruption in electricity from LESCO may affect the Company's production process

#### 5.1.5 Liquidity Risk

Liquidity risk is the risk of being unable to meet financial obligations due to insufficient liquid assets. If Panther Tyres is unable to service its debt obligations in a timely manner or comply with various financial and other covenants, this would adversely affect the Company's business prospects, operations and financial condition.

As per September 30, 2020 financial statements, total current assets of the Company stands at PKR 4,607 million against current liabilities of PKR 3,807 million with a current ratio 1.2x which means the Company has sufficient resources and ability to meet its current obligations.

#### 5.1.6 Risk of Technological Obsolescence

The technology employed may become obsolete in the future leaving the Company unable to deliver the required level of expertise and support for consistent growth. The Company currently uses bias technology of tyre manufacturing. As a part of its expansion plan, the Company intends to import latest and state of the art 4 Roll Calender Line from Italy and with the inclusion of this calender line, the Company will also be able to produce radial tyres.

#### 5.1.7 Risk of High Leverage

The Company has a debt to equity ratio of 0.94x as per the audited accounts of September 30, 2020. The Company has a long term borrowing of c. PKR 1,020 million and short term borrowing of c. PKR 2,634 million which is primarily

used for financing working capital requirements of the Company. Possible impact of high leveraging affect the Company's profitability. Debt to equity ratio of the Company will be further rationalized with yearly profit generation and repayment of long term debt of the Company.

#### **5.1.8 Pending Legal Proceedings Against the Company**

The Company is defending around 9 orders under Income Tax Ordinance, 2001 for various tax years. Details of all these legal proceeding are mentioned under Section 8.0 of the Prospectus, and there are no other pending legal proceedings other than those already disclosed in this Section.

#### **5.1.9 Risk of Non-Compliance with Regulation of SECP and PSX**

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

### **5.2 EXTERNAL RISK**

#### **5.2.1 Covid-19 Risk**

In March 2020, the Government of Pakistan implemented a country wide lockdown in order to contain the spread of Covid-19 in the country. Consequently, significant reduction in traffic was witnessed particularly in large cities, although the transport of essential items continued. Despite a temporary slowdown in sales, the Company returned to normal levels after the lockdown was lifted.

Any unprecedented increase in Covid-19 cases could lead to market closure/lockdown, which may potentially impact the sales and profitability of the Company and may also potentially impact the timelines for implementation of the Company's expansion plan.

#### **5.2.2 Foreign Exchange Risk**

A major portion of raw material used for production of tyres and tubes is imported. An adverse foreign exchange movement, i.e. PKR depreciation, will inflate the price of imports, thus driving up the cost of production. Such a scenario will negatively affect the profitability of the Company.

#### **5.2.3 Regulatory Risk**

The Government plays a major regulatory role and is responsible for enforcing laws including those related to the tyre industry. Currently, Government has imposed duties (custom duty, regulatory duty, additional duty) in range of 27% to 35% on import of tyres and tubes of various categories/segments to protect local tyre and tube industry. Any reduction in the said duties can directly affect the local tyre industry and the Company's performance which may in turn affect the Company's share price.

Furthermore, the Government has also imposed duties on import of raw material required for production of tyres and tubes. Any adverse change in duty structure on raw material import will also affect the Company's performance.

#### **5.2.4 Credit Risk**

Credit risk of the Company arises from the deposits with banks and financial institutions, as well as credit exposures to OEM customers, including outstanding receivables and committed transactions. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors

### 5.2.5 Grey Market Risk

A significant portion of demand of tyres and tubes in the Country is catered by the grey market. The Government is taking actions to curb the menace of illegal import of commodities in the country. Increase in the market share of the grey market will have serious financial ramifications for all local players operating in the country.

### 5.2.6 Increased Competition/New Entrant Risk

Given a sizeable gap in demand being met by imports for select segments, potential for new local entrants is high. An increase in market players may directly impact the pricing power of the Company which may resultantly drive down margins.

Service Industries Limited, Chaoyang Long March Tyre Company Limited of China and Myco Corporation of Pakistan has signed a Joint Venture Agreement for setting up a green field project for manufacturing and sale of truck and bus radial tyres in Pakistan and as export to the other countries in 2019. A Joint Venture Company, Service Long March Tyres (Pvt.) Limited has been incorporated on January 07, 2020.

### 5.2.7 Under Invoicing on Imported Tyres

As per the management of the Company, under invoicing and mis-declaration of prices of imported tyres have been hurting the local tyre industry. Cost of manufacturing of imported tyres and locally produced tyres is roughly same with 2-3% price variation. In case of under invoicing, importers mis-declares the price of tyres and pays import duties on the mis-declared price, whereas local manufacturers pay all the duties and taxes on import of raw material and ends up either selling at a loss or at an equal price which is hurting the local tyre industry.

### 5.2.8 Growth in Retread Tyre Market

Retreading is a process in which worn tyres are replaced by the tread. Cost of raw material required for this process is lesser than the cost of manufacturing a new tyre and are expected to limit the growth of new tyre market. Rise in retread tyre market in Pakistan may restrain the local tyre industry growth

### 5.2.9 Discontinuation of Stamping of Goods in Transit to Afghanistan

In October 2020, the Directorate General of Transit Trade Customs House, Karachi, vide its Office Order No.49/2020-Estt-(DTT) had announced that stamping of goods “in transit to Afghanistan” will be discontinued at Karachi Port and Port Qasim. This will result in increase in grey market of goods including tyre and tubes in Pakistan because without stamping, goods would again find their way into the country and ultimately weaken our local industry.

Local tyre manufacturers have urged the Government to withdraw the decision of discontinuation of stamping of goods in transit to Afghanistan and curb grey market of goods including tyres and tubes.

### 5.2.10 Economic Slowdown

An economic slowdown occurs when the rate of economic growth slows in an economy. Slow down and/or deterioration of macroeconomic conditions as a whole could trigger reduction in disposable incomes and consumer spending. An economic slowdown may adversely affect the growth and performance of the automobile and allied sector as a whole.

### 5.2.11 Interest Rate Risk

The Company has entered into financing agreements in order to finance its capital expenditure and working capital requirements. Any unforeseen increase in interest rates will increase the cost of borrowing for the Company and may affect its profitability, as existing debts are based on floating rate. As at 30<sup>th</sup> September 2020, the Company's short term borrowing stands at c. PKR 2.6 billion and long term loan amounting to c. 1,020 million.

#### **5.2.12 Under-subscription Risk**

The Issue of Panther Tyres Limited may be under-subscribed due to lack of interest on the part of the investors. The book building process shall be considered as cancelled if:

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

The bid money submitted by investors shall be refunded subsequently.

#### **5.2.13 Capital Market Risk**

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

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

### 5.3 CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE ISSUER

[•], 2020

#### **The Chief Executive**

Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

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

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

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

For and behalf of **Panther Tyres Limited**

-Sd-

---

**Mian Faisal Iftikhar**  
Chief Executive Officer

-Sd-

---

**Ghulam Abbas**  
Chief Financial Officer



#### 5.4 CERTIFICATE BY THE OFFEROR

[•], 2020

**The Chief Executive**

Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

I being the Offeror accept absolute responsibility for the disclosures made in this Prospectus. We hereby certify that we have reviewed this Prospectus and that it contains all the necessary information with regard to the Offer and constitutes full, true and plain disclosures of all material facts relating to the shares being offered through this Prospectus and that nothing has been concealed.

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

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

-Sd-

---

**Mian Iftikhar Ahmed**

## 5.5 STATEMENT BY THE ISSUER

[•], 2020

### **The Chief Executive**

Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

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

For and behalf of **Panther Tyres Limited**

-Sd-

---

**Mian Faisal Iftikhar**  
Chief Executive Officer

-Sd-

---

**Ghulam Abbas**  
Chief Financial Officer

## 5.6 STATEMENT BY THE OFFEROR

[•], 2020

### **The Chief Executive**

Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

As an Offeror, we hereby confirm that all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Public Offering Regulations, 2017 and the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited has been disclosed in this Prospectus and that whatever is stated in this Prospectus and the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

-Sd-

---

**Mian Iftikhar Ahmed**

## 5.7 STATEMENT BY LEAD MANAGER

[•], 2020

### **The Chief Executive**

Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

Being mandated as the Lead Manager to this Initial Public Offering of Panther Tyres Limited through the Book Building process, we hereby confirm that all material information as required under 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.

For and behalf of **Arif Habib Limited**

-sd-

---

**Ammad Tahir**  
AVP, Investment Banking

sd-

---

**Ahmed Rajani**  
Director, Investment Banking

## 5.8 STATEMENT BY BOOK RUNNER

[•], 2020

### **The Chief Executive**

Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

Being mandated as the Book Runner to this Initial Public Offering of Panther Tyres Limited through the Book Building process, we hereby confirm that all material information as required under 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.

For and behalf of **Arif Habib Limited**

-sd-

---

**Ammad Tahir**  
AVP, Investment Banking

-sd-

---

**Ahmed Rajani**  
Director, Investment Banking

## 6 FINANCIAL INFORMATION

### 6.1 AUDITORS REPORT UNDER CLAUSE 1 OF SECTION 2 OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017 FOR THE PURPOSE OF INCLUSION IN THE PROSPECTUS OF PANTHER TYRES LIMITED



EY Ford Rhodes  
 Chartered Accountants  
 9B-B1, 4th Floor, Pace Mall Building  
 M. M. Alam Road, Gulberg-II  
 P.O. Box 104, Lahore-54660

Tel: +9242 3577 8402-11  
 Fax: +9242 3577 8412-13  
 ey.hr@pk.ey.com  
 ey.com/pk

LA/4646/20  
 15 October 2020

The Board of Directors  
**Panther Tyres Limited**  
 Panther House  
 97-B Aziz Avenue  
 Canal Bank  
 Lahore

Dear Sirs

#### AUDITOR'S REPORT UNDER CLAUSE 1 OF SECTION 2 OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

We have been requested to provide you with a report with respect to information of the Company as required under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017.

#### Scope of Report

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for Initial Public Offer as required under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017 for onward submission to Pakistan Stock Exchange (PSX).

#### Management Responsibility

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

#### Auditors' Responsibility

Our responsibility is to report the information as required under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017. Our report is being issued in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to validating the correctness of financial information and non-financial information included in this report (including annexures). For this purpose, we traced the requisite information from the audited interim financial statements for the three month period ended 30 September 2020 and the financial statements for the year ended 30 June 2020, 30 June 2019, 30 June 2018, 30 June 2017 and 30 June 2016 in terms of the requirements of Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017.

#### Auditor's report

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



A member firm of Ernst & Young Global Limited

Page 1 of 2

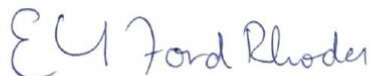


1. We have audited the interim financial statements for the three month period ended 30 September 2020 and the financial statements for the year ended 30 June 2020, 30 June 2019, 30 June 2018, 30 June 2017 and 30 June 2016.
2. In terms of the requirement under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017, and based on the audited financial statements, we state as under:
  - a. Summary of assets, liabilities and shareholder's equity of the Company for the three month period ended on 30 September 2020 and years ended on 30 June 2020, 30 June 2019, 30 June 2018, 30 June 2017 and 30 June 2016 is included in Annexure 'A' of this report; and
  - b. The statement of profit or loss of the Company for the years ended on 30 June 2019, 30 June 2018, 30 June 2017 and 30 June 2016 is included in Annexure 'B' of this report.
  - c. The statement of comprehensive income of the Company for three month period ended on 30 September 2020 and years ended on 30 June 2020, 30 June 2019, 30 June 2018, 30 June 2017 and 30 June 2016 is included in Annexure 'B' of this report.
3. No dividend was declared by the Company during the three month period ended 30 September 2020 and years ended 30 June 2020, 30 June 2019, 30 June 2018, 30 June 2017 and 30 June 2016. The Company issued 40,600,000 bonus ordinary shares aggregating to Rs. 406,000,000 in the year ended 30 June 2019. During the three month period ended 30 September 2020, the Company has further issued 10,000,000 bonus ordinary shares aggregating to Rs. 100,000,000.
4. For the three month period ended 30 September 2020 and year ended 30 June 2020, 30 June 2019, 30 June 2018, 30 June 2017 and 30 June 2016, the Company does not have any subsidiaries.

#### Restriction on use and distribution

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

Yours faithfully



**EY Ford Rhodes**  
**Chartered Accountants**  
**Lahore: 15 October 2020**



Annexure 'A' to the letter reference LA/4646/20 dated 15 October 2020

**SUMMARY OF ASSETS, LIABILITIES, AND SHAREHOLDERS' EQUITY**

	September 30, 2020 (Rupees)	June 30, 2020 (Rupees)	June 30, 2019 (Rupees)	June 30, 2018 (Rupees)	June 30, 2017 (Rupees)	June 30, 2016 (Rupees)
<b>ASSETS</b>						
<b>NON CURRENT ASSETS</b>						
Property and equipment	4,160,717,227	3,968,362,088	3,966,184,171	3,921,768,807	3,813,817,582	2,875,335,827
Right-of-use assets	118,808,456	128,517,395	-	-	-	-
Intangible assets	10,087,884	10,857,365	5,726,411	7,689,753	9,653,094	-
Long term deposits	23,804,619	23,715,719	23,858,995	25,238,571	19,501,719	19,384,219
	4,313,419,186	4,129,552,567	3,995,769,577	3,954,697,131	3,842,972,395	2,894,720,046
<b>CURRENT ASSETS</b>						
Stores and spares	95,151,746	87,626,357	80,343,700	53,246,331	45,288,284	30,333,673
Stock in trade	1,637,311,556	1,905,084,951	1,330,206,364	1,845,386,488	1,537,914,928	606,032,615
Trade debts	2,396,808,489	2,440,208,722	1,894,182,536	1,420,671,571	1,356,701,654	784,222,109
Advances, deposits, prepayments and other receivables	417,669,135	391,402,478	275,188,209	762,978,779	978,432,555	640,474,475
Cash and bank balances	60,582,106	150,847,714	175,837,392	57,710,705	15,468,158	96,476,196
	4,607,523,032	4,975,170,222	3,755,758,201	4,139,993,874	3,933,805,577	2,157,539,068
<b>TOTAL ASSETS</b>	<b>8,920,942,218</b>	<b>9,104,722,789</b>	<b>7,751,527,778</b>	<b>8,094,691,005</b>	<b>7,776,777,972</b>	<b>5,052,259,114</b>
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY AND RESERVES</b>						
Authorized share capital						
300,000,000, 30 June 2019:						
300,000,000, 30 June 2018:						
100,000,000 ordinary shares of Rs.10- each	3,000,000,000	3,000,000,000	3,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital - Company	1,100,000,000	1,000,000,000	1,000,000,000	594,000,000	594,000,000	594,000,000
<b>Capital Reserve</b>						
Revaluation surplus on property, plant and equipment	661,377,983	670,459,820	709,537,461	758,990,554	889,713,064	471,454,398
<b>Revenue Reserve</b>						
Unappropriated profit	2,108,814,118	1,941,964,836	1,629,977,427	1,855,908,347	1,320,477,480	1,004,687,567
	3,870,192,101	3,612,424,656	3,339,514,888	3,208,898,901	2,804,190,544	2,070,141,965
<b>NON CURRENT LIABILITIES</b>						
Long term finances	701,665,547	520,192,282	435,386,363	558,120,428	740,721,328	585,405,013
Deferred grant	28,988,985	-	-	-	-	-
Deferred taxation	512,686,775	488,412,885	544,616,664	542,116,215	635,344,067	492,362,852
	1,243,341,307	1,008,605,167	980,003,027	1,100,236,643	1,376,065,395	1,077,767,865
<b>CURRENT LIABILITIES</b>						
Current portion of long term finances	318,787,020	259,516,647	325,914,173	322,314,734	219,099,683	214,641,215
Short term finances-secured	2,633,956,426	3,353,573,977	2,485,369,798	2,973,651,082	2,891,132,300	1,424,259,722
Trade and other payables	787,585,565	740,852,866	539,736,084	423,361,099	432,370,288	235,722,541
Accrued mark-up	67,099,799	129,742,478	80,989,808	66,228,546	53,919,762	29,725,808
	3,807,408,810	4,483,692,968	3,432,009,863	3,785,555,461	3,596,522,033	1,904,349,284
<b>CONTINGENCIES AND COMMITMENTS</b>						
	8,920,942,218	9,104,722,789	7,751,527,778	8,094,691,005	7,776,777,972	5,052,259,114

542/





Annexure 'B' to the letter reference LA/4646/20 dated 15 October 2020

## STATEMENT OF PROFIT OR LOSS AND STATEMENT OF COMPREHENSIVE INCOME

	July 01, 2020 to September 30, 2020 (Rupees)	July 01, 2019 to June 30, 2020 (Rupees)	July 01, 2018 to June 30, 2019 (Rupees)	July 01, 2017 to June 30, 2018 (Rupees)	July 01, 2016 to June 30, 2017 (Rupees)	July 01, 2015 to June 30, 2016 (Rupees)
Sales	4,411,205,315	11,584,801,235	9,779,419,375	8,574,465,111	7,259,422,943	5,598,708,371
Cost of sales	(3,727,177,799)	(9,907,749,210)	(8,440,934,144)	(7,441,653,258)	(6,241,333,042)	(4,794,887,680)
Gross profit	684,027,516	1,677,052,025	1,338,485,231	1,132,811,853	1,018,089,901	803,820,691
Selling and distribution expenses	(131,826,340)	(414,579,319)	(306,272,531)	(258,965,715)	(283,141,205)	(187,160,412)
Administrative and general expenses	(80,406,402)	(261,142,409)	(259,100,004)	(197,073,535)	(155,794,261)	(139,674,907)
Other operating expenses	(24,840,516)	(29,495,739)	(40,265,215)	(30,962,320)	(26,850,953)	(21,523,027)
Other operating income	4,787,022	6,397,395	1,988,431	74,762,321	396,475	18,644
<b>Profit from operations</b>	<b>451,741,280</b>	<b>978,231,953</b>	<b>734,835,912</b>	<b>720,572,604</b>	<b>552,699,957</b>	<b>455,480,989</b>
Finance cost	(99,701,540)	(598,395,225)	(404,289,503)	(288,394,742)	(211,342,580)	(165,305,003)
<b>Profit before taxation</b>	<b>352,039,740</b>	<b>379,836,728</b>	<b>330,546,409</b>	<b>432,177,862</b>	<b>341,357,377</b>	<b>290,175,986</b>
Taxation	(98,289,865)	(128,009,620)	(116,232,614)	(70,370,750)	(47,355,913)	(66,373,313)
<b>Profit for the period</b>	<b>253,749,875</b>	<b>251,827,108</b>	<b>214,313,795</b>	<b>361,807,111</b>	<b>294,001,464</b>	<b>223,802,673</b>
<b>Other comprehensive income</b>						
Other comprehensive income not to be reclassified to profit or loss in subsequent periods						
Deferred tax on revaluation surplus due to decrease / (increase) in effective tax rate	4,017,570	21,082,659	(1,331,816)	42,901,246	(9,789,013)	(10,614,029)
<b>Total other comprehensive income / (loss)</b>	<b>4,017,570</b>	<b>21,082,659</b>	<b>(1,331,816)</b>	<b>42,901,246</b>	<b>(9,789,013)</b>	<b>(10,614,029)</b>
<b>Total comprehensive income for the year</b>	<b>257,767,445</b>	<b>272,909,767</b>	<b>212,981,979</b>	<b>404,708,357</b>	<b>284,212,451</b>	<b>213,188,644</b>

97-

## 6.2 AUDITOR CERTIFICATE ON ISSUED, SUBSCRIBED, AND PAID-UP-CAPITAL OF THE COMPANY



EY Ford Rhodes  
 Chartered Accountants  
 96-B-I, 4th Floor, Pace Mall Building  
 M. M. Alam Road, Gulberg-II  
 P.O. Box 104, Lahore-54660

Tel: +9242 3577 8402-11  
 Fax: +9242 3577 8412-13  
 ey.lhr@pk.ey.com  
 ey.com/pk

LA/4649/20  
 15 October 2020

The Board of Directors  
**Panther Tyres Limited**  
 Panther House  
 97-B Aziz Avenue  
 Canal Bank  
 Lahore

Dear Sirs

### AUDITOR'S CERTIFICATE ON ISSUED, SUBSCRIBED AND PAID UP CAPITAL UNDER PUBLIC OFFERING REGULATIONS, 2017

We have been requested to certify the certificate on issued, subscribed and paid-up capital of Panther Tyres Limited (the Company) as at 30 September 2020 as required under Clause 14(1) of section 1 of the First Schedule to the Public Offering Regulations, 2017.

#### Scope of Certificate

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for Initial Public Offer as required under Clause 14(1) of section 1 of the First Schedule to the Public Offering Regulation, 2017 for onward submission to Pakistan Stock Exchange (PSX).

#### Management Responsibility

It is the management's responsibility to ensure compliance with the Clause 14(1) of section 1 of the First Schedule to the Public Offering Regulation, 2017. The management's responsibilities include causing the maintenance of the adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularity. This certificate does not relieve the management from its responsibilities.

#### Auditors' Responsibility

Our responsibility is to certify the issued, subscribed and paid-up capital of the Company as at 30 September 2020 in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to trace the issued, subscribed and paid-up capital of the Company from its audited interim financial statements for the three month period ended 30 September 2020.

