

Chapter 5D: DIRECT LISTING REGULATIONS

5D.1. APPLICABILITY:

- 5D.1.1. The provisions of this Chapter shall apply to the companies that:
- apply for Direct Listing under this Chapter; and
 - are listed through Direct Listing method under this Chapter.
- 5D.1.2. All the provisions relating to post listing provided in the Chapter 5 of these Regulations, presently in force or as amended from time to time, shall be applicable to companies as mentioned in sub-clause 5D.1.1 unless otherwise specifically provided in this Chapter.

5D.2. DEFINITIONS:

- 5D.2.1. In this Chapter, unless there is anything repugnant in the subject or context:
- “Accredited Investor” means the following:
 - Institutional Investor includes the following:
 - A Financial Institution;
 - A Company as defined in the Companies Act;
 - An insurance company established under the Insurance Ordinance, 2000;
 - A trust established under relevant Trust Act applicable in Pakistan;
 - A Securities Broker;
 - A fund established as Collective Investment Scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008;
 - A fund established as Voluntary Pension Scheme under the Voluntary Pension System Rules, 2005;
 - A private fund established under Private Fund Regulations, 2015;
 - Any employee’s fund established for the benefit of employees;
 - Any other fund established under any special enactment;
 - A foreign company or any other foreign legal person; and
 - Any other entity as specified by the Commission.
 - Individual investor (foreign or local) registered with NCCPL having Net assets of at least PKR five million and acknowledging the risk of investing in companies listed through direct listing mode or any other criteria or threshold as may be specified by the Exchange.
 - “Direct Listing” means an alternative way of listing at the Exchange wherein the shares of a company are listed on the Exchange without mandatory appointment of the intermediary(ies).

Types of Direct Listing includes:

Direct Listing involving Accredited Investors:
It involves selling of shares by existing shareholders of the Company to Accredited Investors.

Direct Listing involving existing shareholders:
It involves selling of shares by existing shareholders among themselves.

Direct Listing involving specific category of investors:
It involves selling of shares by existing shareholders to a specific category of investors specified by the company at the time of Direct Listing.
 - “Financial Advisor” means any of the following persons:
 - Consultant to the Issue licensed by the Commission;
 - Securities Broker licensed by the Commission;
 - Accounting and Auditing Firm recognized by ICAP or ICMAP;
 - Scheduled Bank;
 - Development Finance Institution; or
 - Registered Law Firm.
 - “Information Memorandum” means a document outlining the salient features, risks and terms of the equity security being listed at the Exchange through Direct Listing method.
- 5D.2.2. Words and expressions used but not defined in this Chapter shall have the same meanings as are assigned to them in the Companies Act, Securities Act or Public Offering Regulations, 2017.

5D.3. ELIGIBILITY CRITERIA FOR DIRECT LISTING:

- 5D.3.1. An applicant company shall fulfil the following eligibility criteria for Direct Listing:
- It is a public limited company registered under the Companies Act;
 - It must have a paid-up capital not less than PKR 200 million;
 - In case of direct listing involving Accredited Investors, only Accredited Investors shall be allowed to invest/trade in its shares at the Exchange;
 - In case of other types of direct listing, only investors specified at 5D.2.1.(b) shall be allowed to invest/ trade in its shares at the Exchange.
 - It must have annual accounts for the last two preceding years audited by a QCR rated audit firm;

- (f) Its statutory auditor has not issued a qualified opinion on the going concern assumption nor a disclaimer or an adverse opinion in its latest audited financial statements;
- (g) It shall prepare and issue Information Memorandum in relation to the Direct Listing;
- (h) In case of direct listing involving Accredited Investors:
 - i. Free float of the company shall be following:

Paid-up Capital	Free Float
Upto to Rs. 2.5 billion	15%
Above Rs. 2.5 billion and up to Rs. 5 billion	10%
Above Rs. 5 billion and up to Rs. 10 billion	5%
Above Rs. 10 billion	2.5%