#### Certificate

Based on procedures mentioned above, we certify that the break-up of shareholding of the Company as at 30 September 2020 is as follows:

۴۸۲۷



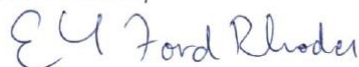
	30 September 2020
Issued, subscribed and paid-up capital	(Rupees)
14,309,250 ordinary shares of Rs. 10 each fully paid in cash	143,092,500
95,690,750 ordinary shares of Rs. 10 each issued as bonus shares	956,907,500
	<b>1,100,000,000</b>

Name of shareholders	No. of ordinary shares of Rs. 10 each	Amount in Rupees
Mian Iftikhar Ahmed	76,999,560	769,995,600
Mian Faisal Iftikhar	22,000,000	220,000,000
Mrs. Samina Iftikhar	11,000,000	110,000,000
Mr. Asad Sultan Chaudhry	110	1,100
Mr. Iqbal Ahmed Khan	110	1,100
Mr. Javed Masud	110	1,100
Mr. Zahid Mahmud	110	1,100
	<b>110,000,000</b>	<b>1,100,000,000</b>

#### Restriction on use and distribution

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

Yours faithfully



**EY Ford Rhodes**  
**Chartered Accountants**  
**Lahore: 15 October 2020**

### 6.3 SHARE BREAK-UP VALUE CERTIFICATE



EY Ford Rhodes  
 Chartered Accountants  
 96-B-I, 4th Floor, Pace Mall Building  
 M. M. Alam Road, Gulberg-II  
 P.O. Box 104, Lahore-54660

Tel: +9242 3577 8402-11  
 Fax: +9242 3577 8412-13  
 ey.lhr@pk.ey.com  
 ey.com/pk

LA/4647/20  
 15 October 2020

The Board of Directors  
**Panther Tyres Limited**  
 Panther House  
 97-B Aziz Avenue  
 Canal Bank  
 Lahore

Dear Sirs

#### AUDITOR'S CERTIFICATE ON BREAK-UP VALUE PER SHARE - 30 SEPTEMBER 2020 BASED ON AUDITED INTERIM FINANCIAL STATEMENTS

We have been requested to provide you with a certificate on break-up value of ordinary shares of the Company based on the audited interim financial statements of the Company for the three month period ended 30 September 2020 as required under Clause 14(ii) of section 1 of the First Schedule to the Public Offering Regulation, 2017.

#### Scope of Certificate

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for Initial Public Offer as required under Clause 14(ii) of section 1 of the First Schedule to the Public Offering Regulation, 2017 for onward submission to Pakistan Stock Exchange (PSX).

#### Management Responsibility

The responsibility for computation of break-up value of ordinary shares of the Company, based on the audited interim financial statements of the Company for the three month period ended 30 September 2020 in accordance with the requirements of the Technical Release (TR) -22 of the Institute of Chartered Accountants of Pakistan (ICAP) is primarily that of the management of the Company. The management's responsibilities include causing the maintenance of the adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularity. This certificate does not relieve the management from its responsibilities.

#### Auditors' Responsibility

Our responsibility is to certify the break-up value of ordinary shares of the Company based on the audited interim financial statements of the Company for the three month period ended 30 September 2020 in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to trace the relevant financial information used for the purpose of calculating the break-up value of ordinary shares by the management of the Company from the audited interim financial statements of the Company for the three month period ended 30 September 2020. In this regard, we have also reviewed the compliance with the requirements of Technical Release (TR) -22 of the Institute of Chartered Accountants of Pakistan (ICAP).

*(Signature)*





### Certificate

Based on procedures mentioned above, we certify that break-up value of ordinary shares of the Company as at 30 September 2020, based on the audited interim financial statements of the Company for the three month period ended 30 September 2020, is as follows:

	Note	30 September 2020 Audited
Issued, subscribed and paid up capital (Rupees)		1,100,000,000
Unappropriated profit - revenue reserve (Rupees)		2,108,814,118
Revaluation surplus on property, plant and equipment - capital reserve (Rupees)		<u>661,377,983</u>
Total shareholders' equity (including revaluation surplus on property, plant and equipment) - (Rupees)	A	<u>3,870,192,101</u>
Total shareholders' equity (excluding revaluation surplus on property, plant and equipment) - (Rupees)	B	<u>3,208,814,118</u>
Number of ordinary shares of Rs. 10/- each	C	<u>110,000,000</u>
Break-up value per ordinary share of Rs. 10/- each (including revaluation surplus on property, plant and equipment) - (Rupees)	D=A/C	<u>35.18</u>
Break-up value per ordinary share of Rs. 10/- each (excluding revaluation surplus on property, plant and equipment) - (Rupees)	E=B/C	<u>29.17</u>

### Restriction on use and distribution

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

Yours faithfully



**EY Ford Rhodes**  
**Chartered Accountants**  
**Lahore: 15 October 2020**

**6.4 SUMMARY OF FINANCIAL HIGHLIGHTS OF PANTHER TYRES LIMITED**

<i>PKR Million</i>	Audited	Audited	Audited	Audited	Audited	Audited
Fiscal Year	2016	2017	2018	2019	2020	1Q 2021
<b>Income Statement</b>						
Revenue	5,599	7,259	8,574	9,779	11,585	4,411
Cost of Goods Sold	(4,795)	(6,241)	(7,442)	(8,441)	(9,908)	(3,727)
Gross Profit	804	1,018	1,133	1,338	1,677	684
Operating Expenses	(327)	(439)	(456)	(565)	(676)	(212)
Other Operating Expenses	(22)	(27)	(31)	(40)	(29)	(25)
Other Operating Income	0.02	0.4	75	2	6	5
Operating Profit	455	553	721	735	978	452
Financial Charges	(165)	(211)	(288)	(404)	(598)	(100)
Profit/(Loss) before Taxation	290	341	432	331	380	352
Taxation	(66)	(47)	(70)	(116)	(128)	(98)
Profit/(Loss) after Taxation	224	294	362	214	252	254
EBIT	455	553	721	735	978	452
EBITDA	643	757	996	1,008	1,306	531
Depreciation and Amortization	187	204	275	273	328	79
<b>Balance Sheet</b>						
Non-Current Assets	2,895	3,843	3,955	3,996	4,130	4,313
Current Assets	2,158	3,934	4,140	3,756	4,975	4,608
Total Assets	5,052	7,777	8,095	7,752	9,105	8,921
Equity	1,599	1,914	2,450	2,630	2,942	3,209
Surplus on revaluation of fixed assets	471	890	759	710	670	661
Total Equity	2,070	2,804	3,209	3,340	3,612	3,870
Long-Term Debt	585	741	558	435	520	702
Current Portion of non-current liabilities	215	219	322	326	260	319
Short-Term Borrowings	1,424	2,891	2,974	2,485	3,354	2,634
Non-Current Liabilities	1,078	1,376	1,100	980	1,009	1,243
Current Liabilities	1,904	3,597	3,786	3,432	4,484	3,807
Stock-in-trade	606	1,538	1,845	1,330	1,905	1,637
Trade debts	784	1,357	1,421	1,894	2,440	2,397
Trade and other payables	236	432	423	540	741	788
<b>Cash Flow Statement</b>						
Cash Flow from Operating Activities	308	(904)	612	1,432	76	776
Cash Flow from Investing Activities	(320)	(627)	(630)	(331)	(300)	(261)
Cash Flow from Financing Activities	63	1,450	59	(983)	199	(605)
Net increase in cash and cash equivalents	50	(81)	42	118	(25)	(90)
Cash and cash equivalents at the beginning of the year	46	96	15	58	176	151
Net Cash Balance	96	15	58	176	151	61
Capex	320	640	669	352	312	263
<b>Growth</b>						

Sales Growth (%)	3.1%	29.7%	18.1%	14.1%	18.5%	30.9%
EBITDA Growth (%)	-6.8%	17.8%	31.6%	1.2%	29.6%	40.3%
Profit after tax Growth (%)	48.5%	31.4%	23.1%	-40.8%	17.5%	133.7%
<b>Margins</b>						
Gross Margin (%)	14.4%	14.0%	13.2%	13.7%	14.5%	15.5%
Operating Margin	8.1%	7.6%	8.4%	7.5%	8.4%	10.2%
EBITDA Margin (%)	11.5%	10.4%	11.6%	10.3%	11.3%	12.0%
Profit before tax Margin (%)	5.2%	4.7%	5.0%	3.4%	3.3%	8.0% <sup>5</sup>
Profit after tax Margin (%)	4.0%	4.0%	4.2%	2.2%	2.2%	5.8% <sup>5</sup>
<b>Profitability Ratios</b>						
Earnings per share <sup>1</sup> (PKR)	3.8	4.9	6.1	2.1	2.5	2.3
Break-up value per share <sup>2</sup> (PKR)	34.8	47.2	54.0	33.4	36.1	35.2
Return on equity <sup>3</sup> (%)	11.4%	12.1%	12.0%	6.5%	7.2%	N/A
Return on assets <sup>4</sup> (%)	4.6%	4.6%	4.6%	2.7%	3.0%	N/A
Outstanding shares (Million)	59.4	59.4	59.4	100	100	110
<b>Balance Sheet Ratios</b>						
Fixed Asset Turnover <sup>5</sup>	2.0	2.2	2.2	2.5	2.9	N/A
Asset Turnover <sup>6</sup>	1.2	1.1	1.1	1.2	1.4	N/A
Current Ratio	1.1	1.1	1.1	1.1	1.1	1.2
Capex to total Assets (%)	6.3%	8.2%	8.3%	4.5%	3.4%	N/A
Receivable Turnover (days)	47.0	53.8	59.1	61.9	68.3	N/A
Inventory Turnover (days)	44.2	62.7	83.0	68.7	59.6	N/A
Payable Turnover (days)	21.9	19.5	21.0	20.8	23.6	N/A
<b>Leverage Ratios</b>						
Debt to Equity	1.1x	1.4x	1.2x	1.0x	1.1x	0.9x
Debt to Total Capital	0.5x	0.6x	0.5x	0.5x	0.5x	0.5x
EBITDA/Interest	3.9x	3.6x	3.5x	2.5x	2.2x	5.3x
Interest Coverage <sup>7</sup>	2.8x	2.6x	2.5x	1.8x	1.6x	4.5x
Debt / EBITDA	3.4x	5.1x	3.8x	3.2x	3.2x	N/A
EBITDA - CAPEX	323	117	327	656	994	N/A
EBITDA - CAPEX/Interest	2.0	0.6	1.1	1.6	1.7	N/A

<sup>1</sup>Earnings per share is based on total profit after tax divided by outstanding shares of the Company at the corresponding period end

<sup>2</sup>Book Value per share is calculated by dividing equity of the Company by outstanding shares of the Company at the corresponding period end

<sup>3</sup>Return of equity is based on profit after tax divided by average equity

<sup>4</sup>Return on asset is based on profit after tax divided by average total assets of the Company

<sup>5</sup>Fixed asset turnover is calculated by dividing revenue with average fixed assets of the Company

<sup>6</sup>Asset turnover is calculated by dividing revenue with average total assets of the Company

<sup>7</sup>Interest coverage ratio is calculated by dividing EBIT by finance cost

## Commentary on Select Ratios

### i. Profitability

In FY 2020, the Company reported profit after tax of PKR 252 million which was lower than what was expected by the management of the Company. As per the audited accounts of 1HFY 2020, the Company

reported profit after tax of PKR 223 million while in second half of FY 2020 the Company earned only PKR 29 million in its net profit. The decline in the profitability of the Company in second half of FY 2020 was attributed to the country wide lockdown imposed by the Government to prevent the spread of Covid-19 pandemic because of which the Company witnessed slowdown in sales and decline in profitability.

Amid the lockdown, the Company's factory was closed on March 22, 2020 and was reopened on May 04, 2020 except its tractor segment operations which were resumed on April 15, 2020. Closure of business operations resulted in decline in the profitability of the Company compared to what was expected.

Post easing of the lockdown, the Company resumed its operations at an enhanced capacity utilization rate and as a result of economies of scale, gross margin of the Company increased from 14.5% in FY 2020 to 15.5% in 1QFY 2021 and its net margin increased from 2.2% in FY 2020 to 5.8% in 1QFY 2021. Increase in net margins of the Company is attributed to reduction in financing cost of the Company amid cut of 6.25% in policy rate by State Bank of Pakistan since March, 2020

Decrease in profit before taxation and profit after taxation of the Company in FY 2019 is attributed to increase in finance cost of the company. Finance cost of the Company increased from PKR 288 million in FY 2018 to PKR 404 million in FY 2019 amid increase in policy rate by State Bank of Pakistan. Policy rate increased from 6.50% in FY 2018 to 12.25% in FY 2019.

## ii. Cashflow from Operations

The Company witnessed cash outflow from its operating activities in FY 2017 and is attributed to increase in inventory days and receivable days of the Company. Inventory days and receivable days of the Company increased from 44 and 47 days to 63 and 54 days respectively in FY 2017 from FY 2016.

As per the management of the Company, Panther Tyres registered sales growth of c. 30% in FY 2017 compared to FY 2016. In order to support the current and future business growth, the Company invested in its working capital which resulted in cash outflow from operations

## iii. Debt to Equity

Debt to Equity ratio of the Company increased in FY 2017 to 1.4x from 1.1x in FY 2016 because of the increase in short term borrowings of the Company from PKR 1,424 million to PKR 2,891 in FY 2017. Increase in short term borrowings of the Company was attributed to increase in working capital requirements of the Company.

In 1QFY 2021, debt to equity ratio of the Company decreased to 0.9x from 1.1x in FY 2020. Improvement in debt to equity ratio of the Company is attributed to reduction in short term borrowings of the Company in 1Q FY 2020

## 6.5 SUMMARY OF REVENUE AND EXPENDITURE OF PANTHER TYRES LIMITED

### 6.5.1 Revenue

In PKR Mn	FY 2017		FY 2018		FY 2019		FY2020		1QFY2021	
	PKR Mn	%	PKR Mn	%	PKR Mn	%	PKR Mn	%	PKR Mn	%
Tyres & Tubes	7,259	100%	8,566	99.9%	9,653	98.7%	11,417	98.5%	4,351	98.6%
Oil Lubricants & Auto Parts	-	-	9	0.1%	126	1.3%	168	1.5%	60	1.4%
<b>Total Sales</b>	<b>7,259</b>	<b>100%</b>	<b>8,575</b>	<b>100%</b>	<b>9,779</b>	<b>100%</b>	<b>11,585</b>	<b>100%</b>	<b>4,411</b>	<b>100%</b>
Local Sales	6,895	95.0%	8,129	94.8%	9,333	95.4%	10,706	92.4%	4,063	92.1%
Export Sales*	364.5	5.0%	446	5.2%	446	4.6%	878	7.6%	348	7.9%
<b>Total Sales</b>	<b>7,259</b>	<b>100%</b>	<b>8,575</b>	<b>100%</b>	<b>9,779</b>	<b>100%</b>	<b>11,585</b>	<b>100%</b>	<b>4,411.2</b>	<b>100%</b>



\*The Company exports tyre and tubes to Turkey, Poland, Macedonia, Egypt, Bangladesh, UAE, Afghanistan, Nigeria, Kenya, Sudan, Yemen and Syria

### 6.5.2 Expenditure

In PKR Mn	FY 2017	FY 2018	FY 2019	FY2020	1QFY 2021
Cost of Sales	6,241	7,442	8,441	9,908	3,727
– Tyres & Tubes	6,241	7,434	8,327	9,755	3,672
– Oil Lubricants & Auto Parts	-	7.6	113.9	153.1	55
Selling and distribution expenses	283.1	258.9	306.3	414.6	131.8
Administrative expenses	155.8	197.1	259.1	261.1	80.4
Other operating expenses	26.9	30.9	40.3	29.5	24.8

### 6.6 SUMMARY OF OTHER INCOME

In PKR Mn	FY 2017	FY 2018	FY 2019	FY2020	1QFY 2021
Other Income	0.39	74.7	1.9	6.4	4.8
Other income as % of operating profit (%)	0.07	10.4	0.27	0.65	1.06
Other income as % of sales (%)	0.005	0.87	0.02	0.06	0.11

#### 6.6.1 Breakdown of Other Income (In case Other Income constitutes more than 25% of the Operating Income or 10% of the Revenue)

Not Applicable

### 6.7 SUMMARY OF MATERIAL PURCHASES

Following is the list of few vendors that represent more than 60% of total purchases undertaken by the Company in FY 2020:

S. No	Vendor Name	Country	Product	Purchase Value (PKR)	% of Total Purchases
1	Trigon Gulf Fzco.	Dubai	Butyl, carbon	1,395,115,150	18.32%
2	Jinneng Science & Technology Company	China	Carbon	939,364,543	12.33%
3	Jiangsu Haiyang Chemical Fibres Co.	China	Tyre cord	576,403,723	7.57%
4	PT Rubber Jaya Lampung	Indonesia	Natural rubber	363,617,105	4.77%
5	Southland Global PTE LTD	Singapore	Natural rubber	329,619,559	4.33%
6	Shandong Himile Valve CO LTD	China	Tube valves	257,982,667	3.39%
7	Jiangyin Premier Autoparts Industry	China	Tube valves	223,541,331	2.93%
8	Dalian Richon Chem Co Limited.	China	Chemicals	204,012,532	2.68%
9	Arlanxeo Swizerland S.A	Switzerland	Butyl	191,084,893	2.51%
10	Pt Silva Inhutani Lampung	Indonesia	Natural Rubber	187,546,193	2.46%
	Total			<b>4,668,287,695</b>	<b>61.29%</b>

Note: Panther Tyres have no specific agreement or arrangement in place with any of the abovementioned vendors for purchase of raw materials

## 6.8 CONTINGENCIES AND COMMITMENTS

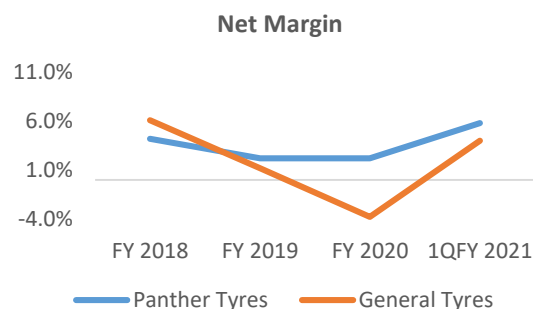
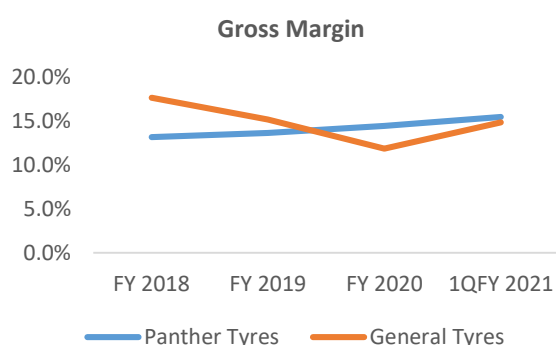
As of September 30, 2020, the Company has commitments from various banks against letter of credit and letter of guarantee amounting to PKR 1,154 million and PKR 57 million respectively.

## 6.9 COMPARATIVE FINANCIAL ANALYSIS WITH PEER GROUP COMPANIES

In companies listed on PSX, only GTYR and SRVI are involved in production of tyres. GTYR produces tyres for cars, light commercial vehicles, trucks/buses, tractors, rickshaws and has recently expanded into motor cycle tyre market. SRVI has two business divisions, i.e. footwear, and tyres & tubes. SRVI derives more than 60%<sup>33</sup> of its total revenue from the tyre and tube division and remaining from the footwear division.

### Financial Performance

Financial performance of Panther Tyres has been stable since FY17 to FY20 relative to its key competitor. In the outgoing year, Panther Tyres has outperformed its competitor i.e. GTYR by achieving a much better gross margin. The Company has shown a much better resilience against COVID-19 as compared to GTYR in terms of a better financial performance where the Company was successful in maintaining its margins and securing profitability while GTYR had to incur a significant loss in the outgoing year.



Gross Margin	FY 2018	FY 2019	FY 2020	1QFY2021
Panther Tyres	13.2%	13.7%	14.5%	15.5%
GTYR	17.7%	15.2%	11.9%	14.9%

Net Margin	FY 2018	FY 2019	FY 2020	1QFY2021
Panther Tyres	4.2%	2.2%	2.2%	5.8%
GTYR	6.1%	1.2%	-3.8%	4.0%

Note: Segment wise financial statements for tyre segment of SRVI is not available, therefore, SRVI is not included in financial performance comparison

### Debt to Equity

Debt to Equity ratio of the Company has remained in range of 0.9x to 1.2x over the last three years as compared to GTYR whose D/E Ratio has ranged between 1.2x and 2.2x.

Debt to Equity	FY 2018	FY 2019	FY 2020	1QFY2021
Panther Tyre	1.2x	1.0x	1.1x	0.9x
GTYR	1.2x	1.9x	2.2x	1.9x

<sup>33</sup> As of CY 2019

Source: Companies Financials

## 6.10 REVALUATION OF FIXED ASSETS

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

The Company has carried out revaluation of its fixed assets in 2017 by Joseph Lobo PVT Limited. Fixed assets shown in the financial statements are at re-valued amount. No subsequent revaluation of fixed assets has been carried out by the Company. Revaluation surplus as at September 30<sup>th</sup>, 2020 is PKR 661,377,983.

## 6.11 DIVIDEND POLICY

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

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

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

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

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

**Therefore, the applicants must fill-in the relevant part of the Shares Subscription Form under the heading, "Dividend Mandate".**

Details of dividends and/or bonus shares issued over the past five years is as follows:

Description	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	1QFY 2021
Dividends (PKR)	-	-	-	-	-	-
Dividend (%)	-	-	-	-	-	-
Bonus Shares	-	-	40,600,000	-	-	10,000,000
Bonus (%)	-	-	68.35%	-	-	10.00%

### Covenants / Restriction on Payment of Dividends:

Facility agreements of PAIR Investment Company Limited, Pak China Investment Company Limited and National Bank of Pakistan have restriction on distribution of dividend without the prior consent of the abovementioned financial institutions, in case of delay in their profit and principal payments.

Apart from the above, it is stated that there is no restriction on Panther Tyres by any regulatory authority, creditor, stakeholder etc. on the distribution and capitalization of its profits.

#### **6.11.1 Eligibility for Dividend**

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

#### **6.12 DIVIDEND PAYOUT OF LISTED ASSOCIATED COMPANIES**

Not Applicable

## 7 BOARD AND MANAGEMENT OF THE COMPANY

### 7.1 BOARD OF DIRECTORS OF THE COMPANY

S. No	Name	Designation	Address	CNIC	Current Directorships	Past Directorships	Period of Directorship in Panther
1	Mian Iftikhar Ahmed	Chairman	18-B, Officers Colony, Ghazi Road, Lahore Cantt.	35201-0277226-5	Panther Tyres Limited	Panther Sports & Rubber Industries (Pvt.) Ltd	October, 2003 to date
					Sindbad Trading (Pvt.) Ltd	Anwer Rashid Industries (Pvt.) Ltd	
						Panther Mattress (Pvt.) Ltd	
2	Mian Faisal Iftikhar	Chief Executive Officer	18-B, Officers Colony, Ghazi Road, Lahore Cantt.	35201-0372226-5	Panther Tyres Limited	Anwer Rashid Industries (Pvt.) Ltd	October, 2003 to date
					Fassun Pharmaceuticals (Pvt.) Ltd	Panther Mattress (Pvt.) Ltd	
					Sindbad Trading (Pvt.) Ltd	-	
3	Samina Iftikhar	Non-Executive Director	18-B, Officers Colony, Ghazi Road, Lahore Cantt.	35201-4553273-8	Panther Tyres Limited	-	October, 2003 to date
4	Javed Masud	Independent Director	47A Nisar Colony Lahore Cantt.	35201-1570423-7	Panther Tyres Limited	Lahore Stock Exchange (Guarantee) Ltd	December 31, 2019 to date
						Pakistan Petroleum Ltd	
						Lahore Transport Company Ltd	
						IGI Finex Securities Ltd	
5	Zahid Mehmud	Executive Director	House # 116-G, Model Town, Lahore	35202-2256919-1	Panther Tyres Limited	-	September 14, 2020 to date

6	Asad Sultan Chaudhary	Independent Director	287-Shadman Colony, Lahore.	35200-1489167-5	Panther Tyres Limited	-	December 31, 2019 to date
7	Iqbal Ahmad Khan	Independent Director	304-CC, Phase IV DHA Lahore.	35202-2165093-7	Panther Tyres Limited	-	December 31, 2019 to date

## 7.2 UNDERTAKING BY THE COMPANY AND ITS SPONSORS

The Company and its sponsors undertake:

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

## 7.3 PROFILES OF DIRECTORS

### 7.3.1 Mian Iftikhar Ahmed - Chairman

Mian Iftikhar Ahmed is the Chairman of the Board of Directors and former Chief Executive of the Company. He is not only the founder of the Company but also the founder of bias tyre industry of Pakistan. Under his leadership, the Company has pioneered many new products in the tyres industry. He is now the chairman of All Pakistan Tyres & Tubes Manufacturing Association (APTTMA). For his services, he was bestowed with a Gold Medal by Lahore Chamber of Commerce & Industries (LCCI) in 2007 for being the best businessman of the year.

Mian Iftikhar Ahmed started his professional career in 1970 after completing his engineering degree from USA. After 13 years of serving various multinational companies both in Pakistan and abroad, he laid the foundation of "Mian Tyre & Rubber Company (Pvt.) Limited" in 1983, currently known as "Panther Tyres Limited". By this, he became the founder of the motorcycle tyre manufacturing industry in Pakistan. Mian Iftikhar Ahmed has been the driving force behind the Company's success. Through his visionary thinking coupled with hard work and commitment, he transformed the Company from a humble beginning to one of the leading tyre & tube manufacturing company of Pakistan. Over the period, he has demonstrated his skills as a strategic thinker with strong entrepreneurial ability and managed to lead the organization successfully.

### **7.3.2 Mian Faisal Iftikhar – Chief Executive Officer**

Mian Faisal Iftikhar is an Executive Director and heading the Company as a Chief Executive Officer. He joined the Company in 1999 after completing his Master degree in Business Administration from USA. Mr. Faisal carries with him rich experience of twenty years relating to tyre and tube industry and has a strong understanding of the critical business drivers of the trade.

During his professional career, he remained involved in the production operations of the Company and has been successful in aligning the operations with the business strategy of the Company, i.e. to produce best quality products at optimal cost structure. He achieved this by inculcating the latest technical knowledge in the work force also by regularly bringing in the new technology along with state of the art plant & machinery. He has played a pivotal role in the expansion of the Company in the last decade. During his experience, he also headed the Commercial department of the Company.

### **7.3.3 Zahid Mahmud – Executive Director**

A chemical engineer by profession, Zahid Mahmud is a qualified tyre & rubber technologist. With an enriched experience of more than 37 years, he is an Executive Director in Panther Tyres Limited. Right from the beginning of his professional career, Mr. Zahid has been associated with the tyre & tube manufacturing industry of Pakistan. Before joining Panther Tyres in 2007, he was working as General Manager, Production, in Atlas Tyres (Pvt.) Ltd.

Mr. Zahid has an illustrious experience of production and plant management. Under his capable supervision, Tyre Building Machine & Bago-o-matic presses were completely fabricated & reconditioned for the first time ever in the history of Pakistan, thus, giving rise to a completely new trend in the local industry.

During his career, Zahid Mahmud attended various training programs & courses from local & international platforms including training on Tyre & Rubber Technology at Sava Continental (formerly Yugoslavia), training on Tyre Processing conducted by Bridgestone Engineers under three month contract, Refresher Course in Tyre Process Control from India and Statistical Quality Control conducted by Pakistan Institute of Quality Control.

### **7.3.4 Samina Iftikhar – Non-Executive Director**

Mrs. Samina Iftikhar is associated with the Company as a Non-Executive Director since 2012. She contributes to the Human Resource side of the Company. She believes in continuous training and development of human resource in order to make them aligned with changing business environment. Mrs. Iftikhar is a philanthropist and an active social worker involved in various activities of community service.

### **7.3.5 Mr. Javed Masud – Independent Director**

Mr. Javed is the independent director of the Company. He started his professional career after graduating in Economics from Boston University, USA. He was the founding Chief Executive of Pakistan Credit Rating Agency Limited (PACRA), the first organization of its kind in the country. Under his capable stewardship, PACRA established itself as a globally recognized credit rating agency. For his distinguished services in setting up the first credit rating mechanism in Pakistan and establishing the credibility of credit rating in the country, the Government of Pakistan conferred Mr. Javed with the Sitara-e-Imtiaz, the country's third highest honour and civilian award in 2009.

Serving as a civil servant for 25 years he was placed on highest ranks in various federal ministries, including Ministry of Planning, Finance and Production. He was placed as a member of Securities & Exchange Commission of Pakistan (formerly Corporate Law Authority) and also served on the Board of several reputed organizations including Lahore Stock Exchange, Pakistan Petroleum Limited, Lahore Transport Company and IGI Finex Securities Limited. He has deep insight of global business & investments environment, and also has several national and international publications to his credit in this regard.

Besides, Mr. Masud was appointed as Pakistan's Consul General in South Korea and served on deputation as Senior Executive Vice President and Regional Head of Bankers Equity Limited, Lahore. Moreover, he has also worked as a consultant to International Finance Corporation (IFC), the World Bank and other international agencies and performed various assignments in different countries of Asia, Africa and Eastern Europe.

### **7.3.6 Asad Sultan Chaudhary – Independent Director**

Mr. Asad Sultan Chaudhary is associated with the Company as an independent director. He holds an MBA degree from the Institute of Business Administration, Karachi, with a major in Marketing

He has over 39 years of work experience in Marketing Management, Strategy, Business Development and Planning which includes 35 years with the Fertilizer Industry of Pakistan, including Engro Fertilizers Ltd. and Fauji Fertilizer Company Limited (FFC). During his tenure at FFC, he headed all the major operations i.e. Sales, Marketing, Distribution/logistics, Imports/Exports, Advertising & Sales promotion and retired as Group General Manager Marketing.

Mr. Asad has the privilege to represent his Company at the highest levels in the Government of Pakistan, the provincial Governments, and at international Fertilizer conferences in numerous countries abroad. He has completed numerous advanced management programs at renowned institutions including Wharton, Aresty Institute of Executive Education, University of Pennsylvania USA, Ross Business School, University of Michigan USA, International Fertilizer Development Center, Alabama USA, Mt. Eliza Executive Education, Melbourne Business School, Australia and Australian Graduate School of Management Executive Programs, University of New South Wales, Australia.

### **7.3.7 Iqbal Ahmad Khan – Independent Director**

Mr. Iqbal Ahmad Khan, a career diplomat, is associated with the Company as an Independent Director. He joined Foreign Service in 1971 and served there for 35 years in various capacities, in Pakistan's diplomatic missions abroad, also at the Foreign Office in Islamabad. He was appointed as High Commissioner of Pakistan to Bangladesh, non-resident Ambassador to Bhutan, Ambassador to Iran, Permanent Representative to the ECO, Consul General in New York and Director General at the Foreign Office in charge of South Asia and America during this tenure.

Mr. Khan's diversified experience in political, economic & commercial aspects of both international as well as local markets makes him a luminous star in the galaxy of highly intellectual individuals.

Currently, Ambassador Khan is an adjunct professor at the Lahore University of Management Sciences (LUMS), where he teaches international affairs. He occasionally writes for newspapers and magazines on foreign policy and national security issues. He also lectures at different institutions including the National Management College, formerly the Pakistan Administrative Staff College, and the National Institute for Public Administration.

## **7.4 NUMBER OF DIRECTORS**

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

## **7.5 PROFILE OF SENIOR MANAGEMENT**

### **Mr. Ghulam Abbas - Chief Financial Officer**

Mr. Ghulam Abbas is associated with the Company since February 2012 and is currently heading the finance department in the capacity of General Manager, Finance & Accounts. He is a fellow member of The Institute of Chartered Accountants of Pakistan (ICAP) and The Institute of Cost & Management Accountant of Pakistan (ICMAP). He is also an alumni of Lahore University of Management Sciences (LUMS) and University of the Punjab, Lahore. He



is a Certified Director and has attended the Directors Training Program as prescribed by the SECP under Listed Companies (Code of Corporate Governance) Regulations, 2017.

He is an elected member of LBC ICMA Pakistan, Area Director of D122TC Toastmaster International USA, Lahore chapter leader of MECA CFO Academy USA and member of CPD Committee North CA Pakistan.

He is a seasoned professional, having a rich experience of more than 16 years at senior management positions in large size listed companies. During his career he has worked on Strategy, Corporate finance, IPOs, Financial Modeling, BP&E, Costing, Budgeting and Taxation. He has been a member of multiple senior teams and committees which devised strategies and future plans for organizations he previously served. He has hands-on experience of working at sophisticated ERP systems like SAP ECC6, Oracle and Microsoft Dynamics GP. He is a value focused finance leader with a capability of solving complex & challenging financial issues. He has provided significant input in organizational growth through his leadership traits and deep insight into business operations.

#### **Mr. Mohsin Muzaffar Butt (FCA, CIA) - Company Secretary & Head of Internal Audit**

Mr. Mohsin Muzaffar Butt is a fellow member of the Institute of Chartered Accountants of Pakistan and Certified Internal Auditor from Institute of Internal Auditors, USA. He has, overall, more than 20 years diversified experience of working in Panther Tyres Ltd (Pak), PTCL (Pak), Sufi Ghee and Soap (Pak), Nazih Trading (UAE), Sabre Security (Iraq), CGA firm (Canada) and SA Salam & Co Cas (Pak).

He has vast experience of handling corporate matters starting from conducting Board/shareholders meetings, drafting of minutes of meetings and resolutions and fulfilling all requirements of SECP, CDC, Stock Exchange according to relevant laws of Pakistan.

He implemented new structure of internal audit based on risk-based auditing at Panther Tyres Limited. Audit was further diversified in plant operations and sales field audit which improved processes and provided useful information to management to form effective price strategy.

He has a pivotal role in establishing internal controls like defining Authority Matrix, finalizing SOPs etc. He also has expertise in conducting investigations where there is any fraud suspected in the Company, especially in procurement deals.

He has demonstrated proficiency and commitment to innovative cost control strategies and driveout cost committees and overhead control teams reducing fuel bills, labor charges, wastages and improves labor efficiency, steam and power efficiency.

#### **Muhammad Riaz – General Manager Operations**

Mr. Riaz is a seasoned professional having a rich experience of more than two decades relating to production, plant and technology. He has been associated with the Company since 2003 and has assumed various roles in planning, production, operations and project management. During his career, he has gone through various trainings/workshops, locally and abroad, and is well versed with latest advancements in production and tyre technology. He is an engineer by profession, with specialization in Tyre and Rubber Technology. He is also an Alumni of LUMS for management development program.

Mr. Riaz has helped the management of the Company to materialize its dream of becoming the company with the most diversified product portfolio. He has always been at the forefront for bringing in new technology in the Company and also regularly adding new products in the business line. Mr. Riaz is a quality savvy person and has inculcated this philosophy throughout plant operations. He has introduced best manufacturing practice in the Company that has helped the company earn ISO certification for 8 years in a row.

Under his able leadership, the Company has managed to get EU e-mark certification which has made our products certified for export to European countries.

#### **Syed Aon Mehdi - National Sales Manager**

Mr. Aon Mehdi holds a Master degree in Business Administration from Lahore University of Management Sciences (LUMS) and a Gold Medalist in MSC Psychology from International Islamic University. He is a thorough sales professional who brings in over 20 years of rich and varied experiences of selling fast moving consumer goods with a deep understanding of all the routes to market channels.

During his professional career, he has served at multiple key positions in various national & multinational organizations, including Water & Power Development Authority (WAPDA), Pakistan Telecommunication Company (PTCL), Asian Development Bank, Shell Pakistan Limited, Pepsi Cola International Ltd & Coca-Cola Beverages Pakistan Limited.

Aon Mehdi is responsible for developing & implementing effective sales strategies, leading nationwide sales team to achieve sales targets, enhance customer experience, and increase market share and network coverage.

#### **Syed Faisal Karim - General Manager HR & Admin**

Mr. Faisal has over 23 years of experience in the field of HR in Pakistan and Gulf with leading MNCs as well as large corporations. With a BCS Computer Science and an MBA degree, he started his career in 1994 with Descon Engineering Limited. He worked with Descon in Pakistan and Qatar, playing a key role in Descon's expansion in the region. He also served in Qatar Airways and Etimaad Engineering in Qatar. In Pakistan, prior to joining Panther Tyres in 2019, he has served in Fatima Group and Berger Paints at lead HR positions.

His key strengths like corporate strategic planning, HR policy development, HR system design, rewards management, talent development, conflict resolution and leadership vision helped him in elevating the HR ranking of his organization in the market. He played a key role for these organizations in achieving the ultimate HR goal of becoming the "Employer of Choice".

Faisal aspires to use his vast experience in coaching young professionals of the Company to broaden and develop their vision and motivate themselves and others around them to become an asset for their organization and society.

#### **Muhammad Mohsin Bhatti – Deputy General Manager Marketing**

Mohsin has over 20 years of experience in Marketing and Sales with leading MNCs and local brands. He completed Bachelor's in Pharmacy from Punjab University, while doing MBA Marketing from University of Dallas, Texas, USA. He started his career with Highnoon Laboratories in 1996 and progressed in his career with renowned names like Qarshi Industries, Kansai Paints, Jotun Pakistan and Berger Paints. Mohsin joined Panther Tyres in 2019 and, in this short period, has successfully completed various marketing related projects like Marketing Strategy, Brand & Communication Strategy, Sales Promotional Activities, Market Intelligence & Surveys and Influencers Programs.

Mohsin is a seasoned professional with excellent reputation in the marketing fraternity of Pakistan. His key strengths are marketing and brand strategy development, product development & launch, market research and intelligence, digital marketing, new market development, media buying strategies, TVC's production, events & exhibitions planning.

## **7.6 QUALIFICATION OF DIRECTORS**

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

## 7.7 APPOINTMENT AND ELECTION OF DIRECTORS AND CHIEF EXECUTIVE

The directors of the Company are elected for a term of three years in accordance with the procedure laid down in section 159 of the Companies Act and Article 87.

As per Article 86, the directors shall comply with the provisions of Sections 154 to 159 and Sections 161 and 167 relating to the election of Directors and matters ancillary thereto.

As per article 88, 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.

As per Article 90, the Company may by resolution in general meeting, remove a director in accordance with the provisions of the Companies Act.

The current Board of Directors were appointed on 31<sup>st</sup> December, 2019.

## 7.8 INTEREST OF DIRECTORS AND PROMOTERS

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

Following directors are holding ordinary shares of the Company:

Name of Shareholder	Designation	Numbers of Shares held	Value of Shares held
Mian Iftikhar Ahmed	Chairman	76,999,560	769,995,600
Mian Faisal Iftikhar	Chief Executive Officer	22,000,000	220,000,000
Samina Iftikhar	Director	11,000,000	110,000,000
Javed Masud	Director	110	1,100
Zahid Mehmud	Director	110	1,100
Asad Sultan Chaudhary	Director	110	1,100
Iqbal Ahmad Khan	Director	110	1,100

## 7.9 REMUNERATION OF THE DIRECTORS

As per article 71, the remuneration of a Director other than regular paid Chief Executive, full time working director shall be sum as may be fixed by the directors

As per article 72, the Directors may allow and pay to any director for the purpose of attending a meeting such sum as the directors may consider fair compensation for travelling and other expenses in addition to his fee for attending such meeting as above specified and the directors may from time to time fix the remuneration to be paid to any member or members of the body constituting a committee appointed by the directors in terms of these Articles and may pay the same.

As per article 73, If any director being willing shall be called upon to perform extra services or to make any special exertion for any of the purpose of the Company, the Company shall remunerate such Director by a fixed sum as may be determined by the directors and such remuneration may be either in addition to or in substitution for his remuneration above provided.

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

Remuneration (PKR)	FY 2018	FY 2019	FY 2020
Chief Executive Officer	27,000,000	36,000,000	36,000,000
Executive Director	15,000,000	24,000,000	25,500,000

Apart from the remuneration, non-executive directors of the Company were paid PKR 400,000 in FY 2020 for attending board meetings of the Company.

## 7.10 BENEFITS TO PROMOTERS AND OFFICERS

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

## 7.11 VOTING RIGHTS

As per article 57, on a show of hands every member present in person shall have one vote so that no person present shall be entitled to cast more than one vote on a show of hands. On a poll every member present in person or by proxy shall have one vote for every share held by him.

According to article 58, a member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee, receiver, or other legal guardian and any such committee or legal guardian may, on a poll, vote by proxy.

## 7.12 AUDIT COMMITTEE

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

The audit committee comprises of the following members:

1. Javed Masud (Chairman)
2. Iqbal Ahmed Khan (Member)
3. Asad Sultan Chaudhry (Member)

## 7.13 HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

The human resource and remuneration committee comprises of the following members:

1. Asad Sultan Chaudhry (Chairman)
2. Iqbal Ahmed Khan (Member)
3. Mian Faisal Iftikhar (Member)

## 7.14 BORROWING POWERS OF DIRECTORS

As per article 36, the Directors may from time to time exercise all the powers of the Company to obtain finance or otherwise raise or borrow money/term capital, participatory redeemable capital or in any other legal form from banks, financial institutions or from any other Institution and secure the payment of any such sum or sums of money and to mortgage or charge its undertaking, property and to issue participation term certificate, term finance certificate, Modarba/Musharaka certificates, debentures, debenture stock and any other securities in all legal manners, whether outright or as security for any debt, liability or obligation of the Company or for any third party.

As per article 37, the Directors may raise and secure payments or repayment of such sum or sum of money in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of bonds, perpetual or redeemable debentures or by creating mortgage or charge or any other security on the undertaking of the whole or any part of the property of the Company, present and future, for the time being and any other securities.

As per article 38, any bonds, debentures, debenture-stocks or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, conversion into equity, allotment of shares and voting at General meetings of the Company, appointment of Directors and otherwise subject to such restrictions, as provided under the law.

As per article 39, if the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

### **7.15 POWERS OF DIRECTORS**

The control of the Company shall be vested in the Board of Directors and the business of the Company shall be managed by the Board of Directors who may exercise all such powers of the Company and do all such acts and things as may be exercised or done by the Company as by the Companies Act or by Articles of the Company or by a special resolution expressly directed or required to be exercised or done by the Company.

### **7.16 INDEMNITY AVAILABLE TO DIRECTORS AND OTHER EMPLOYEES OF THE COMPANY**

As per article 125, subject to provision of Section 194 of the Ordinance, every Director, auditor and other officer or servant of the Company shall be indemnified by the Company against and it shall be the duty of the Directors to pay out the funds of the Company – all costs, losses and expenses, which any such officer or servant may incur or become liable to by reasons of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharge of his duties including travelling expenses and in particular, as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, manager officer or servant in defending any proceedings whether civil or criminal, in which judgements is given in his favor or he is acquitted or in connection with which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of Company and have priority as between the Members over all other claims

### **7.17 CORPORATE GOVERNANCE**

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

1. by June 30<sup>th</sup>, 2021, at least half of the directors on its board;
2. by June 30<sup>th</sup>, 2022 at least 75% of the directors on its board; and
3. by June 30<sup>th</sup>, 2022 all the directors on its board

have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.