- ii. Opening price of the shares in secondary market shall be determined through a book building process as per Annexure -A.
- iii. Minimum number of shareholders excluding sponsor/director/affiliate shareholders shall be at least 10.
- (i) Its promoters/ sponsors/ controlling directors/ majority shareholders shall retain, on a cumulative basis, their shareholding equivalent to not less than 51% of the paid-up capital from the date of direct listing till the listing of company on main board.
Provided that in case of change of management/ revival of the company, the Exchange may allow the transfer of such shares to any other person(s) with the same condition for the remainder of the retention period, upon submission of a valid scheme of revival including supporting documents and agreements from the company to the Exchange.
- (j) Its audited financial statements to be incorporated in the Information Memorandum must not be older than twelve months from the date of issuance of the Information Memorandum;
- (k) Its shares are declared as CDS eligible and are in a book-entry form in totality; and
- (l) Any other condition or criteria as may be imposed by the Exchange.

5D.4. LISTING PROCEDURE:

- 5D.4.1. The company that fulfils the eligibility criteria specified in clause 5D.3. may apply to the Exchange for Direct Listing on main board by making an application on Form-I supported with documents as mentioned in Annexure-I to this Chapter along with payment of non-refundable initial and annual listing fees of such amount as prescribed under Clause 5.19 of these Regulations.
- 5D.4.2. The Exchange may, at its sole discretion, reject a Direct Listing application if it deems that the listing of the company is not in the interest of market or the company does not meet any of the eligibility criteria or such other terms and conditions as may be prescribed by the Exchange. The Exchange shall provide the company with an opportunity of being heard prior to rejecting its listing application and shall communicate its decision to the applicant.
- 5D.4.3. The Exchange shall complete its approval process for Direct Listing within 15 working days from the date of submission of all required information and documents to the Exchange's satisfaction.

5D.5. APPOINTMENT AND DUTIES OF FINANCIAL ADVISOR:

- 5D.5.1. The company may appoint a Financial Advisor through an agreement in writing, at-least till the date of its Direct Listing.
Provided that the Exchange reserves the right to require an applicant company to appoint a Financial Advisor if it deems appropriate in the interests of the investors and the market at large.
Provided further that in case of Direct Listing involving specific category of investors (defined at 5D.2.1.(b) above), appointment of Financial Advisor is mandatory, if two Market Makers are not appointed.
- 5D.5.2. The Financial Advisor shall perform such duties and functions as may be assigned to it by the company, which may include the following:
 - (a) Assist the company in drafting the Information Memorandum;
 - (b) Submit Direct Listing application to Exchange on behalf of company;
 - (c) Ensure that the reference price or floor price in case of direct listing involving Accredited Investors is determined accurately, transparently and fairly.

5D.6. CONTENTS OF INFORMATION MEMORANDUM:

- 5D.6.1. The company shall issue an Information Memorandum, which shall contain at-least such information as provided in Schedule-I of this Chapter. This Schedule is meant as a guideline and the Exchange shall not be responsible for ensuring its compliance.
- 5D.6.2. The Information Memorandum shall be made available on the website of the company and the Exchange until such time as may be specified by the Exchange. The company shall disclose the reference price/opening price as mentioned in clause 5D.7 on the front page of the Information Memorandum.
- 5D.6.3. The company shall not use the Information Memorandum as a document inviting the general public for the subscription of its securities and shall include a statement to this effect on the cover page of the Information Memorandum.
- 5D.6.4. The company and its Board of Directors shall be responsible for the accuracy of the contents of the Information Memorandum.

5D.7. OPENING PRICE ON FIRST DAY OF DIRECT LISTING:

5D.7.1. The company shall determine a reference price/opening price of the security being listed at the Exchange.

Provided that in case of Direct Listing involving Accredited Investors, reference price/opening price shall be calculated through book building process as per Annexure A.