The Company shall also encourage representation of minority shareholders on its board of directors.

## 8 LEGAL PROCEEDINGS AND OVERDUE LOANS

### 8.1 LEGAL PROCEEDINGS

S. No	Details
1	<p>The Company is defending an order dated 31 December 2015 u/s 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2010, wherein income of the Company has been re-assessed and financial expenses amounting to Rs. 29,894,789 have been added back to the income on the ground that the borrowed funds have been utilized for the purpose of capitalization and not wholly and exclusively for deriving business income. Tax impact of the above amounts to <b>Rs. 10,463,176</b>.</p> <p>The matter is pending for adjudication before Appellate Tribunal Inland Revenue (ATIR). The management is confident of favorable outcome of the case, hence no provision in this regard has been made in the financial statements.</p>
2	<p>The Company has received an order dated 31 May 2015 u/s 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2013, wherein income of the Company has been re-assessed and certain expenses have been added back to the income for the year. Tax impact of the above amounts to <b>Rs. 23,549,349</b>. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue (Appeals) (CIR-A) who vide his order dated 27 November 2017 has granted relief to the Company on some issues.</p> <p>Both the Company and Federal Board of Revenue have filed appeals against the said order before Appellate Tribunal Inland Revenue (ATIR) which are pending for adjudication. No liability on this account has been recognized in these financial statements as management expects favorable outcome of the case.</p>
3	<p>The Company was not charging Further Tax w.e.f. 01 July 2015 on the primary ground that it falls within the ambit of Rule 58S &amp; 58T of Sales Tax Special Procedure Rules, 2007 wherein the Company is bound to charge only Extra Tax on its net local sales to dealers and distributors. The Deputy Commissioner Inland Revenue (DCIR) issued orders dated 21 February 2017 u/s 11(2) of the Sales Tax Act, 1990 by charging sales tax, default surcharge and penalty amounting to <b>Rs. 62,197,495</b> on account of non-chargeability of further tax on sales made to non-registered persons. Being aggrieved the Company filed an appeal before Commissioner Inland Revenue (Appeals) (CIR-A) who upheld the orders issued by the Deputy Commissioner Inland Revenue (DCIR). The Company being aggrieved, preferred an appeal before Appellate Tribunal Inland Revenue (ATIR) and ATIR vide its order dated 11 August 2017 provided complete relief to the Company. The department has filed a reference before Honorable Lahore High Court which is pending for adjudication. Management expects favorable outcome of the case hence no provision has been recorded in these financial statements.</p> <p>Subsequently, vide its letter dated 17 October, 2019, the department also confronted Further Tax issue for the tax years from July 2015 till October 2015 and July 2016 till June 2019, involving an amount aggregating to <b>Rs. 258.82 million</b>. Since, the matter was already subjudice before Honorable Lahore High Court, therefore, the Company challenged the notice on the same plea, and the Honorable Lahore High Court has issued the interim order thereon. The matter is still pending for adjudication. Management expects a favorable outcome of the case; hence, no provision has been recorded in these financial statements.</p>

4	<p>The Company received a notice u/s 122(5A) of the Income Tax Ordinance, 2001 dated 08 February 2018 for the tax year 2013 on account of minimum tax credits amounting to <b>Rs. 50.7 million</b> claimed u/s 113(2)(C). The Company filed a writ petition against the said notice in Honorable Lahore High Court. Double bench of the Honorable Lahore High Court has decided the case in favor of the Company.</p> <p>Being aggrieved, the tax department has filed a reference against the said order before Honorable Supreme Court of Pakistan which is pending for adjudication. Management of the Company expects a favorable outcome of the case therefore no provision has been made in these financial statements.</p>
5	<p>Through audit proceedings u/s 25 of the Sales Tax Act, 1990 for the tax year from July 2011 to June 2012, certain input credits claimed in sales tax returns were disallowed by the tax department. Moreover, sale of vehicles during the year were subjected to sales tax vide order dated 18 February 2014. Tax impact of the same amounts to <b>Rs. 4,012,141</b>. The Company being aggrieved filed an appeal before Commissioner Inland Revenue (Appeals) (CIR-A) who vide his order dated 10 June 2014 decided the matters in favor of the Company.</p> <p>The department being aggrieved preferred an appeal before Appellate Tribunal Inland Revenue (ATIR) and the case is pending for adjudication. Management is of the opinion that all the above matters will be decided in favor of the company. Accordingly, no provision has been recorded in the financial statements.</p>
6	<p>A suit for recovery of Rs. 2.217 million was filed by the Company against one of its customers in 2006. The customer has filed a counter claim amounting to <b>Rs. 10.018 million</b> in 2008. The case is pending with the Honorable Lahore Session Court. No liability against the Company has been determined so far. Management expects a favorable outcome in this regard; hence, no provision has been recorded in the financial statements.</p>
7	<p>In 2014, the company has filed a suit against notices issued by LESCO for Declaration &amp; Permanent Injunction as a consequential relief in Civil Court Sheikhpura. Interim injunction has been confirmed by the court in favor of the Company. Based on the proceedings, management of the company is confident of favorable outcome of the case; therefore, no provision has been made in the financial statements.</p>
8	<p>Original Assessment for the Tax Year - 2016 was amended by the Additional Commissioner Inland Revenue (ACIR) by invoking Section 122(5A) of the Income Tax Ordinance, 2001 vide his order dated 31st August, 2018 wherein income of the Company was re-assessed by making certain additions. Moreover, claim of income tax withheld was reduced by Rs. 3.2 million. The tax impact of the above order comes to <b>Rs. 8,059,513</b>. Being aggrieved the Company has filed an appeal before Commissioner Inland Revenue (Appeals) (CIR-A) which is pending for adjudication. The management is confident of favorable outcome of the case; hence, no provision in this regard has been made in the financial statements.</p>
9	<p>The Company had claimed tax credits u/s 113(2)(C) pertaining to tax years 2005 to 2008 in tax year 2010. The same were disallowed by the Department on the sole ground that section 113 of Income Tax Ordinance, 2001 "Minimum Tax on Income of Certain Persons" was omitted vide Finance Act, 2008 and no provision regarding the availability of minimum tax credits was reinserted. Financial impact of this amounts to <b>Rs. 27,031,886</b>. The matter is pending for adjudication before Appellate Tribunal Inland Revenue. In the opinion of the management, favorable outcome of the case is expected; therefore, no provision has been made in these financial statements.</p>

<b>10</b>	Original Assessment for the Tax Year - 2014 was amended by the Additional Commissioner Inland Revenue (ACIR) by invoking Section 122(5A) of the Income Tax Ordinance, 2001 vide his order dated 07th July, 2020 wherein income of the Company was re-assessed by making certain additions to the income for the year. The tax impact of the above order comes to <b>Rs. 3,045,376</b> . Being aggrieved, the Company has filed an appeal before Commissioner Inland Revenue (Appeals) (CIR-A) which is pending for adjudication. The management is confident of favorable outcome of the case; hence, no provision in this regard has been made in the financial statements.
<b>11</b>	Original Assessment for the Tax Year – 2019 was amended by the Additional Commissioner Inland Revenue (ACIR) by invoking Section 122(5A) of the Income Tax Ordinance, 2001 vide his order dated 3 September, 2020 wherein income of the Company was re-assessed by making certain additions to the income for the year. The tax impact of the above order comes to <b>Rs. 1.3 million</b> . Being aggrieved, the Company has filed an appeal before Commissioner Inland Revenue (Appeals) (CIR-A) which is pending for adjudication. The management is confident of favorable outcome of the case; hence, no provision in this regard has been made in the financial statements.

## 8.2 OVERDUE LOANS

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



## 9 UNDERWRITING ARRANGEMENT, COMMISSION, BROKERAGE AND OTHER EXPENSES

### 9.1 UNDERWRITING

#### Book Building Portion

Arif Habib Limited has been appointed as the Book Runner to the Issue. The Book Runner will credit underwrite 40,000,000 shares being offered for subscription through the book building representing 100% of the Issue as required under regulation 7(6) of the PO Regulations, with the limitations in effect that the Book Runner shall only underwrite the default portion of the Book Building, if any, at the Strike Price determined through the Book Building process.

#### General Public Portion

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

### 9.2 BUY BACK / REPURCHASE AGREEMENT

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

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

### 9.3 COMMISSION OF THE BANKERS TO THE ISSUE

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

### 9.4 FEES AND EXPENSES FOR CENTRALIZED E-IPO SYSTEM ("CES")

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

### 9.5 BROKERAGE

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

### 9.6 ESTIMATED EXPENSES OF THE ISSUE

Expenses to the Issue are estimated not to exceed PKR 79,377,000/-. The break-up of these preliminary expenses is given below:

Particulars	Rate	Expense (PKR)
Lead Manager and Book Runner Fees <sup>1</sup>	2.40%	45,120,000
Commission to banker for General Public	0.25%	705,000
CDC e-IPO facility charges	0.80%	1,504,000

E-IPO Banks Charges		350,000
Bankers to the issue out of pocket expenses		350,000
Broker's Commission	1.00%	18,800,000
PSX Initial Listing fee		1,400,000
PSX Service fee		50,000
PSX Book Building software charges		500,000
Share Registrar, Transfer Agent and Balloting Agent		350,000
Marketing & Printing Expenses		6,000,000
CDC Fresh Issue fee	0.16%	3,008,000
CDC Annual Listing fee		400,000
SECP Supervisory fee		140,000
SECP IPO Application Processing fee		200,000
Miscellaneous Expenses		500,000
<b>Total</b>		<b>79,377,000</b>

<sup>1</sup> Please note that fee mentioned in percentages above are calculated on the basis of floor price. The actual fee will be finalized once the strike price is determined in the book building process

## 10 MISCELLANEOUS INFORMATION

### 10.1 REGISTERED OFFICE/ CORPORATE OFFICE

Panther House, 97-B Aziz Avenue,  
 Jail Road,  
 Lahore  
 UAN: +92 42 111-55-4444  
 Fax: +92 42 366-61674  
 Website: <http://www.panthertyres.com>  
 E-mail: [info@panthertyres.net](mailto:info@panthertyres.net)

### 10.2 BANKERS AND FINANCIAL INSTITUTIONS TO THE COMPANY

S.No	Name	Address	Contact no.	Email
1	Bank Alfalah Limited	Bank Alfalah, Business Avenue, P.E.C.H.S, Block 6, Main Shahrah -e- Faisal, Karachi	042-35877800	issam.khan@bankalfalah.com
2	Faysal Bank Limited	Faysal House, Shahrah-e-Faisal, Karachi Cantt, Karachi	042-35789057	aliqayyum@faysalbank.com
3	United Bank Limited	13th Floor, UBL Building, Jinnah Avenue, Blue Area, Islamabad	042-32603027	amna.burki@ubl.com.pk
4	Samba Bank Limited	6th Floor Sidco Avenue Center, Maulana Deen Muhammad Wafai Road, Saddar, Karachi	042-38109074	Usman.Liaqat@samba.com.pk
5	Standard Chartered Bank (Pakistan) Limited	P.O. Box No. 5556, I.I. Chundrigar Road, Karachi	021-32451433	Saad.Hassan2@sc.com
6	JS Bank Limited	Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, P.O. Box 4847, Karachi	042-34500407	Asif.Abbas@jsbl.com
7	Habib Metropolitan Bank Limited	Spencer's Building I.I Chundrigar Road, Karachi	042-35955263	qirat.swaba@habibmetro.com
8	National Bank of Pakistan	NBP Building, I.I. Chundrigar Road Karachi	042-99268257	muhammad.asim04@nbp.com.pk
9	Industrial And Commercial Bank of China Ltd	Property # G-3, 15th & 16th Floors, The Ocean Tower, Khayaban-e-Iqbal, KDA Scheme 5, Block 9, Clifton, Karachi	042-34509315	ahmad.tariq@pk.icbc.com.cn
10	Meezan Bank Limited	Meezan House, C-25 Estate Avenue, SITE, Karachi	042-35987200	Faizan.Mohsin@meezanbank.com
11	PAIR Investment Company Limited	Islamic Chamber of Commerce Building, ST-2/A, Clifton, Karachi	042-36622592	Sikandar.Younus@pairinvestment.com
12	Pak Oman Investment Company Limited	First Floor, Tower A, Finance & Trade Center Shahra -e - Faisal Karachi	042-36622452	arsalan.javaidd@pakoman.com
13	Pak China Investment Company Limited	Saudi Pak Tower, 13 <sup>th</sup> Floor, Jinnah Avenue, Islamabad	051-2099666	miqdad.haider@pakchinainvest.com

### 10.3 AUDITORS OF THE COMPANY

Name: EY Ford Rhodes

Address: 96-B-I, 4<sup>th</sup> Floor, Pace Mall Building, MM Alam Road, Gulberg II, Lahore  
Contact Person: Abdullah Fahad  
Designation: Audit Engagement Manager  
Tel: 042-35778402  
Email: ey.lhr@ey.com

#### **10.4 LEGAL ADVISOR OF THE COMPANY**

Name: Cornelius, Lane & Mufti  
Address: Nawa – e- Waqt, House 4, Shahrah – e – Fatima Jinnah, Lahore  
Tel: 042 - 36360868  
Email: info@clm.com.pk

#### **10.5 COMPUTER BALLOTTERS & SHARE REGISTRAR**

##### **Corplink Private Limited**

Wings Arcade, 1-K, Commercial, Block – K, Model Town, Lahore  
Tel: 042 - 35916714  
Website: [www.corplink.com.pk](http://www.corplink.com.pk)

#### **10.6 LEAD MANAGER & BOOK RUNNER**

##### **Arif Habib Limited**

Arif Habib Center  
23, MT Khan Road, Karachi  
Tel: 021-3246 5891  
Fax: 021-3243 3542  
Email: [ammad.tahir@arifhabibltd.com](mailto:ammad.tahir@arifhabibltd.com)  
Website: [www.arifhabibltd.com](http://www.arifhabibltd.com)

#### **10.7 BANKER TO THE ISSUE FOR BOOK BUILDING**

##### **Meezan Bank Limited**

Meezan House, C-25, Estate Avenue, SITE, Karachi  
Phone: +92 21  
Email:

##### **Habib Metropolitan Bank Limited**

Spencer's Building, I.I Chundrigar Road, Karachi  
Meezan House, C-25, Estate Avenue, SITE, Karachi  
Phone: +92 21  
Email:

#### **10.8 BANKER TO THE ISSUE FOR GENERAL SUBSCRIPTION**

United Bank Limited  
Habib Metropolitan Bank Limited  
Habib Bank Limited  
Allied Bank Limited  
Meezan Bank Limited

Faysal Bank Limited  
Bank Islami Pakistan Limited

## 11 MATERIAL CONTRACTS

### 11.1.1 Details of Short-Term Financing Facilities

Bank	Facility	Limit (PKR Million)	Markup / Commission	Date Sanctioned	Expiry/ Review Date
Faysal Bank Limited	Facility 1 - Running Finance	85	3 Month Kibor + 1.00%	31-Jan-20	31-Jan-21
	Facility 2 - Letter of Credit Sight	415	0.10% Per Quarter	31-Jan-20	31-Jan-21
	Facility 2a- FATR (Sub Limit of Facility 2)	340	3 Month Kibor + 1.00%	31-Jan-20	31-Jan-21
	Facility 2b- Letter of Guarantee (Sub Limit of Facility 2)	40	0.25% Per Quarter	31-Jan-20	31-Jan-21
	Facility 3- Running Finance Facility	75	3 Month Kibor + 1.00%	31-Jan-20	31-Jan-21
	Facility 3b- Export Refinance - Part II (Sub Limit of Facility 3)	75	SBP Rate(2%) + 1%	31-Jan-20	31-Jan-21
	Facility 4 - Letter of Guarantee - One Off Basis	2.5	0.25%	31-Jan-20	31-Jan-21
Bank Alfalah Limited	Facility 1 - Current Finance	50	1 Month Kibor + 1.25%	23-Oct-20	30-Apr-21
	Facility 2 - FAPC - II SBP Refinance	200	SBP Rate (2%) + 1%	23-Oct-20	30-Apr-21
	Facility 3 - Finance Against Trust Receipt- FATR	250	1 Month Kibor + 1.25%	23-Oct-20	30-Apr-21
	Facility 4 - Sight LC	200	0.10% Per Quarter	23-Oct-20	30-Apr-21
	Facility 5 - Letter of Guarantee	7.5	0.20% Per Quarter	23-Oct-20	30-Apr-21
Meezan Bank Limited	Facility 1 - Sight LC Under MSFA	400	0.10% Per Quarter	3-Feb-20	31-Oct-20
	Facility 1a - Musawammah (Import) (Sub Limit of Facility 1)	300	6 Month KIBOR + 1.00%	3-Feb-20	31-Oct-20
	Facility 2 - Running Musharakah	50	1MK + 1.00%	3-Feb-20	31-Oct-20
	Facility 2a - Musawammah (Local) (Sub Limit of Facility 2)	50	6 Month KIBOR + 1.00%	3-Feb-20	31-Oct-20
National Bank of Pakistan	Facility 1 - Import LC Sight	500	0.1 % Flat	13-Mar-20	31-Mar-21
	Facility 1a – FATR (Sub Limit of Facility 1)	400	3 Month Kibor + 1.50%	13-Mar-20	31-Mar-21
	Facility 2 - Running Finance	100	3 Month Kibor + 1.50%	13-Mar-20	31-Mar-21
Industrial & Commercial Bank of China Ltd	Facility 1 - Letter of Credit Sight	700	0.10% Per Quarter Flat	10-Sep-20	30-Sep-21
	Facility 1a - Letter of Credit Usance (Sub Limit of Facility 1)	100	0.10% Per Quarter Flat	10-Sep-20	30-Sep-21
	Facility 1b - Finance Against Trust Receipt (Sub Limit of Facility 1)	300	6 Month KIBOR +0.50%	10-Sep-20	30-Sep-21
	Facility 1c - Short Term Finance (Sub Limit of Facility 1)	300	6 Month KIBOR +0.50%	10-Sep-20	30-Sep-21
United Bank Limited	Facility 1- LC Sight	400	0.05% Per Quarter	24-Feb-20	31-Jan-21
	Facility 1a - FATR (Sub Limit of Facility 1)	400	1 Month Kibor + 125 BPS	24-Feb-20	31-Jan-21
	Facility 1b – FAPC (Sub Limit of Facility 1)	100	1 Month Kibor + 125 BPS	24-Feb-20	31-Jan-21
	Facility 1c – FIM (Sub Limit of Facility 1)	50	1 Month Kibor + 125 BPS	24-Feb-20	31-Jan-21

	Facility 1d – LBD (Sub Limit of Facility 1)	50	1 Month Kibor + 125 BPS	24-Feb-20	31-Jan-21
	Facility 1e - NICF-H (Sub Limit of Facility 1)	50	1 Month Kibor + 125 BPS	24-Feb-20	31-Jan-21
	Facility 1f - Letter of Credit Usance	50	0.05% Per Quarter	24-Feb-20	31-Jan-21
JS Bank Limited	Facility 1 - Running Finance	50	1 Month Kibor + 1 bps	2-Oct-20	31-Mar-21
	Facility 2 - Letter of Credit Sight	300	0.10% Per Quarter	2-Oct-20	31-Mar-21
	Facility 2a – FATR (Sub Limit of Facility 2)	200	1 Month Kibor + 1 bps	2-Oct-20	31-Mar-21
	Facility 3 - ERF -II (Export Refinance -II)	100	Prevailing SBP Rate (2%) Plus 1 bps	2-Oct-20	31-May-21
Habib Metropolitan Bank Limited	Facility 1 - LC Sight	700	0.05% Per Quarter	28-Oct-20	31-Dec-21
	Facility 1a – FATR (Sub Limit of Facility 1)	575	3 Month Kibor + 0.90%	28-Oct-20	31-Dec-21
	Facility 1a(i) - Running Finance (Sub Limit of Facility 1a)	100	3 Month Kibor + 0.90%	28-Oct-20	31-Dec-21
	Facility 1a(ii) - ERF -1 (Sub Limit of 1a)	150	SBP Rate (2%) + 1%	28-Oct-20	31-Dec-21
	Facility 1b (Sub Limit of Facility 1a(ii))	150	SBP Rate (2%) + 1%	28-Oct-20	31-Dec-21
Standard Chartered Bank (Pakistan) Limited	Facility 1 - Import LCs - secured	375	0.15% Per Quarter	21-Nov-19	19-Nov-20
	Facility 1a - Over draft	40	3 Month Kibor+ 1.25%	21-Nov-19	19-Nov-20
	Facility 1b - Short Term Loans	100	3 Month KIBOR +1.25%	21-Nov-19	19-Nov-20
	Facility 1c - Loans against Trust Receipts	300	3 Month KIBOR +1.15%	21-Nov-19	19-Nov-20
	Facility 1d - Export Invoice Financing	50	KIBOR +1.25%	21-Nov-19	19-Nov-20
	Facility 1e - Shipping Guarantees	50	As per SOC	21-Nov-19	19-Nov-20
Samba Bank Limited	Facility 1 - Letter of Credit - Sight (Foreign)	450	0.10% Per Quarter	14-Nov-19	30-Nov-20
	Facility 1a – FATR (Sub Limit of Facility 1)	275	1 Month Kibor + 1.25%	14-Nov-19	30-Nov-20
	Facility 1b - Running Finance (Sub Limit of Facility 1)	75	1 Month Kibor + 1.25%	14-Nov-19	30-Nov-20
	Facility 1c - Shipping Guarantee (Sub Limit of Facility 1)	50	0.10% Per Transaction	14-Nov-19	30-Nov-20
	Facility 1a-i - Letter of Guarantee (Sub Limit of Facility 1a)	35	0.10% Per Quarter	14-Nov-19	30-Nov-20
PAIR Investment Company Limited	Short Term Finance	200	3 Month Kibor + 1.00%	14-Nov-19	27-Nov-20