5D.7.2. Opening price of the shares of the Company on the first day of Direct Listing shall be the lowest of the following to be calculated on the basis of the latest audited financial statements:

- (a) Book value per share.
- (b) Relative valuation: Value of company's share using the company's Earning Per Share and average Price to Earnings multiple or other relevant multiple of comparable listed companies.
- (c) Average market price of private transactions held during last one year, verifiable to the satisfaction of the Exchange.

Provided that this methodology shall not apply in case of Direct Listing involving Accredited Investors.

Provided further that in case of Direct Listing involving specific category of investors or existing shareholders and where Financial Advisor is appointed, the above methodology shall not be applicable and reference price/opening price shall be decided by the Financial Advisor in consultation with the Company.

Provided further that for Direct Listing involving specific category of investors, book building process can be opted for determining opening price.

5D.8. APPLICABILITY OF REGULATIONS:

5D.8.1. The company applying for Direct Listing shall have to comply with all applicable requirements of Companies Act and Securities Act, as amended from time to time.

5D.8.2. Upon Direct Listing, the company shall comply with all post listing requirements prescribed for a Listed Company under Chapter 5 of these Regulations and any other applicable law time being in force.

5D.8.3. The powers conferred to the Exchange under Chapter 5 of these Regulations or by the Commission, from time to time, shall be valid and can be exercised by the Exchange for the companies applying for Direct Listing and those listed under this Chapter.

5D.9. APPLICABILITY OF THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019:

The company shall be required to comply with the 'Listed Companies (Code of Corporate Governance) Regulations, 2019'.

5D.10. APPOINTMENT AND FUNCTIONS OF MARKET MAKERS:

The Company shall comply with following requirements relating to Market Maker:

- (a) In case of Direct Listing involving existing shareholders, appointment of at least two Market Makers is mandatory.
- (b) In case of Direct Listing involving Accredited Investors, appointment of Market Maker is optional.
- (c) In case of Direct Listing involving specific category of investors, compliance with either one of following requirements is mandatory:
 - i. Appointment of two Market Makers; or
 - ii. Appointment of a combination of Market Maker and Financial Advisor.

Provided that market making agreements shall be executed in writing.

Provided further that Chapter 12 of these Regulations, shall apply to the matters relating to appointment and function of Market Makers.

5D.11. DISCLAIMER/ INDEMNIFICATION OF THE EXCHANGE:

The Exchange, its directors including members of the committees constituted by the Board, officers and employees ("indemnified persons") shall not be liable, and shall be indemnified and held harmless at all times by the company, investors and any other person directly or indirectly related to or affected by Direct Listing or investment made thereof and/or the Exchange, as the case may be, from and against any loss, claim, liability, damages, costs, charges, expenses etc. (including expenses borne to settle an action or satisfy a judgement or legal and professional fees and out of pocket expenses paid for attending trials, hearings and meetings whatsoever) sustained or incurred on account of any action or decision done, taken, omitted to be done or taken, in good faith and in the exercise or performance of any function, power or duty conferred or imposed by or under this Chapter, these Regulations or any other applicable laws.

5D.12. RELAXATION:

For State Owned Enterprises, the Exchange may relax any of the requirements of Direct Listing framework.

For Companies other than SOEs, only the requirement relating to free float and paid-up capital may be relaxed by the Exchange subject to submission of valid justification.

FORM-I

DIRECT LISTING APPLICATION

To:

The General Manager,
Listing Department,
Pakistan Stock Exchange Limited,
Karachi.

Dear Sir/ Madam,

1. We hereby apply for the Direct Listing of _____ on your Stock Exchange. (Name of company).
2. Necessary information and documents as required under Annexure-I to Chapter 5D of PSX Regulations are attached herewith.

Yours faithfully,

SIGNATURE & ADDRESS

Cc.:
The SECP,
ISLAMABAD (as required under Securities Act)

ANNEXURE – I

DOCUMENTS TO BE UPLOADED ALONG WITH DIRECT LISTING APPLICATION THROUGH PRIDE

The following documents and information shall be uploaded by the applicant company or by the Financial Advisor through PRIDE:

1. An application for Direct Listing on Form-I.
2. Undertaking on Form-II.
3. Certificate of incorporation.
4. Conversion certificate from private to a public company, if applicable.
5. Certificate for change of name of the company, if applicable.
6. Resolution passed by the Board of Directors and members of the company with respect to Direct Listing of shares.
7. License, consent, approval, NOC etc. from the concerned regulatory authority for undertaking/carrying on the business.
8. Memorandum and Articles of Association of the company.
9. Information Memorandum.
10. Latest audited financial statements of the company.
11. Last page of the Information Memorandum duly signed by every director of the company. Signatures of the directors must be witnessed by the company secretary.
12. Letter jointly signed by the CEO and CFO of the company confirming that they have reviewed the contents of the Information Memorandum and to the best of their knowledge and belief the contents have been stated/disclosed correctly and fairly.
13. An undertaking on non-judicial stamp paper by the CEO and CFO of the company on the Form-III duly certified by the oath commissioner.
14. Undertaking by the Company on non-judicial stamp paper regarding details of restrictions placed by any regulatory body, lender, stakeholder, on distribution of profits, transfer of securities, pledging of assets, issuance of corporate guarantee etc. duly certified by the oath commissioner.
15. Declaration from the Issuer about the loan amounting to Rs. 500,000 or more written-off by a financial institution during the last five years as per Form-IV.
16. Affidavit from the company affirming, under oath, that the company, has no overdue payment to any financial institution.
17. Affidavit from company's sponsors/promoters, directors, and major shareholders affirming, under oath, that they have no overdue payment to any financial institution. (Specimen attached as Form-V).
18. Application/Declaration of CDS eligibility.
19. A statement containing particulars, dates of and parties to all material contracts, agreements (including agreements for technical advice and collaboration), concessions and similar other documents except those entered into in the normal course of the company's business or intended business together with a brief description of the terms of such agreements.
20. Title deeds of land duly attested by a gazetted officer.
21. Consent Letters from the Financial Advisor, (if any), the share registrar, auditor, expert (if any) and legal advisor (if any).
22. Individual consent letters from all directors, CEO, CFO and secretary of the company for publishing their names in their respective capacity in the Information Memorandum.
23. Any other document/material/information as may be required by the Exchange for its own record or inclusion in the Information Memorandum.
24. Payment of applicable fee and charges at the rate, as mentioned in Regulation 5.19. in favor of the Exchange.

Notes:

- i) Scanned copies of all the documents shall be certified by the Company Secretary/CEO.
- ii) Such scanned documents relating to regulatory authority as specified by the Exchange shall also be certified from the concerned Company Registration Office or concerned Regulatory Authority.
- iii) Warranties, representations, declarations, affidavits and undertakings on stamp papers shall also be submitted in hard form.

FORM II

UNCONDITIONAL UNDERTAKING ON NON-JUDICIAL STAMP PAPER

Dated: _____

The Board of Directors
Pakistan Stock Exchange Limited
KARACHI.

UNDERTAKING

We undertake, unconditionally, to abide by the Direct Listing Regulations and all other applicable Regulations, Directions, Decisions, Notices, Guidelines, Clarifications and Circular of the Pakistan Stock Exchange Limited, which presently are, or hereinafter may be in force.