\*Short term financing facilities from Meezan bank Limited are in process of being renewed

### 11.1.2 Details of Long-Term Financing Facilities

Financial institution	Facility	Limit (PKR Million)	Markup / Commission	Date Sanctioned	Expiry/ Review Date
Pak China Investment Company Limited	Term Finance Facility	250	3 Month Kibor + 1.75%	9-Nov-17	31-Dec-21
	Term Finance Facility	200	3 Month KIBOR + 1.75%	5-Dec-17	24-Nov-21

Pak Oman Investment Company Limited	Term Finance Facility	200	3 Month Kibor + 2.00%	16-Apr-19	16-Apr-23
PAIR Investment Company Limited	SBP Long Term Finance Facility (SBP LTFF)	200	SBP LTFF Rate (2.5%) + 2.50 %	2-Jul-20	15-Oct-26
Meezan Bank Limited	Sight LC Under Musharakah Agreement	250	0.10% Per Quarter	3-Feb-20	31-Oct-20
	Diminishing Musharakah (DM) (Sub Limit of LC under Musharakah Agreement)	250	3 Month Kibor + 1.50%	3-Feb-20	31-Oct-20
Samba Bank Limited	Facility 1 - Letter of Credit Sight (Foreign) (One Off)	490	0.10% Per Quarter	1-Jun-20	30-Nov-20
	Facility 1a - Term Finance	300	1 Month Kibor + 1.50%	1-Jun-20	30-Nov-20
	Facility 1b - LTFF	300	SBP Rate (2.5%) + Bank 2.5%	1-Jun-20	30-Nov-20
	Refinance Wages & Salaries to the Workers and Employees	200	3.00% p.a. (Filer)	30-Apr-20	1-Oct-22
	Refinance Wages & Salaries to the Workers and Employees	190	3.00% p.a. (Filer)	22-Jul-20	1-Oct-22
Habib Metropolitan Bank Limited	Sight LC (Plant & Machinery)	200	0.05% Per Quarter	28-Oct-20	31-Dec-21
	TERF (Sub Limit of Sight LC)	200	SBP Rate (1.0%) + 2.0%	28-Oct-20	31-Dec-21

### 11.1.3 Details of Letters of Credit

LC Number	Particulars	Supplier	Country	Establishment Date	Value USD	Value PKR
20INSU002806496	Tube Splicer CJD-200	Tianjin Imp & Exp	China	12-Oct-20	40,000	6,640,000
LCSF9009C0771/20	Tyre Mold Different Sizes	Kings Industries	China	21-Jul-20	11,650	1,933,900
20INSU0201-02015	Bead Wrapping & Multi Slitter Machine	Tianjin Imp & Exp	China	29-Sep-20	49,000	8,134,000
20INSU0201-02119	Tyre Building Machine & building drum	Allwell Industries, Taiwan	Taiwan	12-Oct-20	265,000	43,990,000
JS/2239	Tyre Mold Different Sizes	Kings Industries	China	30-Sep-20	39,350	6,532,100
19INSU0201-01673	Tyre Mold Different Sizes	Kings Industries	China	26-Aug-20	34,000	5,644,000
LCSF9009C1969/20	Tyre Mold Different Sizes	Kings Industries	China	27-Aug-20	48,800	8,100,800
20INSU0201-02117	Tyre Curing Presses	Zhangjiagang Stalwart Autoparts Co Ltd.	China	12-Oct-20	905,000	150,230,000
20INSU0201-01559	Tyre Curing Presses	Zhangjiagang	China	11-Aug-20	382,000	63,412,000
LLTF2025860899	Tyre Curing Presses	Zhangjiagang	China	9-Sep-20	184,000	30,544,000
20INSU002806525	Tyre Curing Press	Zhangjiagang Stalwart Autoparts Co Ltd.	China	13-Oct-20	184,000	30,544,000
20INSU002805841	Tyre Curing Press	Zhangjiagang	China	17-Sep-20	191,000	31,706,000
20INSU002803817	Tyre Curing Presses-Parts	Zhangjiagang	China	6-Jul-20	27,500	4,565,000



20INSU0201-01710	Tyre Curing Presses	Zhangjiagang	China	28-Aug-20	250,000	41,500,000
19INSU0201-02791	Valve Assembly & Control Panel	Zhangjiagang	China	24-Dec-19	68,940	11,444,040
20INSU0201-01028	Tyre Mold Different Sizes	Kings Industries	China	4-Jun-20	35,900	5,959,400
0464LCS015520	Tyre Building Drum	Yantai	China	4-Jun-20	6,900	1,145,400
20INSU002806527	Tyre Curing Press	Zhangjiagang Stalwart Autoparts Co Ltd.	China	13-Oct-20	120,000	19,920,000
LCSF9009C2402/20	Tyre Molds	Sail Machinery, Taiwan	Taiwan	16-Oct-20	19,400	3,220,400
JS/2137	Tyre Molds	Kings Industries	China	17-Sep-20	13,000	2,158,000
20INSU0201-02197	Bias Cutter	Shyr Shim, Taiwan	Taiwan	19-Oct-20	117,000	19,422,000
20INSU0201-01672	Mixer F-270 with auto feeding system	Dalian	China	26-Aug-20	770,000	127,820,000
20INSU002803814	DC Motor (1250KW)	Bali Fang Zhangjiagang	China	6-Jul-20	50,500	8,383,000
				<b>Total</b>	<b>3,812,940</b>	<b>632,948,040</b>

#### 11.1.4 Key Terms for Supply of 4 Roll Calender Line

Given below are key terms of the quotation received by the Company from Comerio Ercole for supply of 4 Roll Calender Line:

<b>Payment</b>	20% advance and 80% upon presentation of shipping documents
<b>Warranty</b>	For a period of 1 year following commissioning, but not later than 18 months from the shipping date
<b>Delivery</b>	12 months from receipt of purchase order and advance payment
<b>Assistance in Installation and Start-up</b>	Comerio's specialized supervisors will provide services with regard to installation of machinery, mechanical & electrical commissioning and supervision to startup. Comerio's personnel will also provide theoretical and practical training on the plant operation and maintenance.

#### 11.1.5 Key Terms for Supply of Banbury Tangential Mixer

Given below are key terms of the quotation received by the Company from Farrel Limited for supply of Banbury Tangential Mixer:

<b>Payment</b>	35% advance and 65% upon presentation of shipping documents
<b>Warranty</b>	For a period of 1 year following installation or 18 months following delivery, whichever occurs earlier

<b>Delivery</b>	9 months from receipt of advance payment
<b>Assistance in Installation and Start-up</b>	Farrel's technical team will provide services with regard to installation of machinery, mechanical & electrical commissioning. However, piping, electrical wiring and connection of cables will be carried out by Panther Tyres as per the instructions of supplier's specialists

## 11.2 INSPECTION OF DOCUMENTS AND CONTRACTS

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

## 11.3 MEMORANDUM OF ASSOCIATION

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

## 11.4 FINANCIAL YEAR OF THE COMPANY

The financial year of the Company commences on July 1 and ends of June 30.

## 12 BOOK BUILDING PROCEDURE/INSTRUCTIONS FOR REGISTRATION AND BIDDING

### 12.1 BOOK BUILDING PROCEDURE

#### 12.1.1 Brief Structure

##### The Present Issue

The Issue comprises of 40,000,000 Ordinary shares of face value worth PKR 10/- each, of which, 30,000,000 (21.42% of the total post-IPO paid up capital of Panther Tyres Limited) ordinary shares are being issued by Panther Tyres Limited and 10,000,000 (7.14% of the total post-IPO paid up capital of Panther Tyres Limited) are on offer by the sponsor of Panther Tyres Limited i.e. Mian Iftikhar Ahmed.

The entire Issue of 40,000,000 Ordinary Shares will be offered through the Book Building process at a Floor Price of PKR 47.00/- per share. Initially, 75% of the issue size i.e. 30,000,000 Ordinary Shares will be allotted to Successful Bidders and 25% of the issue i.e. 10,000,000 Ordinary Shares will be offered to Retail Investors. Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis

The Floor Price of PKR 47.00/- has a maximum Price Band of 40% above which no bid shall be accepted. At maximum Price Band, the highest strike price that can be bid for shall be PKR 65.80/- per share.

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

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

#### 12.1.2 Types of Bids and Procedure for making a Bid

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

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

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

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

In such a case, a Bidder explicitly states a price at which he / she / it is willing to subscribe to a specific number of shares. For instance, a Bidder may bid for 1 million shares at PKR 47.00 per share, based on which the total Application Money would amount to PKR 47 million. In this case the Bid Amount will be also PKR 47 million. Since the Bidder has placed a Limit Bid of PKR 47.00 per share, this indicates that he / she / it is willing to subscribe the shares at a price up to PKR 47.00 per share.

- **Step Bid:** A series of Limit Bids at increasing prices. The amount of any individual step shall not be less than PKR. 1,000,000.

Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. A Bidder may, for instance, make a bid for 0.7 million shares at PKR 47.00 per share, 0.6 million shares at PKR 48.00 per share and 0.5 million shares at PKR 49.00 per share. Therefore, in essence the Bidder has placed one Step Bid comprising of three Limit Bids at increasing prices. The Bid amount will be PKR 86.2 million. In case of individual Bidder, the Margin Money will be 100% i.e. PKR 86.2 million whereas in case of Institutional Bidders the Margin Money shall be 25% of the Bid amount i.e. PKR 21.55 million.

#### **RESTRICTIONS:**

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

#### **LIST OF ASSOCIATED COMPANIES AND UNDERTAKINGS OF THE ISSUER, NAMES OF RELATED EMPLOYEES OF THE ISSUER, LEAD MANAGER AND BOOK RUNNERS ARE PROVIDED IN SECTION 3.22.5.**

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

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

**As per regulation 9(16) of the PO Regulations, the successful bidders shall be issued shares at the time of issuance of shares to the retail investors. Shares to successful bidders shall be issued only in the form of book-entry through**

**credit in their respective CDS accounts (Investors Account or Sub-Account). All the bidders shall, therefore, provide number of their CDS accounts in the bid application.**

The Bidders must fill-in the part of the Bidding Form under the heading, “Dividend Mandate” to enable the Company to directly credit their cash dividend, if any, in their respective International Bank Account Number (IBAN).

### 12.1.3 Mechanism for Determination of Strike Price

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

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

1. Number of shares being Issued through the Book Building: 40,000,000 Ordinary Shares
2. Floor Price: PKR 47.00/- per Ordinary Share with maximum price band of 40% i.e. PKR 65.80/- per share
3. Bidding Period: From [•]/2020 to [•]/2020
4. Bidding Time: 9:00am – 5:00pm
5. Bidding Revision Time (Upward Revision only): 9:00am – 5:00pm on all days

Bidder	Price (PKR/share)	Quantity	Cumulative Number of shares	Category of Order
Institution A	52.00	4,000,000	4,000,000	Limit Price
Institution B	51.75	3,950,000	7,950,000	Limit Price
HNWI A	51.50	2,000,000	9,950,000	Step Bid
Institution C	51.00	3,000,000	12,950,000	Limit Price
Institution D	50.50	3,500,000	16,450,000	Limit Price
Institution E	50.00	3,200,000	19,650,000	Limit Price
HNWI B	49.75	3,000,000	22,650,000	Limit Price
HNWI A	49.50	2,000,000	24,650,000	Step Bid
Institution F	49.25	3,000,000	27,650,000	Limit Price
Institution G	49.00	2,555,000	30,205,000	Limit Price
Institution H	48.75	2,000,000	32,205,000	Limit Price
HNWI C	48.50	3,000,000	35,205,000	Limit Price
Institution I	48.25	2,000,000	37,205,000	Step Bid
Institution H	48.25	2,000,000	37,205,000	Limit Price
HNWI D	48.00	3,000,000	40,205,000	Step Bid
Institution J	47.50	1,500,000	41,705,000	Limit Bid
HNWI E	47.00	1,000,000	42,705,000	Limit Price

↓

Strike Price determine through Dutch Auction Method

↓

Bid has been revised upwards and placed at PKR 48.75

↓

Total shares bid for at and above the Floor Price

On the basis of the figures provided in the above illustration, according to the Dutch Auction Method, the Strike Price would be set at PKR 48.00 per share to sell the required quantity of 40,000,000 ordinary shares.

At PKR 52.00 per share, investors are willing to buy 4,000,000 shares. Since 36,000,000 shares are still available, therefore the price will be set lower.

At PKR 51.75 per share, investors are willing to buy 3,950,000 shares. Since 32,050,000 shares are still available, therefore the price will be set lower.

At PKR 51.50 per share, investors are willing to buy 2,000,000 shares. Since 30,050,000 shares are still available, therefore the price will be set lower.

At PKR 51.00 per share, investors are willing to buy 3,000,000 shares. Since 27,050,000 shares are still available, therefore the price will be set lower.

At PKR 50.50 per share, investors are willing to buy 3,500,000 shares. Since 23,550,000 shares are still available, therefore the price will be set lower.

At PKR 50.00 per share, investors are willing to buy 3,200,000 shares. Since 20,350,000 shares are still available, therefore the price will be set lower.

At PKR 49.75 per share, investors are willing to buy 3,000,000 shares. Since 17,350,000 shares are still available, therefore the price will be set lower.

At PKR 49.50 per share, investors are willing to buy 2,000,000 shares. Since 15,350,000 shares are still available, therefore the price will be set lower.

At PKR 49.25 per share, investors are willing to buy 3,000,000 shares. Since 12,350,000 shares are still available, therefore the price will be set lower.

At PKR 49.00 per share, investors are willing to buy 2,555,000 shares. Since 9,795,000 shares are still available, therefore the price will be set lower.

At PKR 48.75 per share, investors are willing to buy 2,000,000 shares. Since 7,795,000 shares are still available, therefore the price will be set lower.

At PKR 48.50 per share, investors are willing to buy 3,000,000 shares. Since 4,795,000 shares are still available, therefore the price will be set lower.

At PKR 48.25 per share, investors are willing to buy 2,000,000 shares. Since 2,795,00 shares are still available, therefore the price will be set lower.

At PKR 48.00 per share, investors are willing to buy 3,000,000 shares. **Since after bidding for 3,000,000 shares at PKR 48.00 per share, no shares will be available therefore the Strike Price will be set at PKR 48.00 per share for the entire lot of 40,000,000 shares.**

The bidders who have placed bids at prices above the Strike Price (which in this illustration is PKR 48.00 per share), will become entitled for allotment of shares at the Strike Price and the differential would be refunded.

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

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

Since this Issue is being made through 100% book building, as per the regulation 7(4) of the PO Regulation, the Bidder shall be allowed to place bids for hundred (100%) percent of the issue size and the strike price shall be the price at which hundred (100%) percent of the issue size is subscribed. However, the successful bidders would be

allotted and issued only seventy-five (75%) percent of the issue size and the remaining twenty-five (25%) percent would be offered to the retail investor. The bidders shall give an undertaking along with the application that they would subscribe to the unsubscribed shares, if any, out of the retail portion of the Issue and their remaining bid money would remain deposited/ blocked till allotment of such unsubscribed shares to them on pro-rata basis.

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

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

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

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

#### **12.1.5 Book Runner to the Issue:**

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

##### **Roles and Responsibilities of the Book Runner**

The Book Runner to the issue shall be responsible to:

1. ensure that necessary infrastructure and electronic system is available to accept bids and to conduct the whole Book Building process in a fair, efficient and transparent manner;
2. ensure blocking of bid and margin money of the Bidders in their respective accounts;
3. the Book Runner must be financially capable for honoring its commitments arising out of defaults by their investors, if any;
4. use the software provided by the Designated Institution for the Book Building on such terms and conditions as may be agreed with the Designated Institution through an agreement in writing;
5. ensure that the software used for Book Building is based on Dutch Auction Method for display of the order book and determination of the strike price;
6. ensure that the bidders can access to the System and can revise their bids electronically using the user ID and the password;
7. ensure that it has obtained list and Unique Identification Number (UIN) of the associates of the Issuer, the Lead Manager and all the related employees;
8. ensure that names and UIN of all the persons mentioned under section 13.1.26 are entered and capped in a manner as prescribed in the PO Regulations before commencement of the Bidding Period;
9. ensure that no bid or bids exceeding ten per cent (10%), in aggregate, is or are made by the associated companies and associated undertakings of the Issuer;
10. ensure that no bid in aggregate exceeding five per cent (5%) is made by the associated companies and associated undertakings of the Lead Manager and the Book Runner;

11. enter into an underwriting agreement with the Issuer with respect to underwriting of the Book Building portion for covering the default risk;
12. establish bid collection centres at least in Islamabad, all the provincial capitals, Azad Kashmir and Gilgit/Baltistan;
13. maintain record of all the bids received; and
14. ensure that all the Bids received in the Bid Collection Centers are entered into the system developed by the Designated Institution for the purpose of Book Building within the prescribed time.

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

### 12.1.6 Bid Collection Centers

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

	Karachi	
Contact Officer:		
Direct No.:		
Mobile No.:		
PABX No.:		
Fax No.:		
Email:		
Postal Address:		
	Lahore	Islamabad
Contact Officer:		
Direct No.:		
Email:		
Postal Address:		
	Faisalabad	Peshawar
Contact Officer:		
Direct:		
Email:		
Postal Address:		
	Quetta	Azad Kashmir
Contact Officer:		
Direct:		
Email:		
Postal Address:		
	Gilgit/Baltistan	
Contact Officer:		
Direct:		
Email:		



Postal Address:	
-----------------	--

### 12.1.7 Roles and Responsibilities of the Designated Institution

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

1. Record name, UIN, National Tax Number (NTN), postal and email addresses, land line and cell numbers, International Bank Account Number (IBAN) and branch address and complete CDS Account Number (i.e. Investor Account Number or Sub-Account Number);
2. Provide a mechanism for registration of the bidders before commencement of the bidding period till 03:00 p.m. on the last day of the Bidding Period and require the investors to provide at least such information as mentioned above;
3. Generate bidders' Internet Protocol (IPs) address and keep record of all IP addresses from where the bids are placed;
4. Record the number of shares bid for, the Bid Price, type of the bid i.e. Limit Bid or Step Bid, date and time of the entry of the bid;
5. Display the bids revised, and date and time of upward revision;
  - a. Neither allow withdrawal of bid, nor accept the bids placed at a Bid Price that is below the Floor Price or above 10% of the Indicative Strike Price at any point of time and above the upper limit of the Price Band;
6. Display live the total number of shares offered for sale, the Floor Price, Price Band, total number of bids received, total number of shares bid for and the indicative Strike Price;
7. Build an order book showing demand for the shares at various price levels in a descending order along with the accumulated number of shares bid for and percentage of total shares offered under the Book Building Portion;
8. Discover the strike price at the close of the Bidding Period;
9. Generate alerts for the Bidders via Short Message Service ("SMS") through cell phones and emails upon entry of the bid, at the time of upward revision of the bid, upon variation in the Indicative Strike Price and upon discovery of the strike price; and
10. Ensure that the system must provide the bidders the option to upward revise their bids online or through the Book Runner during the period permitted under these PO Regulations.

The Designated Institution shall ensure that:

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

### 12.1.8 Roles and Responsibilities of the Issuer:

The Issuer shall ensure that:

1. the Issuer, its sponsors, promoters, substantial shareholders, directors and associates shall have no over dues or defaults, irrespective of the amount, appearing in the report obtained from the credit information bureau;
2. the Issuer or its directors, sponsors or substantial shareholders should not have held the office of the directors, or have not been sponsors or substantial shareholders in any company:
  - I. which had been declared defaulter by the securities exchange or futures exchange; or

- II. whose TRE certificate has been cancelled or forfeited by the securities exchange; or
- III. which has been de-listed by the securities exchange due to non-compliance of its regulations.
- 3. The Lead Manager, Book Runner, Underwriter, Balloter and Share Registrar and Banker to the Issue, are appointed through separate agreements in writing.
- 4. It has submitted through its Lead Manager, an application along with draft prospectus for listing of its securities to the PSX.
- 5. the shares shall be issued in book-entry form only.

### 12.1.9 Opening and Closing of the Registration Period

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

REGISTRATION PERIOD	
[•]/2020	9:00am to 5:00pm
[•]/2020	9:00am to 5:00pm
[•]/2020	9:00am to 5:00pm
[•]/2020	9:00am to 5:00pm
[•]/2020	9:00am to 3:00pm

### 12.1.10 Opening and Closing of the Bidding Period

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

<b>BIDDING PROCESS STARTS ON</b>	[•]/2020 (9:00 AM to 5:00 PM)
<b>BIDDING PROCESS ENDS ON</b>	[•]/2020 (9:00 AM to 5:00 PM)

### 12.1.11 Eligibility to Participate in Bidding

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

### 12.1.12 Information for Bidders

- The Prospectus for Issue of Shares has been approved by PSX and SECP.
- The Prospectus, Registration Forms and the Bidding Forms can be obtained from the Registered Office of IL, AHL and the designated Bid Collection Centers. Prospectus, Registration Forms and Bidding Forms can also be downloaded from the following websites of the Lead Manager, Book Runner and the Company i.e. <http://www.arifhabibltd.com> and <http://www.panther tyres.com/>.
- Eligible Investors who are interested to participate in bidding for subscribing the Ordinary Shares of the Company should approach the Book Runner at the addresses provided in Section 12.1.6 for registration for submitting their Bids.
- THE REGISTRATION FORMS SHOULD BE SUBMITTED ON THE PRESCRIBED FORMAT AT THE ADDRESSES PROVIDED IN SECTION 12.1.6. FOR DETAILS ON THE PROCEDURE OF REGISTRATION PLEASE REFER TO SECTION 12.1.13.
- THE BIDS SHOULD BE SUBMITTED ON THE PRESCRIBED BIDDING FORM IN PERSON, THROUGH FAX NUMBERS GIVEN IN SECTION 12.1.6 OR THROUGH THE ONLINE SYSTEM USING THE USER ID AND PASSWORD ISSUED AT THE TIME OF REGISTRATION OF ELIGIBLE INVESTOR.