We further undertake:

- (1) That our shares and securities shall be quoted on the Ready Delivery Contract Market and/or the Futures Counter at the discretion of the Exchange;
- (2) That the Exchange shall not be bound by our request to remove the shares or securities from the Ready Delivery Contract Market and or the Futures Counter;
- (3) That the Exchange shall have the right, at any time to place the company /security in the Defaulters' Segment, suspend trading or remove the said shares or securities for any reason which the Exchange considers sufficient in the public interest;
- (4) That such provisions in the Articles of Association of our company or in any declaration or agreement relating to any other security as are or otherwise not deemed by the Exchange to conform with these Regulations shall, upon being called upon by the Exchange, be amended to supersede the articles of association of our company or the nominee relating to the other securities to the extent indicated by the Exchange for purposes of the amendment and we shall not raise any objection in relation to a direction by the Exchange for such amendment;
- (5) That none of the directors, sponsors and substantial shareholders of the company has been a sponsor or substantial shareholder in any company, which:
 - (i) is in the Defaulters' Segment;
 - (ii) was de-listed by the Exchange due to its non-compliance of any applicable provision of these Regulations; or
 - (iii) whose TRE Certificate has been cancelled or forfeited by the Exchange, PMEX or any other registered stock exchange of Pakistan that existed prior to integration of stock exchanges pursuant to Integration Order number 01/2016 dated January 11, 2016, issued by the Commission due to non-compliance of any applicable rules, regulations, notices, procedures, guidelines etc.
- (6) That none of the sponsors, substantial shareholders, directors or management of the company as well as the company itself or its associated company/entity have been found guilty of being engaged in any fraudulent activity. The company has made full disclosure regarding any/or all cases in relation to the involvement of the person named above in any alleged fraudulent activity which is pending before any Court of Law/Regulatory Body/Investigation Agency in or outside of the country; and
- (7) That our company and/or the security may be delisted by the Exchange in the event of non-compliance and breach of this undertaking.

Yours faithfully,

(Signature of Authorized Person)

FORM III

UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

Dated: _____

We, (name of CEO), the chief executive officer, and (name of CFO), the Chief Financial Officer of (name of company), certify that:

1. This Information Memorandum (IM) contains all information with regard to the company, and the Direct Listing, which is relevant and material in the context of the offer and nothing material has been omitted, withheld or concealed in this respect;
2. The information contained in this IM is true and correct to the best of our knowledge and belief, and we have made necessary and diligent internal inquiries to prepare the same;
3. The opinions and intentions expressed therein are honestly held;
4. There are no other facts, the omission of which makes this IM as a whole or any part thereof misleading; and
5. No charges, fee, expenses, payments etc. have been committed to be paid to any person in relation to this Direct Listing except for those as disclosed in the IM.
6. The company shall abide by the Direct Listing Regulations and all other applicable Laws, Rules, Regulations, Directions, Decisions, Notices, Guidelines, Clarifications and Circulars of the Pakistan Stock Exchange Limited, which presently are, or hereinafter may be in force.

For and behalf of
(Name of Company)

-s/d-

(Name of CEO)
Chief Executive Officer

-s/d-

(Name of CFO)
Chief Financial Officer

FORM IV

Dated: _____

DECLARATION

We, the undersigned, hereby declare, represent and warrant pursuant to this Chapter:

- (1) that Company complies with the governing laws and regulations of the Exchange;
- (2) that all of the permissions, authorizations and licenses required for carrying out the business activities of our Company and all of the certificates which we are liable to hold pursuant to the laws and regulations applicable on our Company are existing;
- (3) that there does not exist any material legal disputes which may affect the production and activities of our Company; and
- (4) that loan amounting to Rs. 500,000 or more written-off by a financial institution during the last five years was Rs.....

Authorised Signatories

Authorised Signatories

FORM V

Dated: _____

AFFIDAVIT

We hereby affirm under the oath that _____, the Company, its directors, sponsors/promoters and major shareholders have no overdue payment to any financial institutions.

Authorised Signatories

Authorised Signatories

SCHEDULE - I

CONTENTS OF INFORMATION MEMORANDUM

**NOTE: THIS IS A GUIDELINE FOR FINANCIAL ADVISOR AND THE COMPANY.
THE EXCHANGE SHALL NOT BE RESPONSIBLE FOR MONITORING COMPLIANCE WITH THIS SCHEDULE**

The Information Memorandum ("IM") prepared with respect to the sale of shares and Direct Listing under Chapter 5D of PSX Regulations shall contain at least the following information/disclosures:

On the cover page, the following shall be disclosed:

- (a) A disclaimer in bold letters stating that, "This is not an IM for an offer of shares to the general public, but a document prepared for the purpose of selling shares only to Accredited Investors. This IM has not been approved by the Securities and Exchange Commission of Pakistan (the "Commission") or the Pakistan Stock Exchange Limited (the "Exchange");
- (b) Reference price of the shares to be listed at the Exchange and a description of how the reference price is derived;
- (c) Floor price in case of book building method and Justification for floor price.
- (d) In case of direct listing involving accredited investors, offer size and name of offerors.
- (e) Detailed description of potential risks associated with Direct Listing;
- (f) In case the company has reported a loss from its core business activities as per its latest audited financial statements, the company shall:
 - i) include a business plan to turnaround the company into a profitable venture; and
 - ii) disclose the following on the cover page of the Information Memorandum in bold language:

"This is a loss-making company. The risks associated with loss making companies are comparatively much higher than profitable companies. The prospective Accredited Investor should, therefore, be aware of the risk of investing in such companies and should make the decision to invest only after careful due diligence. It is advisable to consult an independent investment advisor before making any such investment."
- (g) A statement in bold letters stating that, "The Company and Board of Directors of ... (Name of the Issuer) ... accept responsibility for accuracy of the information contained in this document";
- (h) Name of the company;
- (i) Address of the company;
- (j) Date of incorporation;
- (k) Information regarding the website address of the company;
- (l) Name of group and associated companies;
- (m) The capital structure of the company/name of sponsors and major shareholders along with their shareholding;
- (n) Name of Chairman, Directors, Chief Executive Officer and Senior Management Officers of the company;
- (o) Profile of the management of the company including all the members of the Board of Director, the Chief Financial Officer and the Company Secretary;
- (p) Details about the company;
 - i) Introduction;
 - ii) Principal business;
 - iii) Type of share capital issued and voting rights;
 - iv) Company operating segment;
 - v) Company market share;
 - vi) Basic information about the industry the company belongs to, key players in the industry, basic raw material used by the company, if any, and list of supplier thereof, main clients and main competitors of the company;
 - vii) Risk(s) faced by the company;
 - viii) Past financial performance - past financial highlights of the company including key financial ratios like Debt to Equity Ratio, Current Ratio, Return on Equity, Return on Assets, Earning Per Share, Break-Up Value per Shares, Break-Up Value per Share excluding surplus on revaluation, if any, created upon revaluation of fixed assets and intangible assets if any etc. in tabular form;
 - ix) Details of the financial facilities obtained by the company and major covenants
 - x) Name of creditors along with contact details;
- (q) Profit distribution policy;
- (r) Pending litigations and contingent liabilities;
- (s) Projected 3 years financials, along with a disclaimer that the actual financial performance of the company may vary as a result of changing macro – economic conditions, and other factors;
- (t) Salient features of the issue like issue size, the face value of share etc.;
- (u) Justification for premium/ par;
- (v) Rights of the shareholders like the right to vote, dividend etc.;
- (w) Summary of all the material contracts relating to Direct Listing, if any;
- (x) Details of any restrictions placed by any regulatory body, lender, stakeholder, on the distribution of profits, transfer of securities, pledging of assets, issuance of corporate guarantee etc. duly certified by the oath commissioner.
- (y) Mechanism for book building where applicable.
- (z) Procedure for investment.

ANNEXURE-A

BOOK BUILDING METHOD:

Book building is a mechanism of price discovery of equity shares through Bidders who make Bids at Floor Price or within the Price Band. Bids received are listed in descending order of price evidencing demand at different price levels at Floor Price or within the Price Band. A Strike Price is arrived at through Dutch Auction Method.