6. REGISTERED INVESTORS CAN PLACE AND REVISE THEIR BIDS UPWARDS BY ACCESSING THE DESIGNATED INSTITUTIONS ONLINE PORTAL FOR BOOK BUILDING BY USING THE USER ID AND PASSWORD COMMUNICATED TO THEM VIA EMAIL BY PSX.
7. EACH ELIGIBLE INVESTOR SHALL ONLY SUBMIT A SINGLE PAY ORDER, DEMAND DRAFT OR EVIDENCE OF ONLINE TRANSFER OF MONEY ALONG WITH THE REGISTRATION FORM. IT MAY ALSO BE NOTED THAT ONLY A SINGLE PAY ORDER, DEMAND DRAFT OR EVIDENCE OF ONLINE TRANSFER OF MONEY SHALL BE ACCEPTED BY THE BOOK RUNNER ALONG WITH EACH ADDITIONAL PAYMENT FORM.
8. ELIGIBLE INVESTORS WHO ARE ACCOUNT HOLDERS OF HABIB METROPOLITAN BANK LIMITED AND MEEZAN BANK LIMITED (THE BANKERS TO THE BOOK BUILDING PORTION OF THE ISSUE) CAN USE THE ONLINE TRANSFER FACILITY PROVIDED BY HABIB METROPOLITAN BANK LIMITED AND MEEZAN BANK LIMITED TO DEPOSIT THEIR BID MONEY TO THE BOOK BUILDING ACCOUNT OPENED AT HABIB METROPOLITAN BANK LIMITED AND MEEZAN BANK LIMITED.

### 12.1.13 Registration form and Procedure for Registration

1. A standardized Registration Form has been prescribed by the Issuer. The Registration Form shall be submitted, duly filled in, at the Bid Collection Centers in person on addresses given in Section 12.1.6 on the standard Registration Form. The Registration Form shall be serially numbered at the bid collection centers and date and time stamped at the time of collection of the same from the Bidders.
2. Upon completion and submission of the Registration Form, the Bidders are deemed to have authorized the Issuer to make necessary changes in the Prospectus as would be required for finalizing and publishing the Supplement to the Prospectus in the newspapers in which Prospectus was published and filing the Supplement with PSX and SECP, without prior or subsequent notice of such changes to the Bidders.
3. The registration procedure under the Book Building process is outlined below:
  - The Registration period shall be for Five (5) working days i.e. [•]/2020 to [•]/2020 from 9:00 AM to 5:00 PM and from 9:00 AM to 3:00 PM on [•]/2020.
  - The Registration Form shall be issued in duplicate signed by the Bidder and countersigned by the Book Runner, with the first copy for the Book Runner and the second copy for the Bidder.
  - The Registration Form shall be duly filled in and signed in duplicate and shall be submitted at the Bid Collection Centers in person, through representative or through fax on addresses and numbers given in Section 12.1.6.
  - Upon registration of the bidders in the System, PSX shall assign and communicate the User ID and Password to the Bidders via email on the email address provided by them in the Registration Form.
  - The Book Runner may reject any bid for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. Decision of the Book Runners shall not be challengeable by the Bidder or its associates.
  - Bid Amount / Margin Money shall be deposited along with the Registration Form through demand draft, pay order or online transfer through Bidder's bank account only. In case of Online Transfer, the Bidders are requested to submit a bank receipt evidencing transfer of the bid money into the Issuer's designated bank account. **Please note that cash must not be deposited either directly or through online transfer in the Issuer's designated bank account.**
  - The pay order shall be made in favor of "**Panther Tyres Book Building**". For online transfer the payment shall be made into [•] being maintained in [Bank Name]– [•] Branch, Karachi. Please note that online transfer facility shall only be allowed to [•] customers.
  - Please note that third party instruments will not be accepted for Margin Money.

- In case of intra city payment instruments, the bidders shall ensure that the payment instruments are made “Payable at any Branch”. Intra city payment instruments that are not made “Payable at any Branch” will not be accepted.
- The Book Runners shall collect an amount of 100% of the Application Money as Margin Money in respect of bids placed by Individual Investors.
- The Book Runners shall collect an amount of not less than 25% of the Application Money as Margin Money in respect of bids placed by Institutional Investors.
- The Bidder shall provide a valid email address in the Registration Form so that the relevant ID and password can be emailed to them upon registration.
- The Bidders can use the User ID and Password to independently place and upward revise their bids online.
- **The successful Bidders shall be issued shares only in the form of book-entry to be credited in their respective CDS accounts. All the bidders shall, therefore, provide their CDC account numbers in the bid application and Registration form.**
- **The successful Bidders shall be paid cash dividend, if any announced by the Company, only through direct credit in their respective International Bank Account Number (IBAN). All the Bidders, therefore, must provide their IBANs in the Bid Application and Registration Forms.**

#### 12.1.14 Procedure for Bidding

1. A standardized Bidding Form has been prescribed by the Issuer.
2. Registered Investors can submit their bids in person or through representatives at the Bid Collection Centers during the bidding dates or can place their bids online at <https://bkb.psx.com.pk> using the user ID and Password received by them over email upon registration with the Book Runner.
3. The bidding procedure under the Book Building process is outlined below:
  - Bids can be placed either at the “Limit Price” or as a “Step Bid”. The minimum size of a Limit Bid by an Eligible Investor shall not be less than PKR 1,000,000/- (Rupees One Million) and in case of a Step Bid, the amount of any step shall also not be less than PKR 1,000,000/- (Rupees One Million).
  - The investors may place their bids through any of the Bid Collection Centers established pursuant to the requirements of sub-regulation 10 of regulation 8 of the PO Regulations. Please see Section 12.1.6 for addresses and contact detail of persons at the Bid Collection Centers.
  - The persons at the Bid Collection Centers shall vet the bid applications and accept only such bid applications that are duly filled in and supported by pay order, demand draft or a bank receipt evidencing transfer of the bid money into the Issuer designated bank account.
  - On receipt of bid application in accordance with the aforementioned regulation, the Book Runner shall enter Bid into the System and issue to the Bidder an electronic receipt bearing name of the Book Runner, name of the bidding center, date and time.
  - The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. on all days of the Bidding Period. The bids shall be collected and entered into the system by the Book-Runner till 05:00 p.m. on the last day of the bidding period.
  - The Bidders shall have the right to revise their bids upwards any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.
  - **The Bidders shall NOT make downward revision both in terms of Bid Price and Bid Volume provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.**

- **The Bidders shall not withdraw the Bids.**
- The Book Runner shall collect full amount of the Bid Amount as Margin Money in respect of bids placed by the High Net worth Individual and not less than twenty five percent (25%) of the Bid Amount as Margin Money in respect of bids placed by the Institutional Investors.
- Payment of Margin Money shall be accepted only through demand draft, pay order or online transfer and third party payment instruments shall not be accepted.
- The Book Runner may on its own discretion accept a bid without Margin Money, provided the Book Building Portion is fully underwritten at least at the Floor Price by the Book Runner.
- The Book Runner may reject any bid for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. The decision of the Book Runner shall not be challengeable by the Bidder or its associates.
- PSX shall, through the system, display live throughout the bidding period an order book in descending order showing demand for shares at various prices and the accumulated number of shares bid for along with percentage of the total shares issued (the “Order Book”). The Order Book should also show the revised bids and the bids withdrawn. The Order Book shall be accessible through websites of PSX.
- At the close of the Bidding Period, the Strike Price shall be determined on the basis of the Dutch Auction Method.
- Once the Strike Price is determined, all those Bidders whose bids are found successful shall become entitled for allotment of shares.
- The Bidders who have made bids at prices above the Strike Price shall be allotted shares at the Strike Price.
- In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted against the bids made at the Strike Price on proportionate basis as per regulation 9(12) of PO Regulations. The procedure for allotment of shares to successful Bidders is mentioned in Section 12.1.22 of the Prospectus.
- The Bidders who have made bids below the Strike Price shall not qualify for allotment of any Ordinary Shares and the Book Runner shall intimate their respective banks for unblocking their Bid Money within one (1) working day of the close of the bidding period and in case of refunds, the refund to such bidders shall be made within three (3) working days from the close of the bidding period.
- Successful bidders shall be intimated, within one (1) working day of the closing of the bidding period, the Strike Price and the number of shares **provisionally** allotted to each of them. The successful bidders shall be intimated by the Book Runner of their final allocation after subscription of the retail portion of the Issue.
- In case the retail portion of the Issue is not fully subscribed, the unsubscribed shares shall be allotted to the successful bidders on pro-rata basis.
- In case the retail portion of the Issue is oversubscribed, the allotment shall be made in the manner given in Section 13.1.12
- Upon intimation by the Book Runner of final allocation, successful institutional bidders shall deposit their balance margin within (3) days of such intimation. **Where a successful Bidder defaults in payment of shares allotted to it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.**
- Final allotment of shares out of the Book Building Portion shall be made after receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be credited at the time of credit of shares out of the retail portion.
- The successful Bidders shall be issued shares only in Book Entry Form to be credited in their respective CDS Accounts. All the bidders shall, therefore, provide their CDS Account Numbers in the Registration Form.

- The Designated Institution shall continue to display on its website, the data pertaining to the Book Building and determination of the Strike Price for a period of at least three working days after closure of the Bidding Period.
- The Book-Runner shall ensure that subscription money received against the bids accepted shall not be released to the Issuer by the Banker to the Book Building Portion until:
  - credit of all shares allotted to retail investors; and
  - issuance of NOC by the PSX.

### 12.1.15 Payment for Book Building Portion

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

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

For online transfer the payment shall be made into the Account [●] being maintained at [Bank Name] – [●] Branch, Karachi with the Account Title "**Panther Tyres Book Building**". Please note that online transfer facility shall only be allowed for [Bank Name] customers.

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

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

### PAYMENT PROCEDURE

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

#### ▪ PAYMENT FOR LIMIT BID

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

For instance, if an investor is applying for 1 million shares at a price of PKR 47.00/- per share, then the total Application Money would amount to PKR 47 million. In such a case, (i) Individual Investor shall deposit PKR 47 million in the Book Building account as the bid amount which is 100% of PKR 47 million; and (ii) Institutional Investor shall deposit at least PKR 11.75 million in the Book Building account as the Margin Money which is 25% of PKR 47 million.

#### ▪ PAYMENT FOR STEP BID

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

For instance, if the investor bids for 0.70 million shares at PKR 47.00/- per share, 0.60 million shares at PKR 48.00/- per share and 0.50 million shares at PKR 49.00/- per share, then in essence the investor has placed one Step Bid comprising three limit bids at increasing prices. The Application Money would amount to PKR 86.2 million, which is the sum of the products of the number of shares bid for and the bid price of each limit bid. In such a case, (i) Individual Investors shall deposit PKR 86.2 million in the Book Building Account as Margin Money which is 100% of PKR 86.2

million and (ii) Institutional Investors shall deposit at least PKR 21.55 million in the Book Building Account as Margin Money which is 25% of PKR 86.2 million.

#### 12.1.16 Payment by Foreign Investors

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

Non-residents who wish to bid for the subscription of shares being offered via book building can remit the subscription money through an Authorized Dealer directly to the book building accounts opened by the Company as given in Section 12.1.15 of this Prospectus, however, those non-residents who wish to subscribe shares out of the general public portion may contact any of the bankers to the issue (retail portion) for taking instructions regarding payment of subscription money against shares offered to general public / retail investors. List of bankers to the Issue for retail portion is available on page 1 of this Prospectus.

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

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

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

#### 12.1.17 Procedure for Rejection of Bids

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

#### 12.1.18 Time frame for upward revision of Bids by the Bidders

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

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

#### 12.1.19 Ten Percent (10%) Price Variation

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



For Example, if the Floor Price is PKR 47.00 per share and Indicative Strike Price at any given point in time during the bidding period is PKR 47.00 per share, registered bidders may place or revise their bids at/to any price between PKR 47.00 per share to PKR 51.70 per share. If at any given point in time during the bidding period, the Indicative Strike Price changes from PKR 47.00 per share to PKR 48.00 per share, the registered bidders may place or upward revise their bids at/to between PKR 48.00 per share to PKR 52.8 per share.

Please note that the 10% range on the lower side cannot go below the floor price and cannot exceed the upper cap of 40% of the floor price i.e. Rs.65.80 per share. The price range of 10% applicable at any given point in time during the bidding period will also be displayed on the bid screen available at the website of PSX.

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

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

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

#### **12.1.21 Procedure for Withdrawal of Issue**

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

#### **12.1.22 Basis of Allotment of Shares**

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

Once the Strike Price is determined, all those Bidders whose bids have been found successful shall be provisionally allotted 75% of the Issue size i.e. 30,000,000 Ordinary Shares.

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

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

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

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

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

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

Final allotment of shares out of the Book Building portion shall be made after subscription of the retail portion and receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be issued simultaneously with issuance of shares to retail investors, in the form of book-entry to be credited in their respective



CDS Accounts. All the Bidders shall, therefore, provide number of their respective CDS Accounts in the Bid application as required under regulation 9(16) of the PO Regulations.

#### **12.1.23 Refund of Margin Money**

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

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

#### **12.1.24 Publication of Supplement to the Prospectus**

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

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

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

### 13 APPLICATION AND ALLOTMENT INSTRUCTION

#### 13.1.1 Eligible Investors Include:

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

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

#### 13.1.2 Copies of Prospectus

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

<http://www.arifhabibltd.com>, <http://panthertyres.com/> & [www.cdceipo.com](http://www.cdceipo.com);

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

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

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

#### 13.1.3 OPENING AND CLOSING OF THE SUBSCRIPTION LIST

The subscription list will open at the commencement of banking hours on [•]/2020 and will close on [•]/2020 at the close of banking hours. **Please note that online applications can be submitted 24 hours during the subscription period which will close at 12:00 midnight on [•]/2020.**

#### 13.1.4 E-IPO SYSTEM

e-IPO is submission of application for subscription of securities electronically through internet, Automated Teller Machines (ATM) and mobile phones. In order to facilitate the public during IPOs / SPOs / OFS, SECP has introduced the concept of e-IPO. The following two systems are available for e-IPOs:

##### I. Centralized e-IPO Systems

The Central Depository Company of Pakistan (“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/online. CES has been made available in this Initial Public Offering (IPO) 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 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 can be done under 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) can 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. Farooq Ahmed Butt of CDC at Phone 021-34326030 and email: [farooq\\_butt@cdcpak.com](mailto:farooq_butt@cdcpak.com).

## II. E-IPO Facilities by Bankers to the Issue

Currently, United Bank Limited (UBL) is providing e-IPO facilities to their respective account holders. UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank>.

Investors who are registered with CES or account holders of UBL can submit their applications through the above mentioned links 24 hours a day during the subscription period which will close at midnight on DD/MM/2020

### 13.1.5 APPLICATIONS MADE BY INDIVIDUAL INVESTORS

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

### 13.1.6 APPLICATIONS MADE BY INSTITUTIONAL INVESTORS

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

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

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

### 13.1.7 ADDITIONAL INSTRUCTIONS FOR INVESTORS

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

### 13.1.8 ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

1. In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of Memorandum of Association or an equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the application. Copies of these documents can be attested by the bank manager in the country of applicant's residence.
2. Foreign / Non- resident investors should follow payment instructions given in Section 12.1.16 of this Prospectus.

### 13.1.9 CODE OF OCCUPATION OF INVESTORS/APPLICANTS

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

### 13.1.10 NATIONALITY CODE

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

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

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

1. Application for shares must be made for 500 shares or in multiples of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
2. The minimum amount of application for subscription of 500 shares is the Issue Price x 500 shares.
3. Application for shares below the minimum amount shall not be entertained.
4. **SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.**

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

### **13.1.12 BASIS OF ALLOTMENT**

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

1. The minimum value of application will be calculated as Issue Price 500 shares. Application for amount below the minimum value shall not be entertained.
2. Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.

3. Allotment / Transfer of shares to successful applicants shall be made in accordance with the allotment criteria / instructions disclosed in the Prospectus.
4. Allotment of shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and / or the instructions by the Securities & Exchange Commission of Pakistan.
5. Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.
6. The Company will credit shares in the CDS Accounts of the successful applicants.

### 13.2 REFUND/UNBLOCKING OF SUBSCRIPTION MONEY TO UNSUCCESSFUL APPLICANTS

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

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

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

### 13.3 MINIMUM AMOUNT OF APPLICATION

As per PO Regulations, the minimum amount of bid shall not be less than PKR 1.0 Million.

### 13.4 ISSUE AND CREDIT OF SHARE CERTIFICATES

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

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

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

### 13.5 TRANSFER OF SHARES

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

### 13.6 LIST OF BANKERS TO THE ISSUE

Code	Name of Bank
01	United Bank Limited*

02	Habib Metropolitan Bank Limited
03	Habib Bank Limited
04	Allied Bank Limited
05	Meezan Bank Limited
06	Faysal Bank Limited
07	Bank Islami Pakistan Limited

\*These Banks are providing their own e-IPO facilities. Account holders of these Banks may apply for subscription of shares electronically.

### 13.7 LIST OF E-IPO FACILITIES

e-IPO is submission of application for subscription of securities electronically through internet, Automated Teller Machines (ATM) and mobile phones. In order to facilitate the public during IPOs / SPOs / OFS, SECP has introduced the concept of e-IPO. The following two systems are available for e-IPOs:

#### I) Centralized e-IPO Systems

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. Farooq Ahmed Butt of CDC at Phone 021-34326030 and email: [farooq\\_butt@cdcpak.com](mailto:farooq_butt@cdcpak.com).

#### II) e-IPO Facilities by Bankers to the Issue

Currently, United Bank Limited (UBL) is providing e-IPO facilities to their respective account holders. UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank>.

Investors who are registered with CES or account holders of UBL can submit their applications through the above mentioned links 24 hours a day during the subscription period which will close at midnight on DD/MM/2020



### 13.8 INTEREST OF SHAREHOLDERS

None of the holders of the Issued shares of the Company have any special or other interest in the property or profits of the Company other than their capacity as holder of Ordinary shares except from the shareholders who are also the Director of the company. Directors of the Company have interest in receiving remuneration for their role as Directors.

### 13.9 ELIGIBILITY FOR DIVIDEND

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

### 13.10 DEDUCTION OF ZAKAT

Income distribution will be subject to deduction of Zakat at source, pursuant to the provisions of Zakat and Ushr Ordinance, 1980 (XVIII of 1980) as may be applicable from time to time except where the Ordinance does not apply to any shareholder or where such shareholder is otherwise exempt or has claimed exemption from payment / deduction of Zakat in terms of and as provided in that Ordinance.

### 13.11 CAPITAL GAINS TAX

Capital gains derived from the sale of listed securities are taxable in the following manner under section 37A of Income Tax Ordinance, 2001:

Serial #	Capital Gain Tax for FY 19	Filer	Non-Filer
1	Applicable Capital Gain Tax Rate	15%	30%

### 13.12 WITHHOLDING TAX ON DIVIDENDS

Dividend distribution to shareholders will be subject to withholding tax under section 150 of the Income Tax Ordinance, 2001 as specified in Part III Division I of the First Schedule of the said ordinance or any time to time amendments therein. In terms of the provision of Section 8 of the said ordinance, said deduction at source, shall be deemed to be full and final liability in respect of such profits in case of persons only. Applicable withholding tax rate on dividend is 15%

### 13.13 TAX ON BONUS SHARES

As per section 236M of the Income Tax Ordinance 2001, amended vide Finance Act 2018-19, tax on issue of bonus shares has been omitted and will not be applicable from 1<sup>st</sup> July 2018 and onwards.

### 13.14 INCOME TAX

The income of the Company is subject to Income Tax under the Income Tax Ordinance, 2001.

### 13.15 DEFERRED TAXATION

Deferred tax is accounted for using the balance sheet liability method in respect of on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income. Deferred tax is calculated by using the tax rates enacted at the balance sheet date. In this regard, the effect on deferred taxation of the portion of income subjected to Final Tax Regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan, if considered material.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax asset is recognized for all deductible temporary differences and carry-forward of unused tax losses and unused tax credits, if any, to the extent that it is probable that future taxable profit will be available against which these can be utilized.

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

As of June 30<sup>th</sup>, 2020, Company has reported a deferred tax liability of PKR 488.4 million.

### **13.16 SALES TAX**

General Sales Tax is applicable as per Sales Tax Act, 1990 on supplies and services. Sales tax is applicable on services as per Punjab Sales Tax on Services Act, 2012 by Punjab Revenue Authority. Sales tax is applicable on services as per Sindh Sales Tax on Services Act, 2011 by Sindh Revenue Board.