DUTCH AUCTION METHOD:

Dutch Auction method means the method through which the price is determined by arranging all the bid price 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 bid price to the extent that the total number of shares offered under the Book Building portion is subscribed.

CRITERIA FOR BOOK BUILDING:

Book Building for the purpose of these Regulations shall be conducted amongst the accredited Investors subject to the following conditions:

- i. The offer size shall be based on free float requirements specified in Regulation 5D.3.
- ii. The bid size for each initial subscriber shall be Rs. 100,000.
- iii. The Book Runner shall be appointed to perform the function of Book Building.
Provided that PSX can itself act as book runner for price discovery of equity securities.

BOOK BUILDING PROCEDURE:

- i. Financial Advisor shall decide the Floor Price and the Price Band in consultation with the company.
Provided that if the financial advisor is not appointed than floor price shall be calculated as per methodology given in regulation 5D.7 and price band shall be decided by the company.
Provided further that the upper limit of the price band should not be more than 40% of the Floor Price.
- ii. Financial Advisor or the company shall provide the justification of the floor price and the price band in the Information Memorandum.
- iii. PSX book building system shall be used for discovery of opening price.
- iv. The Company or the Financial advisor, if any shall place copy of the Information Memorandum at least 2 days before the start of the book building on its website and the websites of the Book Runner, Securities Exchange etc.
- v. The Book Runner shall provide a mechanism for registration of the bidders.
- vi. The Book Runner shall make all necessary arrangements for receiving bids and the instruments evidencing payment of the bid money.
- vii. The Book Runner shall put in place a mechanism to enter details of the Bidders into the SYSTEM.
- viii. Once details of the bidders are entered into the System, the Designated Institution i.e. PSX shall assign and communicate password and user ID to the bidders enabling them to directly place the bid and revise the bid upward only, if required.
- ix. The bidding shall remain open for at least one working day.
- x. 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.
- xi. On the request of the Company, Book Building period shall be extended by the PSX.
- xii. At the end of Bidding period, designated institution shall determine the strike price based on Dutch Auction method.
- xiii. Strike price determined through book building shall be opening price of shares in secondary market.

PROCEDURE FOR BIDDING:

- i. The bid placed by the investor shall be of minimum Rs. 100,000.
- ii. The Book Runner shall collect full amount of the bid money as margin money in respect of bids placed by the investors.
Provided that Book Runner may waive the margin requirements at its own discretion.
- iii. The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. on all days of the Bidding Period.
- iv. 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.
- v. The bidders can revise the bids upward till 05:00 p.m. on the last day of the Bidding Period.
- vi. The Designated Institution 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 offered. The order book should also show the revised bids. The order book shall be accessible through websites of the Designated Institution, Book Runner, Financial Advisor, if any and the Securities Exchange.
- vii. At the close of the bidding period, Strike Price shall be determined on the basis of Dutch Auction Method by the Designated Institution.
- viii. The bidders who have made bids at prices above the Strike Price shall be allotted shares at the Strike Price.
- ix. 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.
- x. The successful bidders shall be issued securities in the form of book-entry to be credited in their CDS account. All the bidders shall, therefore, provide number of their CDS account in the bid application.

RESTRICTION ON BIDDERS:

The bidder shall not –

- i. Make bid below the Floor Price and above the upper limit of the Price Band;
- ii. Make bid for more than 20% of the shares allocated under the Book Building Portion;
- iii. Make consolidated bid;
- iv. Make more than one bid either severally or jointly;
- v. 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; or
- vi. Withdraw the Bid.

RESPONSIBILITY OF THE BOOK RUNNER:

The Book Runner to the Issue shall be responsible to:

- i. Ensure that necessary infrastructure and electronic system is available to accept bids and to undertake the whole Book Building in a fair, efficient and transparent manner.
- ii. Use the software provided by the Designated Institution for the Book Building.
- iii. 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.
- iv. Ensure that the bidders can access to the System and can revise their bids electronically using the user ID and the password.
- v. Maintain record of all the bids received.