### **13.17 SALES TAX ON SALE / PURCHASE OF SHARES**

Under the Constitution of Pakistan and Articles 49 of the 7<sup>th</sup> NFC Award, the Government of Sindh, Government of Punjab, Government of Khyber Pakhtunkhwa and Government of Baluchistan have promulgated the Sindh Sales Tax on Services Act, 2011, Punjab Sales Tax on Services Act, 2012, Khyber Pakhtunkhwa Sales Tax on services through Khyber Pakhtunkhwa Finance Act, 2013 and the Baluchistan Sales Tax on services Act, 2015 respectively. The Sindh Revenue Board, the Punjab Revenue Authority, and the Khyber Pakhtunkhwa Revenue Authority and the Baluchistan Revenue Authority administer and regulate the levy and collection of the Sindh Sales Tax ("SST"), Punjab Sales Tax ("PST"), Khyber Pakhtunkhwa Sales Tax ("KST") and Baluchistan Sales Tax ("BST") respectively on the taxable services provided or rendered in Sindh, Punjab or Khyber Pakhtunkhwa provinces respectively.

The value of taxable services for the purpose of levy of sales tax is the gross commission charged from clients in respect of purchase or sale of shares in a Stock Exchange. The above mentioned Acts levy a sales tax on Brokerage at the rate of 13% in Sindh, 16% in Punjab and in Baluchistan and Khyber Pakhtunkhwa the rate is 15%. Sales tax charged under the aforementioned Acts is withheld at source under statutory requirements.

### **13.18 TAX CREDIT FOR INVESTMENT IN IPO**

Under Section 62 of the Income tax Ordinance, 2001, a resident person other than a Company, shall be entitled to a tax credit, as mentioned in the said section, for a tax year in respect of the cost of acquiring in the year, new shares offered to the public by a public company listed on a stock exchange in Pakistan, provided the resident person is the original allottee of the shares or the shares are acquired from the Privatization Commission of Pakistan.

As per section 62(3)(b) of the Income Tax Ordinance, 2001, the time limit for holding shares has been designated as 24 months to avail tax credit.

### **13.19 TAX CREDIT FOR ENLISTMENT**

Upon enlistment under Section 65C of the Income Tax Ordinance, 2001, tax credit at 20% of the tax payable shall be allowed for the tax year in which a Company is listed on PSX and also extended for the following three tax years of enlistment through Finance Bill 2017. Provided that the tax credit for the last two years shall be 10% of the tax payable.

## 14 SIGNATORIES TO THE PROSPECTUS

---

-sd-

\_\_\_\_\_  
**Mian Iftikhar Ahmed**  
Chairman

-sd-

\_\_\_\_\_  
**Mian Faisal Iftikhar**  
Chief Executive Officer

-sd-

\_\_\_\_\_  
**Samina Iftikhar**  
Non-Executive Director

-sd-

\_\_\_\_\_  
**Javed Masud**  
Independent Director

-sd-

\_\_\_\_\_  
**Iqbal Ahmad Khan**  
Independent Director

-sd-

\_\_\_\_\_  
**Asad Sultan Chaudhry**  
Independent Director

-sd-

\_\_\_\_\_  
**Zahid Mahmud**  
Executive Director

Signed by the above in presence of witnesses:

**Witness 1:**

-sd-

\_\_\_\_\_  
**Bilal Qasim**  
Deputy Manager Audit

**Witness 2:**

-sd-

\_\_\_\_\_  
**Faheem Arshad**  
Deputy Manager Audit

Date: [•]

## 15 SIGNATORIES OF OFFERORS

---

\_\_\_\_\_  
**Mian Iftikhar Ahmed**  
Chairman

Signed by the above in presence of witnesses:

**Witness 1:**

-sd-

\_\_\_\_\_  
**Ghulam Abbas**  
Chief Financial Officer

**Witness 2:**

-sd-


\_\_\_\_\_  
**Shakir Younus**  
Senior Manager Finance

Date: [●]

## 16 MEMORANDUM OF ASSOCIATION

(1)

**THE COMPANIES' ORDINANCE, 1984**  
 (Company Limited by Shares)  
**MEMORANDUM OF ASSOCIATION**  
 OF  
**PANTHER TYRES LIMITED**



- I. The name of the Company is **"PANTHER TYRES LIMITED"**.
- II. The Registered Office of the Company will be situated in the Province of the Punjab.
- III. The object for which the Company is established are all or any of the following and the scope of one clause of sub-clause shall be deemed to affect or limit the scope of any other clause of sub-clause:
  1. To manufacture, import, export, buy, sell or otherwise deal in Tyres and Tubes for motorcycles, Scooters, Rickshaws, Bicycles, Aircrafts, Cars, Trucks, Tractors, Trolleys and other vehicles, rubber mats, rubber sheets, rubber pipes, micro cellular sheets, rubber soles, rubber shoes, gum adhesive and all kinds of other rubber products.
  2. To install and establish a plant for manufacturing different types of tyres, tubes, rubber mats, rubber sheets, rubber pipes, micro cellular sheets, rubber soles, rubber shoes, gums, adhesive and all kinds of other rubber products.
  3. To manufacture, purchase, import or acquire various apparatus, machinery and equipments, appliances and other materials necessary or requisite for establishment of a plant to manufacture different types of tyres and tubes, rubber mats, rubber sheets, rubber pipes, micro cellular sheets, rubber soles, rubber shoes, gums, adhesives and all kinds of other rubber products.
  4. To manufacture, buy, sell, act as importers, exporters, dealers, refiners, agents of synthetic rubber, natural rubber, all types of rubber products, bead wire, nylon cord, tyre nozzles, tube nozzles, zinc oxide, carbon black cotton tyre cord and other products and/or chemicals required for the manufacture of the products mentioned in the aforesaid objects and other rubber products.
  5. To engage, comply, train, hire the services of technicians, skilled labour, semi-skilled labour, technically qualified person(s) and to lend, give or contract or hire their services.
  6. To buy, sell, manufacture, store, repair, alter, improve exchange, hire, import, export and deal in all factories, works, plant, machinery, tools, utensils, appliances, apparatus materials, substances, articles and things capable of being used in any business which this

(2)

Company is competent to carry on or required by any customers or persons dealing with the Company or commonly dealt with persons engaged in any such business or which may seem capable of being profitably dealt with in connection therewith and to manufacture, experiment with, render, marketable and deal in all product or residue and by products incidental to or obtained in any of the business carried on by the Company.

7. To purchase or otherwise acquire, sell, supply, market, distribute, exchange of otherwise dispose of, import, export, store, hold, package, transport, use experiment with, handle, trade, dispense, apply and generally deal in products of whatever nature and so far as may be productive to the attainment of the said objects or convenient or advantageous in connection therewith.
8. To carry on business as importers and exporters, buyers and sellers of and dealers to all kinds of consumer goods, machinery, plant and hardware for mills, factories and workshops and generally all sorts of equipments used in trade and manufacture.
9. To take Government, Military, Railway or public contract for the supply of materials, articles and goods of all descriptions, erection of machines, factories or building, etc., and to give, let, sublet, any contracts for any work to be done or supplies to be made or received as may be deemed fit.
10. To carry on business as agents, selling agents, buying agents, publicity agents, shippers agents, carriers agents, brokers, commission agents, insurance agents, indenters, indenting agents, canvassers, advertisers, stockists and distributors, for any persons, firms and companies (including without prejudice to the said generality and in particular for importers, exporters, buyers, sellers, manufacturers, merchants, tradesmen, builders, property-owners and others) and generally to undertake and carry out agencies and agency work of all kinds whatsoever and transact all manner of agency work of all kinds whatsoever and transact all manner of agency booking commission, canvassing, distributing and advertising business and to act as Agents for Government or local authorities or for any other person or persons, the carrying on of agency business of any description, including the power to act as attorneys and to give discharges and receipts. Provided that the Company shall not act as managing agent in contravention of the provisions of Presidential Order No.2 of 1972.
11. To undertake the provisions of any and all services conducive to improving the working and living environment of the people in Pakistan.
12. To manufacture, buy, sell, deal in and use products of whatever nature and all articles and things used in the manufacture, maintenance and working thereof, and also all apparatus and implements thereof, and also all apparatus and implements and things for use either alone or in connection with the products of which they are ingredients or in the manufacture of which they are a factor.
13. To construct, own, purchase, acquire, lease, build, erect, install, establish, operate, manage and maintain plants, laboratories, equipment, apparatus and other facilities for the manufacture, processing, storage, sale and distribution of all or any products whatsoever.
14. To purchase or otherwise acquire, become interested in, deal in and with, invest in, hold, sell, mortgage, pledge or otherwise dispose of, turn to account or realise upon, all forms of securities, including shares, stocks, bonds, debentures, notes, evidence of





## (3)

indebtedness, securities of any nature or form convertible certificate of interest, participation certificates, voting trust certificates of trust of beneficial interests in trusts, mortgages, and other instruments, securities and rights.

15. To investigate and report with respect to, and undertake, carry on, aid, assist or participate in the organisation, liquidation or reorganisation, of commercial, mercantile, manufacturing, industrial or other business concerns, firms, associations and corporations.
16. To institute, participate in, or promote commercial mercantile, and industrial enterprises and operations.
17. To purchase, take on lease or tenancy or in exchange, hire, take options over or otherwise acquire for any estate or interest whatsoever and to hold, develop, work, cultivate, deal with, dispose of and turn to account concessions, grants, decrees, licences, privilege, claims, options, lease, property, or rights or powers of any kind which may appear to be necessary or convenient for any business of the Company or for purpose of investment or reinvestment and to purchase, charter, hire, build or otherwise acquire vehicles of any or every sort or description and to use the same for the carriage of merchandise or passengers of all kinds and to carry on the business of owners of trucks, lorries, motor cars and aircrafts in all or any of their respective branches.
18. To aid any Government or state, or any municipal corporation, company, association or individuals, with capital or other means as or resources for the prosecution of any works, undertakings, projects, or enterprises.
19. To enter into working arrangements of all kinds with other companies, corporations, firms, or persons, and also to make and carry into effect arrangements with respect to union of interest or amalgamation, either in whole or in part or any other arrangements with any other companies, corporations, firms or persons.
20. To promote and form other companies for all or any of the objects mentioned in this Memorandum or any extension thereof and to transfer to any such company all or any of the property of this Company, and to take or otherwise acquire and hold shares, debentures or other securities of any such company, and to subscribe or otherwise assist any such Company.
21. To obtain all powers and authorities necessary to carry out or extend any of the above objects.
22. To apply for and obtain any provisional orders of any Government Department or Ministry for any of the purposes within the objects of the Company.
23. To support and subscribe to any charitable or public object including donations to charitable and benevolent foundations and any institution, society, or club or for any purpose which may be for the benefit of the Company or its employees, or may be connected with or for the benefit and welfare of any town or place where the Company carries on business to give pensions, gratuities or charitable aid to any persons who may have been directors of or may have served the Company, or the wives, children, or other relatives or dependents of such persons, to make payments towards insurance and to form and contribute to Provident and benefit funds for the benefit of any such persons, or of their wives, children, or other relative or dependents.



(4)

24. To enter into any arrangement and to take all necessary or proper steps with the Government of Pakistan, and with the approval of the Government of Pakistan where required, with any Provincial Government or any foreign Government or public authority, local municipal, or otherwise or with any corporation or private persons or all or any of these for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modification in the constitution of the Company or furthering the interests of the Company and to oppose any such steps taken by any other authority, firms, or persons which the Company considers likely, directly or indirectly to prejudice its interests, and to obtain or endeavour to obtain from any such Governmental or other public authority any charters, contracts, decrees, rights, grants, loans, subsidies, privileges, concessions, indemnities, sanctions or consents as the Company may think proper.
25. To draw, make accept, discount, endorse, execute and issue promissory notes, bills, of exchange, hundies, bills of lading and other negotiable or transferable securities.
26. To place, to reserve or to distribute as dividends or bonus amongst the members or otherwise to apply as the Company may, from time to time think fit any money received by ways of premium or shares or debentures issued at premium by the Company and any money received in respect of dividends, accrued or forfeited share and moneys arising from unclaimed dividends or from any other preserves.
27. To open and operate accounts, overdraft accounts, and cash credit with or without security, to keep fixed and other deposits with banks, firms, corporations, and institution, loan officers and other concerns.
28. To invest any moneys of the Company not for the time being required for any of the purpose of the Company in such investments (other than shares in the Company) as may be thought proper, and to hold sell or otherwise deal with such investments.
29. "To borrow or raise and secure the payment of money for any of the purpose of the company at such time or times and in such lawful manner as may be thought fit in particular by the issue of debentures, debenture stock, perpetual or otherwise including debenture or debenture stock convertible into shares of this or any other company or perpetual annuities, and, as security for any such money so borrowed, raised or received or of any such debentures or debenture stock so issued, to mortgage, pledge, charge or secure the whole or any part of the property, assets, undertakings or revenue or profits of the company, present or future, including its uncalled capital, or upon any specific property, assets, rights, privileges both present and future of the Company or otherwise howsoever by special assignments or otherwise or to transfer or convey the same absolutely or entrust and to give the lenders power of sale and other powers may deem expedient and to purchase, redeem or pay off any such securities and to furnish any other security, guarantee and undertaking."
30. To apply for, purchase or otherwise acquire and protect, prolong and renew whether in Pakistan or elsewhere any patents, patent rights brevets invention trade marks, licences, protections, concessions and the like conferring any exclusive or non-exclusive or limited right to use the same or secret or other information as to any invention, process or privilege which may seem capable of being used for any of the purpose of the Company or the acquisition of which may seem calculated directly to benefit the Company and to use, exercise, develop, manufacture, under or grant licences or privileges in respect of,



(5)

or otherwise turn to account the property, right and information so acquired and to carry on any business in any way connected therewith.

31. To extend money in experimenting on and testing and in improving or seeking to improve any patents, rights, inventions, discoveries, processes or information of the Company or which the Company may acquire or propose to acquire.
32. To form, incorporate or promote any Company or companies whether in Pakistan or in any foreign country, having any object or objects which in the opinion of the Company should or might directly or indirectly assist the Company or otherwise prove advantageous to the Company and to pay all or any other costs and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or company in any manner it shall think fit for services rendered to be rendered obtaining subscription for placing or assisting to place or to obtain subscription for or for guaranteeing the subscription of or the placing of any shares in the capital of the Company or any bonds, debentures obligations or securities of the Company or any stock, shares, bonds, debentures, obligations or securities of any other company held or owned by the company or in which the company may have an interest.
33. To take or otherwise acquire and hold shares, stocks, debentures, debenture stock in any other company having objects altogether or in part similar to those of this company or carrying on business capable of being converted so as directly or indirectly to benefit this Company.
34. To enter into partnership or into any arrangement for sharing profits or into any union of interests, joint-venture, reciprocal concessions or cooperation with any person or persons or company or companies carrying on or engaged in or about to carry on or engage, in or being authorised to carry on or be engaged in any business transaction with this company in authorised to carry on or engage.
35. To pay premium salaries and to pay property rights or privileges secured by the company or for services rendered in connection with the promotion of objects of the business of the company or in connection with the acquisition of any property rights or privileges for the company or otherwise howsoever, either wholly or partially in cash or in shares, bonds, debentures or other securities of the company and to issue any shares, bonds, debentures or other securities of the company and to issue any shares, bonds, debentures or other securities as fully paid up or with such amount as may be paid up thereon as may be agreed upon, and to charge any such bonds, debentures, or other securities upon all or any part of the property of the Company.
36. To distribute all or any of the property of the Company amongst the members in specie or kind, but so that no such distribution shall amount to an unlawful reduction of capital.
37. To subscribe or guarantee money for any national charitable, benevolent, public, general or useful object or for any exhibition.
38. To pay all costs, charges and expenses of and incidental to the formation and registration of the Company.
39. To do all or any of the above things in any part of the world either as principals, agents, trustees, contractors or otherwise and either alone or in conjunction with others.

(6)

40. To do all and every thing necessary, suitable or proper for the accomplishment of any of the purposes or the attainment of any of the object of the furtherance of any of the powers hereinbefore set forth, either alone or in association with other corporate bodies, firms or individuals and to do every other acts or things incidental or appurtenant to or arising out of or connected with the business or powers of the Company or part thereof, provided the same be lawful.
41. It is declared that notwithstanding anything contained in the foregoing object clauses of this Memorandum of Association nothing contained therein shall be construed empowering the Company to indulge in or undertake banking or banking company, investment or insurance business directly or indirectly as restricted under law or any unlawful operation.
42. It is expressly declared that the several sub-clauses of this clause and all the power expressed therein are to be cumulative and in no case unless the context expressly so required in the generality of any one sub clause to be narrowed or restricted by the name of the company or by the particularity of expression in the same sub clause or by the application of any rule of construction such as the ejusdem generis rule, and accordingly none of such sub clauses or the objects therein specified or the power thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in the first sub clauses of this clause, but the Company shall have full power to exercise all or any of the powers conferred any part of this clause in any part of the world, and notwithstanding that the business undertaking, property or acts proposed to be transacted, acquired, dealt with or performed do not fall within the objects of the first sub clauses of this clause.
- IV. The liability of the members is limited.
- V. The Authorised Capital of the Company is Rupees 3,000,000,000/- (Rupees Three Billion) divided into 300,000,000 ordinary shares of Rs. 10/- with power to increase, reduce, consolidate sub-divide or re-organize the capital of the Company in accordance with the law.

(7)

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of Shares in the Capital of the Company set opposite to our respective names:

S. No.	Name, Description and Address of Subscriber	Profession & Nationality	No. of Shares taken by each Subscriber	Signature
01	Mian Shikhar Ahmed B/18 A officers Colony Ghazi Road Lahore Condt.	Pakistan	60	
02	Azra Yasmin 4- Habibullah Road Lahore	Pakistan	25	
03	Mian Shikhar Ahmed B/18 officers colony Ghazi Road Lahore Condt.	Pakistan	05	
04	Mian Abdul Rasheed B/18 officers colony Ghazi Road Lahore Condt.	Pakistan	10	
			<u>100</u>	



WITNESS

Name: ASHFAQ MEHMOOD

S/o

Address: 35901-049187-3



Lahore, Dated: \_\_\_\_\_

day of \_\_\_\_\_

CONFIRMED TO BE TRUE COPY

ADDITIONAL REGISTRAR OF COMPANIES  
COMPANY REGISTRATION OFFICE  
LAHORE.

## 17 REGISTRATION FORM

 <b>PANTHER<sup>®</sup></b> TYRES & TUBES <b>Panther Tyres Limited</b>	<b>Book Runner</b>  <b>ARIF HABIB</b> LIMITED	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/GLT					
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Registration Dates</td> <td>DD/MM/2020</td> </tr> <tr> <td>Bidding Dates</td> <td>DD/MM/2020</td> </tr> <tr> <td>Bidding Form No.</td> <td></td> </tr> </table>		Registration Dates	DD/MM/2020	Bidding Dates	DD/MM/2020	Bidding Form No.
Registration Dates	DD/MM/2020						
Bidding Dates	DD/MM/2020						
Bidding Form No.							

INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF PANTHER TYRES LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 45.00 PER SHARE (INCLUDING A PREMIUM OF PKR 35.00/- PER SHARE)

PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE. ELIGIBLE INVESTORS MUST SUBMIT ONLY ONE PAYORDER ALONG WITH THE REGISTRATION FORM.

Name		CNIC #	
		NTN*	
Address		Cell #	
		Land Line #	
E-mail		Fax #	

PLEASE TICK THE APPROPRIATE BOX		<b>Nationality</b> (If other than Pakistani)
<input type="checkbox"/> Local Institutional Investor	<input type="checkbox"/> Resident	
<input type="checkbox"/> Foreign Institutional Investor	<input type="checkbox"/> Non Resident	
<input type="checkbox"/> Individual Investor	<input type="checkbox"/> Foreigner	

\*INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILER OR NON-FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 15.0% APPLIES TO FILERS INSTEAD OF 20.0% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.


Payment Details:	Payments to be made in favor of <b>"PANTHER TYRES BOOK BUILDING"</b>		
Amount in Figures		Instrument #	
Instrument Date		Margin %age	
Banker's Name, Address & Branch			

CDC Details for Sub A/C & House A/C			
CDC Participant Name		CDC Participant ID	
Sub A/C No.		House A/C No.	

CDC Details for Investor A/C			
CDC Investor Service A/C ID		CDC Investor A/C No.	

I UNDERTAKE TO SUBSCRIBE TO SHARES UNSUBSCRIBED IN THE RETAIL PORTION WHICH ARE ALLOCATED TO ME ON A PRO-RATA BASIS. I ALSO UNDERTAKE THAT MY BID MONEY SHALL REMAIN DEPOSITED OR BLOCKED TILL ALLOTMENT OF UNSUBSCRIBED SHARES IN THE RETAIL PORTION.




I DECLARE THAT I have read all the terms and conditions stated in the Prospectus and the Instructions Page of the Bidding Form. The same terms and conditions would be applicable on the Registration Form.



Signature of Bidder: \_\_\_\_\_



## 18 BIDDING FORM

BIDDING FORM			
 <b>PANTHER®</b> TYRES & TUBES <b>Panther Tyres Limited</b>	<b>Book Runner</b>  <b>ARIF HABIB</b> LIMITED	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/GLT Bidding Dates DD/MM/2020 to DD/MM/202 Bidding Form No.	
INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF PANTHER TYRES LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 45.00 PER SHARE (INCLUDING A PREMIUM OF PKR 35.00/- PER SHARE)			
PLEASE TICK THE APPROPRIATE BOX			
Name		<input type="checkbox"/> Local Institutional Investor	<input type="checkbox"/> Foreign Institutional Investor
Address	Cell #	Resident	<input type="checkbox"/> Individual Investor Nationality (If other than Pakistani)
	Land Line #	Non-Resident	<input type="checkbox"/>
		Foreigner	<input type="checkbox"/>
Fax #	E-mail:	CNIC #	NTN*
*INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILER OR NON-FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 15.0% APPLIES TO FILERS INSTEAD OF 20.0% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.			
Dividend Mandate: Mark tick [✓] in the appropriate boxes Yes [ ] No [ ] In case the Applicant intends that if Shares applied for are issued to him/it and the dividend declared by the Company, if any, is credited directly in his/it bank account, instead of issued of dividend warrants, then please fill in the following boxes:			
Title of Account			
Account Number			
Bank Name			
Branch Name & Address			
<b>The Directors of Panther Tyres Limited</b> Panther House, 97-B Aziz Avenue, Jail Road Lahore, Pakistan Dear Sir, On the basis of Prospectus by Panther Tyres Limited for the Initial Public Offer of its Ordinary Shares, I/we hereby bid for subscription of Shares of the Company as under:			
Bid Details			
	No. of Shares (In Figures)	Bid Price Per Share (In Figures)	Total Amount (In Figures)
Bid Option (Please tick)			
Limit Order			
Step Order:			
Option (1)			
Option (2)			
Option (3)			
Option (4)			
Total (Shares and Price)			
<b>Important Instructions:</b> 1) Bids should be placed for a minimum amount of <b>PKR 1,000,000/-</b> . It should also be noted that no. of shares bid for should be rounded and fractional shares will not be acceptable. Please ensure that after rounding the number of shares multiplied by your bid price, is at least <b>PKR 1,000,000/-</b> . 2) Eligible Investors who want to place a Step Bid, must ensure that each step amounts to <b>PKR 1,000,000/-</b> at least. 3) Any Bid received below the Floor Price will not be accepted by the Book Runner. 4) An investor shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same. 5) <b>An investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price subject to 40% maximum Price Band i.e. the strike price must not exceed 40% upper limit of floor price.</b>			
Signature of Bidder: _____		 <small>For investor education please visit <a href="http://www.jamapunji.pk">www.jamapunji.pk</a>            Jama Punji is an Investor Education Initiative of the Securities &amp; Exchange Commission of Pakistan</small>	

In terms of the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange ("PSX"), I/we am/are eligible to bid in this Initial Public Offer of Ordinary Shares. The amount payable on bidding is remitted herewith which is the applicable margin amount. I/We agree to pay the balance amount of application money, if any, upon successful allocation of shares. In case no shares are allotted to me/us you are hereby authorized to return to me/us by demand draft/pay order application money, within three (3) working days of the close of the bidding period.

I/We agree that this is a binding agreement to accept the number of shares as may be allocated to me/us subject to the terms of the Prospectus, the bidding form and other applicable laws. I/ we undertake that I/we will sign all such other documents and do all such acts, if necessary on my/our part to enable me/us to be allocated/allotted/transferred the shares and to pay for the same. I/we authorize you to place my/our name(s) on the register of the members of the Company as holder(s) of the shares that will be allocated/allotted/transferred to me/us and to register my/our address as given below. I/ We noted that the Book Runner is entitled, in its absolute discretion to accept or reject this Bidding Application for reason(s) to be recorded in writing and the reason(s) should be disclosed to us forthwith. I/We have no objection if there are necessary changes made in the Prospectus for filling of the same with the Securities and Exchange Commission of Pakistan ("SECP").

I understand that the Issuer, the Book Runner, SECP and the Stock Exchange reserve the right of legal action against me under the law, if I submit a fictitious bid and/or my the instrument deposited by me for margin money is bounced.

I DECLARE THAT: i) I AM/WE ARE NATIONAL(S) AND RESIDENT(S) OF PAKISTAN; ii) FOREIGNER; iii) I AM/WE ARE NOT MINOR(S); iv) I/ WE HAVE NOT MADE NOR HAVE I/WE INSTRUCTED ANY OTHER PERSON(S)/INSTITUTION(S) TO MAKE ANY OTHER APPLICATION(S) IN MY/OUR NAME(S) OR IN THE NAME OF ANY OTHER PERSON ON MY/OUR BEHALF OR IN ANY FICTITIOUS NAME, IN CASE OF ANY INFORMATION GIVEN HEREIN BEING INCORRECT I/WE UNDERSTAND THAT I/WE SHALL NOT BE ENTITLED FOR ALLOCATION/ALLOTMENT/TRANSFER OF SHARES.

#### Important Instructions:

- 1) Bids shall only be entered for those Eligible Investors who have submitted a duly filled Registration Form as prescribed by the Book Runner.
- 2) Bid money / margin money shall be deposited through demand draft, pay order in favor of "**PANTHER TYRES BOOK BUILDING**". For online transfer facility (pay order or demand draft may be deposited at any branch of Habib Bank Limited and evidence to be submitted to the Book Runner) the payment shall be made into A/C # [] and [] being maintained at Meezan Bank Limited and Habib Metropolitan Bank Limited
- 3) For deposit of margin money, only Pay Orders, Demand Drafts, or online transfer will be accepted. Each eligible investor shall only submit a single pay order, demand draft or evidence of online transfer of money along with the Registration Form. It may also be noted that only a single pay order, demand draft or evidence of online transfer of money shall be accepted by the Book Runner along with each Additional Payment Form.
- 4) In case of intercity instruments, only Pay Orders "**payable at any branch**" will be accepted. For the purpose of expediting the clearing of the instruments it is highly recommended that the Pay Order should be made from online branches of the respective banks.
- 5) Eligible Investors can register themselves till 3:00 pm on the last day of Book Building after which no new investors shall be registered.
- 6) Investors can only upward revise their bids online. Please visit [www.bkb.psx.com.pk](http://www.bkb.psx.com.pk) to access online. User name and password will be emailed to you on email address provided in the form. Please ensure that you provide correct email address. Online access will be available for upward bid revisions during the bidding period from 9:00 am to 5:00. An investor will not be allowed to place or upward revise a bid with a price variation of more than 10% of the prevailing indicative strike price subject to a maximum price band of 40% of the floor price. **However, the bidder shall not make downward revision both in terms of bid price and bid volume; provided that in case of upward revision of the bid price, the number of shares bid for i.e. bid volume may be adjusted ensuring that the bid amount or bid money remains the same. No withdrawal of bid shall be allowed.**

Yours Faithfully,

Signature of Bidder: \_\_\_\_\_



For investor education please visit [www.jamapunji.pk](http://www.jamapunji.pk)  
 Jama Punji is an Investor Education Initiative of the  
 Securities & Exchange Commission of Pakistan

#### To be filled in by the Book Runner:

Time of Receipt	Date	Location	Amount	Pay Order No. / Demand Draft No.	Stamp

## 19 GENERAL SUBSCRIPTION FORM

**SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS AN OFFENCE UNDER SECTION 87(7) OF THE SECURITIES ACT, 2015 AND SUCH APPLICATIONS' MONEY MAY BE FOREFETTERED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015**

حکومت پاکستان کو مطلع کیا جاتا ہے کہ سیکورٹیز رجسٹرڈ ایکٹ 2015 کی سیکشن 87(7) کے تحت جہودی یا جعلی درخواستیں دینا قانوناً ناجائز ہے۔ خلاف ورزی کرنے والوں کی رقم، جو کہ درخواست کے ساتھ جمع کرانی جاتی ہے، سیکورٹیز رجسٹرڈ ایکٹ 2015 کی سیکشن 87(8) کے تحت ضبط کی جاسکتی ہے۔

**Jama Punji**  
 Securities & Exchange Commission of Pakistan  
 For investor education please visit: www.jama-punji.com

**INVESTMENT IN SECURITIES IS A HIGHLY RISKY BUSINESS. INVESTORS ARE, THEREFORE, ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THE PROSPECTUS ESPECIALLY THE RISK FACTORS BEFORE MAKING ANY INVESTMENT DECISION.**

**Panther Tyres Limited**  
**APPLICATION FOR SUBSCRIPTION OF SHARES**

As per the Section 72 of Companies Act, 2017, the Company shall have shares in book-entry form only. Therefore, shares of Panther Tyres Limited shall only be issued in scrip-less form in the CDS of CDCPL (Refer to instruction No.3 on the reverse hereof)

**Panther Tyres Limited**  
 Panther House, 97-B Aziz Avenue, Jail Road, Lahore, Pakistan  
 www.panther tyres.com

**CDC PARTICIPANT / ACCOUNT HOLDER ID**  
 \_\_\_\_\_

**SUB ACCOUNT NUMBER**  
 \_\_\_\_\_

**HOUSE A/C NO.**  
 \_\_\_\_\_

**OR**

**CDC INVESTOR ACCOUNT SERVICES ID**  
 \_\_\_\_\_

**CDC INVESTOR ACCOUNT NO.**  
 \_\_\_\_\_

**Do you want to avail CDC's facility of IPO Facilitation Account**  
 Yes ☐ No ☐

**1) I/We apply for the following number of Shares at Issue Price for the value indicated below:**

**No. of Shares Applied For**  
 \_\_\_\_\_

**Amount Payable in PKR**  
 \_\_\_\_\_

**Cheque/ Demand Draft/ Pay Order No.**  
 \_\_\_\_\_

**2) I/We agree to accept the same or any smaller number of Shares that may be allotted to me/us upon the terms as stated in the Prospectus. I/We authorize you to credit the Shares to me/us pursuant to this application and if no Shares or a smaller number of Shares are allotted to me/us you are hereby authorized to return to me/us by cheque or other means my/our application money for the amount of Shares not credited to me/us.**

**3) DECLARATION**  
 I/We declare that: i) I am/We are national(s) of \_\_\_\_\_; ii) I am/We are not minor(s); iii) I/We have not made nor have I/we instructed any other person(s)/institution(s) to make any other application(s) in my/our name(s) or in the name of any other person on my/our behalf or in any fictitious name; iv) I/We agree to abide by the instructions provided with this application and in case of any information given herein being incorrect I/we understand that I/we shall not be entitled to the allotment of Shares if successful rather the application money shall be liable to confiscation if this declaration proves to be incorrect at any time.  
 Yours faithfully,

**Signature(s)**  
 a) \_\_\_\_\_ b) \_\_\_\_\_

**4) ALL DETAILS MUST BE WRITTEN IN BLOCK LETTERS IN THE SPACES PROVIDED, LEGIBLY IN BLACK PEN**

**a) Name in Full (as per CNIC)**  
 Mr. \_\_\_\_\_ Ms. \_\_\_\_\_ Miss \_\_\_\_\_ Co. \_\_\_\_\_ Please Tick

**Father's/Husband's Name (as per CNIC)**  
 \_\_\_\_\_

**Identity Number (CNIC/ Passport/ Registration No.)**  
 \_\_\_\_\_

**IDENTITY NUMBER (NTN)**  
 \_\_\_\_\_

INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE PANTHER TYRES LIMITED TO CHECK STATUS OF THE SHARE HOLDERS AS TOX RETURN FILER OR NON FILER FROM THE ACTIVE TAXPAYER LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 15.0% APPLIES TO FILERS AND OF 30.0% FOR NON FILER ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANY.

**Full Address**  
 \_\_\_\_\_

**Phone No.**  
 \_\_\_\_\_

**Occupation Code**  
 \_\_\_\_\_

**Muslim** ☐ **Non Muslim** ☐

**International Bank Account Number (IBAN)**  
 \_\_\_\_\_

**Bank Name**  
 \_\_\_\_\_

**Branch Name & Address**  
 \_\_\_\_\_

**Additional Information - For Non-Resident Pakistanis and Foreign Investors Only**

**Place of Issue of Passport**  
 \_\_\_\_\_

**Corporate Business Letter enclosed**  
 Yes ☐ No ☐

**Nationality Code**  
 \_\_\_\_\_

**Date of Issue of Passport (DD-MM-YYYY)**  
 \_\_\_\_\_

**Country of Residence**  
 \_\_\_\_\_

**5) FOR JOINT HOLDER, IF ANY**

**b) Name in Full (as per CNIC)**  
 Mr. \_\_\_\_\_ Ms. \_\_\_\_\_ Miss \_\_\_\_\_ Co. \_\_\_\_\_ Please Tick

**Identity Number (CNIC/ Passport/ Registration No.)**  
 \_\_\_\_\_

**DIVIDEND MANDATE: Mark tick [✓] in the appropriate boxes Yes [ ] No [ ]**

**In order to enable the Company to credit the cash dividend declared, if any, by the Company, in Shareholder Holder bank account, instead through dividend warrants, please fill in the following boxes:**

**Title of Account**  
 \_\_\_\_\_

**International Bank Account Number (IBAN)**  
 \_\_\_\_\_

**Bank Name**  
 \_\_\_\_\_

**Branch Name and Address**  
 \_\_\_\_\_

**Signature of the Applicant as per the Bank account**  
 \_\_\_\_\_

**(TO BE FILLED IN BY THE APPLICANT'S BANKER)**

**6) It is certified that the above-mentioned applicant(s) is/are maintaining account number as mentioned above at this bank branch and his/her/particulars and signature(s) are correct and verified as per the bank's record and their CNIC/Passport. It is further certified that only one application has been made in the name of the above account holder through this branch. We also confirm that the original CNIC/Passport has been seen by us.**

**Note: In case the subscription money is paid through a bank other than the Bankers to the Issue (through pay order or bank draft), this certification shall be provided by the manager of the bank where the applicant maintains his/her bank account.**

**Bank's Authorized Signatory**  
 Bank's Rubber Stamp

**SPECIMEN SIGNATURE(S) OF THE APPLICANT**  
**NAME OF THE APPLICANT IN BLOCK LETTERS (AS PER CNIC)**  
 \_\_\_\_\_

**SPECIMEN SIGNATURE(S)**  
 \_\_\_\_\_

**a)**  
 \_\_\_\_\_

**b)**  
 \_\_\_\_\_

**Bankers to the Issue's Provisional acknowledgement of application for shares of Panther Tyres Limited**

**Received from Mr/Ms/Mrs. \_\_\_\_\_ Shares. \_\_\_\_\_ application for \_\_\_\_\_**

**Name of Bank**  
 \_\_\_\_\_

**Branch Code**  
 \_\_\_\_\_

**Application Serial No.**  
 \_\_\_\_\_

**Date of Receipt**  
 \_\_\_\_\_

**Signature of Authorized Representative & Rubber Stamp of Receiving Bank**  
 \_\_\_\_\_

**IMPORTANT: (i) This slip must be retained by the Applicant (ii) Please read instructions provided with this application**



## APPLICATION AND ALLOTMENT INSTRUCTIONS

- Eligible investors includes:**
  - Pakistani citizens resident in or outside Pakistan or Persons holding two nationalities including Pakistani nationality;
  - Foreign Nationals whether living in or outside Pakistan;
  - Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
  - Mutual Funds, Provident/pension/gratuity funds/trusts, (subject to the terms of the Trust Deed and existing regulations); and
  - Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.
- Copies of the Prospectus and Application Forms can be obtained from the Trading Rights Entitlement Certificate (TREC) holders of Pakistan Stock Exchange Limited, the Bankers to the Issue and their branches, the Consultant to the Issue and the registered office of the Company. The Prospectus and the Application Forms can also be downloaded from the website: [www.panthertyres.com](http://www.panthertyres.com), [www.aifhebttd.com](http://www.aifhebttd.com) & <https://eipo.cdcaccess.com.pk/publicindex.xhtml>
- The Applicants are required to complete the relevant sections of the application to get the Shares in book entry form. In accordance with provisions of the Central Depositories Act, 1997 and the CDC Regulations, credit of such Shares are allowed ONLY in the applicant's own CDC Account.
- Name(s) and addresses must be written in full block letters, in English and should not be abbreviated.**
- All applications must bear the name and signature corresponding with that recorded with the applicant's banker. In case of difference of signature with the bank and Computerized National Identity Card (CNIC) or National Identity Card for Overseas Pakistanis (NICOP) or Passport both the signatures should be affixed on the application form.
- APPLICATIONS MADE BY INDIVIDUAL INVESTORS**
  - In case of individual investors, an attested photocopy of CNIC (in case of Resident Pakistanis)/Passport (in case of non-resident Pakistanis and Fis) as the case may be, should be enclosed and the number of CNIC/ Passport should be written against the name of the applicant. Copy of these documents can be attested by any Federal/Provincial Government Gazetted Officer, Counselor, Oath Commissioner or Head Master of High School or bank manager in the country of applicant's residence.
  - Original CNIC/Passport, along with one attested photocopy, must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested photocopy will, after verification, be retained by the bank branch along with the application.
- APPLICATIONS MADE BY INSTITUTIONAL INVESTORS**
  - Applications made by companies, corporate bodies, mutual funds, provident/pension/gratuity funds/trusts and other legal entities must be accompanied by an attested photocopy of their Memorandum and Articles of Association or equivalent instrument / document. Where applications are made by virtue of Power of Attorney, the same should also be submitted along with the application.
  - Attested photocopies of the documents mentioned in 8(i) must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested copies, will after verification, be retained by the bank branch along with the application.
- Only one application will be accepted against each applicant, however, in case of joint account, one application may be submitted in the name of each joint account holder.
- Joint application in the name of more than two persons will not be accepted. In case of joint application each applicant must sign the application form and submit attested copies of their CNICs/Passport. The Shares will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of Shares.
- Subscription money must be paid by cheque drawn on applicant's own bank account or pay order/bank draft payable to one of the Bankers to the Issue "PANTHER TYRES GENERAL SUBSCRIPTION" and crossed "A/C PAYEE ONLY".
- For the applications made through pay order/bank draft, it would be permissible for a Banker to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order/bank draft individually for each application.
- The applicant should have at least one bank account with any of the commercial banks. Applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of Shares.
- Under Section 242 of the Companies Act, any dividend payable in cash by a listed company, shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder.
- To enable the Company to directly credit the cash dividend, if any, in the Bank Accounts of the shareholder, the applicants must fill-in relevant part of the Shares Subscription Form under the heading, "Dividend Mandate".
- Shares will be issued only in the book-entry form. Therefore, the applicants must provide their CDS account Number in the Shares Subscription Form.
- Applications are not to be made by minors and/or persons of unsound mind.
- Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the application form.
- Applicants should retain the bottom portion of their application forms as provisional acknowledgement of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of Shares for which the application has been made.
- Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.
- Bankers to the Issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the Issue.
- It would be permissible for a Banker to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.
- Submission of false and fictitious applications is an offence under section 87(7) of the Securities Act, 2015 and such applications' money is liable to confiscation under section 87(8) of the Securities Act, 2015.

عوام اس س کو مطلع کیا جاتا ہے کہ سیکورٹیز ایکٹ 2015 کی شق نمبر (7) 87 کے تحت رجسٹرڈ بینکاروں کو درخواستیں دینا قانوناً ناجائز ہے۔ خلاف ورزی کرنے والوں کی رقم، جو کہ درخواست کے ساتھ جمع کرائی جاتی ہے، سیکورٹیز ایکٹ 2015 کی شق نمبر (8) 87 کے تحت ضبط کی جاسکتی ہے۔

## ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

- In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of memorandum of association or an equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the application. Copies of these documents can be attested by the bank manager in the country of applicant's residence.
- Foreign / Non - resident investor's should follow payment instruction given in Section 12.1.16 of the Prospectus.

## BASIS OF ALLOTMENT

- The minimum value of application for subscription of 500 shares (Issue Price x 500 shares) Application for amount below the minimum value shall not be entertained.
- Application for shares must be made for 500 shares or in multiple thereof only. Applications which are neither for 500 shares nor for multiple thereof, shall be rejected.
- Allotment of Shares to successful applicants shall be made in accordance with the allotment criteria/ instructions disclosed in the Prospectus.
- Allotment of Shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and/or the instructions by the Securities & Exchange Commission of Pakistan.
- Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.**
- The Company will credit the respective CDS accounts of the successful applicants.

## BANKERS TO THE ISSUE

Code	Name of Banks	Code	Name of Banks
01	United Bank Limited	06	Meezan Bank Limited
02	Habib Metropolitan Bank Limited	07	Faysal Bank Limited
03	Habib Bank Limited	08	Bank Islami Pakistan Limited
04	Adani Bank Limited	09	Bank Al Habib Limited
05	Allied Bank Limited	10	Dubai Islamic Bank Limited

## OCCUPATION CODE

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

- In order to facilitate investors, United Bank Limited ("UBL") is offering electronic submission of application (e-IPO) to their account holders. UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank>. Furthermore, please note that online applications can be submitted 24 hours a day during the subscription period which will close at midnight on 19<sup>th</sup> October 2020.
- The Central Depository Company of Pakistan ("CDC") has developed a Centralized e-IPO System ("CES") through which applications for subscription of securities offered through IPOs can be made electronically. CES has been made available in this IPO which can be accessed through the web link [www.cdcpak.com](http://www.cdcpak.com). Payment of subscription money can be made through 11 LINK's member banks available for CES, list of which is available on above website.
- For making application through CES, investors must be registered with CES. Registration with CES is free of cost and a self-registration process by filling the CES registration form, which is available 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), bank account with any of the commercial bank, email address, mobile phone number and CDS Account (Investor Account or sub Account) may register themselves with CES.
- Investors who do not have CDS account may visit [www.cdcpak.com](http://www.cdcpak.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 (CDCLP) and e-mail: [info@cdcpak.com](mailto:info@cdcpak.com) or contact Mr. Farooq Ahmed at Phone 021-34326030 and email: [farooq\\_butt@cdcpak.com](mailto:farooq_butt@cdcpak.com). For further details on CES, please refer para 2.3.3 of the Prospectus

## NATIONALITY CODE

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

For further queries you may contact:  
Panther Tyres Limited : Shakir Younas; Phone: 042 111 554 444; E-mail: [shakir.younas@panthertyres.com](mailto:shakir.younas@panthertyres.com), Arif Habib Limited: Tooba Zafar; Phone: 021-8899226; E-mail: [tooba.zafar@arifhabibtd.com](mailto:tooba.zafar@arifhabibtd.com)